

Schedule 1
FORM ECSRC – K
ANNUAL REPORT
PURSUANT TO SECTION 98(1) OF THE SECURITIES ACT, 2001

For the financial year ended October 31st, 2019

Issuer Registration number
RBTT 14112001KN

RBTT BANK (SKN) LIMITED

(Exact name of reporting issuer as specified in its charter)

NEVIS

(Territory of incorporation)

CHAPEL STREET, CHARLESTOWN, NEVIS

(Address of principal office)

REPORTING ISSUER'S:

Telephone number (including area code): 1 (869) – 469 - 5277

Fax number: 1 (869) – 469 - 1493

Email address: _____

(Provide information stipulated in paragraphs 1 to 14 hereunder)

Indicate whether the reporting issuer has filed all reports required to be filed by section 98 of the Securities Act, 2001 during the preceding 12 months

Yes

No

Indicate the number of outstanding shares of each of the reporting issuer's classes of common stock, as of the date of completion of this report.

CLASS	NUMBER
Ordinary Shares of no Par Value	5,001,222
Class 'A' Ordinary Shares of no Par Value	1000

SIGNATURES

A Director, the Chief Executive Officer and Chief Financial Officer of the company shall sign this Annual Report on behalf of the company. By so doing each certifies that he has made diligent efforts to verify the material accuracy and completeness of the information herein contained.

The Chief Financial Officer by signing this form is hereby certifying that the financial statements submitted fairly state the company's financial position and results of operations, or receipts and disbursements, as of the dates and period(s) indicated. The Chief Financial Officer further certifies that all financial statements submitted herewith are prepared in accordance with International Accounting Standards consistently applied (except as stated in the notes thereto) and (with respect to year-end figures) including all adjustments necessary for fair presentation under the circumstances.

Name of Chief Executive Officer:

Isaac Solomon

Name of Director:

Chad Allen

SIGNED AND CERTIFIED

SIGNED AND CERTIFIED

February 20, 2020

February 20, 2020

Date

Date

Name of Chief Financial Officer:

Deidre Fung

SIGNED AND CERTIFIED

Signature

28/02/2020

Date

INFORMATION TO BE INCLUDED IN FORM ECSRC-K

1. Business.

Provide a description of the developments in the main line of business including accomplishments and future plans. The discussion of the development of the reporting issuer's business need only include developments since the beginning of the financial year for which this report is filed.

The improvement in the performance was attributable to lower impairment losses, reduction in operating expenses and improved revenue generation.

The bank continues to be very liquid due to low demand for credit and the prevailing low interest investment environment. As such, cost management remains critical to the success of the bank and efforts will be made to look for greater efficiencies and to increase the use of lower cost channels. To combat the low demand for credit, the bank continues to review its product offering in order to align it to client needs. Particularly, the bank seeks to enhance and leverage its digital capabilities in order to become a Digitally-Enabled Relationship Bank.

The bank continues to hold liquidity well in excess of the stipulated reserve requirement by ECCB. There continues to be excess liquidity in the banking system due to low credit demand and limited investment opportunities that fit with the Bank's risk profile.

2. Properties.

Provide a list of properties owned by the reporting entity, detailing the productive capacity and future prospects of the facilities. Identify properties acquired or disposed of since the beginning of the financial year for which this report is filed.

The company owns the property from which it operates in Charlestown, Nevis.

3. Legal Proceedings.

Furnish information on any proceedings that were commenced or were terminated during the current financial year. Information should include date of commencement or termination of proceedings. Also include a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

No matters started during the period. The matter General Business Company v RBTT Bank SKN was completed on September 26, 2019 with a judgment against the Bank in the amount of \$170,569.09 inclusive of interest and costs. The Bank has appealed against the judgment and this appeal is ongoing.

4. Submission of Matters to a Vote of Security Holders.

If any matter was submitted to a vote of security holders through the solicitation of proxies or otherwise during the financial year covered by this report, furnish the following information:

(a) The date of the meeting and whether it was an annual or special meeting.

The Annual Meeting of RBTT Bank (SKN) Limited was held on May 17, 2019.

(b) If the meeting involved the election of directors, the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.

In accordance with Paragraph 4.5.1(a) of By-Law No. 1 of the Company Ms. Rae Debbie Skinner and Mr. Morrice Tyrell be and are hereby re-elected as Directors of the Company for a term from the date of their re-election until the close of the next Annual Meeting following this re-election.

(c) A brief description of each other matter voted upon at the meeting and a statement of the number of votes cast for or against as well as the number of abstentions as to each such matter, including a separate tabulation with respect to each nominee for office.

Other following matters were voted* on by a show of hands and the business was unanimously approved with no abstentions or votes cast against:-

* The following resolutions will be put to the Annual meeting of shareholders held on May 17, 2019:-

1. To review and consider the Audited Financial Statements for the year ended October 31, 2018 together with the Reports of the Directors and the Auditors thereon.
2. To re-elect Directors.
3. To re-appoint Auditors and empower the Directors to determine their remuneration for the ensuing year.
4. To transact any other business of the Company, which may be properly brought before the Meeting.

(d) A description of the terms of any settlement between the registrant and any other participant.

None

- (e) Relevant details of any matter where a decision was taken otherwise than at a meeting of such security holders.

None

5. Market for Reporting issuer's Common Equity and Related Stockholder Matters.

Furnish information regarding all equity securities of the reporting issuer sold by the reporting issuer during the period covered by the report.

None.

6. Financial Statements and Selected Financial Data.

Attach Audited Financial Statements, which comprise the following:

For the most recent financial year

- (i) Auditor's report; and
- (ii) Statement of Financial Position;

For the most recent financial year and for each of the two financial years preceding the date of the most recent audited Statement of Financial Position being filed

- (iii) Statement of Profit or Loss and other Comprehensive Income;
- (iv) Statement of Cash Flows;
- (v) Statement of Changes in Equity; and
- (vi) Notes to the Financial Statements.

7. Disclosure about Risk Factors.

Provide a discussion of the risk factors that may have an impact on the results from operations or on the financial conditions. Avoid generalised statements. Typical risk factors include untested products, cash flow and liquidity problems, dependence on a key supplier or customer, management inexperience, nature of business, absence of a trading market (specific to the securities of the reporting issuer), etc. Indicate if any risk factors have increased or decreased in the time interval between the previous and current filing.

(1) Liquidity Risk - The risk of not having funds available to pay obligations on demand and the effect that could have on the company.

(2) Money Laundering Risk – The risk that the company may inadvertently handle transactions for a customer in contravention of internal and external anti money laundering regulations and the effect this could have on the operations of the company.

(3) Reputation Risk – The risk that an adverse event to the company or any of its affiliates could affect public confidence in the company and its ability to transact business locally, regionally or internationally.

(4) Business Interruption Risk – The risk of a disaster such as a fire, hurricane, earthquake or flood rendering the company unable to continue operations at least in the short term.

(5) Credit Risk – The risk of loss incurring from a large loan or investment.

(6) Market Risk - The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

8. Changes in Securities and Use of Proceeds.

- (a) Where the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved. State briefly the general effect of such modification upon the rights of holders of such securities.

Not applicable.

- (b) Where the use of proceeds of a security issue is different from that which is stated in the registration statement, provide the following:

- Offer opening date (provide explanation if different from date disclosed in the registration statement)

N/A

- Offer closing date (provide explanation if different from date disclosed in the registration statement)

N/A

- Name and address of underwriter(s)

N/A

- Amount of expenses incurred in connection with the offer

N/A

- Net proceeds of the issue and a schedule of its use

N/A

- Payments to associated persons and the purpose for such payments

N/A

- (c) Report any working capital restrictions and other limitations upon the payment of dividends.

Not applicable

9. Defaults upon Senior Securities.

- (a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund instalment, or any other material default not satisfied within 30 days, with respect to any indebtedness of the reporting issuer or any of its significant subsidiaries exceeding 5 per cent of the total assets of the reporting issuer and its consolidated subsidiaries, identify the indebtedness. Indicate the nature of the default. In the case of default in the payment of principal, interest, or a sinking or purchase fund instalment, state the amount of the default and the total arrears on the date of filing this report.

Not applicable.

- (b) If any material arrears in the payment of dividends have occurred or if there has been any other material delinquency not satisfied within 30 days, give the title of the class and state the amount and nature of the arrears or delinquency.

Not applicable

10. Management's Discussion and Analysis of Financial Condition and Results of Operation.

Discuss the reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations during the financial year of the filing. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated.

The Management's Discussion and Analysis should disclose sufficient information to enable investors to judge:

1. The quality of earnings;
2. The likelihood that past performance is indicative of future performance; and
3. The issuer's general financial condition and outlook.

It should disclose information over and above that which is provided in the management accounts and should not be merely a description of the movements in the financial statements in narrative form or an otherwise uninformative series of technical responses. It should provide management's perspective of the company that enables investors to view the business from the vantage point of management.

The discussion should focus on aspects such as liquidity; capital resources; changes in financial condition; results of operations; material trends and uncertainties and measures taken or to be taken to address unfavourable trends; key performance indicators; and non-financial indicators.

General Discussion and Analysis of Financial Condition

For the financial year ended October 31 2019, RBTT Bank (SKN) Limited (the Bank) reported a net loss of \$1.5 million representing an improvement of \$3.9 million compared to the prior year loss of \$5.4 million. Impairment losses on loans and advances declined by \$2.8 million which was accompanied by lower non-interest expenses of \$2.0 million and higher revenue of \$0.9 million. These were partially offset by higher taxes from deferred tax credit in the prior year.

Total assets declined by \$7.1 million to \$71.5 million as at the end of fiscal 2019, primarily from a decline in loans and advances to customers of \$7.1 million and a lower deferred tax asset. On the funding side, amounts due to affiliated companies declined by \$3.1 million primarily from a lower correspondent bank balance and customer deposits were \$1.7 million lower year-on-year.

Gross loans totaled \$39.0 million at the end of 2019, \$6.9 million or 15.1% below the prior period. Mortgages amounted to \$30.2 million, down \$2.7 million or 8.2%, Commercial/Corporate loans also declined by \$2.2 million or 26.8% and Retail balances were \$2.0 million or 42.6% lower year-over-year. Gross deposits declined by \$1.7 million or 3.8% to \$42.9 million in 2019 from \$44.6 million in 2018 mainly from a decline in consumer balances of \$2.2 million.

Liquidity and Capital Resources

Provide a narrative explanation of the following (but not limited to):

- i) The reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations.
- ii) Any known trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, the issuer's liquidity increasing or decreasing in any material way. If a deficiency is identified, indicate the course of action that the reporting issuer has taken or proposes to take to remedy the deficiency.
- iii) The issuer's internal and external sources of liquidity and any material unused sources of liquid assets.
- iv) Provisions contained in financial guarantees or commitments, debt or lease agreements or other arrangements that could trigger a requirement for an early payment, additional collateral support, changes in terms, acceleration of maturity, or the creation of an additional financial obligation such as adverse changes in the issuer's financial ratios, earnings, cash flows or stock price or changes in the value of underlying, linked or indexed assets.
- v) Circumstances that could impair the issuer's ability to continue to engage in transactions that have been integral to historical operations or are financially or operationally essential or that could render that activity commercially impracticable such as the inability to maintain a specified level of earnings, earnings per share, financial ratios or collateral.
- vi) Factors specific to the issuer and its markets that the issuer expects will affect its ability to raise short-term and long-term financing, guarantees of debt or other commitment to third parties, and written options on non-financial assets.
- vii) The relevant maturity grouping of assets and liabilities based on the remaining period at the balance sheet date to the contractual maturity date. Commentary should provide information about effective periods and the way the risks associated with different maturity and interest profiles are managed and controlled.
- viii) The issuer's material commitments for capital expenditures as of the end of the latest fiscal period, and indicate the general purposes of such commitments and the anticipated source of funds needed to fulfil such commitments.
- ix) Any known material trends, favorable or unfavorable, in the issuer's capital resources, including any expected material changes in the mix and relative cost of capital resources, considering changes between debt, equity and any off-balance sheet financing arrangements.

Discussion of Liquidity and Capital Resources

The Banks' liquidity position remains stable with a healthy customer deposit base and independence from inter-company or inter-bank borrowings. In the event that additionally funding needs arise, the Bank continues to enjoy easy access to inter-company borrowings to meet liquidity needs.

Additionally, the Bank continues to meet and exceed the Weekly Reserve Requirement mandated by the Banking Act, without issue given the excess liquid resources on the books.

The bank continues to be above the regulatory requirements for Capital Adequacy with a ratio of 92.65% versus a requirement of 8%.

There are no capital commitments planned for 2020.

Off Balance Sheet Arrangements

Provide a narrative explanation of the following (but not limited to):

- i) Disclosures concerning transactions, arrangements and other relationships with unconsolidated entities or other persons that are reasonably likely to materially affect liquidity or the availability of, or requirements for capital resources.
- ii) The extent of the issuer's reliance on off-balance sheet arrangements should be described fully and clearly where those entities provide financing, liquidity, market or credit risk support, or expose the issuer to liability that is not reflected on the face of the financial statements.
- iii) Off-balance sheet arrangements such as their business purposes and activities, their economic substance, the key terms and conditions of any commitments, the initial on-going relationship with the issuer and its affiliates and the potential risk exposures resulting from its contractual or other commitments involving the off-balance sheet arrangements.
- iv) The effects on the issuer's business and financial condition of the entity's termination if it has a finite life or it is reasonably likely that the issuer's arrangements with the entity may be discontinued in the foreseeable future.

None.

Results of Operations

In discussing results of operations, issuers should highlight the company's products and services, facilities and future direction. There should be a discussion of operating considerations and unusual events, which have influenced results for the reporting period. Additionally, any trends or uncertainties that might materially affect operating results in the future should be discussed.

Provide a narrative explanation of the following (but not limited to):

- i) Any unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from continuing operations and, in each case, the extent to which income was so affected.
- ii) Significant components of revenues or expenses that should, in the company's judgment, be described in order to understand the issuer's results of operations.
- iii) Known trends or uncertainties that have had or that the issuer reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.
- iv) Known events that will cause a material change in the relationship between costs and revenues (such as price increases, costs of labour or materials), and changes in relationships should be disclosed.
- v) The extent to which material increases in net sales or revenues are attributable to increases in prices or to increases in the volume or amount of goods or services being sold or to the introduction of new products or services.
- vi) Matters that will have an impact on future operations and have not had an impact in the past.
- vii) Matters that have had an impact on reported operations and are not expected to have an impact upon future operations
- viii) Off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships that have or are reasonably likely to have a current or future effect on the registrant's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.
- ix) Performance goals, systems and, controls,

Overview of Results of Operations

The Bank's results have shown an improvement over prior year primarily driven by lower impairment losses on loans of \$2.8 million, a reduction in other operating expenses of \$2.0 million, and improved revenue generation - up \$0.9 million.

Cost control remained integral to the Bank's results as staff costs were reduced by \$0.1 million.

The Bank has envisioned that its customers must be able to bank anywhere and at any time that is convenient to them. As such, the Bank will transform itself into a Digitally-Enabled Relationship Bank. It will leverage digital platforms to increase client access and convenience whilst also to reduce costs.

11. Changes in and Disagreements with Auditors on Accounting and Financial Disclosure.

Describe any changes in auditors or disagreements with auditors, if any, on financial disclosure.

None.

12. Directors and Executive Officers of the Reporting Issuer. (*Complete Biographical Data Form attached in Appendix 1 and Appendix 1(a) for each director and executive officer*)

Furnish biographical information on directors and executive officers indicating the nature of their expertise.

13. Other Information.

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC – MC report provided that the material change occurred within seven days of the due date of the Form ECSRC – K report. If disclosure of such information is made under this item, it need not be repeated in a Form ECSRC – MC report which would otherwise be required to be filed with respect to such information.

None.

14. List of Exhibits

List all exhibits, financial statements, and all other documents filed with this report.

Audited Financial Statements as at October 31, 2019
Directors biographical information

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: _____ Position: _____

Mailing Address: _____

Telephone No.:

List jobs held during past five years (include names of employers and dates of employment).
Give brief description of **current** responsibilities

Education (degrees or other academic qualifications, schools attended, and dates):

Use additional sheets if necessary.

APPENDIX 1(a) – BIOGRAPHICAL DATA FORMS

EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF THE COMPANY

Name: _____ Position: _____

Mailing Address: _____

Telephone No.: _____

List jobs held during past five years (including names of employers and dates of employment).
Give brief description of **current** responsibilities.

Education (degrees or other academic qualifications, schools attended, and dates):

Also a Director of the company Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use additional sheets if necessary.

OFFICERS AND KEY PERSONNEL OF THE COMPANY

Name **Chad Allen**

Position: : **Country Manager – St. Kitts & Nevis**

Age: **40 Years**

Mailing Address **C/o RBTT Bank SKN Ltd,**
Chapel Street, Charlestown, NEVIS

Telephone No.: **(869) 662-4487**

List jobs held during past five years. Give brief description of responsibilities. Include names of employers.

August 2015 to Present:RBC St. Kitts & RBTT Bank (SKN) - Country Manager – St. Kitts & Nevis
The Country Manager directly manages the St. Kitts and Nevis operations and is responsible for building marketplace recognition and strengthen competitive position by accelerating revenue growth, through increased product penetration and market share.

June 2014 – August 2015: RBC Antigua – Country Manager - Antigua
The Country Manager directly manages the Antigua Branch. Acts as a single point of integration in country to manage clients, change, local relationships, risk and regulators; is the Lead Integrator accountable for end-to-end market business performance from sales delivery and after sales service through to regulatory management.

April 2011 – June 2014: RBC Jamaica – Branch Manager – Mandeville Branch
Coaching the sales and service teams to consistently deliver a superior client experience by demonstrating the “Living the Client Experience” standards at every point of contact with all clients.

Education (degrees or other academic qualifications, schools attended, and dates):

Chartered Banker MBA- Bangor University-Executive Education

Training workshops- Coaching Excellence, Supervising to Improve Employee Experience, Personal Banker Workshop among others

Certificate in Securities – Jamaica Institute of Management

Also a Director of the company Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use additional sheets if necessary.

Name: **Isaac Solomon**

Position: **Managing Director - Eastern Caribbean**

Age: **56 Years**

Mailing Address: : c/o RBTT Bank Caribbean Limited, 81 South River Road, P O Box 118,
Kingstown, St. Vincent & The Grenadines

Telephone No: (w) 1(758)457- 6320 (c) 1 (784)494-7656 1(758)724-7050

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

-
- October 23, 2013 to Current - Managing Director- Eastern Caribbean - RBC Caribbean Group. The Managing Director (MD) serves as the senior leader in the Eastern Caribbean Market and steward of RBC Caribbean Banking clients, lines of business and functions, employees and communities.

 - January 2012 to October 22, 2013 – Area Vice President – RBTT Bank Caribbean Limited.- St. Vincent & the Grenadines and St. Lucia. The Area vice President directly managed the Kingstown branch and had oversight of the Bequia branch.

 - 2006-2011 – Country Head – RBTT Bank Caribbean Limited- St. Vincent & the Grenadines. Country Head’s role was to develop effective sales force and in market service capability to maximize revenue and provide superior client experience. The role also required leading the implementation of strategic initiatives and market opportunities.
-

Education (degrees or other academic qualifications, schools attended, and dates):

2008- Association of Certified Fraud Examiners – Forensic Accounting – Certified Fraud Examiner

2002- New York State Education Department – Public Accounting - CPA

1994-1996 - University of London – Financial Management – Master of Science

1985-1988 - University of the West Indies – Management Studies – Bachelor of Science

Also a Director of the company Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use additional sheets if necessary.

Name: **Ms. Rae Debbie Skinner**

Position: : REGIONAL SALES ADVISOR –
COMMERCIAL & CAPITAL MARKETS

Age: **62 Years**

Mailing Address: 9 Sunset Drive, Pine Gardens, St. Michael, Barbados

Telephone No.: (T) 246 457 4057 (C) 246 243 2074

(F) 246 426

List jobs held during past five years. Give brief description of responsibilities. Include names of employers.

March 2015 to Present – Regional Sales Advisor – Commercial & Capital Markets

January 2011 to March 2015 – Market Head - Business Banking, Barbados & Eastern Caribbean. Primarily responsible for growing and developing strong relationships with the Bank’s business banking clients. Also to provide sound financial advice and solutions to clients, as well as understand and satisfy their needs and provide a high level of customer service

2010 to 2011 – Vice President, Business Banking. Responsible for the commercial banking business of both RBTT and RBC Barbados.

2008 to 2010 – Royal Bank of Canada - Manager, Commercial Financial Services

Education (degrees or other academic qualifications, schools attended, and dates):

Manchester College - Associates Degree – Accounting and Business Administration

Yale University, CT USA - BA Economics (Hons)

University of the West Indies –Institute of Business - EMBA

Also a Director of the company Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use additional sheets if necessary.

7. DIRECTORS OF THE COMPANY

Information concerning non-Executive Directors:

Name: Cartwright Farrell

Position: CEO, St. Kitts Electricity
Company Limited

Age: 58 Years

Mailing Address: Cades bay, Clifton Estates, St. Thomas, Nevis

Telephone No.: : (869) 469 1801(h) (869) 762 4401 (c)

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

Nov 2013 to present: Chief Executive Officer - St. Kitts Electricity Company Limited

2000 to present: Partner - GECS Engineering and Consultancy Limited.

2007 to 2013: General Manager – Nevis Electricity Company Limited

Education (degrees or other academic qualifications, schools attended, and dates):

MBA – Manchester Business School, Manchester University, 2008

Bachelor of Engineering, Electrical and Electronics Engineering, Staffordshire University, 1991

Use additional sheets if necessary.

Name: Morrice Tyrell

Position: Director of Trade

Age: 72 Years

Mailing Address: P. O. Box 7224

Charlestown, Nevis, West Indies

Telephone No.: (869) 469-2086 (H), (869) 662-5693 (c)

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

Director of Trade, Nevis Island Administration – Responsible for developing government’s International Trade Policy.

Auditor, Miami-Dade Transit – Responsible for internal audit functions, and liaison with external auditors as well as other County departments.

Education (degrees or other academic qualifications, schools attended, and dates):

Master of Business Administration – University of the Virgin Islands 2003

Master of Accounting – Florida International University - 2002

Use additional sheets if necessary.