



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

BOARD OF DIRECTORS:

Errol Aller Chairman
Judith Veira Robert Norstrom
Andre Iton Godwin Daniel Derry Williams
Evelyn Jackson Victor Eudoxie

[profile of senior management]



Derry Williams
MBA Finance
Managing Director



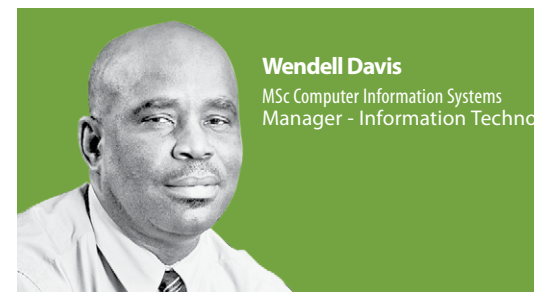
Bennie Stapleton
BSc Accounting, ACCA
Chief Financial Officer



Bernard Hamilton
MBA Business Administration
Manager - Credit Administration



Cerlian Russell
MBA Business
Management Administration
Manager - Operations



Wendell Davis
MSc Computer Information Systems
Manager - Information Technology



Nandi Williams
MA International Law
Corporate Secretary



Charron Dos Santos
Diploma in General Management
Senior Human Resource Officer

Bank of St. Vincent and the Grenadines Limited
Consolidated Statement of Financial Position
As at December 31, 2011

(expressed in Eastern Caribbean dollars)

	2011 \$	2010 \$
Assets		
Cash and balances with Central Bank	45,047,725	124,148,387
Treasury bills	4,643,605	7,421,866
Deposits with other banks	26,609,618	51,080,097
Financial assets held for trading	40,271	41,652
Loans and receivables - loans and advances to customers	454,708,591	401,538,278
- bonds	10,514,894	27,088,767
Investment securities - held-to-maturity	78,028,543	61,303,167
- available-for-sale	4,030,681	4,043,181
Pledged assets	-	1,259,208
Property and equipment	57,436,607	25,893,332
Investment property	3,809,400	-
Other assets	7,586,658	3,993,387
Income tax recoverable	3,572,397	3,834,389
Deferred tax asset	2,009,329	2,010,808
Total assets	698,038,319	713,656,519
Liabilities		
Deposits from banks	17,082,484	27,315,765
Due to customers	543,854,979	557,629,290
Other funding instruments	-	1,245,123
Borrowed funds	30,181,258	30,698,772
Other liabilities	15,516,898	10,404,355
Total liabilities	606,635,619	627,293,305
Equity		
Share capital	14,753,306	14,753,306
Reserves	14,753,306	14,753,306
Unrealised gains on investments	1,800,042	1,686,319
Retained earnings	60,096,046	55,170,283
Total equity	91,402,700	86,363,214
Total liabilities and equity	698,038,319	713,656,519

Bank of St. Vincent and the Grenadines Limited
Consolidated Statement of Income
As at December 31, 2011

(expressed in Eastern Caribbean dollars)

	Year ended December 31 2011 \$	6 months period ended December 31 2010 \$
Interest income	44,465,808	23,728,812
Interest expense	<u>(20,504,576)</u>	<u>(10,378,886)</u>
Net interest income	23,961,232	13,349,926
Fee and commission income	4,148,814	1,962,566
Dividend income	58,354	113,167
Net foreign exchange trading income	3,947,254	2,364,944
Other gains	-	4,450,754
Operating expenses	<u>(28,751,282)</u>	<u>(13,595,633)</u>
Impairment losses on investment securities	(1,748,198)	-
Recoveries (impairment losses) of loans and advances, net	<u>3,573,060</u>	<u>(2,037,240)</u>
Profit before income tax	5,189,234	6,608,484
Income tax expense	<u>(263,471)</u>	<u>(837,901)</u>
Profit for the period	<u>4,925,763</u>	<u>5,770,583</u>
Earnings per share	<u>0.49</u>	<u>0.58</u>

... SPECIFIC EMPHASIS WAS PLACED ON STABILIZING AND IMPROVING THE OVERALL ASSET QUALITY, WHICH WAS ACHIEVED TO A LARGE EXTENT.

First Year Operations

The year 2011 was another historic year for the Bank of St. Vincent and the Grenadines Limited. It was the first full year of operation under the stewardship of the East Caribbean Financial Holdings Ltd. (ECFH) which acquired 51% shareholding in the then National Commercial Bank (SVG) Ltd. During the year a number of key projects were undertaken with a view to align and streamline the operations of the emergent entity - Bank of St. Vincent and the Grenadines Limited (BOSVG). Among the noteworthy initiatives successfully undertaken in 2011 were:

- The rebranding of the Bank resulting in the launch of the new brand identity inclusive of a modern and sophisticated logo. The rebranding was supported by targeted marketing and public relations initiatives aimed at deepening existing loyalty and creating new loyalty within the market place.
- The opening of the Bank's new headquarters at Reigate, Kingstown on November 13, 2011. This new building, which was designed to provide greater comfort and convenience for customers and staff, is expected to contribute immensely to the general improvement in customer service and overall satisfaction in the years ahead.

Central to ensuring the success of initiatives implemented to date and those planned going forward, BOSVG has commenced the relevant training and change management programmes geared at achieving and maintaining alignment with the core values of the ECFH. To this end, a number of staff development training programmes, mainly in customer service and leadership, were implemented during the year. Structurally, we have also implemented a number of projects with the main objective of improving the

overall efficiencies throughout the Bank. In this regard, the Bank has successfully automated significant portions of the back office mainly in operations; information technology and finance and accounting.

Financial Performance

With respect to the financial performance for the year, the bank recorded profit before tax of \$5.2 million compared to \$6.6 million in 2010. During the year some expenses were incurred, mainly relating to the rebranding and the occupancy of the new headquarters, which will not recur in future periods. All other items performed in accordance with the budget expectations for the year. Total assets declined to \$698 million from \$714 million as at December 2010. As the economic challenges deepened, specific emphasis was placed on stabilizing and improving the overall asset quality, which was achieved to a large extent.

Corporate Social Responsibility

During 2011, BOSVG advanced support for the communities through its corporate social responsibility activities. A significant donation was made to the health sector with the joint acquisition of a CT Scan machine for the Milton Cato Memorial Hospital in Kingstown. Substantial disaster relief was also provided to the persons in the north of the country that were affected by the storms in April 2011. BOSVG also continued to support the other critical sectors such as youth and sports; culture and education. In the years ahead, the plan is to advance the relevant policies and programmes and the supporting framework that will ensure that the bank continues to satisfy its corporate social responsibility mandate.