

REPORT ON SUBSIDIARIES

BANK OF SAINT LUCIA INTERNATIONAL LIMITED

Board of Directors

Marius Saint Rose – Chairman

Vern Gill – Director

Thecla Deterville – Director

George Leonard Lewis – Director

James Wadham – Director

Keigan Cox - Director

Esther Brown-Weekes - Director

Estherlita Cumberbatch – Corporate Secretary

Principal Officers

Ryan Devaux

Chartered Accountant – Chief Executive Officer

David Sookwa

AICB Bachelor of Commerce & Financial Services – Operations Manager

Gwyneth Taitt

LLB, FCIS – Legal & Product Development Manager

Kim Vigier

ACCA, Financial Controller

SUMMARY OF FINANCIAL PERFORMANCE

“OPENING A WORLD OF OPPORTUNITY, CREATING VALUE GLOBALLY...ALL ANCHORED BY THE STRENGTH OF LOCAL KNOWLEDGE”



RYAN DEVAUX
CEO

Bank of Saint Lucia International Limited (BOSLIL) has had another year of solid performance with continued growth of the balance sheet and a healthy net income result. Just as important have been the internal initiatives to continue investing in the business, in particular, our human resources and our technology to ensure that we are well positioned to take advantage of the many opportunities that are

available in the market going forward. Our strategy for continued diversification from a revenue perspective and in the geographic markets we serve has continued and the Bank continues to enter into new strategic relationships which will positively impact performance going forward.

These successes come despite the continued pressure internationally against the “offshore” industry and the realities of increased costs in order to remain in the industry. The most significant and current of these realities is the implementation of the Foreign Account Tax Compliance Act (FATCA) which will take effect in 2014. Indeed greater transparency will become the new norm going forward and rather than being a threat, it should be regarded as an opportunity. The opportunity being to continue focusing on excellent service delivered efficiently and competitively for the ever growing banking needs of a global commercial space. This is where we need to continue positioning ourselves for a long sustainable future.

Financial Highlights 2013

Total assets at December 31, 2013 of US \$372.3 million increased from US \$242.6 million at December 31, 2012. Similarly customer deposits increased in line with the change in assets from US \$219.6 million to US \$358.9 million. This increase in assets and liabilities is consistent with BOSLIL’s efforts to grow the business.

Net profit for the year ended December 31, 2013 was US \$2.7 million as compared to US \$3.3 million for the year ended December 31, 2012. One of the main reasons for this variance related to the performance of the bond market in 2012 as the Bank benefited from approximately US \$0.87 million in realized gains from the sale of bonds that year. This was in contrast to 2013 where the bond market was predicted to be flat and indeed the realized gains in the portfolio were only US \$0.37 million. There were otherwise increased costs associated with relocation to the new offices and a continued investment in new personnel which also affected net income. Operating expenses increased during the year from US \$3.3 million to US \$3.5 million.

The Bank continued to maintain a conservative investment profile for its bond portfolios. Consistent with prior years and the importance placed on protecting clients’ deposits, 69% (62% - 2012) of total assets were held as cash and cash equivalents.

BOSLIL’s assets are managed and maintained separately from related companies. The Group has a strictly adhered to intercompany policy that restricts investments between related parties to no more than 10% of the investable assets and the value of BOSLIL’s deposits with the domestic bank at year end were less than 2.3% of the balance sheet.

During 2013 BOSLIL continued to experience significant growth in business volumes and new clients, including intermediary clients, a very important segment for the Bank. BOSLIL is currently engaged in a technology replacement project that will be implemented in 2014 to ensure that the continued growth is managed and that excellent service standards are maintained. Continued investments in our people and hiring the best talent remain important to ensure that BOSLIL continues achieving its growth targets and contribute positively to the ECFH Group.

BANK OF SAINT LUCIA INTERNATIONAL LIMITED

FINANCIAL STATEMENT HIGHLIGHTS

	2013 US\$'000	2012 US\$'000
Assets		
Cash and cash equivalents	258,478	150,404
Cash secured loans	15,254	22,660
Investment securities	97,971	69,167
Other	550	384
Total Assets	372,253	242,615
Liabilities and Equity		
Customer deposits	358,930	219,616
Other liabilities	407	10,710
Equity	12,916	12,289
Total Liabilities & Shareholder's Equity	372,253	242,615
Statement of Income		
Net Operating Income	6,224	6,625
Total Expenses	3,532	3,334
Net income	2,692	3,291