



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

**ISSUER:**

**BANK OF SAINT VINCENT AND THE GRENADINES LTD**

**PROSPECTUS:**

**OFFER FOR SALE OF ORDINARY SHARES OF THE BANK OF SAINT  
VINCENT AND THE GRENADINES LTD**

**DATED:**

**[DECEMBER 31, 2015]**

Bank of St Vincent and the Grenadines Ltd offers for sale 2,000,000 Ordinary Shares of the Bank of St. Vincent and the Grenadines Ltd pursuant to the Shareholders Agreement of 1 November 2010 for the Government of St. Vincent and the Grenadines to divest 20 per cent of its shareholding in the Bank. An application shall be made to the Eastern Caribbean Securities Exchange (ECSE) pursuant to a Resolution of the Board of Directors of the Bank of St Vincent and the Grenadines Ltd of 31 January 2013 to list the Bank's shares on the ECSE.

This Prospectus provides information about the offer and the issuer, Bank of St. Vincent and the Grenadines Ltd.

Applications for the purchase of the shares on offer are to be made through one of the Licenced Broker-Dealers named in the Appendix 3.  
This Prospectus was published on June 10, 2016

# IMPORTANT DISCLAIMERS

## ECSRC Disclaimer

This Prospectus has been prepared and delivered in accordance with the Securities (Prospectus) Regulations 2001. This Prospectus has been filed with the Eastern Caribbean Securities Regulatory Commission (ECSRC), Basseterre, St Kitts pursuant to Part VII, Section 92(3) of the Securities Act Cap. 261 of the Revised Laws of St Vincent and the Grenadines (2009) on May 11, 2016.

The ECSRC accepts no responsibility for the contents of this 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 Prospectus. Prospective investors should not construe the contents of this Prospectus as legal or financial advice. If in doubt about the contents of this document or in need of financial or investment advice, 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 Prospectus

**This Prospectus contains important information for prospective investors in the Bank of St Vincent and the Grenadines Ltd (BOSVG). All prospective investors should read this prospectus carefully in its entirety before submitting an Application Form.**

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

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

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

## **PURPOSE**

This is a Prospectus for the subscription for ordinary shares in BOSVG and the subsequent listing of these shares on the Eastern Caribbean Securities Exchange (ECSE). The shares are offered on the terms and conditions contained in this Prospectus, and no person has been or will be authorized to give any information or to make any representation with regard to this share offering other than through this Prospectus.

## Responsibility for the Contents of this Prospectus

This Prospectus is issued for the purpose of giving information to 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 Prospectus misleading.

## THE CHAIRMAN'S LETTER

In November 2010, the Government of St. Vincent and the Grenadines, as part of its divestment strategy, sold 51% of its shareholding in Bank of St. Vincent and the Grenadines Ltd. to the East Caribbean Financial Holding Company Ltd.(ECFH) of Saint. Lucia, now the largest indigenous financial institution based in the Eastern Caribbean Currency Union (ECCU). This was the first step in the transformation and modernization phase of the Bank, which has already been put in full gear with the implementation of a number of critical initiatives over the past two years. By going public, the Bank is reinforcing its place in the fabric of life in St. Vincent and the Grenadines and the wider OECS, and it is signalling its commitment to the continued growth and development of the region. The divestment strategy commenced with the sale of the 806,590 shares to the National Insurance Services, and 93,410 shares to the employees of the Bank.

The occasion of the Initial Public Offering (IPO) which culminated on January 31, 2013 saw the further divestment of the company to nationals of the ECCU member countries. The total shares bought of the 2,000,000 offered were 1,430,765 shares at the offer price of \$8.64 per share. At the end of December 2015, the number of outstanding shares bought by the Public including the Staff of the Bank of St. Vincent and the Grenadines Ltd. totalled 1,687,075. The Bank is now embarking on the listing of all its shares (common) on the Eastern Caribbean Securities Exchange which represents the first listing of a Vincentian company on the Eastern Caribbean Securities Exchange.

Regulated by the Eastern Caribbean Central Bank (ECCB) based in St. Kitts and Nevis, the Bank of St. Vincent and the Grenadines Ltd. has remained on a sound financial path despite the economic challenges that continue to impact the global economy. While the global economy is not yet out of the woods, the fundamentals of the Bank are expected to be maintained, and be poised for improvement as we head out of the recession.

The contribution of the Bank to the social and economic development of St. Vincent and the Grenadines is profound. The Bank, dubbed the "Nation's Bank" for much of its existence, has allowed many Vincentians to realize their dreams and aspirations, whether in the area of education, home ownership, or commercial enterprise – large, medium, and small.

It has contributed immensely to every sector of our society in fulfilment of its corporate social responsibility mandate through its many community-oriented projects over the years. Internally, the Bank has invested heavily in the development and advancement of its own workforce, through a number of human resource development programmes.

So the listing of the Bank's shares for trading on the Eastern Caribbean Securities Exchange is both historic and symbolic. It is an important part of our journey of partnering with the community, the country and the region in our collective quest for growth and prosperity.

**Sir Errol N Allen**  
**Chairman**  
**Board of Directors**

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## DEFINITIONS AND ACRONYMS

<b>CARICOM</b>	Caribbean Community and Common Market
<b>CPI</b>	Consumer Price Index
<b>COMPANY/ISSUER</b>	Bank of St. Vincent and the Grenadines Limited (BOSVG)
<b>DCF</b>	Discounted Cash Flow
<b>DPS</b>	Dividend per Share
<b>ECCSD</b>	Eastern Caribbean Central Securities Depository Limited
<b>ECCB</b>	Eastern Caribbean Central Bank
<b>ECFH/Group</b>	East Caribbean Financial Holding Company Limited
<b>ECCU</b>	Eastern Caribbean Currency Union
<b>ECSE</b>	Eastern Caribbean Securities Exchange
<b>EC\$</b>	Eastern Caribbean dollar, the lawful currency of the Eastern Caribbean Currency Union
<b>ECSRC</b>	Eastern Caribbean Securities Regulatory Commission
<b>ECCSR</b>	Eastern Caribbean Central Securities Registry
<b>EPS</b>	Earnings per Share
<b>GOSVG</b>	Government of St. Vincent and the Grenadines
<b>GDP</b>	Gross Domestic Product
<b>IMF</b>	International Monetary Fund
<b>IPO</b>	Initial Public Offering
<b>IFRS</b>	International Financial Reporting Standards
<b>IVS</b>	International Valuation Standards
<b>Lead Broker/Arranger</b>	ECFH Global Investment Solutions Limited
<b>Licensed Broker-Dealer</b>	Broker-Dealers licensed by the ECSRC which are members of the ECSE
<b>Market Capitalisation</b>	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.
<b>NAV</b>	Net Asset Value
<b>OECS</b>	Organization of Eastern Caribbean States
<b>P/E Ratio</b>	Price Earnings Ratio
<b>Shares</b>	2,000,000 Ordinary Shares of BOSVG
<b>Substantial Shareholder</b>	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 - <b>(a)</b> the stated value of which is more than 5 per cent of the issued share capital of the issuer: or <b>(b)</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.
<b>UK</b>	United Kingdom
<b>USA</b>	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 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. Derry Williams	Managing Director	784-457-1844 ext. 111	dwilliams@bosvg.com
Mr. Bennie Stapleton	Chief Financial Officer	784-457-1844 ext. 182	bstapleton@bosvg.com

### **Auditors:**

**Ernst & Young**  
P.O. Box 261  
Worthing  
Christ Church  
**Barbados**  
Telephone Number: 1 246 430 3900  
Facsimile Number: 1 246 426 9551  
(From 2012 to present)

### **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.*

## 1) SUMMARY OF OFFER

<b>Issuer:</b>	Bank of Saint Vincent and the Grenadines Ltd. Reigate, Granby Street, P.O. Box 880, Kingstown VC0 100, St. Vincent and the Grenadines
<b>Class of securities:</b>	Ordinary Shares of BOSVG of no par value
<b>Number of Ordinary Shares Offered:</b>	2,000,000
<b>Market Price per Ordinary Share at offer:</b>	\$8.64
<b>Current Market Price per Ordinary share:</b>	\$11.37 - \$11.79
<b>Minimum Subscription:</b>	50 shares (units) and multiples of 5 thereafter
<b>Purpose:</b>	Partial divestment of Government of St. Vincent and the Grenadines holdings in Bank of St. Vincent and the Grenadines
<b>Use of Proceeds:</b>	Paid directly to the Government of St. Vincent and the Grenadines
<b>Underwriting/Guarantee:</b>	This offer was not guaranteed or underwritten by any individual, company organization or Government
<b>Currency:</b>	Eastern Caribbean Dollars
<b>Settlement / Delivery of shares:</b>	<b>January 31, 2013</b>
<b>Tax Status:</b>	All withholding taxes, duties, assessments or charges, current, will be for the account of the individual subscribers.
<b>Subscription Fee:</b>	Commissions and brokerage fees are to be borne by the subscribers. No fees are due to Bank of St. Vincent and the Grenadines Ltd. for this offer. A list of licensed Broker-Dealers is provided in Appendix 3.
<b>Dividends:</b>	Bank of Saint Vincent and the Grenadines plans to declare and pay dividends to the holders of ordinary shares each year subject to any restrictions contained in the Banking Act 2015. The amount of any dividend 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. <b>See section 10 of the prospectus for details of the dividend policy.</b>
<b>Rights:</b>	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.
<b>Redemptions:</b>	There are no rights attached to the redemption of shares
<b>Restrictions:</b>	There are no restrictions on the transferability of the shares being offered.

## **DESCRIPTION OF SHARES**

The shares offered are ordinary shares of Bank of St. Vincent and the Grenadines Ltd., and are ranked equally as to capital, dividend and rights upon liquidation and carries one vote at all shareholders' meetings.

Bank of St Vincent and the Grenadines Ltd applied to the Eastern Caribbean Securities Exchange (ECSE) for the ordinary shares to be listed on the ECSE upon issue. If approved, these shares will be held in a dematerialised or uncertificated form. As such, no certificate will be issued, rather, shareholders' records will be 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 will maintain and service shareholders' records on behalf of BOSVG and issue statements to each shareholder annually.

The ECSE shall serve as the trading platform for the buying and selling of the Company's shares, in the secondary market when these are accepted for listing. Transfers of these shares will therefore be subject to the requirements and restrictions of the Eastern Caribbean Central Securities Registry.

The Bank of St. Vincent and the Grenadines Ltd 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 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 of Ordinary Shares**

Subscriptions for ordinary shares by members of the public, institutional investors and any other investors may be made by using the services of any of the offices of a licensed ECSE-Member Broker-Dealer. The List of Broker/ Dealers is provided in Appendix 3. Subscriptions are subject to the Terms and Conditions herein.

Each Subscription Form must be completed in accordance with the Terms and Conditions of the Prospectus and the Broker-Dealer operations procedures and must be lodged with full payment with the licensed ECSE-Member Broker-Dealer.

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

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

As shareholders' records will be held in book entry form at the ECCSR, no physical certificate will be issued to successful applicants in respect of the shares allotted in this Offer. The ECCSR, as the Registrar for BOSVG, will forward, by mail, to each successful applicant (as the new shareholders of the offered shares) details of their new holdings upon completion of the allotment process.

The ECSE shall serve as the trading platform for the general buying and selling of the shares in the secondary market, after listing of BOSVG.

The Eastern Caribbean Central Securities Depository Limited (ECCSD), a subsidiary of the ECSE, will be responsible for the settlement of funds for this offering.

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

### **Allotment Methodology**

Allotment to successful candidates began on January 25, 2013 and closed on January 31, 2013. Shares were allotted to subscribers in the following priority:

- (i) St. Vincent and the Grenadines Nationals (individuals)
- (ii) St. Vincent and the Grenadines Unincorporated Entities
- (ii) Registered Pension Funds, Credit Unions and Cooperatives in St. Vincent and the Grenadines
- (iv) Companies Registered in St. Vincent and the Grenadines

(v) Other ECCU Investors (individuals and institutions)

When the shares are listed Intermediaries will place orders via the electronic platform and an auction will determine the least price that allows the maximum number of securities to be traded. The auction methodology is a continuous auction.

## **Refunds**

Refunds, in respect of shares applied for but not allotted, would have been made to all of the applicants concerned by their brokers within five (5) business days of the close of the allotment period. The funds would have been held on a non interest bearing segregated account until the allotment process was completed. Refunds would have been made to clients in accordance with the preferred method of payment selected on the application form.

## **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) RISKS OF OFFERING**

Investors contemplating the purchase of the shares should carefully consider the risk factors below in addition to the other information contained in this 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 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**

Liquidity risk is the risk stemming from the lack of marketability of the shares so that they 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.

Bank of Saint Vincent and the Grenadines Ltd. cannot assure potential investors a share price in excess of the subscription price at any time after the date of the Prospectus. The shares may not trade at or above the subscription 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 are 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 and Claim No. 469 of 2007. Additionally there is an appeal case before the Court of Appeal of Genoa: Case No. 1220/2008, a decision in this matter is pending.

### **Directors' Service Contracts**

Director Judith Veira is the Bank's Consulting Actuary who owns and operates the consulting company, Trinity Consulting Ltd. Trinity Consulting Ltd. was engaged to conduct the actuarial reviews for the Bank of St. Vincent and the Grenadines Ltd. Staff Pension Plan in 2006, 2010 and 2013 covering the period January 1, 2003 to December 31, 2012. The Company will be engaged in 2016 to conduct the three year actuarial review for 2013, 2014 and 2015 financial years.

### **Directors' Holdings of the Share Capital of the Issuer**

**Table 1**

<b>Directors</b>	<b>No. Common Shares Held</b>	<b>Interest</b>
Errol Allen	3,550	Beneficial
Judith Veira	31,000	Beneficial
Timothy Providence	60,000	Beneficial
Godwin Daniel	1,000	Beneficial
Omar Davis	3,110	Beneficial
Derry Williams	3,650	Beneficial

## **4) 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

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

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

Board Member since: November 2010  
Nationality: Vincentian  
Other  
Directorships: Director, SVG Publishers 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

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

Other  
Directorships: 1996-Present - Chairman – National Irrigation Authority, 2007-Present -Chairman – Vincy Fresh  
Business Experience within the last five years: 1996-Present - Chairman – National Irrigation Authority, 2007-Present -Chairman – Vincy Fresh, Director – National Properties Limited (2007 – 2010),

### **Esther Brown - Weekes**

Profession: Managing Director  
Qualification: MSc. Finance, Accredited Director and Member – ICOSA Canada  
Substantive Position: Director  
Member of the Credit Committee

Board Member since: January 16, 2013  
Appointed by: ECFH  
Nationality: Saint Lucian

Other  
Directorships: Managing Director, East Caribbean Financial Holding Company Limited

Business Experience within the last five years: Acting Group Managing Director, East Caribbean Financial Holding Ltd / CEO ECFH Group of Companies, General Manager, ECFH Corporates Services, General Manager, ECFH

### **Lennox Bowman**

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

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.

### **David Lisle Chase**

Profession: Chartered Accountant  
Qualification: FCCA, CA  
Substantive Position: Director  
Member of the Human Resources Committee

Board Member since: July 2014  
Appointed by: ECFH  
Nationality: Saint Lucian

Other Directorships: Chairman, East Caribbean Financial Holding Company Ltd.,

Business Experience within the last five years:

President & CEO – Financial Centre Corporation – 1999 – Present  
Chairman – St. Lucia Gaming Authority – 2004/2007/2012  
Chairman – National Insurance Corporation – 2011  
Director – Bank of St. Lucia Limited and St. Lucia Mortgage & Finance Company – 2008  
Chairman – ECFH Global Investment Solutions Limited – 2008  
Chairman – East Caribbean Financial Holding Company Limited – Present

### **Omar Davis**

Profession: Financial & Management Consultant  
Qualification: ACCA  
Substantive Position: Director of the Board  
Member of the Audit Committee  
Member of ECFH Governance Committee

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

### **Gordon Cochrane**

Profession: Financial Controller  
Qualification: BA in Accountancy & Finance, Chartered Accountant  
Substantive Position: Alternate Director  
Board Member since: July 25, 2013  
Appointed by: ECFH  
Nationality: British

Other Directorships: None

Business Experience within the last five years: Financial Comptroller of ECFH

**Derry Williams**

Profession: Managing Director  
Qualification: MBA Finance, Graduate Diploma in Management, Diploma - Institute of Canadian Bankers  
Substantive Position: Managing Director, BOSVG

Board Member since: April 2011  
Nationality: Vincentian

Other  
Directorships: Board Member, Eastern Caribbean Amalgamated Bank (ECAB)

Business Experience within the last five years: February 2005 – March 2011 Deputy Chief Executive Officer – Bank of St. Vincent and the Grenadines Ltd. April 2011 – Present, Managing Director – Bank of St. Vincent and the Grenadines Ltd. Director ECAB Ltd, Antigua and Barbuda - October 2010 – Present.

## **5) SENIOR MANAGEMENT**

### **Derry Williams**

Managing Director  
February 2005 – March 2011:

April 2011 – Present:

Deputy Chief Executive Officer – Bank of St. Vincent and the Grenadines Ltd.

Managing Director – Bank Of St. Vincent and the Grenadines Ltd.

### **Bernard Hamilton**

Manager Credit Administration  
February 2005 – Present:

Manager Credit Administration – Bank of St. Vincent and the Grenadines Ltd.

### **Bennie Stapleton**

Chief Financial Officer  
September 2009 – Present:

Chief Financial Officer – Bank of St. Vincent and the Grenadines Ltd.

### **Nandi Williams**

Corporate Secretary  
December 2004 – Present:

Corporate Secretary – Bank of St. Vincent and the Grenadines Ltd.

### **La Fleur Hall**

Manager, Risk and Compliance  
March 2010 – Feb 2011:  
February 2011 – Present:

Manger Internal Audit – Bank of St. Vincent And The Grenadines Ltd.  
Senior Compliance Officer (Now Manager, Risk and Compliance) – Bank of St. Vincent and the Grenadines Ltd.

### **Cerlian Russell**

Manager Business and Operations  
July 2005 – March 2010:  
March 2010 –Present:

Senior Lending Officer – Bank of St. Vincent and the Grenadines Ltd.  
Manager Business and Operations– Bank of St. Vincent and the Grenadines

## **6) 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, 2015 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%. Upon the acquisition by ECFH the company's financial year-end was changed from June 30 to December 31 for consistency with ECFH's financial year-end.

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 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, 2015, BOSVG managed assets of EC\$899M, and an equity base of \$104M respectively. BOSVG's customers deposits for the period ended December 31, 2015 was EC\$656M. On the other hand, BOSVG's loans and advances for the same period was EC\$586M. BOSVG is the only local indigenous commercial bank in St Vincent and the Grenadines.

BOSVG has distinguished itself as an excellent corporate citizen. The Bank was the recipient of the Eastern Caribbean Central Bank (ECCB) Good Corporate Citizen Award for Sports in 2001 and 2002 and the same award for Social Services in 2003. In the area of Educational Development the Bank has awarded scholarships valued at over ECD \$4M. Over the years a significant number of organizations and individuals have benefited from the Bank's contribution to national development projects and personal needs.

### **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.

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

## **ECFH**

ECFH is governed by a Board of Directors comprising individuals from the OECS and CARICOM, representing a balanced mix of competencies and wide experience in business, financial services, the legal profession and other sectors.

The Group has grown to become the largest indigenous financial institution in Saint Lucia. The Group comprises four subsidiaries:

1. Bank of Saint Lucia Limited
2. Bank of Saint Lucia International Limited
3. ECFH Global Investment Solutions Limited
4. Bank of St. Vincent & the Grenadines Ltd.

## **7) BOSVG - THREE YEAR PERFORMANCE ANALYSIS**

### **Balance Sheet**

The Bank's total assets stood at EC\$899M in December 2015, compared to \$834M in 2013. The increase in total assets was mainly driven by growth in the deposits portfolio.

During the 2015 financial year, the bank recorded profit before tax of \$8.1M and profit after tax of \$5.86 compared to \$8.78.04M and \$ 3.09M respectively for the 204 financial year. The reduction in profits before tax profits was primarily related to an increase in loan loss provisioning.

The Bank's deposit portfolio increased from \$589M in 2013 to \$655M in 2015. Growth in the deposit portfolio was primarily in the categories of savings and demand deposits. Savings deposits increased from \$248M in 2013 to \$287M in 2015, while demand deposits increased from \$191M in 2013 to \$217M in 2015. The increased deposits was mainly driven by greater public confidence in the institution following the divestment of its majority shareholding in conjunction with prevailing market conditions.

Deposits from banks were relatively constant over the period, averaging approximately \$41M yearly over the three year period.

Total loans and advances increased by approximately \$23M over the three-year period. The growth in the loans and advances portfolio was mainly driven by increases in mortgage loans, which moved from \$254M in 2013 to \$279M in 2015. Additionally, total overdraft increased by approximately \$10M, while there were a reduction in both large corporate and term loans of approximately \$4M and \$7M, respectively.

### **Interest Income**

Interest income from loans and advances increased by approximately 3.8M over the three-year period. This increase was commensurate with the overall growth in the loans and advances portfolio. The reduction of approximately \$1.3M in income from Treasury Bills and Investment Securities was consistent with the decline in the investment portfolio which was associated with market conditions that resulted in reduced yield.

### **Interest Expense**

Total interest expenses decreased by approximately \$2.5M despite the increase in the bank's deposit portfolio. 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 (CIBCFIB)
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 billion<sup>1</sup>

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, 2014<sup>2</sup>. 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 \$173M<sup>3</sup>. Both of these institutions have been operating in the market in excess of 50 years and have considerable goodwill.

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

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<sup>1</sup> 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

<sup>2</sup> First St. Vincent Bank Ltd. Financials for the Year Ended December 31, 2014, [www.1stvinbank.com/#!/financials/pdhr](http://www.1stvinbank.com/#!/financials/pdhr)

<sup>3</sup> St. Vincent Co-operative Bank Limited Financial Statements year ended January 31, 2015, [www.svcooperativebank.com/wp-content/uploads/2016/02/FS2015.pdf](http://www.svcooperativebank.com/wp-content/uploads/2016/02/FS2015.pdf)

substantial investments in properties targeted for residential construction. The main Credit Unions had an asset base as of December 31, 2014 of \$341.2M<sup>4</sup>.

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, 2014 stood at \$233M<sup>5</sup>.

## 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, 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.

## Significant Recent Developments

At the beginning of May 2015, the ECCB reduced the mandatory minimum interest rate on savings deposits from 3% to 2%. This is expected to result in a reduction in the bank's overall cost of funds thereby leading to a forecasted increase in profitability in the ensuing years.

## **8) OVERVIEW OF RECENT STRATEGIC INITIATIVES & DEVELOPMENTS**

The BOSVG's Board of Directors and management team, together with its parent company, East Caribbean Financial Holdings Ltd, have carefully developed a strategic plan which aims at sustainable growth in the key business segments while providing its shareholders with consistently better than average market returns on their investment. The strategic plan is premised on the intent of the Bank to facilitate the seamless and efficient transfer of financial resources in a manner that actively supports sustainable development, particularly in the productive sectors of St. Vincent and the Grenadines. More specifically, BOSVG's strategic plan focuses on the following overriding goals:

1. Responding to the needs of the business sector thereby expanding its clientele base.

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<sup>4</sup> General Employees' Co-operative Credit Union Limited 2014 Annual Report, [www.geccu.com/Resource/agm/GECCU\\_49th\\_AGM.pdf](http://www.geccu.com/Resource/agm/GECCU_49th_AGM.pdf)

Kingstown Co-operative Credit Union Limited (KCCU) 53<sup>rd</sup> Annual General Meeting –Reports and Accounts 2014, [http://kingstowncreditunion.com/pdf/AGM\\_Report\\_2015.pdf](http://kingstowncreditunion.com/pdf/AGM_Report_2015.pdf)

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

<sup>5</sup> St. Vincent Building and Loan Association 73<sup>rd</sup> Annual General Meeting Report, [www.svgbla.com/agmBooklet2015.pdf](http://www.svgbla.com/agmBooklet2015.pdf)

2. Aggressively expanding its retail business through the provision of innovative banking products and services at competitive rates;
3. Advance the repositioning of the bank with renewed focus on high quality customer service;
4. Strengthening the governance and risk management structures to provide greater assurance of soundness and stability;
5. Training and change management programmes geared at achieving and maintaining alignment with the core values of the ECFH.
6. Building sustainable linkages with the communities.

## **9) SHAREHOLDER PROFILE**

The current shareholders of BOSVG are the following:

**Table 2**

<b>Shareholder</b>	<b>No. of shares</b>	<b>Share in %</b>
East Caribbean Financial Holding Limited	5,100,000	51%
Government of Saint Vincent and the Grenadines	1,212,925	12.13%
National Insurance Scheme of Saint Vincent and the Grenadines	2,000,000	20%
The Public & Staff of the Bank of Saint Vincent and the Grenadines	1,687,075	16.87%
<b>Total</b>	<b>10,000,000</b>	<b>100%</b>

## **10) 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. 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 paid dividends on three occasions during the past three years: 2012, 2013 and 2014. Declaration of dividends for the financial year ending December 31, 2015 will be determined in 2016 after the completion of the financial statements for the year ending December 31, 2015. The details of these payments are below:

### **Dividend History (\$'000)**

<b>Table 3</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Total Dividend Paid	1,500	3,700	2,000
Dividend per Share	0.15	0.37	0.20

## **11) ECONOMIC REVIEW**

St. Vincent and the Grenadines' recent economic performance, similar to its Eastern Caribbean neighbours, was directly affected by "The Great Recession" commonly referred to as the Sub-Prime Meltdown, and spates of freak storms, which wreaked havoc on domestic dwellings, road infrastructure, and the agricultural sector. The freak storms were preceded by escalating fuel prices, which eroded consumers, local and foreign, disposable incomes. The high fuel prices, which affected every facet of society through rising electricity charges, had a dampening effect on aggregate demand for consumables and durable goods in St. Vincent and the Grenadines.

During 2015, North American economies, which are the Eastern Currency Union States largest tourist market, continued their relatively sluggish recovery from the Sub-Prime Meltdown. The North American economic recovery was faster than their Western European counterparts; the Currency Union's other major tourist market. The increasing oil output from shale produces in the United States and Alberta's oil sands coupled with falling demand, as the shift to renewable forms of energy increased, at the end of 2014, created a downward pressure on oil prices as oil inventories grew in 2015. On the other hand, the other oil producing nations, including Saudi Arabia, due to fiscal constraints, were forced to maintain production levels amid declining prices. Oil prices, which are akin to tax, as they declined, augur well for the Currency Union and consumers, as their disposable incomes rose; thus providing a stimulus for the tourism sector.

Preliminary estimates indicate, in 2015, St. Vincent and the Grenadines' economy expanded, in nominal dollar terms, by approximately 2.96%; the Currency Union's economy expanded by approximately 2.62%. Agriculture, transport, storage and communications, public administration, and tourism were the main drivers of the 2015 economic expansion. Since 2012, tourist arrivals have been trending upwards to the pre Sub-Prime Meltdown levels.

The Argyle International Airport is expected to be commissioned around the middle of 2016. It is widely felt the Argyle International Airport will be the catalyst for further economic growth and investment, both foreign direct and local, in St. Vincent and the Grenadines. In the immediate future, it is expected, as a result of the commissioning of the Argyle International Airport, travel time and cost to St. Vincent and the Grenadines from most metropolitan cities will be substantially reduced. Consequently, the tourism and leisure sector is projected to grow at the rate of 4% on an annualized basis. Also, construction sector, largely driven by direct foreign investment, is expected to expand by 5% per annum. The agricultural sector, which will provide provisioning for the expanding tourism sector and have direct access from Argyle to export markets, is projected to grow at the rate of 5% per annum.

As the benefits of lower fuel price trickle through to households, it is expected that aggregate demand for consumables will increase. While wholesale and retail trade in 2015 at best was flat, 2016 and 2017 wholesale and retail trade is projected to increase at the rate of 3% per annum. The St. Vincent and the Grenadines economy is projected to expand, in nominal and real terms using 2006 as base year, in 2016 and 2017 by 2.94% and 3.55%, and 1.52% and 2% respectively.

The Banking sector, more specifically the Bank of St. Vincent and the Grenadines Ltd, is expected to be at the nucleus of the expected economic expansion in St. Vincent and the Grenadines. The Bank of St. Vincent and the Grenadines Ltd is well positioned, through its menu of financial products and services, to participate.

## **12) 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.

## **13) 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.

#### **14) MATERIAL CONTRACTS**

There are currently no material contracts to report.

#### **15) MATERIAL INTEREST**

Six directors beneficially own shares in the Company.

#### **16) MATERIAL RELATIONSHIPS**

There is one family relationship which exists between one Director and an Administrative Officer of the Bank of St Vincent and the Grenadines Ltd. The Company is not aware of any other family relationships that exist between any Director and any other person who performs an important administrative, management or supervisory function.

#### **17) DIRECTOR REMUNERATION**

Table 4

	Aggregate Remuneration Paid	Aggregate Remuneration Payable
2013	225,600	0
2014	240,150	0
2015	228,400	14,250

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

#### **18) 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.

#### **19) 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 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, 2013, December 31, 2014 and December 31, 2015
- v. Management Notional Fair Value Assessment
- vi. Regulatory Licenses
- vii. Shareholder's Agreement

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

AUDITED HISTORICAL – BOSVG Balance Sheet, Statements of Comprehensive Income and Cash Flows

**Consolidated Statement of Comprehensive Income 2013 – 2015**

**Table 5**

	Dec 2015	Dec 2014	Dec 2013
	EC\$000	EC\$000	EC\$000
Interest Income	50,068	48,641	47,825
Interest Expense	(19,413)	(22,245)	(21,884)
<b>Net Interest Income</b>	<b>30,655</b>	<b>26,396</b>	<b>25,941</b>
Other Operating Income	-	-	-
Impairment losses on Investment Securities	(410)	-	(771)
Write-off of interest receivable on investment securities	-	-	-
Dividend Income	75	66	49
Net Foreign Exchange Trading Income	4,301	4,595	5,325
Other Gains	980	1,330	90
Recoveries / (Impairment losses) on Loans and Advances, net	(3,608)	77	1,196
Operating Expenses	(30,862)	(30,748)	(29,415)
Fees and Commissions	6,934	7,064	6,624
Loss/Gain on Disposal of Property Plant & Equipment	-	0	-
<b>Profit before Income Tax</b>	<b>8,065</b>	<b>8,780</b>	<b>9,038</b>
(Provision)/Credit for Income Tax	(2,206)	(5,685)	(1,547)
<b>Profit for the Period</b>	<b>5,859</b>	<b>3,095</b>	<b>7,491</b>
Unrealised (loss)/gain on available for sale financial investments	73	(143)	(157)
<b>Total Comprehensive Income for Period</b>	<b>5,932</b>	<b>2,952</b>	<b>7,334</b>
<b>Earnings per Share</b>	<b>0.58</b>	<b>0.31</b>	<b>0.75</b>

## Balance Sheet 2013 – 2015

**Table 6**

	Dec 2015	Dec 2014	Dec 2013
	EC\$000	EC\$000	EC\$000
<b>Assets</b>			
Cash and balances with Central Bank	93,098	117,772	63,027
Treasury bills	10,168	-	5,981
Deposits with other banks	92,295	90,165	69,427
Financial assets held for trading	36	41	46
Loans and receivables - Loans and advances to customers	586,006	577,998	564,082
- Bonds	10,033	10,033	10,033
Investment securities	39,250	43,077	51,241
Property and equipment	56,742	58,003	58,640
Investment property	2,565	4,331	4,331
Other assets	7,817	5,914	5,084
Income tax recoverable	1,179	1,769	2,359
<b>Total Assets</b>	<b>899,189</b>	<b>909,103</b>	<b>834,251</b>
<b>Liabilities</b>			
Deferred tax liability	434	653	245
Deposits from banks	38,842	40,212	42,789
Due to customers	655,935	651,342	589,139
Borrowings	51,064	71,650	66,290
Other Liabilities	49,015	45,779	35,572
<b>Total Liabilities</b>	<b>795,290</b>	<b>809,636</b>	<b>734,035</b>
<b>Equity</b>			
Share capital	14,753	14,753	14,753
Reserves	14,753	14,753	14,753
Unrealised gains on investments	1,634	1,561	1,704
Retained earnings	72,759	68,400	69,005
<b>Total Equity</b>	<b>103,899</b>	<b>99,467</b>	<b>100,216</b>
<b>Total Liabilities and Equity</b>	<b>899,189</b>	<b>909,103</b>	<b>834,251</b>

## Statement of Cash Flows 2013 – 2015

**Table 7**

	Dec 2015	Dec 2014	Dec 2013
	EC\$000	EC\$000	EC\$000
<b>Cash flows from operating activities</b>			
Profit before income tax	8,065	8,780	9,038
Adjustments for:			
Interest income	(3,124)	(3,482)	(4,682)
Interest expense	2,069	2,094	2,041
Dividend Income	(75)	-	-
Impairment on investments	410	-	771
Depreciation	2,941	3,021	2,888
Increase/(decrease) in Impairment losses on loans and advances	3,600	716	100
Loss on disposal of investment property	45	-	16
Gain on disposal of property and equipment	(15)	(40)	(106)
<b>Cash flows before changes in operating assets and liabilities</b>	<b>13,916</b>	<b>11,089</b>	<b>10,067</b>
Decrease/(increase) in mandatory deposits with Centra Bank	(275)	(3,732)	(765)
Decrease/(increase) in loans and advances to customers	(14,410)	(13,312)	(13,449)
(Increase)/decrease in other assets	(1,548)	(830)	(1,408)
(Decrease)/increase in due to customers	4,651	62,202	(5,850)
Increase in deposits from banks	(1,371)	(2,577)	2,384
Increase in other liabilities	3,237	9,862	16,081
<b>Net cash used in operations</b>	<b>4,200</b>	<b>62,702</b>	<b>7,061</b>
Dividend received	75		
Interest received	3,124	3,483	4,684
Interest paid	(2,090)	(2,067)	(1,922)
Income tax paid	(2,190)	(4,342)	-
<b>Net cash generated from operating activities</b>	<b>3,119</b>	<b>59,776</b>	<b>9,823</b>
<b>Cash flows from investing activities</b>			
Movement in short term investments and fixed deposits	815	(82)	(3,123)
Redemption/(purchase) of investment property	1,721	-	90
(Purchase)/redemption of treasury bills	-	5,981	(1,348)
Proceeds from disposal and redemption of investment securities	10,045	8,364	17,314
Purchase of investment securities	(6,556)	(344)	(5,678)
Purchase of property and equipment	(1,685)	(2,398)	(1,585)
Proceeds from disposal of property and equipment	20	54	118
<b>Net cash generated from investing activities</b>	<b>4,360</b>	<b>11,575</b>	<b>5,788</b>
<b>Cash flows from financing activities</b>			
Dividends paid	(1,500)	(3,700)	-
Repayment of borrowings	(21,003)	(2,375)	(2,794)
Proceeds from borrowings	3,240	6,387	14,196
<b>Net cash from financing activities</b>	<b>(19,263)</b>	<b>312</b>	<b>11,402</b>
Effects of exchange rate changes on cash and cash equivalents	(58)	(189)	-
<b>Net increase in cash and cash equivalents</b>	<b>(11,842)</b>	<b>71,663</b>	<b>27,012</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>165,692</b>	<b>94,029</b>	<b>67,016</b>
<b>Cash and cash equivalents at end of year</b>	<b>153,850</b>	<b>165,692</b>	<b>94,029</b>

**Bank of Saint Vincent and the Grenadines Ltd. - Key Indicators EC\$'000**

**Table 8**

	Dec-15	Dec-14	Dec 2013
<b>Profit After Taxes (\$000)</b>	5,859	3,095	7,491
<b>Total Assets (\$000)</b>	899,189	909,103	834,251
<b>Total Liabilities (\$000)</b>	795,290	809,636	734,035
<b>Return on Equity (%)</b>	5.64%	3.11%	7.47%
<b>Return on Assets (%)</b>	0.65%	0.34%	0.90%
<b>Debt Ratio (%)</b>	88.45%	89.06%	87.99%
<b>Debt to Equity (%)</b>	765.45%	813.97%	732.45%
<b>Dividend Payout (%)</b>	49.99%	48.47%	49.99%
<b>Basic EPS (\$)</b>	0.58	0.31	0.75

**Projected Performance after Listing – Key Indicators**

**Table 9**

Particulars	2019	2018	2017	2016
Return on Equity (%)	8.96	8.81	8.65	8.75
Return on Assets (%)	1.19	1.13	1.06	1.07
Debt to Equity Ratio	654.42	682.18	712.30	717.21
Loans to Deposit	84.82	85.99	86.96	91.72
Book Value (\$)	12.87	12.25	11.68	11.16
Basic EPS (\$)	1.15	1.08	1.01	0.98

**ECFH Financial Highlights**  
**Table 10**

	2015	2014	2013
	EC\$000	EC\$000	EC\$000
<b>Income Statement</b>			
Interest Income	155,803	162,911	169,806
Interest Expense	(64,717)	(77,879)	(84,237)
<b>Net Interest Income</b>	<b>91,086</b>	<b>85,032</b>	<b>85,569</b>
Other Income net	62,218	61,471	67,895
<b>Operating Income</b>	<b>153,304</b>	<b>146,503</b>	<b>153,464</b>
Staff Costs	(47,093)	(44,318)	(46,539)
Administrative Costs	(62,578)	(64,054)	(59,536)
Impairment losses - loans & Investments	(45,009)	(20,431)	(41,250)
<b>Net Income before Taxes</b>	<b>(1,376)</b>	<b>17,700</b>	<b>6,139</b>
Taxes	(4,045)	(7,158)	(2,156)
Dividends on Preference Shares	(291)	(291)	(291)
Profit for year from discontinued operations	-	157	-
Gain on disposal of controlling interest	-	656	-
Minority Interest	(2,871)	(1,516)	(3,504)
<b>Net Income after taxes and Minority Interests</b>	<b>(8,583)</b>	<b>9,548</b>	<b>188</b>
<b>Balance Sheet</b>			
Cash and Balances with Central Bank	344,212	291,837	166,613
Investments	1,510,587	1,415,748	1,385,622
Net Loans	1,667,579	1,770,710	1,868,728
Other Assets	251,112	244,711	303,371
<b>Total Assets</b>	<b>3,773,490</b>	<b>3,723,006</b>	<b>3,724,334</b>
Deposits and Other Funding Instruments	3,332,350	3,235,180	3,181,671
Borrowings	116,646	152,883	213,125
Other Liabilities	72,820	65,262	68,827
Capital	251,674	269,681	260,711
<b>Total Liabilities and Capital</b>	<b>3,773,490</b>	<b>3,723,006</b>	<b>3,724,334</b>
<b>Other Information</b>			
ROE	-3.4%	3.6%	0.1%
ROA	-0.23%	0.3%	-
Book Value of Ordinary Shares (\$)	9.95	8.86	8.62
Average Market Value of Ordinary Shares (\$)	5.50	6.42	7.93
(Loss)/Earnings per Ordinary Shares (\$)	(0.34)	0.39	-
Provisions as % of Loan Portfolio	7.38%	5.1%	10.70%
Provisions as % of Non-performing Loan Portfolio	18.56%	28.7%	42.00%

## **21) PROJECTED FINANCIAL STATEMENTS**

### **BOSVG Forecasted Income Statements 2016 – 2018**

**Table 11**

	2016	2017	2018
Interest Income	51,189,963	51,651,401	52,131,995
Interest Expense	(19,014,707)	(19,301,249)	(19,196,627)
<b>Net Interest Income</b>	<b>32,175,256</b>	<b>32,350,152</b>	<b>32,935,368</b>
Fee and Commission Income	4,975,466	5,074,975	5,176,475
Dividend Income	66,096	66,096	66,096
Net Foreign Exchange Trading Income	4,373,271	4,460,736	4,549,951
Operating Expenses	(27,940,081)	(27,667,504)	(27,525,372)
(Impairment Losses)/Recoveries of Loans and Advances, Net	(811,112)	(1,000,000)	(1,000,000)
<b>Profit before Income Tax</b>	<b>12,838,896</b>	<b>13,284,455</b>	<b>14,202,518</b>
Income Tax (Expense)/Credit	(3,081,335)	(3,188,269)	(3,408,604)
<b>Profit for the Period</b>	<b>9,757,561</b>	<b>10,096,186</b>	<b>10,793,914</b>
<b>Earnings per Share</b>	<b>0.98</b>	<b>1.01</b>	<b>1.08</b>
<b>Interest Spread</b>	<b>0.628546</b>	<b>0.626317</b>	<b>0.631769</b>

**BOSVG Forecasted Balance Sheet 2016 - 2018**

**Table 12**

	2016	2017	2018
<b>Assets</b>			
Cash and balances with Central Bank	85,633,487	106,335,353	111,975,232
Treasury bills	10,000,000	10,000,000	10,000,000
Deposits with other banks	80,848,440	97,832,351	101,745,645
Financial assets held for trading	36,709	36,893	37,077
Loans and receivables - Loans and advances to customers	610,823,249	612,789,388	614,829,665
- Bonds	10,030,822	10,030,822	10,030,822
Investment securities - Held-to-Maturity	44,001,360	44,441,374	45,107,994
- Available-for-Sale	4,955,483	5,029,815	5,105,262
Property and equipment	55,521,944	52,624,571	49,756,172
Other assets	8,113,167	8,924,482	9,816,932
Income tax recoverable	1,769,363	589,788	-
<b>Total Assets</b>	<b>911,734,024</b>	<b>948,634,837</b>	<b>958,404,801</b>
<b>Liabilities</b>			
Deposits from banks	39,756,642	39,160,292	38,572,888
Due to customers	665,977,695	704,699,929	715,017,123
Borrowed Funds	48,780,862	46,586,458	44,555,500
Other Liabilities	41,917,848	37,726,064	33,953,457
Deferred Tax Liabilities	652,890	489,668	367,251
Income Tax Payable	3,081,335	3,188,269	3,408,604
<b>Total Liabilities</b>	<b>800,167,272</b>	<b>831,850,680</b>	<b>835,874,823</b>
<b>Equity</b>			
Share capital	14,753,306	14,753,306	14,753,306
Reserves	14,753,306	14,753,306	14,753,306
Unrealised gains on investments	1,529,825	1,529,824	1,529,824
Retained earnings	80,530,315	85,747,721	91,493,542
<b>Total Equity</b>	<b>111,566,752</b>	<b>116,784,157</b>	<b>122,529,978</b>
<b>Total Liabilities and Equity</b>	<b>911,734,024</b>	<b>948,634,837</b>	<b>958,404,801</b>

## 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 - 10,000,000	14,753,306

## **22) ASSUMPTIONS TO THE PROJECTIONS**

### **Basis of Compilation**

The accompanying projected financial statements for the years ending December 31, 2016 through 2018 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 Assumptions**

The following summarizes those assumptions considered material to the compilation of the Bank's projected financial position as of December 31, 2016, 2017 and, 2018 the results of its financial performance for those years then ending.

#### **Economic Climate**

The IMF has projected a reduction in the global growth by 0.30% to 3.40% for 2014 and a recovery in 2015 at 4.0%. Growth in the emerging markets and developing economies are anticipated to grow by 4.3% on average per year from 2016 - 2018.

The macro-economic fundamentals, because of the fragile recovery of the United States and the global economies which are challenged by the debt crises among certain European Union member states is expected to extend into 2016. 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 2.5% from 2016 - 2018.

#### **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 2015 figures and an annual average of 1% thereafter. During the period 2016 through 2018, 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 5%.

## **Loans to Customers**

The Bank has positioned itself to maintain market share in loans and advances during the 2016 through 2018 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 2 %, this is in line with the projected economic growth. 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, losses on loans and advances are projected at approximately 1% of the total portfolio.

## **Investment Properties**

During 2011, the Bank acquired investment properties having a carrying value of \$3.8 million. These properties are expected to be disposed of by the end of 2016.

## **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 2016 – 2018.

## **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 2016 to 2018, 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 three years total operating cost are projected to decrease by approximately 7% as a result of these initiatives.

## **23) APPENDICES**

### **APPENDIX 1: MANAGEMENT'S VALUATION**

#### **Management's Notional Fair Value Assessment of a Minority Interest Holding**

The following sets out management's assessment, which was conducted by the finance department, of the per share notional fair market value of a minority interest holding in the ordinary shares of the Bank of St. Vincent and the Grenadines.

Our assessment of the notional fair market value per share of a minority interest is premised on market data for similar securities, the relative liquidity of the exchange on which the Bank's securities are being listed, the assessed risk factors, including credit, geographic concentration, and the general economic climate and outlooks for St. Vincent and the Grenadines among others, the shareholders inability to influence dividend policy and or strategic direction of the Bank.

In our assessment of the notional fair market value per share for a minority interest stakeholder, we used valuation modules applicable to a going concern, and where necessary, applied various discount factors to set off assessed inherent entity and wider market risks. In accordance with our assessment, we estimate the notional fair market value, on or about December 31, 2015, to range between of EC\$11.37 and EC\$11.79 per share.

We draw to readers' attention that actual market prices after listing may vary from the estimated notional fair market value herein. The degree of variation may be dependent on a number of factors including, but not limited to, changes in general market sentiments and varying weight factors applied by individual market participants. The assessed notional fair market value should not be considered as firm; rather it should serve to assist traders in formulating their assessment of the shares value.

APPENDIX 2: AUDITORS REPORT



Ernst & Young  
P.O. Box BW 388,  
Rodney Bay, Gros Islet,  
St. Lucia, W.I.

Tel: +758 458 4720  
+758 458 4730  
Fax: +758 458 4710  
[www.ey.com](http://www.ey.com)

Street Address  
Mardini Building, Rodney Bay,  
Gros Islet,  
St. Lucia, W.I.

8 June 2016

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 offering of a total of 2,000,000 ordinary shares in the Bank of St. Vincent and the Grenadines Ltd. on the Eastern Caribbean Securities Exchange of our audit reports dated April, 25, 2014, March 27, 2015 and March 21, 2016 for the financial years ended 31 December 2013, 2014 and 2015 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.

Yours Sincerely  
Ernst & Young  
Chartered Accountants

APPENDIX 3: LIST OF LICENSED ECSE MEMBER BROKER DEALERS

**LIST OF LICENSED ECSE MEMBER BROKER DEALERS**

<b>Territory</b>	<b>Institution</b>	<b>Name of Licensee</b>	<b>Type of Licence</b>
ST KITTS AND NEVIS	St Kitts-Nevis-Anguilla National Bank Ltd	Winston Hutchinson	Principal
		Anthony Galloway	Principal
		Angelica Lewis	Representative
		Marlene Nisbett	Representative
		Petronella Crooke	Representative
	The Bank of Nevis Ltd	Kelva Merchant	Principal
		Brian Carey	Principal
		Lisa Jones-Herbert	Representative
		Judy Claxton	Representative
SAINT LUCIA	ECFH Global Investment Solutions Ltd	Medford Francis	Principal
		Lawrence Jean	Principal
		Deesha Lewis	Representative
	First Citizens Investment Services Ltd	Carole Eleuthere-JnMarie	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

**APPLICATION FORMS USED**

**BANK OF SAINT VINCENT AND THE GRENADINES LIMITED  
INITIAL PUBLIC OFFERING  
APPLICATION FORM**

The public offering of 2,000,000 ordinary shares in Bank of Saint Vincent and the Grenadines Limited, being shares divested by the Government of Saint Vincent and the Grenadines will open at **9 am on 27 December 2012** and will close at **2.00 pm 25 January 2013**.

<b>Number of Shares Applied For *</b>	<b>Amount Due for Shares on Application</b>

**\*Applications to be made for a minimum of 50 shares and in multiples of 5 thereafter.**

I/ we enclose the sum of **EC\$**\_\_\_\_\_ being the amount payable on application for the above stated number of shares. I/ we understand that I/we will also be required to pay applicable brokerage fees and commission, the terms of which have been made available by the Broker/Dealers.

**Please complete the following information using block letters:**

**(1) CORPORATION**

<b>Name of Corporation</b>		
<b>Registry A/C#</b>		
<b>Address in full (Including P O Box Number)</b>		
<b>Telephone No(s):</b>	Personal:	Business:
<b>Type of Business</b>		
<b>a) Name of Authorized Official</b>		
<b>Designation of Authorized Official</b>		
<b>b) Name of Authorized Official</b>		
<b>Designation of Authorized Official</b>		
<b>c) Name of Authorized Official</b>		
<b>Designation of Authorized Official</b>		
<b>(2) INDIVIDUAL</b>		
<b>Surname and Title (Mr, Mrs, Miss, Ms)</b>		
<b>Other Name(s) in full</b>		
<b>Date of Birth: (DD MM YYYY)</b>		

<b>Address in full (Including P O Box Number)</b>	
<b>Telephone No(s):</b>	Personal: _____ Business: _____
<b>National of St Vincent &amp; the Grenadines (If No, State Country)</b>	Yes <input type="checkbox"/> No <input type="checkbox"/> Country: _____
<b>Passport/National ID Number &amp; Country of Issue</b>	
<b>Other Citizenships/Residencies Held</b>	
<b>Occupation</b>	
<b>Email Address</b>	
<b>Registry A/C# (If applicable)</b>	

The above individual will serve as the primary holder to receive corporate communication and dividends unless specified otherwise.

Refunds in respect of shares applied for but not allotted will be made to all of the applicants concerned by their brokers within five (5) business days of the close of the allotment period. Refunds will be made to clients as per the preferred payment method selected on this application form.

**PLEASE REGISTER JOINT OWNER(S) AS FOLLOWS:**

**Please be advised that the securities will be held as Joint tenants with rights of survivorship. The Applicant listed above will be recognized as the Primary Holder.**

Surname & Title (Mr, Mrs, Miss, Ms): _____	Surname & Title (Mr, Mrs, Miss, Ms): _____
Other Name(s) in Full: _____	Other Name(s) in Full: _____
Address in full: _____	Address in full: _____
Telephone No(s): _____	Telephone No(s): _____
Date of Birth: (DD MM YYYY) _____	Date of Birth: (DD MM YYYY) _____
National of St Vincent & the Grenadines: (If Not, State Country) Yes <input type="checkbox"/> No <input type="checkbox"/> Country: _____	National of St Vincent & the Grenadines: (If Not, State Country) Yes <input type="checkbox"/> No <input type="checkbox"/> Country: _____
Other Citizenships/Nationalities Held: _____	Other Citizenships/Nationalities Held: _____

Occupation: _____	Occupation: _____
Passport/National ID No: _____ Country of Issue: _____	Passport/National ID No: _____ Country of Issue: _____
Registry Account Number (if applicable): _____	Registry Account Number (if applicable): _____
Email Address: _____	Email Address: _____

<b>Method of Payment Preferred:</b> Dividend Check to be mailed to the following address:	Method of Payment Preferred: EC\$ funds to be deposited directly to my/our bank account: Bank Name: _____ Account Number: _____ Bank Address: _____ _____

**Declaration:** I/We the applicant(s), by signing this application form, acknowledge that I/we have read the Terms and Conditions of the Offer of Shares of Bank of Saint Vincent and the Grenadines Limited and agree that by signing this application form I/we have agreed to those terms. The signature(s) below is/are executed for and on behalf of the applicant/all applicants on this Form.

**APPLICANT'S SIGNATURE:**

\_\_\_\_\_

**APPLICANT'S SIGNATURE:**

\_\_\_\_\_

**APPLICANT'S SIGNATURE:**

\_\_\_\_\_

APPENDIX 5: DECLARATION OF DIRECTORS

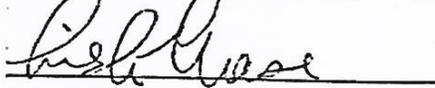
DECLARATION OF DIRECTORS

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 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 Prospectus misleading:

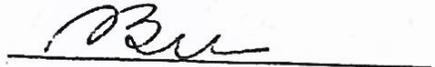
Errol Allen



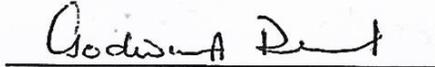
Lisle Chase



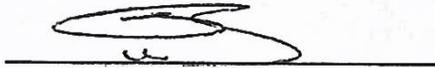
Esther Brown-Weekes



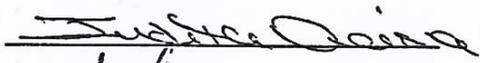
Godwin Daniel



Lennox Bowman



Judith Veira



Timothy Providence



Omar Davis

