



**Bank of Saint Vincent
& the Grenadines**
The Bank That Gives Me *more*

ISSUER:

BANK OF SAINT VINCENT AND THE GRENADINES LTD

SUPPLEMENTAL PROSPECTUS

**BANK OF SAINT VINCENT AND THE GRENADINES LTD. STOCK
DIVIDEND**

AS AT MARCH 31, 2017

IMPORTANT DISCLAIMERS

ECSRC Disclaimer

This Supplemental Prospectus has been prepared and delivered in accordance with the Securities (Prospectus) Regulations 2001. The Supplemental Prospectus was first filed with the Eastern Caribbean Securities Regulatory Commission (ECSRC), on March 17, 2017, resubmitted on July 14, 2017 and approved on September 14, 2017. The Supplemental Prospectus was filed pursuant to Part VII, Section 92(3) of the Securities Act Cap. 261 of the Revised Laws of St Vincent and the Grenadines (2009).

The ECSRC accepts no responsibility for the contents of this Supplemental Prospectus, make no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss whatsoever arising from or reliance upon the whole or any part of the contents of this Supplemental Prospectus. Current shareholders and prospective investors should not construe the contents of this Supplemental Prospectus as legal or financial advice. If in doubt about the contents of this document or in need of financial or investment advice, current and prospective investors are advised to consult a person licensed under the Securities Act who specializes in advising on the acquisition of shares or other securities.

Contents of Supplemental Prospectus

This Supplemental Prospectus contains up to date information about the Bank of St Vincent and the Grenadines Ltd (BOSVG). It includes general information on BOSVG, its capital, principal activities, financial position, administration and management and recent developments in the business and prospects. All current shareholders and prospective investors should read this Supplemental Prospectus carefully in its entirety.

This Supplemental Prospectus has been drawn up in accordance with the St. Vincent and the Grenadines Securities (Prospectus) Regulations, 2002.

Copies of this Supplemental Prospectus along with all appended documents will be available free of charge to shareholders and prospective investors who may wish to inspect these documents. Any documents appearing in this Supplemental Prospectus are qualified in their entirety by reference to the complete document.

The information contained in this Supplemental Prospectus is accurate as at the date of publication and shall not imply that there has been no change in the business, results of operation, financial condition or prospects of BOSVG since the date of publication of this Supplemental Prospectus. No person is authorised to provide information or to make any representation with regard to BOSVG other than through this Supplemental Prospectus.

PURPOSE

This Supplemental Prospectus is for the issue of an interim stock dividend for ordinary shares in BOSVG on the Eastern Caribbean Securities Exchange (ECSE). The shares are issued on the terms and conditions contained in this Supplemental Prospectus, and no person has been or will be authorized to give any information or to make any representation with regard to this share issue other than through this Prospectus.

Responsibility for the Contents of this Supplemental Prospectus

This Supplemental Prospectus is issued for the purpose of giving information to current shareholders and prospective investors, both private and institutional, about BOSVG. The Board of Directors of BOSVG accepts full responsibility for the accuracy of the accounting, technical and general information given and confirm that to the best of its knowledge and belief there are no other facts, the omission of which would make any statement in this Supplemental Prospectus misleading.

THE CHAIRMAN'S LETTER

BOSVG successfully listed its shares on the ECSE on June 10, 2016 being the first listed company from St. Vincent and the Grenadines to be listed on the ECSE. This marks a milestone in the history of BOSVG and that of St. Vincent and the Grenadines to be among the thirteen (13) listed companies on the ECSE from across the region. The listing of BOSVG and its registration with the ECSRC requires BOSVG to comply with a number of reporting requirements pursuant to the Securities Act No. 29 of 2001 and its subsidiary legislations, in addition to other legislative requirements concerning the financial industry including the Banking Act. As at the end of 2016, the total number of issued and outstanding shares in BOSVG was 10,000,000 common shares with the following shareholding: ECFH 5,100,000 (51%), St. Vincent and the Grenadines National Insurances Services (NIS) 2,000,000 (20%), The Public including employees of BOSVG 1,687,185 (16.87%) and the Government of St. Vincent and the Grenadines 1,212,815 (12.13%).

In an effort to strengthen the resilience of the banking sector, a new Banking Act was enacted on November 12, 2015 in St. Vincent and the Grenadines. This new Act requires commercial banks to increase its minimum paid up capital from \$5.0M to \$20.0m with the aim to strengthen commercial banks' capital and to preserve the financial stability in the Eastern Caribbean Currency Union (ECCU). To continue BOSVG on a sound financial path and to comply with the new Banking Act, the Board of Directors of BOSVG approved the transfer of Six Million Dollars from retained earnings to issued capital upon approval of the Eastern Caribbean Central Bank. This transaction was facilitated by the approval of the Board of Directors for an interim stock dividend in the amount of \$6,000,000 to all shareholders on record as at February 3, 2017. This increased BOSVG's paid up capital from \$14.7M to the new minimum requirement of \$20.0M. Effective February 6, 2017, the total issued and outstanding shares of BOSVG is 14,999,844.

The new shareholding is outlined under section 10- shareholder profile.

Sir Errol N Allen
Chairman
Board of Directors

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DEFINITIONS AND ACRONYMS

COMPANY/ISSUER	Bank of St. Vincent and the Grenadines Limited (BOSVG)
DPS	Dividend per Share
ECCB	Eastern Caribbean Central Bank
ECFH/Group	East Caribbean Financial Holding Company Limited
ECCU	Eastern Caribbean Currency Union
ECSE	Eastern Caribbean Securities Exchange
EC\$	Eastern Caribbean dollar, the lawful currency of the Eastern Caribbean Currency Union
ECSRC	Eastern Caribbean Securities Regulatory Commission
ECCSR	Eastern Caribbean Central Securities Registry
IMF	International Monetary Fund
IFRS	International Financial Reporting Standards
Licensed Broker-Dealer	Broker-Dealers licensed by the ECSRC which are members of the ECSE
Market Capitalisation	the total value of the tradable shares of a publicly traded company; it is equal to the share price times the number of shares outstanding. As outstanding stock is bought and sold in public markets, capitalization could be used as a proxy for the public opinion of a company's net worth and is a determining factor in some forms of stock valuation. Preferred shares are not included in the calculation.
Substantial Shareholder	In accordance with the section 124 of the Securities Act Chapter 261 of the Revised Laws of Saint Vincent and the Grenadines 2009 a "substantial shareholder", in relation to an issuer, means a person who has an interest in shares of the issuer - (a) the stated value of which is more than 5 per cent of the issued share capital of the issuer: or (b) which entitles the person to exercise or control the exercise of more than 5 per cent of the voting power at a general meeting of the issuer.
UK	United Kingdom
USA	United States of America

CORPORATE INFORMATION

Bank of Saint Vincent and the Grenadines Ltd
Reigate Building
Granby Street
P.O. Box 880
Kingstown
VC0100
ST VINCENT AND THE GRENADINES, VC
Telephone Number: 784 457 1844
Facsimile Number: 758 456 2612

BOSVG, formally the National Commercial Bank (SVG) Ltd, a limited liability company, was incorporated on June 1, 1977 at Kingstown, St. Vincent under Chapter 219 of the Companies Act of 1994; for the purpose of providing commercial banking services. BOSVG is licenced pursuant to the Banking Act of St. Vincent and the Grenadines (No. 4 of 2015).

This Supplemental Prospectus was prepared by:

Bank of St. Vincent and the Grenadines Ltd.
Reigate,
Granby Street, Kingstown,
ST. VINCENT, W.I.

Telephone Number: 784-457-1844
Facsimile Number: 784-456-2612
Email: info@bosvg.com

Contact Persons:

Ms. Monifah Latham	Registered Principal	784-457-1844 ext. 118	mlatham@bosvg.com
Mr. Laurent Hadley	Licensed Representative	784-457-1844 ext. 156	lhadley@bosvg.com
Mrs. Patrica John	Licensed Representative	784-457-1844 ext. 157	pjohn@bosvg.com
Ms. Chez Quow	Licensed Representative	784-457-1844 ext. 156	cquow@bosvg.com
Mrs. Nandi Williams-Morgan	Corporate Secretary	784-457-1844 ext. 125	nwilliams@bosvg.com
Mr. Bernard Hamilton	Country Manager	784-457-1844 ext. 111	bhamilton@bosvg.com
Mr. Bennie Stapleton	Chief Financial Officer	758-456-6147	bstapleton@bosvg.com Bennie.Stapleton@ecfh.com

Auditors:

Ernst & Young

P.O. Box BW 368
Rodney Bay
Gros Islet
St. Lucia
Telephone Number: 1 758 458 4720
Facsimile Number: 1 758 458 4710

Legal Advisers:

Williams & Williams

Chambers, Middle Street
P.O. Box 589
Kingstown
St. Vincent
Telephone Number: 784 456 1757 / 784 528 7029
Facsimile Number: 784 456 2259

Grahame Bollers

Regal Chambers
Second Floor, Regal Building
Middle Street
Kingstown, St. Vincent
Telephone Number: 784 457 2210
Facsimile Number: 784 457 1823

Cardinal Law Firm

114 Granby Street
P.O. Box 401
Kingstown
St. Vincent
Telephone Number: 784 456 1954
Facsimile Number: 784 451 2391

Regulators:

Eastern Caribbean Central Bank (ECCB)
P.O. Box 89
Bird Rock
Basseterre
St Kitts
Telephone Number: (869) 465-2537
Facsimile Number: (869) 466 8954

Eastern Caribbean Securities Regulatory Commission (ECSRC)
ECCB Financial Complex
P.O. Box 1855
Basseterre
St. Kitts
Telephone Number: (869) 465-2537
Facsimile Number: (869) 465-7512

Summary of the issuer's constitution determining its objects:

Main Type of Business the company carries on: *Banking*

Classes and any maximum number of shares the company is authorized to issue:

The company is authorized to issue an unlimited number of common shares of no par value with the rights, privileges, restrictions and conditions set out in section 27 of the Companies Act 1994 of the Laws of St. Vincent and the Grenadines

Restrictions if any on the business the company may carry on:

The Company is restricted from carrying on any business prohibited by the Banking Act of St Vincent and the Grenadines (No. 4 of 2015)

Number (or minimum and maximum number) of directors:

There shall be a minimum of 7 and a maximum of 13 directors

Other provisions:

In the case of an equality of votes on any question submitted to any meeting of the company, the Chairman of the meeting shall on a ballot have a casting vote in addition to any votes to which he may otherwise be entitled.

Number and particulars of listed and unlisted securities not representing share capital:

There are no listed or unlisted securities issued by BOSVG which do not represent share capital.

MISSION STATEMENT

To be customer –focused, innovative and efficient
To be the preferred provider of superior financial products and services through caring, professional staff and appropriate technology
To exceed shareholder expectations and be a catalyst for development

VISION STATEMENT

Deeply rooted in the local community, we are the leaders in delivering a more unique banking experience through quality people, strong relationships, financial strength, sustained growth and integrity.

1) SUMMARY OF ISSUE

Issuer:	Bank of Saint Vincent and the Grenadines Ltd. Reigate, Granby Street, P.O. Box 880, Kingstown VC0 100, St. Vincent and the Grenadines
Class of securities:	Ordinary Shares of BOSVG of no par value
Number of Ordinary Shares Issued:	4,999,844
Market Price per Ordinary Share at offer:	\$8.64
Current Market Price per Ordinary share:	\$8.38
Purpose:	To augment BOSVG's capital to \$20,000,000 in order to comply with the Saint Vincent and the Grenadines 2015 Banking Act
Use of Proceeds:	Paid directly to BOSVG's issued capital account
Underwriting/Guarantee:	This issue was not guaranteed or underwritten by any individual, company, organization or Government
Currency:	Eastern Caribbean Dollars
Settlement / Delivery of shares:	February 6, 2017
Tax Status:	All withholding taxes, duties, assessments or charges, current, will be for the account of individual subscribers.
Subscription Fee:	There are no commissions or brokerage fees associated with this issue. No fees are due to Bank of St. Vincent and the Grenadines Ltd. for this issue.
Stock Dividends:	<p>In an effort to augment BOSVG's paid up capital to \$20,000,000 in accordance with the St. Vincent and the Grenadines 2015 Banking Act, the Board of Directors approved a transfer from retained earnings in the amount of \$6,000,000 to issued capital. To facilitate this transaction, the Board approved an interim stock dividend in the amount of \$6,000,000 to all shareholders on record as at February 3, 2017.</p> <p>The stock dividend issue comprised the allotment of 4,999,844 new shares with entitlements to fractional remainders equivalent to a total of 156 shares payable in cash to the affected shareholders. This represents 1 for 2 stock dividend to shareholders on record date at February 3, 2017. A total of \$1,182.00 will be paid to Shareholders with fractional shares on March 28, 2017 and March 30, 2017.</p>
Rights:	Each ordinary share ranks equally as to capital, dividend and right upon liquidation. At every meeting at which he is entitled to vote, every shareholder, proxy holder or individual authorized to represent a shareholder who is present in person shall have one vote on a show of hands. Upon a ballot at which he is entitled to vote, every shareholder, proxy holder or individual authorized to represent a shareholder shall, subject to the articles, have one vote for every share held by the shareholder.
Redemptions:	There are no rights attached to the redemption of shares

Restrictions:

There are no restrictions on the transferability of the shares being offered.

DESCRIPTION OF SHARES

The shares issued are ordinary shares of BOSVG., and are ranked equally as to capital, dividend and rights upon liquidation and carries one vote at all shareholders' meetings.

These shares are listed on the Eastern Caribbean Securities Exchange (ECSE) and are held in a dematerialised or uncertificated form. As such, no certificates will be issued, rather, shareholders' records are held in book entry form in the electronic registry of the ECCSR, a subsidiary of the ECSE. The ECCSR is the appointed Registry for BOSVG shares and maintains and services shareholders' records on behalf of BOSVG and issue statements to each shareholder annually.

The ECSE serves as the trading platform for the buying and selling of the BOSVG's shares, in the secondary market. Transfers of these shares are therefore subject to the requirements and restrictions of the Eastern Caribbean Central Securities Registry (ECCSR).

BOSVG is regulated by the ECCB under the Banking Act No. 4 of 2015 of St. Vincent and the Grenadines. In accordance with sections 20 (a) of this Act, no person, acting directly or indirectly, alone or together with one or more persons, shall hold or acquire shares in a local licensed financial institution which, together with any existing direct or indirect holdings of that person, would exceed the supervisory threshold of 10, 20 or 50% of the share capital except with the written approval of the ECCB. However, in accordance with section 32, this shall not apply to the Government or to any person who has acquired more than 20% of the total voting rights of all the members of the local licensed financial institution, but no person shall without the consent of the Central Bank, acquire any additional shares which shall have the effect of increasing that person's percentage of the voting rights.

Procedure for Purchase and Sale of Ordinary Shares

The purchase and sale of ordinary shares of members of the public, institutional investors and any other investors may be made by using the services any of the offices of a licensed ECSE-Member Broker-Dealer. The List of Broker/ Dealers is provided in Appendix 2. The purchase and sale of shares must be completed in accordance with the Terms and Conditions of the Broker-Dealer operations procedures and must be lodged with full payment with the licensed ECSE-Member Broker-Dealer.

All Purchase and Sale transactions are irrevocable after submission and when received by a licensed ECSE-Member Broker-Dealer.

A maximum of three joint applicants is allowed for each Purchase transaction. In such a case a primary shareholder will be identified.

As shareholders' records are held in book entry form at the ECCSR, no physical certificate will be issued to shareholders in respect of the shares allotted in this stock dividend issue. The ECCSR, as the Registrar for BOSVG, will forward, by mail, to each shareholder who received the stock dividend details of their new holdings.

There are currently no rights of pre-emption attached to the securities.

Allotment of Stock Dividend

Allotment of the one (1) for two (2) stock dividend to shareholders on record as at February 3, 2017 was processed on February 6, 2017 by the ECCSR.

Total cash distribution in the amount of \$1,182.48 to the affected shareholders was paid on March 28 & 30, 2017 by BOSVG in accordance with shareholders dividend payment instructions.

Letters were sent to all shareholders who were entitled to receive the stock dividend and cash payment informing of the number of shares allotted and cash payment to be received.

2) WHAT ARE SHARES

Shares signify ownership in a company and are used primarily by a company, to raise capital. Shares are usually bought and sold by professional stockbrokers via a stock exchange in a securities market, such as the Eastern Caribbean Securities Market. The Eastern Caribbean Securities Exchange is a regional securities exchange operating in the Eastern Caribbean Securities Market. The ECSE is licensed and regulated by the Eastern Caribbean Securities Regulatory Commission.

The securities market also facilitates the raising of capital via debt instruments such as bonds, and treasury bills. Shares are instruments where individuals and entities can invest in companies. Returns on an investment are never guaranteed since the value of the investment fluctuates in response to market conditions.

There are two types of shares, preferred and common shares. Preferred shares are a class of shares that pay dividends at a fixed rate and are given priority over common shareholders in payment of dividends and repayment of capital should the company fail or wind up. The dividend history of the Bank of St. Vincent and the Grenadines Ltd is shown on page 16 of this prospectus.

3) WHAT IS A STOCK DIVIDEND

A stock dividend is a dividend payment made in the form of additional shares issued to shareholders instead of a cash payment. These shares must be fully paid when issued and the declared amount of the dividend in money value must be added to the stated capital account of the company. Stock dividends may result in some shareholders being entitled to a fraction of a share otherwise known as fractional shares. Fractional shares may or may not be issued by a company as issued fractional shares can cause complications with record keeping, shareholders are not entitled to exercise voting rights or receive a dividend. Where fractional shares are not issued by virtue of a stock dividend, companies instead offer a cash payment to their shareholders.

4) RISKS OF INVESTING

Investors contemplating the purchase of the shares should carefully consider the risk factors below in addition to the other information contained in this Supplemental Prospectus before making an investment.

The occurrence of any of the following events could adversely affect the business, financial condition and operating results as well as adversely affect the value of the Company's shares. The Company is exposed to credit risk, market risk, operational risk, foreign exchange risk, liquidity risk and reputational risk.

Risk Management is carried out by the Management Committee of BOSVG under the policies approved by the Board of Directors. Specific targets, policies and strategies in line with the ECFH's vision are monitored by the Group's Asset/Liability Committee to ensure that the financial performance of BOSVG is maintained while adequately addressing risk.

Future financial results may differ substantially from the historical results presented in this Supplemental Prospectus. There are no guarantees that the Company will be profitable, as past performance is no assurance of future performance(s).

The Company has adopted a proactive approach to reducing its vulnerability to changes in competitive and market conditions and is continuously researching opportunities. Bank of Saint Vincent and the Grenadines Ltd is committed to ensuring its risk exposures are managed and mitigated. The risks explained below are ranked in order of importance. These risks constitute the greatest threats that the investment may be lost in whole or part, or may not provide adequate returns.

Credit Risk

The risk that a counter-party will cause financial loss for the Company by failing to discharge an obligation. Credit risk is the most important risk for the Company's business management and so the Company carefully manages its exposure to credit risk. This risk arises mainly from the Company's lending activities in the form of loans and advances and also from investing activities in the form of debt securities and other financial instruments. There is also credit risk in off balance sheet financial instruments, such as undrawn loan commitments. The Company's risk exposure is monitored and managed by the Credit Risk Management team of ECFH and reports are submitted to the Board of Directors regularly.

Liquidity Risk

The risk stemming from the lack of marketability of the shares so that these shares cannot be bought or sold quickly enough to prevent or minimize a loss.

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 in the level of interest rates, currency values, and other market factors. The realized value for equity securities that are sold may be more or less than the purchase price of the shares, depending on market conditions at the time of sale. Neither the Company nor the Board of Directors can warrant the performance of the Company in the future, or the price at which the shares will be sold.

BOSVG cannot assure potential investors a share price in excess of the purchase price at any time after the date of the Supplemental Prospectus. The shares may not trade at or above the purchase price.

Economic Risk

Customer and consumer demand for BOSVG products may be impacted by recession or other economic downturns in St. Vincent and the Grenadines and other ECCU countries. Similarly, disruptions in financial and credit markets internationally may impact BOSVG's ability to manage normal commercial relationship with its customers.

Currency Exchange Risk

A small portion of the Company's revenues and expenses is generated or incurred in foreign currencies. Although the Eastern Caribbean Dollar is fixed to the United States dollar, the ECD fluctuates against other currencies. Currently the foreign exchange rate risk is minimal as the Company's risk exposure is low.

Other Key Considerations

1. Bank of Saint Vincent and the Grenadines Ltd. has been profitable and has maintained an increasing asset base.
2. Bank of Saint Vincent and the Grenadines Ltd. has strong relationships with regional and international correspondent banks and other financial service providers.
3. The Bank is committed to being innovative and dynamic in modernising its processes in order to increase its operating and cost efficiency levels.
4. The Bank is supported by the strength of its Parent Company ECFH, which is the majority shareholder and has strong brand recognition regionally.
5. There are no major investments in progress outside of regular banking business activity.

Legal or Arbitration Proceedings

There are currently High Court claims against the bank but no arbitration proceedings. These claims are not expected to have a significant effect on the Bank's financial position. These are High Court of Justice cases in the Eastern Caribbean Supreme Court which have not been prosecuted further to date: Claim # 122 of 2011, Claim No. 75/2011, Claim No. 78 of 2008, Claim No. 469 of 2007 and claim No.28/2017.

Directors' Service Contracts

BOSVG contracted Trinity Consulting Limited owned and operated by Director Judith Veira -Consulting Actuary during the financial year 2016 to provide actuarial services for the review of BOSVG's Pension Fund for the financial years ending December 31, 2013 to December 31, 2015. This was not a contract of significance.

Dependence on Intellectual Property Rights and Contracts

BOSVG doesn't dependent on patents or other intellectual property rights, licences or particular contracts, where these are of fundamental importance to BOSVG's business apart from licences and contracts from providers with respect to the Information Technology function of BOSVG.

Directors' Holdings of the Share Capital of the Issuer before & after the issuance of the stock dividend

Table 1

Directors	No. Common Shares Held Before Stock Dividend	No. Common Shares Held After Stock Dividend	Interest
Errol Allen	3,550	5,325	Beneficial
Judith Veira	31,000	46,500	Beneficial
Timothy Providence	60,000	90,000	Beneficial
Godwin Daniel	3,500	5,250	Beneficial
Omar Davis	3,110	4,665	Beneficial

5) DIRECTORS

Profile of Board of Directors

Errol Allen

Profession: Economist
Qualification: MSc. International Economics, BSc. Economics, Accredited Director
Substantive Position: Chairman of the Board
Chairman of the Credit Committee
Chairman of the Human Resources Committee
REAPPOINTED: June 21, 2016

Board Member since: November 2010
Appointed by: ECFH
Nationality: Vincentian

Other Directorships: President of the Eastern Caribbean Institute of Banking and Financial Services, Director SVG Publishers Inc., Chairman of the Caribbean Association of Banking and Financial Institutes, Chairman of the Eastern Caribbean Securities Regulatory Commission and Chairman of the Turks & Caicos Islands Financial Services Commission.

Business experience within the last five years: Retired, Deputy Governor of the Eastern Caribbean Central Bank where he served from 1983 – 2005.

Timothy Providence

Profession: Medical Doctor
Qualification: MBBS, MRCOG, FRCOG
Substantive Position: Director
Member of the Credit Committee
Human Resources Committee
REELECTED: June 21, 2016

Board Member since: July 25, 2013
Appointed by: The Public
Nationality: Vincentian

Other Directorships: Irie Investments, Caribbean Reference Laboratory, Victoria Medical Centre Inc.

Business experience within the last five years: Directorship in the above companies and NCB (now BOSVG)

Judith Veira

Profession: Consulting Actuary
Qualification: BA Hons. Actuarial Science; Fellow of the Society of Actuaries
Substantive Position: Director
Member of the Audit Committee
REAPPOINTED: June 21, 2016

Board Member since: November 2010
Nationality: Vincentian
Other
Directorships: Director, IM Holdings Inc.

Business experience within the last five years: 1997 – Present: Consulting Actuary for private and statutory corporations in St. Vincent and the Grenadines, British Virgin Islands, Saint Lucia and Trinidad & Tobago and Turks and Caicos Islands, 2003-2008: Chairperson and Deputy Chairperson, SVG Postal Corporation, Present: Director – IM Holdings, Present: Director: Trinity Consulting Ltd.

Godwin Daniel

Profession: Agricultural Economist
Qualification: Accredited Director. , BSc. Agriculture, M.Sc. Agricultural Economics
Substantive Position: Director
Chairman of the Audit Committee
REAPPOINTED: June 21, 2016

Board Member since: November 2010
Appointed by: The National Insurance Services
Nationality: Vincentian

Other
Directorships: 2004 -Present - Chairman – National Irrigation Authority

Business experience within the last five years: 1996-Present - Chairman – National Irrigation Authority, 2007-2013, Director – National Properties Limited 2002 – 2011

Andre Iton

Profession: Financial Consultant
Qualification: Bsc. Economics
Substantive Position: Managing Director, Director
REAPPOINTED: June 21, 2016

Board Member since: June 13, 2016
Appointed by: ECFH
Nationality: Vincentian

Other
Directorships: Director Bank of St. Lucia Ltd.

Business experience within the last five years: April 2016 - Present Managing Director East Caribbean Financial Holding Company Ltd. June 2015 – April 2016 – Consultant East Caribbean Financial Holding Company Limited, 2000-2013 Managing Director Financial Integrated Services Limited, Grand Cayman

Lennox Bowman

Profession: Manager
Qualification: MAAT, ACIB
Substantive Position: Director
Member of the Credit Committee and Audit Committee
REAPPOINTED: June 21, 2016

Board Member since: July 25, 2013
Appointed by: The National Insurance Services
Nationality: Vincentian

Other Directorships: Director – National Insurance Services

Business experience within the last five years: Manager General Employees Co-operative Credit Union Ltd.

Andre Chastanet

Profession: Retired Business Executive, Chartered Accountant
Qualification: FCCA
Substantive Position: Director

Board Member since: November 17, 2016
Appointed by: ECFH
Nationality: Saint Lucian

Other Directorships: November 2016 - Chairman ECFH

Business experience within the last five years:
2004 – 2013 Managing Director – Consolidated Foods Ltd, 2013 – 2016 Member – National Competitiveness & Productivity Council, 2012 -2015 – Director St. Lucia Electricity Services, May - December 2015 Chairman National Insurance Corporation

Omar Davis

Profession: Financial & Management Consultant
Qualification: ACCA
Substantive Position: Director of the Board
Member of the Audit Committee
Member of ECFH Governance Committee
REAPPOINTED: June 21, 2016

Board Member since: September 11, 2013
Appointed by: ECFH
Nationality: Vincentian

Other Directorships: Director - Water and Sewerage Company Inc. (WASCO) 2012- Present , Director - St. Jude Hospital- Present , Member of the Labour Tribunal – Present , Director OTN Limited -1998 - Present, Director – OMS Limited – 2000 - Present

Business experience within the last five years: Director – FMC Professional Service Inc.: 2009 – Present, Manager/Consultant - Windward Islands (Winera) Packaging Company Ltd

6) EXECUTIVE MANAGEMENT

Name: Bernard Hamilton
Position: Country Manager
Qualification: MBA, MSc. Economics
Appointed: May 2016
Summary of Responsibilities: Position is responsible for providing strategic leadership for the Bank by working with the Board of Directors and the Executive Management Team to establish and ensure delivery of the agreed work programme outputs and targets for the Bank within agreed budgets and for the development of the Bank's network, systems and strategies, policies, new products and services;

Name: Bennie Stapleton
Position: Chief Financial Officer
Qualification: Certified Internal Auditor, FCCA, and BSc. Accounting
Appointed: September 2009
Summary of Responsibilities: The Chief Financial Officer is responsible for the Bank's fiscal operating results. He engages in strategic planning, prepares, presents and interprets financial reports and provides guidance to senior management on fiscal control and profitability. The CFO assists the Country Manager in finance and accounting policy formulation, attaining the bank's financial goals and ensuring compliance with Bank policies, procedures, legal and regulatory requirements.

Name: Nandi Williams- Morgan
Position: Corporate Secretary
Qualification: GDL, LL.M International Trade Law, BSc. Economics with Law
Appointed: December 2004
Summary of Responsibilities: To provide support to Directors and Senior Executive Management in areas of corporate governance, and corporate legal and administrative matters and ensuring compliance with the statutes and regulations that govern the operations of the bank.

Name: La Fleur Hall
Position: Manager, Risk and Compliance
Qualification: CAMS, MSc. Audit Management and Consultancy, CFFA
Appointed: February 2011
Summary of Responsibilities: To ensure compliance with Bank policies and procedures, and associated regulatory requirements. The Manager is further responsible for ensuring that the Bank remains in compliance with all applicable laws, rules and regulations, governing operations and products;

Name: Cerlian Russell
Position: Senior Manager Business and Operations
Qualification: MBA- General Management, CRU- Certified Mortgage Residential Underwriter
Appointed: March 2010
Summary of Responsibilities: The Business and Operations Manager leads and directs the operations and compliance functions of the Bank, setting goals and formulating procedures to meet and/or surpass the Bank's objectives for shareholder return, customer service and public expectations. The incumbent is responsible for ensuring the highest level of customer service

7) OVERVIEW OF COMPANY

Bank of St. Vincent and the Grenadines Ltd (BOSVG), formerly the National Commercial Bank (SVG) Limited, was incorporated on June 1, 1977 in St. Vincent and the Grenadines and was wholly owned by the Government of St Vincent and the Grenadines. BOSVG is now a subsidiary of the East Caribbean Financial Holdings Limited (ECFH), a holding company incorporated in Saint Lucia. On November 1, 2010, ECFH acquired 51% of BOSVG's shares from the Government of St Vincent and the Grenadines. As at December 31, 2016 the remaining 49% of BOSVG shares are held by; the Government of St Vincent and the Grenadines – 12.13%, the staff of BOSVG and the Public – 16.87% and NIS, St. Vincent and the Grenadines – 20%. This percentage was maintained after the stock dividend issue.

Since its inception BOSVG has engaged in commercial banking activities in St. Vincent and the Grenadines. On June 19, 2009 BOSVG amalgamated with the St. Vincent and the Grenadines Development Bank. Between June 1, 1977 and present, BOSVG developed a multi-branch banking network of branches throughout St. Vincent and the Grenadines with branches in Kingstown, Bequia, Canouan, Union Island, Georgetown, and Barrouallie.

BOSVG provides a full menu of commercial banking services, including deposit accounts, commercial lending; mortgage financing; foreign exchange trading, including bills settlements using its network of correspondent banks; credit and debit cards, wealth management and brokerage services, and convenience banking through its network of Automated Teller Machines (ATM), to both public and private sector clients.

As of December 31, 2016, BOSVG managed assets of EC\$971M, and an equity base of \$106M. BOSVG's customers' deposits for the period ended December 31, 2016 was EC\$716M. On the other hand, BOSVG's loans and advances for the same period was EC\$579M. BOSVG is the only local indigenous commercial bank in St Vincent and the Grenadines.¹

OVERVIEW OF EAST CARIBBEAN FINANCIAL HOLDING COMPANY LIMITED

THE BEGINNING

In 1980, after more than 150 years of banking in Saint Lucia, it was clear the needs of certain segments of the market had not been satisfied. In particular, lower income families and local businessmen did not have ready access to credit. As a result, the Government of Saint Lucia saw it necessary to establish both a commercial and a development bank.

The Government devised a clear strategy to enter the market as a competitor, to gain a share of the lucrative banking business. Profits generated as a result would be used to benefit the country. Accordingly, the Government established the National Commercial Bank of Saint Lucia Limited (NCB) and the Saint Lucia Development Bank (SLDB), as the first banks to be wholly owned by the Government and people of Saint Lucia. The National Commercial Bank of Saint Lucia Limited was incorporated as a Limited Liability Company on October 10, 1980 and on January 5, 1981; NCB opened its doors to serve the public.

On February 25, 1981, the Saint Lucia Development Bank took over the operations of the Housing Development Bank, the Agricultural and Industrial Bank and the lending functions of the National Development Corporation with a Student Loans portfolio.

THE CREATION OF ECFH

In January 2001, the shareholders of Saint Lucia's two leading financial institutions, the National Commercial Bank and the Saint Lucia Development Bank agreed to a merger which gave birth to the East Caribbean Financial Holding Company Limited (ECFH) on July 1, 2001. In October 2001, ECFH and the Bank of Nevis became the first companies to be listed on the ECSE. Currently, in excess of 13.1 million shares are recorded as issued and outstanding for ECFH.

¹ See Table 5 on page 25

Saint Lucia embarked upon a new era in financial services, as ECFH became the island's first full-fledged financial services provider.

ECFH

The Group comprised four subsidiaries: Bank of Saint Lucia Limited, Bank of Saint Lucia International Limited, ECFH Global Investment Solutions Limited and Bank of St. Vincent & the Grenadines Ltd.

However, due to the new company strategy of integration and amalgamation aimed at significant operational cost reductions and greater efficiencies across the group the following events occurred during 2016 - 2017.

1. Vertical amalgamation of ECFH,EGIS and BOSL
2. Divestment of shares in Bank of Saint Lucia International Limited (BOSLIL).

The new amalgamated entity will continue as Bank of St. Lucia Limited. In addition a new Holding Company was incorporated in the name of East Caribbean Financial Holding Company Limited. The changes in structure will not have an impact on the capital market and merchant banking services provided to clients and BOSL will continue to provide select services to BOSLIL.

ECFH Financials 2014-2016 are highlighted on page 29, table 9.

8) BOSVG - THREE YEAR PERFORMANCE ANALYSIS FOR THE PERIOD 2014 -2016

Balance Sheet²

The Bank's total assets stood at EC\$971M in December 2016, compared to \$909M in 2014. The increase in total assets was mainly driven by growth in the deposits portfolio.

During the 2016 financial year, the bank recorded profit before tax of \$7.6M and profit after tax of \$4.9M compared to \$8.1M and \$ 5.9M respectively for the 2015 financial year. In the preceding year 2014, profit before tax was \$8.8M however, after tax profit was impacted by the settlement of outstanding tax liability relating to the 2009-2013 financial years ended at \$3.1M. The reduction in profits before tax in 2016 was primarily related to an increase in loan loss provisioning.

The Bank's deposit portfolio increased from \$651.3M in 2014 to \$715.8M in 2016. Growth in the deposit portfolio was primarily in the categories of savings and demand deposits. Savings deposits increased from \$281M in 2014 to \$334.2M in 2016, while demand deposits increased from \$222M in 2014 to \$247M in 2016. The growth in deposits was fuelled by the introduction of punitive measures instituted by some foreign commercial banks which led to a migration of savings deposits away from these institutions to the indigenous banking and nonbanking sectors.

Deposits from banks were relatively constant over the period, averaging approximately \$40M yearly over the period the three year period.

Total loans and advances remained relatively flat over the three-year period. Loans and advances increased from \$578M in 2014 to \$586M in 2015 but declined to \$579M in 2016. This decline was mainly as a result of a reduction in overdraft balances at the end of the 2016 financial year. However, in 2016 the loan portfolio was tempered by two loan promotion which boosted \$3.4M in loans in an effort to grow the portfolio.

Interest Income³

Interest income grew approximately \$1.4M in 2015 when compared to 2014 and declined marginally by \$0.181M in 2016. There was a reduction of approximately \$0.325M in income from Treasury Bills and Investment Securities which was consistent with the decline in the investment portfolio associated with market conditions that resulted in reduced yield. The overall increase in interest income from 2014 to 2016 was commensurate with the growth in the loans and advances portfolio in the category of mortgage loans.

² See Table 5 on page 25

³ See Table 6 on page 26

Interest Expense³

Total interest expenses were \$22.3M in 2014 declined by approximately \$4.6M over the period despite an increase of \$64.5M in the Bank's deposit base. The reduction in minimum interest rate on savings account was the primary contributory factor to this decline in interest rate in conjunction with other initiatives taken by management to reduce the overall cost of funds.

Competitors

The market in which BOSVG operates is largely defined by the geographic space of St. Vincent and the Grenadines. BOSVG also serves many Vincentians living in North America and the United Kingdom. The Bank has been ranked according to deposits, as the largest commercial bank in St. Vincent and the Grenadines.

BOSVG's market competitors are classified into four groups, which are listed below:

1. Commercial Banks
2. Credit Institutions
3. Credit Unions
4. Building & Loan Association

All market participants compete for deposit funds and the mortgage and personal lending market segments. Currently, only the commercial banks are subject to regulations and oversight by the Central Bank. The Credit Institutions are not subject to the oversight of the Central Bank but are regulated by the Financial Services Authority of St. Vincent and the Grenadines. They are also subject to regulatory requirements by the Credit Union and building and loan legislation.

There are four commercial banks operating in St Vincent and the Grenadines which are listed below:

1. Bank of St Vincent and the Grenadines Ltd. (BOSVG)
2. CIBC First Caribbean International Bank (Barbados) Limited (CIBCFCIB)
3. Bank of Nova Scotia (BNS)
4. RBTT Bank Caribbean Limited (RBTT)

The three competitors of BOSVG are branches/subsidiaries of Canada's three largest banks, namely Canadian Imperial Bank of Commerce (CIBC), Royal Bank of Canada (RBC) and Bank of Nova Scotia (BNS). Consequently, each of the competing commercial banks have access to the resources, including capital, technology, and correspondent relationships of their parent company. Further, CIBC First Caribbean through its legacy Barclays operations is the oldest commercial bank operating in St. Vincent and the Grenadines. Interestingly, BOSVG is the last market entrant of the four commercial banks. As at October 2015, the combined asset base of the four commercial banks in St. Vincent and the Grenadines was \$2.14 billion⁴

The BOSVG's competitors that are categorized as Credit Institutions are as follows:

1. The St. Vincent Co-operative Bank Limited
2. First St. Vincent Bank Limited

The First St. Vincent Bank Limited is a relatively small operation with an asset base of \$23M as at December 31, 2014⁵. The St. Vincent Co-operative Bank Limited commands a respectable segment of the deposit and mortgage markets. Its asset base as at January 2015 was \$173M⁶. Both of these institutions have been operating in the market in excess of 50 years and have considerable goodwill.

⁴ RBTT Bank Caribbean Limited-Summary Financial Statements 2015, Searchlight, February 19, 2016, p.26.

The Bank of Nova Scotia – St. Vincent Branch 2015 Financial Statements, The News, January 29, 2016, p. 8.

First Caribbean International Bank (Barbados)Limited St. Vincent Branch, Summarised Financial Statements, The News, February 26, 2016, p.26

⁵ First St. Vincent Bank Ltd. Financials for the Year Ended December 31, 2014, www.1stvinbank.com/#!/financials/pdhrmr

⁶ St. Vincent Co-operative Bank Limited Financial Statements year ended January 31, 2015, www.svcooperativebank.com/wp-content/uploads/2016/02/FS2015.pdf

The main Credit Unions comprise:

1. General Employees Co-operative Credit Union Limited
2. Kingstown Co-operative Credit Union Limited
3. St. Vincent Union of Teachers Co-operative Credit Union Limited

Over the years, the credit unions have been actively involved in issuing personal loans to its members. During the last decade, credit unions have been granted permission to make mortgages to its members. Although to date the credit unions have not been dominant participants in the mortgage market, these institutions are well positioned to participate in the residential mortgage market as vendor and lender given that these institutions have made substantial investments in properties targeted for residential construction. The main Credit Unions had an asset base as of December 31, 2015 of \$376.6M⁷.

The St. Vincent Building & Loan Association (SVBLA) has been the longest active participant in the residential mortgage market. Also, the SVBLA is a notable competitor in the deposit market. The company's asset base as at December 31, 2015 stood at \$199M⁸.

Regulatory Environment

Bank of Saint Vincent and the Grenadines is required to operate under the following requirements and limitations:

- A minimum requirement capital of EC\$20M
- A reserve fund must be maintained – when the amount of the reserve is less than 100% of paid up capital, an amount not less than 20% of profits must be transferred to the reserve until the reserve and the capital are the same.
- The company is restricted from carrying on any business prohibited by the Banking Act 2015
- The Bank is subject to the requirements of the Securities Act, No. 29 of 2001

Corporate Social Responsibility

The Bank has taken steps to revamp its corporate social responsibility program by identifying targeted projects for which on-going support can be provided. Accordingly, we have forged a number of vital relationships in the areas of sports, youth development, health, and culture and community development for which flag ship programs have been developed and implemented. In addition, we continue to support many other aspects of our community by contributing much needed resources which go a very long way in impacting the lives of our people.

9) OVERVIEW OF RECENT STRATEGIC INITIATIVES & DEVELOPMENTS

Strategic Initiatives

The BOSVG's Board of Directors and management team together with the Eastern Caribbean Financial Holdings Limited have carefully developed a strategic plan 2015-2017 in March, 2015. The plan aims at sustaining profitability through economic cycles by focusing on managing credit risk, expanding its market share and reducing costs to improve its efficiency ratios. Generally, the key components of BOSVG's strategic plan focuses on the institution being "Safe and Sound".

⁷ General Employees' Co-operative Credit Union Limited 2014 Annual Report, www.geccu.com/Resource/agm/GECCU_49th_AGM.pdf

Kingstown Co-operative Credit Union Limited (KCCU) 53rd Annual General Meeting –Reports and Accounts 2014, http://kingstowncreditunion.com/pdf/AGM_Report_2015.pdf

SVG Teachers Co-operative Credit Union Ltd. 36th Annual Report, <http://tccusvg.com/media/1047/annual-report-2014.pdf>

⁸ St. Vincent Building and Loan Association 73rd Annual General Meeting Report, www.svgbla.com/agmBooklet2015.pdf

Significant Recent Developments

The Board of directors of BOSL & BOSVG in January 2017 agreed on a new strategic direction to proceed as standalone entities going forward. The revised strategic plan 2017-2020 for BOSVG continues to articulate as its main focus, a safe and sound strategy which is aligned to the economic realities and challenges confronting small indigenous banks in the OECS.

The key fundamental imperatives facing the stand-alone entity will revolve around the fashioning of a sustainable strategy to cope with the two most disconcerting external threats facing indigenous banks: (1) the relatively slow pace of economic growth and recovery and; (2) the derisking phenomenon and the threat that this poses to the existing corresponding banking relationships. The bank will continue to pursue alternative modes of strategic alliances and partnerships with stronger regional institutions in the very near term.

The governments of St. Lucia and St. Vincent and the Grenadines, with the consent of the Eastern Caribbean Central Bank, mutually agreed that the Government of St. Vincent and the Grenadines would repurchase 31 percent of the 51 percent shares held by East Caribbean Financial Holdings. On June 30, 2017, both parties signed the Sale/Purchase Agreement for the repurchased of the 31 percent representing 4,650,000 shares for EC\$32.3 million.

Accordingly, the ECFH's shareholding in BOSVG as at June 30, 2017 stands at 20 percent and the GOSVG 43 percent following the conclusion of the transaction. Consequently, the Board of Directors of BOSVG would be reconstituted

10) SHAREHOLDER PROFILE

The shareholders of BOSVG before and after the issuance of the stock dividend are the following:

Table 2

Shareholder	NO. of Shares before Stock Dividend	No. of shares after Stock Dividend	Share in %
East Caribbean Financial Holding Limited	5,100,000	7,650,000	51%
Government of Saint Vincent and the Grenadines	1,212,815	1,819,222	12.13%
National Insurance Scheme of Saint Vincent and the Grenadines	2,000,000	2,999,999	20%
The Public & Staff of the Bank of Saint Vincent and the Grenadines	1,687,185	2,530,623	16.87%
Total	10,000,000	14,999,844	100%

11) DIVIDEND POLICY

The Company's policy regarding the payment of dividends will conform to the provisions of the Companies Act of St Vincent and the Grenadines and Banking Act of St Vincent and the Grenadines in all respects. One such provision in the Banking Act of St Vincent and the Grenadines states that no dividend shall be declared, credited or paid from profits if such declaration, credit or payment would result in an impairment of the capital requirements under the Banking Act of St Vincent and the Grenadines.

Bank of Saint Vincent and the Grenadines plans to declare and pay dividends to the holders of ordinary shares each year subject to the restrictions and limitations in the Banking Act. The amount of any dividends so declared will be determined

after reviewing the Company's cash flows, earnings, financial position, debt retirement obligations if any, and other factors including the need to provide for growth and reserves as determined by the Board of Directors.

In April 2012, the Board of Directors approved a policy to retain 50% of the net profits in a general reserve for future expansion and growth as well as enhancement of the Tier 1 capital of the Bank. The other 50% of net profits will be distributed to shareholders as dividends. This retention and dividend policy took effect in 2012. The policy is subject to review from time to time by the Board of Directors.

The Company has declared cash dividends on three occasions during the past three financial years ending December 31st: 2014, 2015 and 2016.

The details of these payments are below:

Dividend History (\$'000)

Table 3

	2016	2015	2014
Total Dividend Paid	2,550	2,900	1,500
Dividend per Share	0.17	0.29	0.15

12) ECONOMIC REVIEW

The Eastern Caribbean Central Bank, September 2016 financial review stated that growth for St Vincent and the Grenadines is still subdued, albeit there were some improvements in the Tourism and Service sectors. The subdued performance was attributed to inflation giving rise to growth in the consumer price index by 1.2% during the period. Notwithstanding, the domestic financial conditions remained favourable and the market experienced a moderate growth in bank deposits and lending to the private sector also protracted. The liquidity position of the banking sector also declined marginally, but remained above the ECCB prudential guidelines. In addition, interest rate margin between loans and deposits widened.

It was also reported that the prospects for St. Vincent and the Grenadines is restrained by a number of downside risks including the impact of weaker growth in the global economy. Conversely, the operation of the new airport and on-going capital investment projects in the Grenadines could create opportunities and attract more construction and improve output in the agriculture and service sectors. In addition, with the threat of global warming there is a possibility of increasing frequency and intensity of natural disasters. If any of these risks materialize, a lower growth outcome is likely to occur.

With respect to Central Government fiscal operations it was estimated that the operations of the government would yield a narrower overall deficit to \$6.4m in 2016 from \$27.0m in 2015, as growth in revenue outpaced that of expenditure. This was due to a shift on the current account from a deficit to a surplus, along with contraction in capital spending. A primary surplus of \$24.2m was recorded in 2016. The total outstanding debt of the public sector was estimated to have risen by 1% (\$15.5m) to \$1.6b at the end of September 2016, relative to the stock at the end of December 2015. Central government outstanding debt at the end of September 2016 accounted for approximately 85.0 per cent of total debt.

Domestic credit declined by 1.3% to \$1.1b during the period under review. Of this total, net claims on the central government fell by 24% (\$26.7m) to \$84.5m, and mostly stemmed from an increase in government's deposits with commercial banks coupled with a reduction in commercial banks' holdings of government securities. There was a notable decline in the net deposit position of non-financial public enterprises by 4.5 % to \$106.6m, attributable to a reduction in deposits. Credit to the private sector rose by \$8.2m (0.8 per cent) at the end of September 2016, largely associated with a 3.1 per cent increase in outstanding loans to households. This expansion was partially offset by a contraction in outstanding loans extended to the business sector which slid by a further 7.2 per cent, following a marginal 0.7 per cent expansion in the previous year. Consistent with the estimated deceleration in the level of economic activity in the review period, total outstanding credit extended to major sectors slowed by 1.0 per cent to \$1.2b.

Liquidity of the commercial banking sector declined during the first three quarters of 2016 but remained at a comfortable level. The ratio of liquid assets to total deposits plus liquid liabilities fell marginally to 44.1% at the end of September 2016 from 44.3 % at the end of December 2015, well above the prudential ratio of 25%. Meanwhile, the loans and advances to deposits ratio declined by 1.4 % to 69.3 %, which was below the maximum prudential threshold of 75.0 to 85.0 %. There was a reduction of 10 basis points in the weighted average deposit rate to 1.82 per cent, as commercial banks continued to make adjustments to deposit accounts following the decision by the Monetary Council to lower the minimum savings rate to 2.0 per cent in May 2015. The banking sector remains sound with relatively high levels of liquidity to support growth in credit. However, the trend towards increasing bank charges and fees by some commercial banks was seen to potentially affect consumer and business confidence and subsequently impact credit for 2016.

13) MONEY LAUNDERING POLICY

The Bank's and its Directors' Code of Conduct do not support money laundering activities. The Bank complies with local and international Anti-Money Laundering rules and regulations and its own board-approved Anti-Money Laundering Policies and Procedures.

The bank maintains a comprehensive compliance programme that encompasses all policies and procedures relating to the services offered to its customers. The Compliance Programme was designed to highlight the risks emanating from money laundering, terrorist financing, fraud, corruption and other relevant risks, and implement measure to mitigate such risks.

14) MATERIAL CHANGES REPORTING

Bank of St. Vincent and the Grenadines Ltd. shall inform its shareholders' by press releases within seven (7) days following the occurrence of a material change in the affairs of the business. A "material change" is a matter that may affect the price of the company's shares, which is likely to affect a shareholder's decision to sell or purchase shares.

15) MATERIAL CONTRACTS

There are currently no material contracts to report.

16) MATERIAL INTEREST

Five directors beneficially own shares in the Company.

17) MATERIAL RELATIONSHIPS

The Company is not aware of any family relationships that exist between any Director and any person who performs an important administrative, management or supervisory function.

18) DIRECTOR REMUNERATION

Table 4

	Aggregate Remuneration Paid	Aggregate Remuneration Payable

2016	241,450	0
2017	16,800	236,725

During the same periods, there were no benefits in kind granted to the Directors.

19)DISCLOSURE OF CONFLICTS OR POTENTIAL CONFLICTS OF INTEREST

The Directors have not reported any conflict of interests or potential conflict of interests to the Board of Directors. However, please refer to directors' service contract above on page 11

20)DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection between 9.00 am and 2.00 pm from Monday to Friday at the Head Office of Bank of Saint Vincent and the Grenadines Ltd and items i –iv may also be inspected at the Companies Registry:

- i. Incorporation documents
- ii. Articles of Amalgamation
- iii. Articles of Association
- iv. Bank of Saint Vincent and the Grenadines Ltd. audited financial statements for the year ended December 31, 2014 and December 31, 2015 and December 31, 2016
- v. Regulatory Licenses
- vi. Shareholder's Agreement

**21) PERFORMANCE FIGURES – BANK OF SAINT VINCENT AND THE
GRENADINES LTD. (BOSVG) & ECFH FINANCIAL HIGHLIGHTS**

AUDITED HISTORICAL PERFORMANCE – BOSVG Consolidated Financial Statements

Table 5 Comparative Statement of Financial Position 2014 - 2016

	As at Dec 31 2016	As at Dec 31 2015	As at Dec 31 2014
	EC\$000	EC\$000	EC\$000
Assets			
Cash and balances with Central Bank	124,259	93,098	117,772
Treasury bills	10,174	10,168	-
Deposits with other banks	140,704	92,331	90,206
Loans and receivables - Loans and advances to customers	578,814	586,006	577,998
- Bonds	10,034	10,033	10,033
Investment securities	42,715	39,250	43,077
Property and equipment	55,558	56,742	58,003
Investment property	2,780	2,565	4,331
Other assets	5,653	7,816	5,914
Income tax recoverable	590	1,180	1,769
Total Assets	971,281	899,189	909,103
Liabilities			
Deferred tax liability	298	434	653
Deposits from banks	40,041	38,841	40,212
Due to customers	715,812	655,935	651,342
Borrowings	46,351	51,065	71,650
Other Liabilities	62,948	49,015	45,779
Total Liabilities	865,450	795,290	809,636
Equity			
Share capital	14,753	14,753	14,753
Reserves	14,753	14,753	14,753
Unrealised gains on investments	1,530	1,634	1,561
Retained earnings	74,795	72,759	68,400
Total Equity	105,831	103,899	99,467
Total Liabilities and Equity	971,281	899,189	909,103

Table 6 Comparative Consolidated Statement of Comprehensive Income 2014 – 2016

	Dec 2016	Dec 2015	Dec 2014
	EC\$000	EC\$000	EC\$000
Interest Income	49,887	50,068	48,641
Interest Expense	(17,642)	(19,413)	(22,245)
Net Interest Income	32,245	30,655	26,396
Impairment losses on Investment Securities	-	(410)	-
Dividend Income	118	75	66
Net Foreign Exchange Trading Income	4,678	4,301	4,595
Other Gains	258	980	1,330
Recoveries / (Impairment losses) on Loans and Advances, net	(6,160)	(3,608)	77
Operating Expenses	(30,991)	(30,862)	(30,748)
Fees and Commissions	7,487	6,934	7,064
Profit before Income Tax	7,635	8,065	8,780
(Provision)/Credit for Income Tax	(2,699)	(2,206)	(5,685)
Profit for the Period	4,936	5,859	3,095
Unrealised (loss)/gain on available for sale financial investments	(104)	73	(143)
Total Comprehensive Income for Period	4,833	5,932	2,952
Earnings per Share	0.49	0.58	0.31

Table 7 Comparative Statement of Cash Flows 2014 – 2016

	Dec 2016	Dec 2015	Dec 2014
	EC\$000	EC\$000	EC\$000
Cash flows from operating activities			
Profit before income tax	7,635	8,065	8,780
Adjustments for:			
Interest income	(3,090)	(3,124)	(3,482)
Interest expense	1,907	2,069	2,094
Dividend Income	(118)	(75)	-
Impairment on investments	-	411	-
Depreciation	2,851	2,941	3,021
Increase/(decrease) in Impairment losses on loans and advances	6,918	3,600	716
Translation exchange gain	293	58	-
Fair value gains	(215)	-	-
Loss on disposal of investment property	-	45	-
Gain on disposal of property and equipment	(43)	(15)	(40)
Cash flows before changes in operating assets and liabilities	16,138	13,975	11,089
Decrease/(increase) in mandatory deposits with Centra Bank	(3,593)	(276)	(3,732)
Decrease/(increase) in loans and advances to customers	(307)	(14,410)	(13,312)
(Increase)/decrease in other assets	2,164	(1,549)	(830)
(Decrease)/increase in due to customers	59,877	4,594	62,202
Increase in deposits from banks	1,199	(1,371)	(2,577)
Increase in other liabilities	13,796	3,237	9,862
Net cash used in operations	89,274	4,200	62,702
Dividends received	118	75	-
Interest received	3,090	3,124	3,483
Interest paid	(1,939)	(2,090)	(2,067)
Income tax paid	(2,109)	(2,190)	(4,342)
Net cash generated from operating activities	88,434	3,119	59,776
Cash flows from investing activities			
Movement in short term investments and fixed deposits	(60)	814	(82)
Redemption/(purchase) of investment property	-	1,721	-
(Purchase)/redemption of treasury bills	-	-	5,981
Proceeds from disposal and redemption of investment securities	9,114	10,046	8,364
Purchase of investment securities	(12,683)	(6,556)	(344)
Purchase of property and equipment	(1,689)	(1,685)	(2,398)
Proceeds from disposal of property and equipment	64	20	54
Net cash generated from investing activities	(5,254)	4,360	11,575
Cash flows from financing activities			
Dividends paid	(2,900)	(1,500)	(3,700)
Repayment of borrowings	(8,356)	(21,003)	(2,375)
Proceeds from borrowings	4,257	3,240	6,387
Net cash from financing activities	(6,999)	(19,263)	312
	76,181	(11,784)	71,663
Effects of exchange rate changes on cash and cash equivalents	(293)	(58)	-
Net increase in cash and cash equivalents	75,888	(11,842)	71,663
Cash and cash equivalents at beginning of year	153,850	165,692	94,029
Cash and cash equivalents at end of year	229,738	153,850	165,692

Table 8 Bank of Saint Vincent and the Grenadines Ltd. - Key Indicators 2014-2016

	Dec-16	Dec-15	Dec-14
Profit After Taxes (\$000)	4,936	5,859	3,095
Total Assets (\$000)	971,281	899,189	909,103
Total Liabilities (\$000)	865,449	795,290	809,636
Return on Equity (%)	4.66%	5.64%	3.11%
Return on Assets (%)	0.51%	0.65%	0.34%
Debt Ratio (%)	89.10%	88.45%	89.06%
Debt to Equity (%)	817.77%	765.45%	813.97%
Dividend Payout (%)	51.66%	49.50%	48.47%
Basic EPS (\$)	0.49	0.58	0.31

Table 9 AUDITED HISTORICAL PERFORMANCE - ECFH Financial Statements 2014-2016

	2016 EC\$000	2015 EC\$000	2014 EC\$000
Income Statement			
Interest Income	126,869	144,440	162,911
Interest Expense	(53,133)	(64,105)	(81,152)
Net Interest Income	73,736	80,335	81,759
Other Income net	54,016	55,521	62,284
Operating Income	127,752	135,856	144,043
Staff Costs	(40,760)	(40,980)	(44,318)
Administrative Costs	(54,370)	(55,509)	(60,781)
Impairment losses - loans & Investments	(135,700)	(43,688)	(20,431)
Net Income before Taxes	(103,078)	(4,321)	18,513
Taxes	(8,425)	(4,045)	(7,158)
Dividends on Preference Shares	(291)	(291)	(291)
Minority Interest	(2,419)	(2,871)	(1,516)
Net Income after taxes and Minority Interests	(114,213)	(11,528)	9,548
Balance Sheet			
Cash and Balances with Central Bank	366,874	344,212	291,837
Investments	841,309	1,542,338	1,415,748
Net Loans	1,474,613	1,667,579	1,770,710
Other Assets	966,315	219,795	244,711
Total Assets	3,649,111	3,773,924	3,723,006
Deposits and Other Funding Instruments	2,527,787	3,312,414	3,235,180
Borrowings	158,265	141,008	152,883
Other Liabilities	817,477	68,828	65,262
Capital	145,582	251,674	269,681
Total Liabilities and Capital	3,649,111	3,773,924	3,723,006
Other Information			
ROE	-70.80%	-1.72%	3.6%
ROA	-1.5%	-0.2%	0.3%
Book Value of Ordinary Shares (\$)	5.95	10.29	8.86
Average Market Value of Ordinary Shares (\$)	5.15	5.50	6.42
(Loss)/Earnings per Ordinary Shares (\$)	(4.33)	(0.69)	0.39
Provisions as % of Loan Portfolio	20.03%	18.67%	5.1%
Provisions as % of Non-performing Loan Portfolio	49.15%	38.62%	28.7%

22) PROJECTED FINANCIAL STATEMENTS

Table 10 BOSVG Forecasted Financial Position 2017 - 2019

	2019	2018	2017
Assets			
Cash and balances with Central Bank	78,215,914	81,468,862	76,271,173
Treasury bills	10,000,000	10,000,000	10,000,000
Deposits with other banks	151,109,342	148,876,199	147,402,177
Financial assets held for trading	37,477	37,291	37,105
Loans and receivables - Loans and advances to customers	591,890,229	589,524,260	588,112,973
- Bonds	-	10,033,904	10,033,904
Investment securities - Held-to-Maturity	58,534,525	47,582,868	46,879,673
- Available-for-Sale	5,149,460	5,073,360	4,998,384
Property and equipment	48,696,987	51,425,332	54,181,236
Other assets	7,428,349	6,753,044	6,139,131
Investment property	4,100,000	6,300,000	2,400,000
Income tax recoverable	-	-	579,579
Total Assets	955,162,283	957,075,120	947,035,335
Liabilities			
Deposits from banks	26,811,790	32,431,314	37,230,432
Due to customers	721,705,146	711,867,033	704,251,909
Borrowed Funds	35,465,032	38,514,325	39,837,283
Other Liabilities	39,152,370	43,502,633	48,336,259
Deferred Tax Liabilities	525,142	700,189	933,585
Income Tax Payable	2,720,560	2,371,675	1,358,804
Total Liabilities	826,380,040	829,387,169	831,948,272
Equity			
Share capital	20,753,306	20,753,306	20,753,306
Reserves	18,280,358	16,809,241	15,526,779
Unrealised gains on investments	1,664,100	1,664,100	1,664,100
Retained earnings	88,084,479	88,461,304	77,142,878
Total Equity	128,782,243	127,687,951	115,087,063
Total Liabilities and Equity	955,162,283	957,075,120	947,035,335

Table 11 BOSVG Forecasted Income Statements 2017 – 2019

	2019	2018	2017
Interest Income	52,076,101	50,892,562	50,320,500
Interest Expense	(16,457,813)	(16,830,139)	(17,088,938)
Net Interest Income	35,618,288	34,062,423	33,231,562
Fee and Commission Income	7,736,169	7,584,479	7,435,764
Dividend Income	124,189	124,189	124,189
Net Foreign Exchange Trading Income	4,839,238	4,744,351	4,744,351
Operating Expenses	(29,541,735)	(29,531,460)	(29,509,697)
(Impairment Losses)/Recoveries of Loans and Advances, Net	(8,700,000)	(8,200,000)	(10,800,000)
Profit before Income Tax	10,076,149	8,783,982	5,226,169
Income Tax (Expense)/Credit	(2,720,560)	(2,371,675)	(1,358,804)
Profit for the Period	7,355,589	6,412,307	3,867,365
Earnings per Share	0.74	0.64	0.39
Interest Spread	0.683966	0.669301	0.660398

Table 12 Projected Performance— Key Indicators 2017-2019

Particulars	2019	2018	2017
Return on Equity (%)	5.71	5.02	3.36
Return on Assets (%)	0.77	0.67	0.41
Debt to Equity Ratio	641.69	649.54	722.89
Loans to Deposit	82.01	82.81	83.51
Book Value (\$)	12.88	12.77	11.51
Basic EPS (\$)	0.74	0.64	0.39

Description of Share Capital

a) Authorised

An unlimited number of ordinary shares without nominal or par value is authorised.

b) Issued

TYPE/CLASS	TOTAL VALUE
ISSUED AND FULLY PAID ORDINARY SHARES - 14,999,844	20,753,305.69

23) ASSUMPTIONS TO THE PROJECTIONS

Basis of Compilation

The accompanying projected financial statements for the years ending December 31, 2017 through 2019 have been compiled on the basis employed in preparing the Bank's historical financial statements, which are prepared in accordance with International Financial Reporting Standards (IFRS), except for the required footnote disclosures.

The projected financial statements have been compiled using certain hypothetical assumptions about future events, economic circumstances regionally and locally, the planned strategic directions and initiatives contemplated by management. It is important to note that actual events may differ from those assumed and may materially affect the financial information projected. The results identified are not guaranteed to always apply.

Summary of Significant Assumptions⁹

The following summarizes those assumptions considered material to the compilation of the Bank's projected financial position as of December 31, 2017, 2018 and, 2019 the results of its financial performance for those years then ending.

Economic Climate

Global growth is projected to slow to 3.1 percent in 2016 before recovering to 3.4 percent in 2017. The forecast, revised down by 0.1 percentage point for 2016 and 2017 relative to April, reflects a more subdued outlook for advanced economies following the June U.K. vote in favor of leaving the European Union (Brexit) and weaker-than-expected growth in the United States. Growth in the emerging markets and developing economies are anticipated to grow by 4.3% on average per year from 2016 - 2018. The local economy, is thus expected to show signs of recovery commencing in the latter part of 2016, the average growth rate is expected to be 2.9% from 2017 - 2019.

These developments have put further downward pressure on global interest rates, as monetary policy is now expected to remain accommodative for longer. Although the market reaction to the Brexit shock was reassuringly orderly, the ultimate impact remains very unclear, as the fate of institutional and trade arrangements between the United Kingdom and the European Union is uncertain.

Investment Securities

The Bank's portfolio of investment securities is expected to comprise of a mix of held-for-trading, held-to-maturity, and available for sale investments. Because of the improvements in the Bank's liquidity position and the relative softness in the lending market, the Bank has taken a medium to long position on certain regional securities. The Treasury bill position is expected to remain constant while the held-to-maturity and available-for-sale portfolios are projected to increase annually by approximately 29% over the 2016 figures and an annual average of 5% thereafter. During the

⁹ See Tables 11 & 12 on page 31

period 2017 through 2019, the Bank plans to undertake some diversification of this portfolio, consistent with its risks mitigation policy. On average, the portfolio is expected to generate an annual rate of return of 3%.

Loans to Customers

The Bank has positioned itself to maintain market share in loans and advances during the 2017 through 2019 period. This is premised on management's intimate knowledge of the market and its responsiveness to the market segment needs. Its corporate, mortgage, and consumer lending are projected to grow at a rate of approximately 1.5 %, this is in line with the current trend. Further, corporate, mortgage and consumer portfolios are expected to yield an average return of 8%, 7.5% and 9% per annum respectively. Overdrafts are expected to yield 9% per annum.

Loan Loss Allowance

In light of the Bank's lending and risk mitigation policies and the implementation of International Financial Reporting Standard 9 (IFRS) losses on loans and advances are projected at approximately 2% of the total portfolio.

Investment Properties

During 2011, the Bank acquired investment properties having a carrying value of \$3.8 million. Properties are expected to be disposed of and acquired during the 2017 through 2019 period.

Deposits with Other Banks

To facilitate the seamless clearing of customer transactions, its foreign exchange trading activities and some degree of currency diversification, the Bank is expected to maintain a number of foreign exchange denominated balances with its correspondent banks. Accordingly, these holdings are not specifically geared to generate a direct return. The deposits with other banks are expected to grow by an average rate of 4% yearly.

Due to Customers

The Bank plans to maintain its basic deposit products coupled with improved customer service and some innovative attractions. Consequently, customers deposits are expected to grow on average at 3% per annum.

Borrowed Funds

The Bank does not foresee any additional borrowing during the period 2017 – 2019.

Deposits from Other Banks

The Bank is expected to act as correspondent bankers for other regional indigenous banks. The growth of this portfolio is expected to be modest.

Fees and Commission Income

The Bank contemplates the introduction of new and expanded services offered to customers. In this regard, the Bank projects robust growth in its fee and commission revenue. For the period 2017 to 2019, the Bank projects an average growth rate of 2% in its fee and commission revenues.

Foreign Exchange Trading Income

Foreign exchange trade during the next five years is forecast to be driven by the expansion in consumer trade in the former part and by the recovery of the tourism sector in the latter part as the tourism sector rebounds. In light of the forecast, foreign exchange earnings are projected to grow at the annual rate of 2%.

Operating Costs

As a result of certain strategic initiatives, the bank has implemented an operational costs rationalization programme. Over the next three years total operating cost are projected to decrease by approximately 7% as a result of these initiatives.

1) APPENDICES

APPENDIX 1: AUDITORS REPORT



Ernst & Young
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25 May 2017

The Directors
Bank of Saint Vincent and the Grenadines Ltd.
Reigate Building
Granby Street
P.O. Box 880
Kingstown
VCO 100
St. Vincent and the Grenadines.

Acknowledgment of Independent Auditors - Bank of Saint Vincent and the Grenadines Ltd

We agree to the inclusion in the Prospectus containing information about the Listing of a total of 4,999,844 ordinary shares in the Bank of St. Vincent and the Grenadines Ltd. on the Eastern Caribbean Securities Exchange of our audit reports dated March 27, 2015, March 21, 2016 and March 28, 2017 for the financial years ended 31 December 2014, 2015 and 2016 respectively, with respect to the consolidated financial statements of the Bank of St. Vincent and the Grenadines Ltd.

We are responsible for the audit reports included in the respective above noted consolidated financial statements and have not become aware since the date of the respective audit reports noted above, of any matters affecting the validity of the audit reports at that date.

Ernst & Young

Yours Sincerely
Ernst & Young

APPENDIX 2: LIST OF LICENSED ECSE MEMBER BROKER DEALERS

LIST OF LICENSED ECSE MEMBER BROKER DEALERS

Territory	Institution	Name of Licensee	Type of Licence
GRENADA	Grenada Co-operative Bank Ltd	Aaron Logie	Principal
		Carla Sylvester	Representative
		Keisha Greenidge	Representative
ST KITTS AND NEVIS	St Kitts-Nevis-Anguilla National Bank Ltd	Anthony Galloway	Principal
		Angelica Lewis	Representative
		Marlene Nisbett	Representative
		Petronella Crooke	Representative
	The Bank of Nevis Ltd	Brian Carey	Principal
		Judy Claxton	Representative
SAINT LUCIA	ECFH Global Investment Solutions Ltd	Medford Francis	Principal
		Lawrence Jean	Principal
		Deesha Lewis	Representative
	First Citizens Investment Services Ltd	Norlann Gabriel	Principal
		Samuel Agiste	Representative
		Shaka St Ange	Representative
ST VINCENT AND THE GRENADINES	Bank of St Vincent and the Grenadines Ltd	Monifa Latham	Principal
		Patricia John	Representative
		Laurent Hadley	Representative
		Chez Quow	Representative

APPENDIX 3: DECLARATION OF DIRECTORS

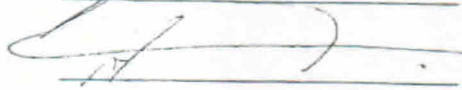
DECLARATION OF DIRECTORS

We the Directors of the Bank of St. Vincent and the Grenadines Ltd. accept responsibility for the financial statements as well as the accuracy of the information contained in the Supplemental Prospectus and confirm that to the best of our knowledge no other facts have been omitted from the Prospectus that would make any statement in the Supplemental Prospectus misleading:

Errol Allen



Lennox Timm



Andre Chastanet



Godwin Daniel



Lennox Bowman



Judith Veira



Timothy Providence



Omar Davis

