

EASTERN CARIBBEAN HOME MORTGAGE BANK 23rd BOND ISSUE



Second Addendum to the Bond Terms and Conditions

The purpose of the Second Addendum is to notify the public of the following changes to the Prospectus for the 2nd Tranche of ECHMB's 23rd Bond Issue, first published in November 2011.

Notice to the Investors

This is the Second Addendum to the Prospectus first published in November 2011.

1.0 General Information of the Bond Issue

Registered Office	:	ECCB Agency Office, Monckton Street, St George's Grenada
Arranger & Lead Broker	:	First Citizens Investment Services Limited
Address	:	No 9 Brazil Street Castries Saint Lucia
E-mail	:	info@mycmmb.com
Telephone No.	:	1-758-450-2662
Facsimile No.	:	1-758-451-7984
Contact Persons	:	Mrs. Carole Eleuthere-Jn Marie Regional Manager Eastern Caribbean and Barbados Mr. Samuel Agiste Branch Supervisor
Date of Publication	:	August 2012

3.0 Bond Terms and Conditions

Tenors	:	2 nd Tranche changed to 4 years
Coupon Rates	:	Competitive Bid Auction up to a maximum of 4.0%

Issuer Rating	:	Date changed to read "At April 11 th , 2012"
Trading Symbol	:	2 nd Tranche – Number changed to "HMB280916"
List of Licensed Intermediaries who are Members of the ECSE	:	Deleted: - Financial Investment and Consultancy Services Limited

5.0 Title and Denominations

Rate of Interest	:	2 nd Tranche – Competitive Bid Auction up to a maximum of 4.0%
Redemption	:	2 nd Tranche 28 th September 2016

6.0 Risk Factors

Operating Results	:	In the first and second sentences "fifteen (15) years" changed to read "sixteen (16) years " and "eleven (11) years" changed to read "twelve (12) years"
-------------------	---	--

7.0 Company Background Information

7.5 The first two sentences changed to read: - "ECHMB has issued a total of twenty-three (23) Bonds amounting to \$605.8 m and secured a Long Term Loan of \$27.0m. As at 9th August 2012, ECHMB had nine (9) outstanding bonds and a Long Term Loan, amounting in total to \$272.5 m".

9.0 Particulars of Listed and Unlisted Securities Issued Outstanding Securities 9th August 2012

Deleted	-	Fifteenth (15 th) Bond Issue
	-	Twentieth (20 th) Bond Issue
Added	-	Twenty-Third (23 rd) Bond Issue with the following features in sequence of the headings in the Table:- \$27,637,000, 4.0%, 4 years, January 30, 2012, January 30, 2016
Changed	-	Caribbean Development Bank (CDB) Long Term Loan – (a) \$22,500,000 (b) 3.61%
Total	-	Changed to \$272,500,000

10.0 Board of Directors

Deleted - P Bernadette Knight Roberts

Added -

Name: Henry Hazel Position: General Manager Eastern
Caribbean Amalgamated Bank (Antigua0
(2010 – Present)

Mailing Address - 1000 Airport Boulevard
Coolidge, St John's, Antigua

Telephone - 1-268-480-5308

Positions held during the five years:

Senior Director, Banking Supervision, Eastern Caribbean Central Bank

Secretary, Eastern Caribbean Securities Regulatory Commission

Director, Banking and Monetary Operations Department, Eastern Caribbean
Central Bank

Director of Accounting, Eastern Caribbean Central Bank

Education: Certified Public Accountant (CPA) –
Maryland State Board of Public Accountancy

B.A. Degree – Accounting (summa cum laude) –
University of the Virgin Islands

B.A. Degree – Mathematics (summa cum laude) –
University of the Virgin Islands

Other Directorships held by Directors

Deleted - Mrs P Bernadette Knight – Roberts

10.5 Changed to read "For the Year ended March 31, 2012"

11.0 Shareholders

Heading of Table changed to read "Shareholders as at 31 March 2012"

Class E and Class F deleted

Appendix - List of Intermediaries that are Members of the ECSE

- Commonwealth of Dominica - Stephen Lander deleted
- St Kitts - Bank of Nevis-“Lisa Jones”
changed to “Lisa Herbert”
- St Lucia - Financial Investment &
Consultancy Services Limited deleted



SECOND ADDENDUM TO PROSPECTUS

FOR 23rd BOND ISSUE OF \$46,407,000

**BY THE EASTERN CARIBBEAN HOME
MORTGAGE BANK (ECHMB)**

ECCB Complex, Bird Rock

P.O. Box 753

Basseterre

ST KITTS & NEVIS

E-mail: info@echmb.com

Tel: 1 869 466 7869

Fax: 1 869 466-7518

The Prospectus has been drawn up in accordance with the Securities (Prospectus) Regulations 2001. The Eastern Caribbean Securities Regulatory Commission and Eastern Caribbean Central Bank accept no responsibility for the contents of this Prospectus, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss whatsoever arising from or reliance upon the whole or any part of the contents of this Prospectus. If you are in doubt about the contents of this document or need financial or investment advice you should consult a person licensed under the Securities Act or any other duly qualified person who specializes in advising on the acquisition of corporate instruments or other securities.

AUGUST 2012

NOTICE TO INVESTORS

This Second Addendum to the Prospectus is issued for the purpose of giving information to the public.

Statements contained in this Prospectus describing documents are provided in summary form only and such documents are qualified in their entirety by reference to such documents. The ultimate decision and responsibility to proceed with any transaction with respect to this offering rests solely with the investor. Therefore, prior to entering into the proposed investment, the investor should determine the economic risks and merits, as well as the legal, and accounting characteristics and consequences of this Bond offering, and the ability to assume those risks.

This Prospectus and its contents are issued for the Bond issues described herein. Should you need advice, consult an intermediary licensed under the Securities Act or any other duly qualified person who specializes in advising on the acquisition of corporate instruments or other securities. The Prospectus has been delivered to the Commission for approval in accordance with the Securities Act 2001.

This is the Second Addendum to the Prospectus first published in November 2011

1.0 GENERAL INFORMATION ON THE BOND ISSUE

Issuer: Eastern Caribbean Home Mortgage Bank (ECHMB)

Address: ECCB Complex, Bird Rock Road
P.O. Box 753, Basseterre, St. Kitts

Email: info@echmb.com

Telephone No. : 1-869-466-7869

Facsimile No. : 1-869-466-7518

Registered Office: ECCB Agency Office, Monckton Street, St. George's, Grenada

Contact Persons: Duleep Cheddie Chief Executive Officer
Randy Lewis Manager, Corporate Finance

**Arranger
& Lead Broker:** First Citizens Investment Services Limited

Address: No. 9 Brazil Street
Castries
Saint Lucia

Email: info@mycmmb.com

Telephone No. : 1-758-450-2662

Facsimile No. : 1-758-451-7984

Contact Persons: Mrs. Carole Eleuthere-Jn. Marie Regional Manager Eastern
Caribbean and Barbados
Mr. Samuel Agiste Branch Manager

Date of Publication: August 2012

Purpose of Issues: To redeem the following Bonds:-
15th \$ 6,450,000)
20th \$21,187,000)
14th \$18,770,000)

Amount of Issues: Forty six million, four hundred and seven thousand dollars
(\$46,407,000).

3.0 BOND TERMS AND CONDITIONS

<u>Issuer</u>	:	Eastern Caribbean Home Mortgage Bank ("ECHMB")												
<u>Instrument Type</u>	:	Secured Fixed Rate (Tax-Free) Bond ("The Bond").												
<u>Auction Dates & Settlement Dates</u>	:	<table><thead><tr><th></th><th><u>Auction Dates</u></th><th><u>Settlement Dates</u></th></tr></thead><tbody><tr><td>1st Tranche</td><td>27th January 2012</td><td>30th January 2012</td></tr><tr><td>2nd Tranche</td><td>27th September 2012</td><td>28th September 2012</td></tr></tbody></table>		<u>Auction Dates</u>	<u>Settlement Dates</u>	1 st Tranche	27 th January 2012	30 th January 2012	2 nd Tranche	27 th September 2012	28 th September 2012			
	<u>Auction Dates</u>	<u>Settlement Dates</u>												
1 st Tranche	27 th January 2012	30 th January 2012												
2 nd Tranche	27 th September 2012	28 th September 2012												
<u>Issue Dates & Issue Amounts</u>	:	<table><tbody><tr><td>1st Tranche</td><td>30th January 2012</td><td>\$27,637,000</td></tr><tr><td>2nd Tranche</td><td>28th September 2012</td><td>\$18,770,000</td></tr></tbody></table>	1 st Tranche	30 th January 2012	\$27,637,000	2 nd Tranche	28 th September 2012	\$18,770,000						
1 st Tranche	30 th January 2012	\$27,637,000												
2 nd Tranche	28 th September 2012	\$18,770,000												
<u>Tenors</u>	:	1 st Tranche 4 Years 2 nd Tranche 4 Years												
<u>Coupon Rates</u>	:	Competitive Bid Auction up to a maximum of 4.0%												
<u>Over-Allotment Option</u>	:	No Over-Allotment Option												
<u>Registrar, Transfer and Paying Agent</u>	:	Eastern Caribbean Central Securities Registry (ECCSR) ECCB Complex, P.O. Box 94, Bird Rock, Basseterre, St. Kitts.												
<u>Use of Proceeds</u>	:	To redeem the following Bonds: <table><tbody><tr><td>Tranche 1</td><td>No.15</td><td>\$6,450,000</td></tr><tr><td></td><td>No. 20</td><td>\$21,187,000</td></tr><tr><td></td><td></td><td>\$27,637,000</td></tr><tr><td>Tranche 2</td><td>No. 14</td><td>\$18,770,000</td></tr></tbody></table>	Tranche 1	No.15	\$6,450,000		No. 20	\$21,187,000			\$27,637,000	Tranche 2	No. 14	\$18,770,000
Tranche 1	No.15	\$6,450,000												
	No. 20	\$21,187,000												
		\$27,637,000												
Tranche 2	No. 14	\$18,770,000												
<u>Interest Payments & Due Dates</u>	:	Semi-annually in arrears commencing six (6) months after each Issue Date, for the duration of the Bond. If the applicable Interest Payment Date would otherwise fall on a day which is not a Business Day it shall be postponed to the next day which is a Business Day unless it would thereby fall in the next calendar month. In the latter event the Interest Payment Date shall be the date of the immediately preceding day which is a Business Day.												
<u>Principal Repayment</u>	:	Bullet at maturity												
<u>Security</u>	:	Fixed and floating charges on the assets of ECHMB, ranking pari passu with ECHMB's Existing Bonds and the Caribbean Development Bank (CDB) Long Term Loan of US\$10,000,000 pursuant to a Loan Agreement of 31 st January, 2008.												
<u>Issuer Rating</u>	:	At April 11 th 2012, CariCRIS has assigned ratings of CariAA- (Foreign Currency Rating) and CariAA- (Local Currency Rating) on its regional rating scale on the debt issue of the size of US\$30,000,000 of the ECHMB.												

- Minimum Bid and Bid Multiplier** : The Bond will be issued in multiples of \$5,000 and the minimum bid amount is \$5,000.
- Governing Law** : The Issue will be governed according to the laws of Grenada.
- Trading Platform** : Each Tranche of the Bond will be issued on the Eastern Caribbean Securities Market (ECSM).
- Method of Issue** : Uniform Price Auction
- Trading Symbol** : The trading symbols will be:-
1st Tranche HMB300116
2nd Tranche HMB280916
- Bidding Parameters** : Each investor will be allowed one bid with the option to increase the amount of the bid at any time during the bidding period.
- Broker Fees** : Investors can participate in the issue through the services of any of the Licensed Intermediaries, on such terms and such conditions as may be determined by the Intermediary.
- List of Licensed Licensed Intermediaries who are Members of the ECSE** :
- ABI Bank Limited
 - Antigua Commercial Bank Limited
 - Bank of Saint Vincent and the Grenadines Limited
 - ECFH Global Investment Solutions Limited
 - First Citizens Investment Services Limited
 - National Bank of Anguilla Limited
 - National Mortgage Finance Company of Dominica Limited
 - St. Kitts Nevis Anguilla National Bank Limited
 - The Bank of Nevis Limited

Payment Date. "Business Day" means a day on which Commercial Banks are open for business in the Federation of St Kitts and Nevis.

5.4.3 Rate of Interest

The Rates of Interest are fixed for the duration of the 1st Tranche and the 2nd Tranche of the Bond as determined by a Competitive Bid Auction up to a maximum of 4.0%

5.4.4 Notifications to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Section 4, by the Paying Agent or the Trustee, shall (in the absence of willful default, bad faith or manifest error) be binding on ECHMB, and (in the absence as aforesaid) no liability to the Bondholders shall attach to the Paying Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretion.

5.5. Redemption and Purchase

5.5.1 Redemption

The Bond shall be redeemed on the following dates:-

1st Tranche 30th January 2016

2nd Tranche 28th September 2016

5.5.2 Services of Registrar, Transfer and Paying Agent

Upon purchase of the Bond by investors, the ECCSR will provide the services of Registrar, Transfer and Paying Agent to ECHMB's 23rd Bond Issue. Accordingly, the register of Bondholders will be transferred and maintained electronically by the ECCSR. The ECCSR is a subsidiary of the ECSE. The ECCSR operates in a dematerialized environment.

The ECCSR will send to each Bondholder a notification regarding the Bondholders' investments in ECHMB's Bond and provide them with an update of their ownership every six months. Furthermore, every time there is a movement in the respective Accounts, the ECCSR will send the Bondholders an activity statement confirming the transactions, which will represent certification of ownership.

Bondholders will be given an Investor ID and Registry Account Number. The Investor ID is a nine-digit number followed by a two (2) alpha character country code. All joint holders are required to designate one of the joint holders to have responsibility for operating the Account, or the Account will have to be operated jointly.

5.6 Payments

Payments in respect of the Principal and Interest will be made by cheque drawn on a bank in any of the Eastern Caribbean Territories and by direct deposit to designated accounts. Cheques in respect of interest payments only will be mailed to Bondholders at the addresses appearing in the register of Bondholders.

5.7 Prescription

Any Principal and Interest payable that remains outstanding after the maturity date of the Bond shall be held by ECHMB in trust for the benefit of the Bondholder, for a

6.1 Operating Results

Operating results have been relatively stable over the last sixteen (16) years. In the last twelve (12) years ECHMB has paid annual dividends equivalent to \$10 per share while maintaining consistency in servicing its debt in respect of its outstanding Bond Issues and the CDB Long-Term Loan. The results of ECHMB reflect on the performance of the primary lending institutions, from which it has purchased mortgages, and their capacity to meet the monthly payments on those mortgages. The following are some of the risks associated with investing in ECHMB's Bonds:

6.1.1 Currency Exchange Risk

Foreign exchange risk is the risk that the fair value of the future cash flow of a financial instrument will fluctuate as a result of changes in foreign exchange rates. ECHMB incurs foreign currency risks on transactions that are denominated in a currency other than the functional currency that is the EC Dollar. The main currency giving rise to this risk is the US Dollar, to which the EC Dollar is fixed at the rate of 2.70. At 31st March 2011, ECHMB had the EC Dollar equivalent of US Dollar-denominated Financial Assets of \$28,307,576, and Financial Liabilities of \$27,000,000. ECHMB will continue to institute measures and procedures to manage any risks that may arise.

6.1.2 Liquidity Considerations

Liquidity risk is the risk that an investor may not be able to find a buyer within a reasonable time, and any resale may occur on adverse terms. Liquidity may be an important consideration if ECHMB's Bonds are bought with the intention of selling them before maturity. It is less important if investors intend to hold the Bond until maturity. The said ECHMB Bond will have the services of the ECCSR as Registrar, Transfer and Paying Agent. In that regard, the ECCSR may be able to provide details of investors within the group who are desirous of trading their securities. ECHMB cannot guarantee that the market for resale of the Bond will develop, and become sustainable with sufficient liquidity to allow Bondholders to sell their Bonds. Moreover, even if Bondholders were to be able to sell their Bonds, the returns may not be comparable to similar investments that have a developed market. Licensed Intermediaries have agreed with the ECSE to use their best efforts to facilitate secondary market transactions in ECHMB's Bonds, but the ECSE may discontinue this secondary market support. Consequently there is no guarantee of liquidity.

ECHMB has from time to time facilitated the transfer/repurchase of certain of its Bond or portions of them. But ECHMB provides no assurances of its willingness or ability to repurchase Bonds upon request by an investor. Each Bond Issue has a role in the management of ECHMB's mortgage portfolio. Accordingly, ECHMB must carefully evaluate possible repurchases prior to maturity, and the impact it would have on portfolio management. In the event that a transfer through ECHMB is feasible, ECHMB would give due consideration to facilitate the process.

6.1.3 Market Risk

Market Risk refers to the risk that a security will lose value because of changes in market conditions. The evaluation of market risk depends on an understanding of how an investment will respond to a variety of changes such as the level of interest rate, currency values, and other market factors. The realized value for a debt security which is sold prior to maturity may be more or less than its principal due upon maturity, depending on market conditions at the time of sale. Neither ECHMB nor its Board of Directors can warrant the performance of ECHMB in the future, or the price at which any Bond could be transferred.

- (7.3.1) Correcting cross country imbalances of mortgage credit within ECCU by making funds available to capital deficient areas to finance new mortgage origination;
 - (7.3.2) Allowing primary lenders to originate mortgages for sale rather than to be kept on their books as portfolio investment;
 - (7.3.3) Standardizing mortgage loans thereby attracting investors who traditionally have not invested in the primary market, thus strengthening the market.
- 7.4 The underlying premise of ECHMB's business is to serve as a source of liquidity for commercial banks. But equally important, is the responsibility to serve as an avenue for facilitating home ownership. In that regard, ECHMB has established partnerships with some institutions that have a similar vision of making mortgages more affordable to the consuming public.
- 7.5 ECHMB has issued a total of twenty three (23) Bonds amounting to \$605.8m and secured a Long Term Loan of \$27.0m. As at August 2012, ECHMB has nine(9) outstanding Bonds and a Long-Term Loan amounting in aggregate to \$272.5m. ECHMB is expected to maintain its presence in the capital market, and thereby replenish its capacity to generate new funding for mortgages. So far, most of the Bonds issued have been fully subscribed, and have been taken up primarily by institutional investors such as commercial banks, insurance companies and pension funds, including regional institutions operating outside the jurisdiction of the ECCU. Individuals have also shown interest in the Bonds offered by ECHMB. The steady expansion of the investor base reflects the favorable disposition of taxes in all the member countries of the OECS.
- 7.6 On a broader level, the ECSE and its subsidiary, the ECSRC, have started operating a highly automated regional stock exchange, with supporting infrastructure to facilitate secondary market trading in equity and debt instruments. This initiative provides a platform for creating a secondary market in ECHMB's Bond for the benefit of investors.

8.0 INCORPORATION

- 8.1 The Eastern Caribbean Home Mortgage Bank was established by the Eastern Caribbean Home Mortgage Agreement Act 1994, assented to on 27 May, 1994 by the governments of Anguilla, Antigua and Barbuda, The Commonwealth of Dominica, Grenada, Montserrat, Saint Christopher and Nevis, Saint Lucia and Saint Vincent and the Grenadines (collectively referred to as 'the Member Territories').
- 8.2 ECHMB began commercial operations in April 1996. The Bank has been involved in raising funds on the capital market through the issuance of Bonds and the securing of a Long Term Loan from CDB. The proceeds have been used to purchase mortgages and to provide a facility to primary lenders for originating mortgages.

The purposes of the ECHMB, as described in the Eastern Caribbean Home Mortgage Bank Agreement Act are: -

- 8.2.1 to develop and maintain a secondary mortgage market for residential mortgages in member territories;
- 8.2.2 to contribute to the mobilization and allocation of long term savings for investment in housing;

- 8.2.3 to support the development of a system of housing finance and provide leadership in the housing and home finance industry;
- 8.2.4 to promote the growth and development of the money and capital market;
- 8.2.5 to improve underwriting practices and to promote services and benefits related to such mortgages.

8.3 ECHMB was formally registered in Grenada on 16th September 1996. No Certificate of Incorporation was issued as ECHMB was created by legislative Act and it is the practice in Grenada to file with the Registrar of Companies a copy of the Act, and thereafter all other documents relating to the company. The registered office address of the ECHMB is: ECCB Agency Office, Monckton Street, St. George's; Grenada.

9.0 PARTICULARS OF LISTED AND UNLISTED SECURITIES ISSUED

THE EASTERN CARIBBEAN HOME MORTGAGE BANK					
OUTSTANDING SECURITIES					
9th AUGUST 2012					
Bondholder	Amount	Interest Rate	Maturity Period	Issue Date	Maturity Date
Fifth (5 th) Bond Issue	11,300,000	5.90%	15 years	June 1 1999	June 1 2014
Eleventh (11 th) Bond Issue (Series -3)	5,300,000	6.00%	9 years	Jan 30 2004	Jan 30 2013
Fourteenth (14 th) Bond Issue	18,770,000	5.50%	8 years	Sept 30 2004	Sept 30 2012
Seventeenth (17 th) Bond Issue	16,205,000	6.00%	5 years	Feb 20 2008	Feb 20 2013
Twenty First (21 st) Bond Issue	61,200,000	6.0%	3 Years	July 1, 2010	July 1, 2013
Twenty Second (22 nd) Bond Issue (Tranche1)	24,984,700	6.0%	3 Years	March 24, 2011	March 24, 2013
Twenty Second (22 nd) Bond Issue (Tranche2)	49,560,000	4.72%	3 Years	July 1, 2011	July 1, 2014
Twenty Second (22 nd) Bond Issue (Tranche3)	35,043,300	4.49%	3 Years	August 26, 2011	August 26, 2014
Twenty Third (23 rd) Bond Issue (Tranche 1)	27, 637,000	4.0%	4 Years	January 30, 2012	January 30, 2016
Caribbean Development Bank (CDB) Long-Term Loan	22,500,000	3.66%	12 Years	March 5, 2009	March 5, 2021
TOTAL	272,500,000				

Name: **Henry Hazel**

Position: General Manager, Eastern Caribbean
Amalgamated Bank (Antigua)(2010-Present)

Mailing Address: 1000 Airport Boulevard, Coolidge, P.O. Box 315, St. John's Antigua.

Telephone No.: (268) 480-5308

Positions held during past five years.

Senior Director, Banking Supervision Department, Eastern Caribbean Central Bank

Secretary, Eastern Caribbean Securities Regulatory Commission

Director, Banking and Monetary Operations Department, Eastern Caribbean Central Bank

Director, Accounting Department, Eastern Caribbean Central Bank

Education:

Certified PUBLIC Accountant (CPA) – Maryland State Board of Public Accountancy

B.A. Degree – Accounting (summa cum laude) – University of the Virgin Islands

B.A. Degree – Mathematics (summa cum laude) – University of the Virgin Islands

Name: **Louis A Williams**

Position: Finance Manager-National
Insurance Scheme of Grenada

Mailing Address: P. O. Box 322, Melville Street, St. George's, Grenada

Telephone No.: (473) 440-3309

Positions held during past five years.

Finance Manager-National Insurance Scheme of Grenada

Education:

Licentiate in Accounting-University of Camaguey, Cuba

10.2 Other Directorship held by Directors

Sir K Dwight Venner KBE CBE

- Caribbean Knowledge and Learning Network
- Commission on Growth and Development (Member) (World Bank)
- Eastern Caribbean Securities Exchange
- Institute of Connectivity
- OECS Economic Union Task Force
- UWI Open Campus Council

Gordon Derrick

- Antigua Commercial Bank
- ACB Mortgage & Trust, Antigua
- DSC Promotions Limited, Antigua

Dexter Ducreay

- Roseau Co-operative Credit Union Limited, Dominica

Mr. Louis A Williams

- Gravel, Concrete & Emulsion Corporation, Grenada

Apart from the “Other Directorships held by Directors” listed in this section of the Prospectus, management is not aware of any other material contracts entered into by the Directors and other third parties.

10.3 Summary of Bylaws relevant to Directors

In accordance with Article 27 of Eastern Caribbean Home Mortgage Bank Agreement Act, No.8 of 1995, the following applies:

- (10.3.1) A Director who is in any way interested, whether directly or indirectly in a contract or proposed contract with the Bank or whose material interest in a company partnership, undertaking or other business is likely to be affected by a decision of the Board shall disclose the nature of his interest at the first meeting of the Board at which he is present after the relevant facts come to his knowledge;
- (10.3.2) A disclosure under paragraph (1) of this article shall be recorded in the minutes of the meeting and after the disclosure the director making it shall not vote on the matter, unless the Board otherwise directs, shall not be present or take part in the proceedings of any meeting at which the matter is being discussed or decided by the Board;
- (10.3.3) A Director shall be treated as having an interest in a contract or proposed contract with the Bank in any matter with which the Bank is concerned if he is director, shareholder, agent or employee of the company or undertaking that is a party to the contract or proposed contract with the Bank or where his spouse, parent, child, brother, or sister or the parent, child, brother or sister of his spouse holds an interest in the company or undertaking;
- (10.3.4) For the purpose of this article, a general notice given to the Board by a director to the effect that he is a member of or otherwise associated with a specific company or undertaking and is to be regarded as interested in any contract which may after the date of the notice, be made with that company or undertaking shall be deemed to be a sufficient declaration of interest in relation to any contract so made

THE RULES OF ECHMB PROHIBIT DIRECTORS FROM TRADING WITH THE COMPANY.

10.4 Internal Relationships

There is no Family Relationship between any Director and member of Staff of the ECHMB.

10.5 Directors Remuneration

For the year ended March 31, 2012 an amount of \$ 78,000 was paid to the Directors.

10.6 Legal Proceedings

There are no pending legal matters.

11.0 SHAREHOLDING

The present shareholders of the ECHMB fall into four (4) categories in accordance with the Eastern Caribbean Home Mortgage Bank Agreement Act, No. 8 of 1995. the authorised capital of the Bank is forty million dollars divided into four hundred thousand shares of one hundred dollars each, in the following classes-

- (a) one hundred thousand Class A shares which may be issued only to the Eastern Caribbean Central Bank;
- (b) sixty thousand Class B shares out of which forty thousand may be issued only to the Social Security Scheme or National Insurance Board and twenty thousand to any Government owned or controlled commercial bank;
- (c) eighty thousand Class C shares which may be issued only to commercial banks, other than a Government owned or controlled commercial bank;
- (d) forty thousand Class D shares which may be issued only to insurance companies and credit institutions;
- (e) forty thousand Class E shares which may be issued only to the International Finance Corporation; and
- (f) eighty thousand Class F shares which may be issued only to the Home Mortgage Bank of Trinidad and Tobago.

SHAREHOLDINGS AS AT 31 MARCH, 2012

CLASS	INSTITUTION	AMOUNT (\$)	PERCENTAGE (%)
A	Eastern Caribbean Central Bank	9,189,920	24.84%
B	Social Security Schemes and National Insurance Boards and Government Controlled Commercial Banks	7,795,940	21.07%
C	Other Commercial Banks	10,829,060	29.27%
D	Insurance Companies and Credit Institutions	9,185,020	24.82%
TOTAL		<u>\$36,999,940</u>	<u>100.0%</u>

The structure of the ECHMB's shareholding fulfils the recommendation that each shareholder has a reasonable chance in participating in the financial and operating policies of the Bank. ECCB is the largest single shareholder and holds 24.84% of the equity of ECHMB.

APPENDIX I - LIST OF LICENSED INTERMEDIARIES

INSTITUTION	CONTACT INFORMATION	ASSOCIATED PERSONS
Anguilla		
National Bank of Anguilla Ltd	P O Box 44 The Valley Tel: 264-497 2101 Fax: 264-497 3870 / 3310 Email: nbabankl@anguillanet.com	Principal Selwyn Horsford Representative Shernika P. Connor Idona Reid
Antigua and Barbuda		
ABI Bank Ltd.	ABI Financial Centre Redcliffe Street St John's Tel: 268 480 2837 / 2824 Fax: 268 480 2765 Email: abibsec@candw.agl	Principals Casroy James Carolyn Philip
Antigua Commercial Bank Ltd.	ACB Financial Centre P O Box 95 St John's Tel: 268 481 4200 Fax: 268 481 4158/ 4313 Email: acb@candw.ag	Principal Peter N Ashe Representative Sharon Nathaniel
Dominica		
National Mortgage Finance Company of Dominica Ltd. (NMFC)	64 Hillsborough Street Roseau Tel: 767 448 4401 / 4405 Fax: 767 448 3982 Email: customersupport@nbd.dm	Principal Caryl Phillip-Williams Linda Toussaint-Peter Representatives Joel Denis Curtis Clarendon
St Kitts and Nevis		
St Kitts Nevis Anguilla National Bank Ltd.	P O Box 343 Central Street Basseterre Tel: 869 465 2204 Fax: 869 465 1050 Email: national_bank@sknanb.com	Principals Winston Hutchinson Anthony Galloway Representatives Marlene Nisbett Petronella Edmeade-Crooke
The Bank of Nevis Ltd.	P O Box 450 Main Street Charlestown Tel: 869 469 5564 / 5796 Fax: 869 469 5798 E mail: info@thebankofnevis.com	Principal Kevin Huggins Brian Carey Representatives Lisa Herbert Vernesia Walters

INSTITUTION	CONTACT INFORMATION	ASSOCIATED PERSONS
		Kelva Merchant
St Lucia		
ECFH Global Investment Solutions Limited	5 th Floor, Financial Centre Building 1 Bridge Street Castries Tel: 758 456 6826 / 457 7233 Fax: 758 456 6733 E-mail : capitalmarkets@ecfhglobalinvestments.com	Principals Beverley Henry Donna Matthew Representatives Dianne Augustin Lawrence Jean \
First Citizens Investment Services	9 Brazil Street Castries Tel: 758 450 2662 Fax: 758 451 7984 Email: stlucia@myFirst Citizens Investment Services .com	Principals Carole Eleuthere-Jn Marie Representative Samuel Agiste
St Vincent and The Grenadines		
Bank of St. Vincent and the Grenadines Ltd.	P O Box 880 Cnr. Bedford and Grenville Streets Kingstown Tel: 784 457 1844 Fax: 784 456 2612/ 451 2589 Email: natbank@svgnbc.com	Principals Keith Inniss Monifa Latham Representatives Patricia John