

SECURITIES ACT 2001

SECURITIES (REGISTRATION STATEMENT) RULES NO. 2 OF 2002

IN EXERCISE of the powers conferred on it by sections 97, 161 and 162 of the Securities Act 2001, the Commission makes the following procedural rules and specifies the form of the registration statement.

CITATION AND COMMENCEMENT

1. These rules may be cited as the Securities (Registration Statement) Rules No. 2 of 2002 and shall come into force on the date issued by the Commission.

INTERPRETATION

2. In these rules:

'Commission' means the Eastern Caribbean Securities Regulatory Commission

'Reporting Issuer' refers to reporting issuers as described in section 97 of the Securities Act.

'Securities Act' means the Securities Act 2001.

REPORTING ISSUERS

3. (a) Reporting issuers are required to register with the Commission in accordance with s.97(2) of the Securities Act 2001.
(b) Reporting issuers incorporated subsequently to the prescribed time must register with the Commission within ninety (90) days of the date of incorporation.

REGISTRATION STATEMENT

4. It is unlawful for any person to issue securities unless a registration statement in the form prescribed in the schedule has been filed with the Commission along with the fee payable under the Securities (Licences and Fees) Regulations, and has been approved by the Commission.
5. Registration statements must be updated annually in accordance with s.97(4) of the Securities Act 2001.

6. The following documents shall accompany the registration statement:
 - (a) Formation documents (Memorandum and/or Articles of Association and/or By-laws of the reporting issuer)
 - (b) Certificate of Incorporation
 - (c) Audited financial statements for the past three (3) financial years
 - (d) Year to date unaudited financial statements
 - (e) Prospectus

7. Any statement contained in the registration statement or accompanying documents which is false or misleading or which the reporting issuer has reasonable grounds to believe is false or misleading or which, by reason of the omission of some fact or other information, is rendered false or misleading is a contravention of section 121 of the Securities Act 2001.

Has the company applied for listing on the Eastern Caribbean Securities Exchange Yes No

Date of Issue of this Registration Statement: **June 2011**

THIS DISCLOSURE DOCUMENT CONTAINS ALL OF THE REPRESENTATIONS BY THE COMPANY CONCERNING THIS OFFERING, AND NO PERSON SHALL MAKE DIFFERENT OR BROADER STATEMENTS THAN THOSE CONTAINED HEREIN. INVESTORS ARE CAUTIONED NOT TO RELY UPON ANY INFORMATION NOT EXPRESSLY SET FORTH IN THIS DISCLOSURE DOCUMENT, OR THE PROSPECTUS PUBLISHED IN RESPECT OF THIS ISSUE. INVESTMENT IN BUSINESSES INVOLVES A CERTAIN DEGREE OF RISK, AND INVESTORS SHOULD NOT INVEST IN THIS OFFERING UNLESS THEY CAN AFFORD TO LOSE THEIR INVESTMENT IN ITS ENTIRETY. IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

This Disclosure Document, together with Financial Statements and other Attachments, consists of a total of 39 pages.*****

**PART III
DESCRIPTION OF SECURITIES**

1. Description of Share Capital

a) Authorised

TYPE/CLASS	AMOUNT
Common	50,000,000
Preference	11,550,000

b) Issued

TYPE/CLASS	AMOUNT
Common	24,465,589
Preference	830,000

2. The securities offered hereby are:

NUMBER	TYPE
<input checked="" type="checkbox"/>	Common Stock
<input checked="" type="checkbox"/>	Preferred or Preference Stock
<input type="checkbox"/>	Notes, Bonds or Debentures
<input type="checkbox"/>	Other

3. These securities have:

Yes	No	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Cumulative voting rights
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Other special voting rights

- Pre-emptive rights to purchase in new issues of securities
- Preference as to dividends or interest
- Preference upon liquidation
- Other special rights or preferences (specify):

Explain:

4. Are the securities convertible? Yes No
If so, state conversion price or formula.

The preference shares are convertible to ordinary shares on a one to one basis, with the amount converted not exceeding 250,000 preference shares per annum. Conversion should take place after the record date for the payment of final dividends of the preceding year.

Date when conversion becomes effective: ___/___/___

Date when conversion expires: ___/___/___

5. Provide details of any bonus securities or stock dividends in the last two years.

None.

**PART VII
THE COMPANY**

1. (a) Provide brief history of the company since its inception to the present time.

On July 1, 2001, the East Caribbean Financial Holding Group of Companies was formed from a merger of The National Commercial Bank of Saint Lucia Limited and The Saint Lucia Development Bank. Both institutions began operations in 1981 wholly owned by The Government of Saint Lucia. This remained so until 1999 when The National Commercial Bank was privatized offering \$20 Million worth of shares to the public. This share offering was over subscribed by \$12 Million. The over subscription was met by the Government reducing its share ownership from 40-1 to 38-1 share ownership. In 2001, the two institutions were merged into the East Caribbean Financial Holding Group of Companies.

The year 2002 was one of consolidation of the various subsidiaries and other business aspects of the company. It was the first full year of operations after the merger, which was used to assess its full impact. In addition the company's operations were affected by a number of negative internal and external factors.

In 2003 two subsidiaries were established namely EC Global Insurance Company, and Bank of Saint Lucia International.

The EC Global Insurance Company, was launched on September 25, 2004 and provides general insurance coverage to our customers who desire the service and to the public at large. This company is jointly owned by ECFH, which owns 70% and Grace Kennedy & Company Limited which owns 30%. The objective is to develop an efficient and respected domestic insurance company that could provide essential cover not currently provided locally, and to do this cost-effectively and seamlessly with other Group services. The value proposition will be a broader range of insurance products and services offered competitively with reliability, efficiency and convenience.

Bank of Saint Lucia International was launched in April 2004, with a very experienced and professional management team to attract private depositors. It has adopted internationally prudent standards in its operations and has been mandated to adopt best practice in this line of business.

In 2008 another subsidiary ECFH Global Investment Solutions Limited was launched to provide Brokerage and Capital Market Services to St. Lucia and the OECS region.

In October 2010 ECFH acquired 20% shareholding in the Eastern Caribbean Amalgamated Bank (ECAB), and in November 2010 it also acquired 51% ownership in the National Commercial Bank of St. Vincent and the Grenadines Ltd, which had been renamed Bank of St. Vincent and the Grenadines Ltd.

All the subsidiaries are operational and contributing to the overall profitability of the Group.

(b) Provide a description of the developments in the company's main line of business including accomplishments and future plans.

Strategic Direction 2012-2014

Every three to five years the ECFH Group assesses its operating performance and the market environment and determines the direction of the organization for the following period. The last ECFH strategic planning was undertaken in 2007 and most of the strategic objectives set then have been successfully completed – regional expansion, service diversification, improved technology, expansion of convenience banking services including card services, and some streamlining of operations.

In October 2011 the Group embarked on its strategic planning sessions to chart the way forward for its future direction. A review of business performance, priorities and prospects was undertaken which aided in formulating strategic options for the individual subsidiaries and the group as a whole. The strategic options centered on service excellence, productivity improvement, operational efficiencies and cost management in order to maintain market share and profitability at an acceptable level for all stakeholders. It was clear that for the benefit of the Group's positive performance greater collaboration between the individual subsidiaries and Corporate Services must take priority and a number of activities must be integrated and centralized.

In December 2011 the ECFH Board of Directors approved the three-year strategy 2012-2014. The Group has engaged the professional services of Ernst & Young Services Limited (EYSL) to conduct an operational process review as the first step towards the implementation of some of the key initiatives that are central to the Group's Strategic Plan. This work will take place within the first and second quarter of 2012, and will focus on the critical banking subsidiaries of Bank of Saint Lucia Limited, Bank of St. Vincent & the Grenadines Limited and Bank of Saint Lucia International Limited. Staff of the Group will be engaged throughout the process assisting EYSL.

Other Key Initiatives

Construction progressed on the new ECFH building in Gros Islet despite some scheduling setbacks with completion scheduled for June 2012. The new premises will house the Bank of Saint Lucia International (BOSLIL), the Wealth & Asset Management division of Bank of Saint Lucia, and ECFH Global Investment Solutions Limited.

The Soufriere waterfront building, purchased in 2010 through the Group's property development subsidiary was renovated in 2011 and the relocation of the Bank of Saint Lucia Soufriere branch is on schedule for the first quarter on 2012.

Human Resources

This year, the HR Department initiated three (3) significant projects aimed at strengthening capacity in relation to HR administration and employee performance.

- Implementation of a new Human Resource Information System (HRIS) with a Payroll, HR Administration and Self Service component.
- A job reclassification project to review and upgrade the organization's job classification structure, job evaluation processes and compensation framework.
- A performance based incentive plan project to develop and implement a group-wide performance incentive program.

Due to be completed by mid-2012, it is anticipated that the successful implementation of these projects will greatly enhance the HR department's operational effectiveness in facilitating productivity improvement and appropriate compensation.

2012 Outlook

As we move into 2012 the Group's ultimate focus will be on *Achieving Excellence*, through integration, productivity and efficiency improvements. The ECFH core values of Service Excellence, Results Orientation and Teamwork and Collaboration will be at the forefront of all Group initiatives.

Greater attention will be placed on the core banking business of the group with emphasis on the credit portfolio of Bank of Saint Lucia. Subsidiaries such as BOSLIL and ECFH Global Investments Solutions are expected to make an even greater contribution to the overall profits of the Group in 2012. The Mortgage Finance Company is expected to be integrated into the Bank of Saint Lucia by mid-year and rationalization of the Group's property portfolio will shortly be underway.

- (c) Describe in detail what business the company does and proposes to do, including what products or goods are or will be produced or services that are or will be rendered.

ECFH boasts a variety of financial products and related services offered across its many subsidiaries.

The Group's main subsidiaries Bank of Saint Lucia Limited and its Mortgage Company offer a full range of domestic banking products and services. The Bank expanded its range of investment products by introducing a new suite of Certificate of Deposit products, providing customers with greater choice and flexibility.

Other strategic initiatives for domestic banking include a new line of financing for small and medium enterprises and the introduction of an Agri-Business Services Unit.

The Property Holding & Development Company manages the real estate assets of the Group while Bank of Saint Lucia International, the Group's offshore arm, offers a limited number of private banking services to non-residents of Saint Lucia.

EC Global Insurance Company Limited, another subsidiary which commenced operations in September 2004, provides general insurance services. After four years of operation, the company continues to grow market share in an intensely competitive insurance market. In 2008, EC Global achieved its first profitable year of operations.

Following on the success of the first year of operations, the new ECFH Global Investment Solutions Limited plans to expand into the wider Caribbean region through its lines of business of capital market services, merchant banking and financial product development.

(d) Describe how these products or services are to be produced or rendered and how and when the company intends to carry out its activities. If the company plans to offer a new product(s), state the present stage of development, including whether or not a working prototype(s) is in existence. Indicate if completion of development of the product would require a material amount of the resources of the company, and the estimated amount.

The Group's domestic banking services are offered through Bank of Saint Lucia Limited and Bank of St. Vincent and the Grenadines Ltd. using a network of a number of branches, bureau de change and over twenty conveniently located cash dispenser /ATMs including island wide in St. Lucia and St. Vincent. In 2011 Bank of Saint Lucia launched Edu-Start an education savings plan. This new product designed for the specific purpose of saving for an individual's post-secondary school education, is an investment product managed by Bank of Saint Lucia's Wealth & Asset Management Division. Going forward the focus for Bank of Saint Lucia will be on product rationalization and to determine opportunities for product enhancement.

Early in 2012 Bank of St. Vincent & the Grenadines (BOSVG) has plans to launch its new wireless point of sales service, Swipe on the Go, branded similarly to that of the Bank of Saint Lucia product. Going forward BOSVG will seek to improve its product offering by introducing some new products such as a retirement investment account and an education savings plan.

In the insurance business, EC Global opened a new convenience centre in Rodney Bay for customers in the North of the island.

In international banking, BOSLIL strengthened its services with the introduction of new business development resources to cover Europe and Latin America. BOSLIL has begun the process of establishing a new bank in Panama and it is anticipated that it will be fully operational in 2012.

- Describe specifically the marketing strategies the company is employing or will employ in penetrating its market or in developing a new market. Indicate how and by whom, its product or services are or will be marketed (such as advertising, personal contact by sales representative, etc.), how its marketing structure operates or will operate and the basis of its marketing approach including any marketing studies.

ECFH will continue to focus on strengthening the position of the ECFH Group as a leader in financial development and innovation domestically and within the OECS region. . The marketing strategies will be guided by the 2012-2014 Group Strategic Initiatives and in keeping with the Group's new strategic direction a more focused approach will be taken with a view to more effective and efficient activities in 2012 and beyond. The focus of the marketing effort continues to be on target marketing.

Branding and promotion are a critical component of the overall marketing effort. On the domestic side, electronic advertising (both radio and television) is on-going, promoting both the general services offered by the Bank and specific products.

A more structured approach to sales is being pursued domestically, whilst the regional marketing effort is spearheaded by the ECFH Global Investment Solutions and the Bank of Saint Lucia's Wealth and Asset Management division.

Given the diversity of the Group, cross promotional and selling opportunities between subsidiaries continues to be encouraged.

- Describe generally the principal properties (such as real estate, plant and equipment, patents, etc.) that the company owns, indicating also what properties it leases and a summary of the terms under those leases, including the amount of payments, expiration dates and the terms of any renewal options. Indicate what properties the company intends to acquire in the immediate future, the cost of such acquisitions and the sources of financing it expects to use in obtaining these properties, whether by purchase, lease or otherwise.

The Company does not own any real estate in its name. The real estate of the group are owned and managed by a subsidiary – Property Holding and Development Company of Saint Lucia Limited.

- Description of the industry in which the company sells its products or services. (Where applicable, include any recognised trends within that industry. Describe that part of the industry and the territory in which the business competes).

The industry in which the Group's main subsidiary (Bank of Saint Lucia Limited) and the insurance company EC Global operates is fiercely competitive as it offers similar products and services to its competitors. More importantly, both insurance companies and non-bank financial institutions are now starting to encroach on markets that were strictly the domain of financial institutions.

- Indicate current and future forms of competition, (whether by price, service or otherwise). Name the company's main actual and/or potential competitors. Indicate the relative size, financial and market strengths of the company's competitors and/or its anticipated competitors. State bases on which the company can effectively compete with these and other companies within the industry.

The current form of competition is in the area of service, interest rates on loans and deposits and products. The Group's main competitors are the larger local, regional and international banks, financial institutions and insurance companies.

- Indicate the extent to which the company's operations have depended or are expected to depend upon patents, copyrights, trade secrets, know-how or other proprietary information. Describe the steps taken to secure and protect the company's intellectual property. (Include use of confidentiality agreements, covenants-not-to-compete and the like).

The company's operations have not depended on patents or copyrights. While special products and services are developed they are easily replicated by the competition and it is difficult to maintain control in this regard.

The areas of Information Technology and Business Strategies are safely guarded to maintain competitive advantage and Business continuity in the event of a disaster.

- State whether the company's business, products or properties have been subject to material regulation (including environmental regulation). Indicate the nature and extent of regulation and its effect or potential effects upon the company and its operations.

Some aspects of the company's business are subject to the regulation of the Eastern Caribbean Central Bank, the Eastern Caribbean Securities Regulatory Commission, the Insurance Supervision Unit and the Financial Services Supervision Unit of the Ministry of Finance.

- State names of the company's subsidiaries. Outline their business purposes. Give names of primary owners. (Indicate whether this information is included in the Financial Statements attached hereto).

- (1) Bank of Saint Lucia Limited – 100% owned, offers commercial, development and Investment banking services.
 - (2) Mortgage Finance Company of Saint Lucia Limited – 100% owned, manages residential mortgage portfolio.
 - (3) Property Holding and Development Company of Saint Lucia Limited – 100% owned, manages the properties owned by the Bank and seeks new real estate investment
 - (4) Bank of Saint Lucia International Limited – 100% owned, provides offshore financial services
 - (5) EC Global Insurance Company Limited - 70% owned – provides general insurance services
 - (6) ECFH Global Investment Solutions Limited – 100% owned- provides Merchant Banking and Brokerage services
 - (7) Bank of St. Vincent and the Grenadines Ltd. – 51% owned, provides Banking services
- State whether the company is a subsidiary. If so, describe the business of the parent company. Indicate what percentage of the company is owned by the parent.

The registrant is the parent company comprising of the subsidiaries mentioned in (k). It is a public company owned by shareholders, which includes the Government of Saint Lucia and Republic Bank Limited, each with a 20% ownership at the end of the year

- Summarise the material events in the development of the company including any material acquisitions or mergers during the past five years.

December 2003 – Formation of Bank of Saint Lucia International Limited

December 2003 – Formation of EC Global Insurance Company Limited

December 2003 – sale of 11.3% of total issued shares by the Barbados National Bank to Republic Bank LTD. Sale of 8.75% of total issued shares by the Government of St Lucia to Republic Bank Ltd.

June 2007- Additional Public Share Offer EC\$100,000,000

May 2008 – Formation of ECFH Global Investment Solutions Limited

October 2010 – Acquisition of 20% shareholding in Eastern Caribbean Amalgamated Bank (ECAB)

November 2010 – Acquisition of 51% shareholding in National Commercial Bank of St. Vincent & the Grenadines Ltd, now Bank of St. Lucia and the Grenadines Ltd.

- List in order of importance the factors, which are the most substantial risks to an investor (i.e., those factors which constitute the greatest threat that the investment will be lost in whole or in part, or will not provide an adequate return).
 - (1) Business Interruption due to Natural and Man made disasters
 - (2) Collapse of the Financial System within which the company operates
 - (3) Major default in some of the key economic sectors
 - (4) Major incidence of fraud
 - (5) Poor and unethical management practices
 - (6) Liquidity Risk and poor risk management practices
 - (7) Unstable Industrial relations climate
 - (8) Economic Instability
 - (9) Political Instability

Attach Additional Sheets if needed

Indicate whether the company is having or anticipates having within the next 12 months any cash flow or liquidity problems and whether or not it is in default or in breach of any note, loan, lease or other indebtedness or financing arrangement requiring the company to make payments.

The company does not anticipate having any cash flow or liquidity problems within the next twelve months and is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring the company to make payments.

Indicate whether proceeds from this offering will satisfy the company's cash requirements for the next 12 months, and whether it will be necessary to raise additional funds. State the source of additional funds, if known.

There is no share offering planned for the next financial year.

**PART VIII
CAPITALIZATION**

- Indicate the capitalisation of the company as of the most recent balance sheet date (adjusted to reflect any subsequent stock splits, stock dividends, recapitalisations or refinancing) and as adjusted to reflect the sale of the minimum and maximum amount of securities in this offering and the use of the net proceeds there from:

Amount Outstanding (all expressed as EC\$000's)

	As of:	<u>As Adjusted</u>	
Debt:	<u>31 /12 /11</u>	<u>Minimum</u>	<u>Maximum</u>
Short-term debt (average interest rate <u>6.25%</u>)	\$76,799	\$ _____	\$ _____
Long-term debt (average interest rate – 5.34%)	\$ 120,001	\$ _____	\$ _____
Total debt	<u>\$196,800</u>	\$ _____	\$ _____
Stockholders equity (deficit):			
Preferred stock - par or stated value (by class of preferred in order of preferences)	\$ 4,150	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
Common stock--par or stated value	\$170,081	\$ _____	\$ _____
Additional paid in capital	\$ 3,118	—	\$ _____
Retained earnings/reserves (deficit)	\$ 165,347	\$ _____	\$ _____
Total stockholders equity (deficit)	\$ 342,696	\$ _____	\$ _____
Total Capitalisation	\$ 388,979	\$ _____	\$ _____

* Includes unrealised loss on investments of \$4,420

** Includes Minority interests of \$46,283

- Capital Commitments and Contingent Liabilities - Nil
- Unfunded Pension Liabilities – Nil
- Letters of Credit - \$38,968
- Performance bonds - Nil
- Guarantees and Warranties- \$128,355
- Undrawn commitments- \$100,165

- Letters of Comfort – Nil
- Capital Commitment –\$3,813
- Others(ECHMB Loans) - \$53,959

**PART IX
DIVIDEND POLICY**

- If the company has within the last five years paid dividends, provide the following:

DATE	AMOUNT	% OF NET INCOME	DIVIDEND PER SHARE
2007	23,701,420	53.55	1.00
2008	23,965,589	51.11	1.00
2009	12,107,794	46.68	0.50
2010	7,339,677	77.08	0.30
2011	2,446,559	41.29	0.10

- Outline any projections or plans for payment of dividends over the next two years?

Dividends for the next two years will be paid in accordance with a dividends policy which is set at 65% of net income after taxes and allocation of statutory reserves.

**PART X
OFFICERS AND KEY PERSONNEL OF THE COMPANY**

DIRECTORS

Victor Eudoxie

Profession : Retired Banker
Substantive Position : Chairman
Board Member since : 1997
Appointed by : Government of Saint Lucia

Hildreth Alexander

Profession : Management
Qualification : MBA - Marketing
Substantive Position : Businessman
Board Member since : 1997
Elected by : Minority Shareholders

Emma Hippolyte

Profession : Accountant

Qualification : CGA
Substantive Position : Consultant
Board Member since : 1999
Elected by : Minority Shareholders

Henry Mangal

Profession : Management
Qualification : Bsc. Accounting
Substantive Position : Consultant
Board Member since : 1999
Elected by : Minority Shareholders

Isaac Anthony

Profession : Accounting & Finance
Qualification : Bsc. Accounting, MBA
Substantive Position : Permanent Secretary, Ministry of Finance/ Director of Finance
Board Member since : March 2007
Appointed by : Government of St. Lucia

Llewelyn Gill

Profession : Chartered Accountant
Qualification : SLMM, FCGA, FCIS, FCCA
Substantive Position : Principal G. Llewelyn Gill & Co.
Board Member since : July 2010
Appointed by : National Insurance Corporation

Terrence Farrell

Profession : Economist
Qualification : Ph. D, M. Sc, B. Sc - Economics
Substantive Position : Consultant – Business Development, Finance & Economics
Board Member since : February 2011
Appointed by : Republic Bank of Trinidad & Tobago
Nationality : Trinidadian

Lisle Chase

Profession : Accountant
Qualification : FCCA, CA
Substantive Position : CEO- Financial Centre Corporation
Board Member since : June 2008
Appointed by : Ordinary Shareholders

Nationality : Saint Lucian

Robert Norstrom

Profession : Banker
Qualification : Associate and Fellow of the Charter Institute of Bankers, UK (Warwick University)—Corporate Finance, Executive Management Development Program- University of the West Indies
Substantive Position : Group Managing Director and General Manager, Bank of Saint Lucia Limited
Associated Banking Experience : 42 years
Years employed with Group : 8 years

There were two vacancies on the Board as at December 31, 2011 as a result of the resignation of Director Emma Hippolyte who left to pursue a career in elective politics and Henry Mangal who took up employment overseas. They were both appointed by the ordinary shareholders. These vacancies were filled in April 2012 by Jacqueline Emmanuel and Omar Davis, who were appointed in accordance with the Companies Act, to fill the unexpired term of their predecessors to expire at the close of the Annual Meeting in 2013.

SENIOR MANAGEMENT

Robert Norstrom-FCIB (UK)
Group Managing Director

Esther Browne -MSc. Finance
General Manager – ECFH Corporate Services

Nestor Alfred – MBA
General Manager – Strategic Development

Jenni Killam-MSc. Human Resource Management
Senior Manager -Human Resources

Gordon Cochrane - BA, CA
Group Financial Controller

Maria Fowell –MSc Marketing
Senior, Manager, Marketing & Corporate Communications

Beverly Henry- MBA Financial Services
Senior Manager Credit Risk

Lyndon Arnold - High Hons Dip – Computer Programming & Analysis

Senior Manager Information Management and Technology Systems

Estherlita Cumberbatch- Bsc. Management Studies, LLB ACIS,
Corporate Secretary

Donna Matthew- MBA
Risk Manager

Melissa Simon – Bsc, ACCA
Internal Audit Manager

- Number of Directors: 11

If Directors are not elected annually, or are elected under a voting trust or other arrangement, explain:

Ten directors are appointed or elected and one, the Managing Director is an ex-officio appointment. Directors are appointed based on the ownership structure -1 director for every 10% of the company owned by the shareholder.

As a result the following shareholders have appointed directors as listed below:

Government of St Lucia	2
Republic Bank Ltd	2
OECS Bank Group	1
National Insurance Corporation	1
Other Shareholders	4

- Summarise Articles of Association or Bylaws which are relevant to Directors
(*extract of Bye Laws Pgs 3-12*)

4. DIRECTORS

Powers: Subject to any unanimous shareholder agreement, the business and affairs of the company shall be managed by the directors.

Number of Directors: Until otherwise determined by the Shareholders, the Company shall have eleven (11) Directors of which ten (10) shall be elected or appointed by the holders of ordinary shares and one (1), the Managing Director, shall be an ex-officio Director. Each ordinary shareholder who holds greater than 10% of the issued ordinary shares of the Company shall be entitled to appoint one (1) Director for each 10% of the issued ordinary shares of the Company held. An ordinary shareholder appointing a Director on the basis of a 10% ordinary shareholding in the Company shall not be eligible to vote such shares on the election of other Directors.

Managing Director: The Directors may appoint a General Manager pursuant to Section 82 of the Companies Act only with the approval of at least 80% of the votes of the Board of Directors.

Chairman: The Directors may appoint a Chairman only with the approval of at least 80% of the votes of the Board of Directors.

Special Approval by Board of Directors: Notwithstanding Section 6.4 of the Bye-Law of the Company, the following matters shall require the approval of two thirds of the Board of Directors:

- (a) any amendments to the Articles and Bye-law of the Company;
- (b) any mergers or amalgamations with another company;
- (c) any changes to the authorised capital of the Company;
- (d) any sale, transfer, purchase of property or assets in excess of twenty per cent (20%) of the aggregate book value of the assets of the Company;
- (e) instituting any proceedings for the winding-up, dissolution, termination or re-organisation of the Company;
- (f) any material change in the business of the Company or any transaction out of the ordinary course of business;
- (g) any borrowings or encumbrance by the Company in excess of twenty percent (20%) of the aggregate book value of the assets of the Company;
- (h) any capital expenditure in excess of ten percent (10%) of the book value of the assets of the Company;
- (i) the entering into of any agreement which has a term exceeding five (5) years or which is out of the ordinary course of business;
- (j) providing any financial assistance to any shareholder or Director of the Company out of the ordinary course of business.

For greater certainty, the foregoing matters may not be passed by any sub-committee of the Board of Directors.

Tenure: Unless his tenure is sooner determined, a director shall hold office from the date from which he is elected or appointed until the close of the third annual meeting of the shareholders next following but he shall be eligible for re-election if qualified.

A director who is also an officer shall continue to be a director until he ceases to be an officer.

A director shall cease to be a director-

- if he becomes bankrupt or compounds with his creditors or is declared insolvent;
- if he is found to be of unsound mind; or
- if by notice in writing to the Company he resigns his office and any such resignation shall be effective at the time it is sent to the Company or at the time specified in the notice, whichever is later.

The shareholders of the Company may, by ordinary resolution passed at a special meeting of the shareholders, remove any director from office and a vacancy created by the removal of a director may be filled at the meeting of the shareholders at which the director is removed.

Committee of Directors: The director may appoint from among their number a committee of directors and subject to section 82(2) of the Act may delegate to such committee any of the powers of the directors.

- **BORROWING POWERS OF DIRECTORS**

The directors may from time to time –

- borrow money upon the credit of the Company;
- issue, re-issue, sell or pledge debentures of the Company;
- subject to section 53 of the Act, give a guarantee on behalf of the Company to secure performance of an obligation of any person; and
- mortgage, charge, pledge or otherwise create a security interest in all or any property of the Company, owned or subsequently acquired, to secure any obligation of the Company.

The directors may from time to time by resolution delegate to any officer of the Company all or any of the powers conferred on the directors by paragraph 5.1 hereof to the full extent thereof or such lesser extent as the directors may in any such resolution provide.

The powers conferred by paragraph 5.1 hereof shall be in supplement of and not in substitution for any powers to borrow money for the purposes of the Company possessed by its directors or officers independently of a borrowing by-law.

6. MEETINGS OF DIRECTORS

Place of Meeting: Meetings of the directors and of any committee of the directors may be held within or outside Saint Lucia.

Notice: A meeting of the directors may be convened at any time by any director or the Secretary, when directed or authorised by any director. Subject to section 79(1) of the Act the notice of any such meeting need not specify the purpose of or the business to be transacted at the meeting. Notice of any such meeting shall be served in the manner specified in paragraph 18.1 hereof not less than two days (exclusive of the day on which the notice is delivered or sent but inclusive of the day for which notice is given) before the meeting is to take place. A director may in any manner waive notice of a meeting of the directors and attendance of a director at a meeting of the directors shall constitute a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

It shall not be necessary to give notice of a meeting of the directors of a newly elected or appointed director for a meeting held immediately following the election of directors by the shareholders or the appointment to fill a vacancy among the directors.

Quorum: Seven (7) directors shall form a quorum for the transaction of business and, notwithstanding any vacancy among the directors, a quorum may exercise all the powers of the directors. No business shall be transacted at a meeting of directors unless a quorum is present.

A director may, if all the directors consent, participate in a meeting of directors or any committee of the directors by means of such telephone or other communications facilities as permit all persons participating in the meeting to hear each other and a director participating in such a meeting by such means is deemed to be present at the meeting.

Voting: Questions arising at any meeting of the directors shall be decided by a majority of votes. In case of an equality of votes the chairman of the meeting in addition to his original vote shall have a second or casting vote.

Resolution in lieu of meeting: Notwithstanding any of the foregoing provisions of this by-law a resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the directors or any committee of the directors is as valid as if it had been passed at a meeting of the directors or any committee of the directors.

7. RENUMERATION OF DIRECTORS

The remuneration to be paid to the directors shall be such as the directors may from time to time determine and such remuneration may be in addition to the salary paid to any officer or employee of the Company who is also a director. The directors may also award special remuneration to any director undertaking any special services on the Company's behalf other than the routine work ordinarily required of a director and the confirmation of any such resolution or resolutions by the shareholders shall not be required. The directors shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Company.

8. SUBMISSION OF CONTRACTS OR TRANSACTIONS TO SHAREHOLDERS FOR APPROVAL

The directors in their discretion may submit any contract, act or transaction for approval or ratification at any annual meeting of the Shareholders or at any special meeting of the shareholders called for the purpose of considering the same and, subject to the provisions of section 91 of the Act, any such contract, act or transaction that is approved or ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Company's Articles by the Insurance Act or any other by-law) shall be valid and as binding upon the Company and upon all the shareholders as though it had been approved, ratified or confirmed by every shareholder of the Company.

9. FOR THE PROTECTION OF DIRECTORS AND OFFICERS

No director of the Company shall be liable to the Company for –

- the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity;

- any loss, damage or expense incurred by the Company through the insufficiency or deficiency of title to any property acquired by the Company or for or on behalf of the Company;
- the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Company shall be placed out or invested;
- any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, including any person with whom any moneys, securities or effects shall be lodged or deposited;
- any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Company;
- any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trusts or in relation thereto;

unless the same happens by or through his failure to exercise the powers and to discharge the duties of his office honestly and in good faith with a view to the best interests of the Company and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Nothing herein contained shall relieve a director or officer from the duty to act in accordance with the Act or Regulations made thereunder or relieve him from liability for a breach thereof.

The directors for the time being of the Company shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Company, except such as are submitted to and authorised or approved by the directors.

If any director or officer of the Company is employed by or performs services for the Company otherwise than as a director or officer or is a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Company, the fact of his being a shareholder, director or officer of the Company shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

PART XI

SUBSTANTIAL STOCKHOLDERS

- (a) Principal owners of the company (those who beneficially own more than 5% of the common and preferred stock presently outstanding whether directly or indirectly) starting with the largest common stockholder. Indicate by endnote any transaction where the consideration was not cash. State the nature of any such consideration.

SECURITIES NOW HELD:

Name: Address:	Class of Securities:	No. of Securities:	% of Total
Government of St Lucia	Ordinary	4,736,600	19.56
Republic Bank	Ordinary	4,736,600	19.56
National Insurance Corporation	Ordinary	4,258,480	17.40
National Insurance Corporation	preference	830,000	100

- (b) Include all common stock issuable upon conversion of convertible securities and show conversion rate per share as if conversion has occurred.

UPON CONVERSION:

Name: Address:	Class of Securities:	Conversion Rate:	No. of Securities upon Conversion	% of Total*
National Insurance Corporation	Preference	\$5.00	250,000	23.14

* Current holding of securities if conversion option were exercised.

SUBMISSION OF MATTERS TO A VOTE OF SHAREHOLDERS

If any matter was submitted during the past year (or is likely to be put forward in the next six months) to a vote of shareholders, through the solicitation of proxies or otherwise, furnish the following information:

- The date of the meeting and whether it was an annual or special meeting.

The Annual Meeting of Shareholders was held on June 30, 2011 for the purposes as required by law.

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

The meeting involved the election of Director Lisle Chase who was re-elected for a further term of three years.

PART XII
LITIGATION

- Describe any past, pending or threatened litigation or administrative action which has had or may have a material effect upon the company's business, financial condition, or operations, including any litigation or action involving the company's Officers, Directors or other key personnel. State the names of the principal parties, the nature and current status of the matters, and amounts involved. Give an evaluation by management or counsel, to the extent feasible, of the merits of the proceedings or litigation and the potential impact on the company's business, financial condition, or operations.

There was no litigation or administrative action which had a material effect on the company.

PART XIII

MISCELLANEOUS FACTORS

- Describe any other material factors, either adverse or favourable, that will or could affect the company or its business (for example, outline any defaults under major contracts, any breach of by-law provisions, etc.). Include any details which are necessary to clarify any potentially misleading or incomplete information in this Registration Statement.

Expected reduced economic growth as well as limited market size make it critically important that overall competitiveness be at the very least maintained. The company must position itself to capitalize on opportunities and use its position of strength to expand market share during this period of uncertainty, while ensuring efficiency and reducing operational risk.

The effects of the Global economic crisis on the local economy and the customers of the Banking subsidiaries of the Group may have an adverse effect on their performance if it is not monitored and managed closely. As a result there is great emphasis being placed on loan portfolio reviews and working with customers to ensure that their accounts are maintained in accordance with the Banking standards.

PART XIV

FINANCIAL STATEMENTS

- Attach Auditor's Report. Attach current audited financial statements, audited financial statements for the last three financial years and the most recent unaudited financial statement if next audited statement is due in less than six months; or the most recent unaudited quarterly statement if the next audited statement is due in more than six months, or pro-forma financial statements, whichever is applicable. If the company has acquired another business since the beginning of the last financial year the assets or net income of which were in excess of 20% of those for the company, show pro-forma combined financial statements as if the acquisition had occurred at the beginning of the company's last financial year.

The Auditors Report is attached.

PART XV

MANAGEMENT'S DISCUSSION AND ANALYSIS OF CERTAIN RELEVANT FACTORS

- If the company's financial statements show losses from operations, explain the causes underlying these losses and what steps the company has taken or is taking to address these causes.

No losses from operations were recorded by the company.

- Describe any trends in the company's historical operating results. Indicate any changes now occurring in the underlying economics of the industry or the company's business, which, in the opinion of Management, will have a significant impact (either favourable or adverse) upon the company's results of operations within the next 12 months. Give a rough estimate of the probable extent of the impact, if possible.

Overview

Despite the challenging economic environment which impacted the Group generally and particularly the Bank of Saint Lucia Limited, in 2010 the Group achieved reasonable success in its strategy of regional expansion and diversification of its financial services markets.

The Group's investment strategy remains unchanged, ensuring that undue risk is not taken in an effort to enhance yield. Costs are controlled so that the impact of reduced income growth is not compounded by increased costs. At this time careful investment for the future, in line with a well thought-out strategy will be very beneficial in the long run, leaving the Group in a strong position to benefit from economic recovery.

Results of Operations

The Group's pre-tax profit for the financial year ending December 2010 declined by 83.8%. This must, however, be assessed in the context of the current environment which was once again characterized by uncertainty. The decline in profitability was mainly affected by additional provisions for loan loss.

Interest income from loans exceeded the previous year by 5.1% in spite of the falling demand for loans generally, especially amongst corporate entities as the appetite for new business investment remained low. Interest income from investments increased by 15.8%, as a result of increased interest rates locally and internationally and with an increased investment portfolio. Total income grew by 7.7%, and expenses increased mainly due to the requirement to increase provisioning for loan losses by \$26.7M from the previous year. Staff and administrative expenses continued to be tightly controlled, however these increased by 12% over 2009 due in part to the introduction of the expenses of the new subsidiary Bank of St. Vincent & the Grenadines.

**PART XVI
SIGNATURES**

A Director, the Chief Executive and Financial Officers of the company shall sign this Registration Statement on behalf of the company. By so doing each certifies that he has made diligent efforts to verify the material accuracy and completeness of the information herein contained. By submitting this Registration Statement to the ECSRC, each Director, the Chief Executive Officer and the Chief Financial Officer of the company agree to make himself available to each investor prior to the time of investment, and to respond to questions and otherwise confirm the information contained herein. The Directors, the Chief Executive Officer and the Chief Financial Officer hereby undertake to make the company's books and records, copies of any contract, lease or other document referred to in the Registration Statement, or any other material contract or lease (including stock options and employee benefit plans), except any proprietary or confidential portions thereof, and a set of the exhibits to this Registration Statement, available to each investor, prior to the making of any investment by such investor.

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

Name of Chief Executive Officer:

Name of Director:

Signature

Signature

Date

Date

Name of Chief Financial Officer:

Signature

Date