

# REPORT ON SUBSIDIARIES

## BANK OF ST. VINCENT & THE GRENADINES LIMITED

### **Board of Directors**

Errol Allen – Chairman  
Andre Iton  
Hildreth Alexander  
Judith Veira  
Godwin Daniel  
Lennox Bowman  
Timothy Providence  
Omar Davis  
Esther Brown-Weekes  
Derry Williams

### **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 Russel**

MBA Business Management Administration – Manager Operations

#### **Nandi Williams**

LLM International Trade Law – Corporate Secretary

#### **Wendell Davis**

MSc Computer information Systems – Manager Information Technology

#### **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 31 DECEMBER 2013

(expressed in Eastern Caribbean dollars)

	2013 \$	Restated 2012 \$	Restated as at Jan 1, 2012 \$
<b>Assets</b>			
Cash and balances with Central Bank	63,027,459	59,258,809	45,047,725
Treasury bills	5,981,449	4,633,348	4,643,605
Deposits with other banks	69,426,904	42,300,299	26,609,618
Financial assets held for trading	45,518	41,109	40,271
Loans and receivables - loans and advances to customers	564,081,530	543,799,900	454,708,591
- bonds	10,032,877	10,032,877	10,514,894
Investment securities	51,240,589	63,805,828	82,059,224
Property and equipment	58,639,831	59,955,388	57,436,607
Investment property	4,331,000	4,437,000	3,809,400
Other assets	5,084,321	3,676,364	7,586,658
Deferred tax asset	-	549,459	1,393,897
Income tax recoverable	2,359,150	3,112,387	3,572,397
<b>Total assets</b>	<b>834,250,628</b>	<b>795,602,768</b>	<b>697,422,887</b>
<b>Liabilities</b>			
Deferred tax liability	244,563	-	-
Deposits from banks	42,788,717	40,404,614	17,082,484
Due to customers	589,139,473	594,989,882	543,854,979
Borrowings	66,289,814	47,835,676	30,181,258
Other liabilities	35,572,347	19,491,087	15,516,898
<b>Total liabilities</b>	<b>734,034,914</b>	<b>702,721,259</b>	<b>606,635,619</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	1,703,817	1,860,347	1,800,042
Retained earnings	69,005,285	61,514,550	59,480,614
<b>Total equity</b>	<b>100,215,714</b>	<b>92,881,509</b>	<b>90,787,268</b>
<b>Total liabilities and equity</b>	<b>834,250,628</b>	<b>795,602,768</b>	<b>697,422,887</b>

**BANK OF ST. VINCENT AND THE GRENADINES LIMITED**  
**CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2013  
(expressed in Eastern Caribbean dollars)

	2013 \$	2012 \$
Interest income	47,825,394	46,347,376
Interest expense	(21,884,437)	(20,268,190)
Net interest income	25,940,957	26,079,186
Net fee and commission income	6,623,709	5,365,159
Dividend income	49,414	113,517
Net foreign exchange trading income	5,324,565	4,105,004
Other gains	89,755	1,044,200
Operating expenses	(29,415,268)	(29,817,041)
Impairment losses on investment securities	(770,900)	(1,264,060)
Recoveries of loans and advances, net	1,195,762	1,312,418
Profit before income tax	9,037,994	6,938,383
Income tax expense	(1,547,259)	(1,304,447)
Profit for the year	7,490,735	5,633,936
<b>Other comprehensive income</b>		
Other comprehensive income to be reclassified to Profits or loss in subsequent periods:		
Unrealised (losses)/gains on available- for- sale securities	(156,530)	60,305
<b>Total comprehensive income for the year</b>	<b>7,334,205</b>	<b>5,694,241</b>
<b>Earnings per share</b>	<b>0.73</b>	<b>0.56</b>

# SUMMARY OF FINANCIAL PERFORMANCE

**“LEADING THE LOCAL INDUSTRY, CHARTING THE COURSE FOR THE OTHERS TO FOLLOW”**



**DERRY WILLIAMS**  
Managing Director

## Review of 2013

Economic growth in St. Vincent and the Grenadines remained under 2% in 2013 below a level required to sustain the socio-economic demands without negatively impacting certain critical sectors. The financial sector being such an integral part of the economy continues to be negatively affected by the current economic context.

Despite this subdued economic context, the bank continued the positive performance trend in 2013 following the rebranding just over three year ago. For the financial year ended December 31st 2013, the bank recorded a profit after tax of \$7.5M, compared with \$5.6M for the 2012 financial year – an increase of \$1.9M or 33%. Total assets grew from \$795.6M at December 31st 2012 to \$834.3M at the end of the 2013 financial year - December 31st 2013.

During the year, the Bank continued to focus its main activities on the management of the overall quality of assets; the efficient management of costs, and the continuous improvement in customer service delivery. Specifically, significant resources were allocated to the management of the loan portfolio with particular emphasis on delinquency management. Accordingly, we have been able to maintain the performing portfolio at a high level of just above 93% of the total loan portfolio. We have also maintained operating costs at the same level as 2012 while improving the income level in 2013, thereby increasing the overall profitability for the year.

2013 was also a historic year for the Bank. At the close of the Initial Public Offering on January 25th, 2013, a portion of the shares of the Bank was acquired by the general public for the first time following the further divestment by the Government of St. Vincent and the Grenadines. As at December 31, 2013, 16.84% of the shares of the Bank were held by the public shareholders including 0.96% by the employees of the Bank.

## Customer Focus

There was a high level of internal re-organisation during the year as we moved to implement the new branch model across the Bank's operations. The key feature of the new model involves a much greater focus on the customers. This is considered a substantial and timely investment with the ultimate objective of improving and standardizing the quality of the service we provide across the branch networks with a higher level of efficiency.

In late 2012, we introduced our full suite of Convenience Banking Products from which we realized immediate benefits during the 2013 financial year. The increase in fee income was largely attributable to the increasing distribution of our EZdebit Card on the issuing side - a proprietary international debit card issued through VISA. On the acquiring side, we have been able to establish a number of new merchant accounts to accept payment by credit/debit cards across the country thereby building the level of confidence with this method of payment among both the customers and the business community.

## Outlook

The positive growth experienced in 2013, both on the balance sheet and in overall profitability, despite the prevailing economic circumstances augurs well for the future of the Bank. This is testament to the increased level of public confidence and trust that must be converted into greater value for our customers and shareholders. We anticipate that the potential to increase the Bank's customer base over time would no doubt contribute to sustaining the performance trend established over the past three years, and provide increased value to our shareholders.