

ECFH SUBSIDIARIES



**“EVERY DIVISION PLAYING ITS ROLE TO DRIVE
THE SHIP OF PROGRESS FORWARD.”**

BANK OF SAINT LUCIA

OCTAVIAN CHARLES
Bridge Street Branch Manager
DONNA HINKSON
Waterfront Branch Manager
ARLETA RATE-MITCHEL
Soufriere Branch Manager



HADYN GITTENS
General Manager



JOANNA CHARLES
Assistant GM
VINCENT BOLAND
Senior Manager Debt Recoveries
BEVERLY HENRY
Senior Manager Credit Risk



BRADLEY FELIX
Senior Manager Corporate Banking
MEDFORD FRANCIS
Senior Manager Wealth & Asset Management
CECILIA FERDINAND-LACORBINERE
Senior Manager Loans Administration



CORNELIUS SIDONIE
Gros Islet Branch Manager
CYNTHIA LAURENT
Senior Manager Operations
MARTINA DORNELLY
Vieux Fort Branch Manager

REPORT ON SUBSIDIARIES

BANK OF SAINT LUCIA LIMITED

Board of Directors

Hildreth Alexander - Chairman
Llewelyn Gill
Gloria Anthony
Jacequeline Emmanuel-Flood
Esther Brown-Weekes
Hadyn Gittens

Profile of Senior Management

Hadyn Gittens

MSc Accounting – MBA – GM

Joanna Charles

ACIB, MBA – Assistant General Manager

Vincent Boland

AICB – Senior Manager Debt Recoveries

Beverly Henry

MBA Financial Management – Senior Manager Credit Risk

Bradley Felix

Professional Diploma in Banking – Senior Manager Corporate Banking

Cynthia Laurent

Professional Diploma in Banking – Senior Manager Operations

Medford Francis

MSc. Finance – Senior Manager Wealth & Asset Management

Cecilia Ferdinand-LaCorbinere

MBA – Senior Manager Credit Administration

Octavian Charles

MSc Agricultural Extension & Management Systems – Bridge Street Branch Manager

Cornelius Sidonie

MSc Financial Management – Gros Islet Branch Manager

Donna Hinkson

BA in Business – Waterfront Branch Manager

Arleta Rate-Mitchel

AICB– Soufriere Branch Manager

Martina Dornelly

Executive Diploma in Banking – Vieux Fort Branch Manager

BANK OF SAINT LUCIA LIMITED

STATEMENT OF FINANCIAL POSITION

AS OF 31 DECEMBER 2013

(expressed in Eastern Caribbean dollars)

	2013 \$	Restated 2012 \$	Restated as at January 1 2012 \$
Assets			
Cash and balances with Central Bank	103,558,888	137,605,220	101,078,541
Deposits with other banks	103,522,370	42,324,874	50,838,321
Deposits with non-bank financial institutions	1,604,642	1,340,491	478,861
Financial assets held for trading	16,309,740	26,431,309	3,912,845
Loans and receivables - loans and advances to customers	1,314,422,488	1,305,090,714	1,132,660,593
- bonds	-	-	2,566,111
Investment securities	208,664,856	254,789,240	231,550,450
Financial instruments-pledged assets	41,073,566	53,710,638	96,951,468
Due from related parties	51,967,509	80,506,864	263,941,533
Property and equipment	17,789,372	8,544,190	8,118,650
Other assets	33,396,840	37,212,906	34,624,781
Deferred tax asset	9,023,532	9,023,532	2,719,431
Income tax recoverable	3,281,339	3,281,339	8,994,203
Total assets	1,904,615,142	1,959,861,317	1,938,435,788
Liabilities			
Deposits from banks	73,198,660	71,201,639	53,672,390
Due to customers	1,524,084,076	1,562,153,160	1,429,480,830
Repurchase agreements	26,328,140	28,917,965	59,654,716
Borrowings	126,605,888	122,239,209	133,975,895
Other liabilities	14,980,085	15,419,884	11,306,807
Total liabilities	1,765,196,849	1,799,931,857	1,688,090,638
Equity			
Share capital	197,718,745	197,718,745	188,918,745
Reserves	82,105,870	82,105,870	72,314,883
Unrealised (loss)/gain on investments	(4,555,661)	7,131,867	(4,497,706)
Accumulated deficit	(135,850,661)	(127,027,022)	(6,390,772)
Total equity	139,418,293	159,929,460	250,345,150
Total liabilities and equity	1,904,615,142	1,959,861,317	1,938,435,788

BANK OF SAINT LUCIA LIMITED

STATEMENT OF COMPREHENSIVE INCOME

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

	2013 \$	2012 \$
Interest income	114,009,257	119,528,636
Interest expense	(59,394,289)	(59,146,653)
Net interest income	54,614,968	60,381,983
Fee and commission income	20,316,102	17,887,184
Dividend income	103,410	159,490
Net foreign exchange trading income	8,472,572	8,175,291
Other gains	13,174,045	291,260
Impairment losses on investments	–	(18,120,371)
Impairment losses on loans and advances	(40,378,634)	(128,449,830)
Operating expenses	(65,126,102)	(63,127,505)
Loss before income tax	(8,823,639)	(122,802,498)
Income tax recovery	–	29,329
Loss for the year	(8,823,639)	(122,773,169)
Other comprehensive (loss)/income		
Unrealised (loss)/gain on available for sale investments net of tax	(11,687,528)	11,629,573
Total comprehensive loss for the year	(20,511,167)	(111,143,596)
Loss per share	(13.96)	(75.67)



SUMMARY OF FINANCIAL PERFORMANCE



**“VISION, FOCUS AND A CLEAR PLAN...
THE BASIS FOR EVERY SUCCESSFUL JOURNEY”**



HADYN GITTENS
General Manager

Manager for Debt Recoveries were successfully implemented in fiscal 2013. Other critical priority areas on which steady progress was made included strengthening of core functional and business units, reorganization of the customer relationship and sales function and improving operating and cost efficiency.

Moving forward, key performance benchmarks have been set for 2014 and beyond in order to re-engineer a return to profitability and measured growth.

Financial Performance Summary

BOSL reported a loss of \$8.8M, though a significantly improved position over the previous year's loss of \$122.8M. Total Assets contracted by 3% mostly due to the utilization of temporary funds placed by BOSL's largest clients in 2012.

Strategic Focus Areas

Improving Sales Proficiency and Customer Relationship Management - Our new Branch Sales Model was piloted in 2013 and full implementation of this major change in how we serve our customers has been reasonably successful to date. This major initiative is expected to greatly enhance the customer experience and ensure a deepening of the relationship with our customers. Ongoing feedback from both customers and staff is vital in ensuring the continued success of this project and we have gratefully taken on board the valuable feedback obtained from surveys conducted in formulating our strategies going forward.

Improving Loan Portfolio quality – We have taken significant steps towards aggressively addressing our challenged loan portfolio as well as stemming the deteriorating trend. We have strengthened the leadership in this area, bringing in specialized and knowledgeable expertise. Measures have been implemented aimed at re-engineering our monitoring, follow-up and debt-recovery capability and in so doing reducing delinquency levels. We have reinforced system controls and implemented more robust performance metrics. We have established firm and clear strategies with respect to our larger challenged credits, and have

taken decisive and appropriate debt recovery action.

Institutional strengthening – Structural reorganization of the Corporate Banking and Credit Risk functions is in progress with the aim of improving our underwriting and risk and exposure management capability and ensuring improvement in Customer Relationship Management and sales. The new business banking approach will call for much closer collaboration between our Corporate Banking arm and the Investment Bank of the Group ECFH Global Investment Solutions in order to offer a wider range of solutions to our Customers.

Improving operating and cost efficiency – This will continue to be a major area of emphasis and significant initiatives geared at improving the Bank's performance in this area were undertaken in 2013. This initiative includes systematic reduction of our overhead burden as well as payroll overheads and reduction of fixed plant and procurement costs. We continued the process of outsourcing non-core services and divesting non-core assets and on the operational front we have focused heavily on more effective interest spread management.

2014 Outlook

The new year, 2014 will be important in the journey towards creating a platform for consistent profitability and measured growth. This will be achieved by the full implementation of the Retail Sales Model, the further strengthening and re-focusing of all core units (business and support), as well as new operating and cost efficiency initiatives. At the same time, there will be heavy emphasis on increasing employee engagement through structured programmes and interventions throughout the year.

We have set ourselves ambitious targets for improving the Customer Experience. We have committed to delivering better service through all our channels – the branch network, our extensive ATM and Point of Sale networks and our electronic/convenience banking solutions. We continue to explore and will roll out other more convenient and enhanced banking options over time.

Performance Imperatives – 2014 and Beyond

We have established the following imperatives for the short to medium term:

- Sustainable growth in revenue and profitability
- Significant reduction of the non-performing and challenged loans to a much more manageable level.
- Improvement of the efficiency ratio to bring it closer to the internationally accepted benchmark.
- Re-building of our Capital to a level that will allow us to more comfortably weather unexpected developments.
- Enhancement of customer service delivery

Acknowledgments

Finally I would like to thank our valued staff, customers and other stakeholders for their support and patience over the past few years. To the shareholders of the parent company in particular, we acknowledge that it has not been an easy passage but we are committed to continue to make the positive changes at BOSL to bring about improved performance and enhanced shareholder value.