

**Schedule 2
FORM ECSRC – OR**

(Select One)

QUARTERLY FINANCIAL REPORT for the period ended June 30, 2018
Pursuant to Section 98(2) of the Securities Act, 2001

OR

TRANSITION REPORT
for the transition period from _____ to _____
Pursuant to Section 98(2) of the Securities Act, 2001
(Applicable where there is a change in reporting issuer's financial year)

BOSVG01061977SV

Issuer Registration Number: _____
Bank of St. Vincent and the Grenadines Ltd

(Exact name of reporting issuer as specified in its charter)
St. Vincent and the Grenadines

(Territory or jurisdiction of incorporation)
Reigate, Granby Street, Kingstown, St. Vincent and the Grenadines

(Address of principal executive Offices)

(Reporting issuer's: **784-457-1844**
Telephone number (including area code): _____

Fax number: **784-456-2612**

Email address: **info@bosvg.com**

(Former name, former address and former financial year, if changed since last report)

(Provide information stipulated in paragraphs 1 to 8 hereunder)

Indicate the number of outstanding shares of each of the reporting issuer's classes of common stock, as of the date of completion of this report. _____


CLASS	NUMBER
Common	14,999,844

SIGNATURES

A Director, the Chief Executive Officer and Chief Financial Officer of the company shall sign this Annual Report 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.

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 Managing Director:
Derry Williams




Signature

July 31, 2018

Date

Name of Director:
Maurice Edwards



Signature

July 31, 2018

Date

Name of Chief Financial Officer:
Bennie Stapleton



Signature

July 31, 2018

Date

INFORMATION TO BE INCLUDED IN FORM ECSRC-OR

1. Financial Statements

Provide Financial Statements for the period being reported in accordance with International Accounting Standards. The format of the financial statements should be similar to those provided with the registration statement. Include the following:

- (a) Condensed Balance Sheet as of the end of the most recent financial year and just concluded reporting period.
- (b) Condensed Statement of Income for the just concluded reporting period and the corresponding period in the previous financial year along with interim three, six and nine months of the current financial year and corresponding period in the previous financial year.
- (c) Condensed Statement of Cash Flows for the just concluded reporting period and the corresponding period in the previous financial year along with the interim three, six and nine months of the current financial year and the corresponding period in the previous financial year.
- (d) By way of *Notes to Condensed Financial Statements*, provide explanation of items in the financial statements and indicate any deviations from generally accepted accounting practices.

2. Management's Discussion and Analysis of Financial Condition and Results of Operation.

Discuss the reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations during the reporting period. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated. Discussion of material changes should be from the end of the preceding financial year to the date of the most recent interim report.

The Management's Discussion and Analysis should disclose sufficient information to enable investors to judge:

1. The quality of earnings;
2. The likelihood that past performance is indicative of future performance; and
3. The issuer's general financial condition and outlook.

It should disclose information over and above that which is provided in the management accounts and should not be merely a description of the movements in the financial statements in narrative form or an otherwise uninformative series of technical responses. It should provide management's perspective of the company that enables investors to view the business from the vantage point of management.

The discussion should focus on aspects such as liquidity; capital resources; changes in financial condition; results of operations; material trends and uncertainties and measures taken or to be taken to address unfavourable trends; key performance indicators; and non-financial indicators.

General Discussion and Analysis of Financial Condition

Bank of St. Vincent & the Grenadines Ltd has recorded significantly improved financial performance for the half year ended 30, June 2018. Profit before tax of \$7.05M was recorded, which represents an increase of 389.7% over the same period in 2017 where a loss of \$2.43M was recorded.

Profit for the second quarter of 2018 also increased by \$0.225M (6.5%) over the first quarter. During first six months of the year, the overall quality of the loan assets of the Bank showed improvements with the reduction in the level of non-performing from 7.27% to 6.59%. Also, the capital base of the Bank remained strong at 21.2% which is well above the regulatory capital level of 8%.

The year to date results were achieved in part due to the implementation of a number of strategic initiatives outlined in the Strategic Plan for the period 2018 to 2020. This plan focuses on advancing five strategic priorities namely:

1. Enhancing Financial Prosperity
2. Enhancing Customer Value
3. Enhancing Brand Value
4. Enhancing Process Excellence
5. Enhancing People and Culture

Some of the key strategic initiatives actioned to date have targeted growth in revenue and reduction of interest expense. The revenue growth strategies resulted in the revision of the fees for services and the automation in key areas to ensure greater efficiency. This has resulted in an increase of 37.5% in non-interest income to date. The Bank also commenced work on a number of projects to improve efficiency generally across its operations. Regarding the issue of cost savings, we have reduced cost of funds by 20 basis points from 2.10% as at December 31, 2017 to 1.90% as at the end of June 2018. This has resulted in a reduction of \$.722M in interest expense year on year.

Credit risk remained a critical area of focus for the Bank as the non-performing loans and advances ratio (NPLs) remains outside the ECCB guideline of 5%. Notwithstanding, there was a gradual improvement in the ratio over the last quarter. At June 30, 2018 the Bank's NPL ratio was 6.59%, an improvement from 7.27% at March 31, 2018.

Continued emphasis will be placed on risk management and compliance as the regulatory environment becomes more rigorous for licensed financial institutions operating within the Currency Union. The Bank will seek to improve its Risk Management framework in order to mitigate the challenges of anti-money laundering, de-risking, cyber-security, operational risk and regulatory issues facing the banking industry. As such, a project team has commenced the revision and update of a number of the policies and procedures. It is anticipated that the majority of the bank's core policies will be updated within the next twelve months.

IFRS 9 Update

The half year loan assessment was conducted in accordance with the IAS 39. We are however at an advanced stage regarding the implementation of the IFRS 9. It is anticipated that the full model will be operationalized well in advance of the 2018 financial year end. Preliminary assessment of the loan loss provisions under the IFRS 9 indicates that the results will not materially differ from the IAS 39.

Liquidity and Capital Resources

Provide a narrative explanation of the following (but not limited to):

- i) The reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations.
- ii) Any known trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, the issuer's liquidity increasing or decreasing in any material way. If a deficiency is identified, indicate the course of action that the reporting issuer has taken or proposes to take to remedy the deficiency.
- iii) The issuer's internal and external sources of liquidity and any material unused sources of liquid assets.
- iv) Provisions contained in financial guarantees or commitments, debt or lease agreements or other arrangements that could trigger a requirement for an early payment, additional collateral support, changes in terms, acceleration of maturity, or the creation of an additional financial obligation such as adverse changes in the issuer's financial ratios, earnings, cash flows or stock price or changes in the value of underlying, linked or indexed assets.
- v) Circumstances that could impair the issuer's ability to continue to engage in transactions that have been integral to historical operations or are financially or operationally essential or that could render that activity commercially impracticable such as the inability to maintain a specified level of earnings, earnings per share, financial ratios or collateral.
- vi) Factors specific to the issuer and its markets that the issuer expects will affect its ability to raise short-term and long-term financing, guarantees of debt or other commitment to third parties, and written options on non-financial assets.
- vii) The relevant maturity grouping of assets and liabilities based on the remaining period at the balance sheet date to the contractual maturity date. Commentary should provide information about effective periods and the way the risks associated with different maturity and interest profiles are managed and controlled.
- viii) The issuer's material commitments for capital expenditures as of the end of the latest 'fiscal period, and indicate the general purposes of such commitments and the anticipated source of funds needed to fulfil such commitments.
- ix) Any known material trends, favorable or unfavorable, in the issuer's capital resources, including any expected material changes in the mix and relative cost of capital resources, considering changes between debt, equity and any off-balance sheet financing arrangements.

Discussion of Liquidity and Capital Resources

The Bank's capital position continues to be strong at the end of period June 2018, Tier1 Capital ratio was 21.2%, well above the regulatory limit of 8%. This strong capital position has enabled the Bank to pay dividend of \$2.5M to shareholders. Shareholders' equity increased by \$5.8M (5.75%) over June 2017 due to the improvement in profitability.

The Bank remained highly liquid and all indicators of liquidity were well in excess of the established benchmark. The liquid assets to deposits ratio was maintained at 33.4% compared to 30.2% at the end of the last quarter and 42.4% over the prior year.

Off Balance Sheet Arrangements

Provide a narrative explanation of the following (but not limited to):

- i) Disclosures concerning transactions, arrangements and other relationships with unconsolidated entities or other persons that are reasonably likely to materially affect liquidity or the availability of, or requirements for capital resources.
- ii) The extent of the issuer's reliance on off-balance sheet arrangements should be described fully and clearly where those entities provide financing, liquidity, market or credit risk support, or expose the issuer to liability that is not reflected on the face of the financial statements.
- iii) Off-balance sheet arrangements such as their business purposes and activities, their economic substance, the key terms and conditions of any commitments, the initial ongoing relationship with the issuer and its affiliates and the potential risk exposures resulting from its contractual or other commitments involving the off-balance sheet arrangements.
- iv) The effects on the issuer's business and financial condition of the entity's termination if it has a finite life or it is reasonably likely that the issuer's arrangements with the entity may be discontinued in the foreseeable future.

At the end of the reporting period the Bank anticipated that the undrawn credit commitments to customers would require cash outflows totaling \$35.9M compared to \$39.0M at March 2018. This amount represents the total risk exposure of the Bank in this category. These outflows are projected to be drawn down over a six to twelve-month period and would therefore not have any adverse impact on liquidity.

Results of Operations

In discussing results of operations, issuers should highlight the company's products and services, facilities and future direction. There should be a discussion of operating considerations and unusual events, which have influenced results for the reporting period. Additionally, any trends or uncertainties that might materially affect operating results in the future should be discussed.

Provide a narrative explanation of the following (but not limited to):

- i) Any unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from continuing operations and, in each case, the extent to which income was so affected.
- ii) Significant components of revenues or expenses that should, in the company's judgment, be described in order to understand the issuer's results of operations.
- iii) Known trends or uncertainties that have had or that the issuer reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.
- iv) Known events that will cause a material change in the relationship between costs and revenues (such as price increases, costs of labour or materials), and changes in relationships should be disclosed.
- v) The extent to which material increases in net sales or revenues are attributable to increases in prices or to increases in the volume or amount of goods or services being sold or to the introduction of new products or services.
- vi) Matters that will have an impact on future operations and have not had an impact in the past.
- vii) Matters that have had an impact on reported operations and are not expected to have an impact upon future operations
- viii) Off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships that have or are reasonably likely to have a current or future effect on the registrant's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.
- ix) Performance goals, systems and, controls.

Overview of Results of Operations

Results of Operations

The implementation of revenue growth strategies continues to improve the overall financial performance. Net profit for the first half of 2018 was \$5.15M, which is a marked improvement when compared to a net loss of \$2.43M recorded in the comparative period in 2017. This increase was driven by revenue growth of \$2.34M (7.6%) compared to the same period in 2017. Most of this growth was realized in the second quarter of 2018 and was attributed to the implementation of a revised fee structure.

Net interest Income

Net interest income increased by \$0.897M (5.8%) over the comparative period, this was mainly as a result of a reduction in interest expense and a slight improvement in interest income on loans and advances. Interest income growth year on year was \$0.175M, while the interest expense declined by \$0.722M (8.8%). The reduction in interest expense is in keeping with the Bank's strategy to reduce cost of funds. Interest income from loans and advances and investments for the quarter April to June 2018 remained consistent with the amount earned in the previous quarter of \$8.69M.

Interest Expense

Despite the growth in the deposit portfolio of \$28.4M (3.8 %), total interest expense reduced by \$0.722M (8.4%) compared to the comparative period ended June 2017. There was also a marginal reduction of \$0.199M during the quarter ended June 30, 2018. When compared to June 2017 interest expense on savings deposits declined by \$0.363M (8.3%) and \$0.310M (16.6%) was recorded in time deposits due to:

- (1) the total time deposit portfolio declined by \$5.2M,
- (2) the interest rate on time deposits were reduced upon maturity, and
- (3) lower cost demand deposits remained relatively flat at \$252M.

Non-Interest Income

Non-interest income increased by \$1.8M year to date and \$0.700M for the period April 2018 to June 2018. This increase was primarily due to higher fee and commission income, recovery income and foreign exchange earnings, as the Bank strengthened its collection base by automating and repricing its fee structure.

Operating Expenses

Operating expenses increased gradually by \$0.255M over the June 2017 period and there was a slight increase of \$0.085M during the reporting period. Approximately 48% of the expense variance related to professional fees, licenses and membership fees 37% and 15% for interest levy cost resulting from the onboarding of deposit accounts triggered by punitive fees by other depositories in 2017.

The increase costs are expected to cover fees relating to the job evaluation exercise and marketing of key initiatives in the medium term. Some expense categories recorded decreases, primarily in the areas of depreciation, security services and sundry gains and losses, as Management focused on cost control.

Loan loss Provisioning

Loan loss expense for the period ended June 30, 2018 was \$2.3M compared to \$9.3M in the previous year. This represents a reduction of 75.2% and is reflective of the improved loan quality. Accordingly, the aggregate amount of provisions for loan losses at June 30, 2018 of \$19.5 million represented 46.5% of all non-performing loans.

Balance Sheet Review

The Bank's financial position remained consistent at \$1B in total assets at June 30, 2018 and was sustained mainly through growth in customers' deposits of \$28.4M (3.83%). The cash and balances held with ECCB decreased by 58.2M (19.74%) over June 2017. Funds held with banks were reduced by \$29.4M (43.17 %) over June 30, 2017, and was deployed towards investments and growth in the loans and advances portfolio, thereby contributing to increases of \$25.6M (4.31%) and \$10.2M (15.1 %) respectively. All balances are managed to ensure adequate liquidity coverage.

Loans and Advances

The quality of the portfolio improved as evidenced in the decline in the non-performing loans and advances ratio of 6.59% down from 7.27% at March 31, 2018. Growth in the portfolio was strongest in the categories of residential mortgages and credit to the Government of St Vincent and the Grenadines. Mortgages continue to represent the largest portion of the credit portfolio, which accounted for 49.4% of total loans and advances. Term loans on the other hand represented 15.2 %, evidencing the Bank's capacity to improve the mix of interest yielding assets.

Deposits

Total customers' deposits increased by \$28.4M (3.83%) over June 30, 2017, driving the total growth of the Bank's balance sheet. Savings deposits grew by 33.7M (9.2%), demand deposits remained stable at \$252.7M while time deposits declined by 5.2M (4.2%). This trend is expected to continue as the Bank seeks to lower rates on maturity and manage its funding cost fund.

3. Disclosure about Risk Factors.

Provide a discussion of the risk factors that may have an impact on the results from operations or on the financial conditions. Avoid generalised statements. Typical risk factors include untested products, cash flow and liquidity problems, dependence on a key supplier or customer, management inexperience, nature of business, absence of a trading market (specific to the securities of the reporting issuer), etc. Indicate if any risk factors have increased or decreased in the time interval between the previous and current filing.

Credit Risk

During the reporting period overall credit risk was deemed to be stable when compared to March 31, 2018. There was an improvement in total asset quality with the NPLs ratio moving from 8.60% one year ago and 7.27% at March 31, 2018 to 6.59% as at June 30, 2018. Despite the challenges of the economic conditions and competitive loan market, the portfolio maintains a moderate upward trajectory. The Bank remains mindful of the need for diligence with respect to new credit, monitoring and assessing the required provisions. Consequently, focus would be placed on reducing NPLs through robust recovery efforts and the effective management of the migration of loans to non-performing.

Operational Risk

The Bank's operational risk continues to be classified as high due mainly to concerns relating to correspondent banking relationship, cybersecurity and anti-money laundering (AML) issues. The Bank is committed to develop strategies to mitigate these risks and will seek to strengthen its suite of policies and procedures.

Reputational Risk

The Bank remained compliant with all applicable laws and regulations in the jurisdiction in which it operates. The Bank keeps abreast of changes in legislation and best practices and adjusts its policies and procedures to guarantee its ability to consistently deliver quality products and services.

Liquidity Risk

The Bank's liquidity position continued to remain strong with the related metrics showing consistent trends. Liquid assets constituted 25.6% of the total assets; loans to deposit ratio 82.6% as at June 30, 2018. The Bank's key regulatory ratios also remained sound and were maintained well above the Eastern Caribbean Central Bank benchmarked requirements both for liquidity coverage ratio and liquid asset ratio.

Market Risk

As at June 30, 2018 the Bank's market risk remains at an acceptable level. In order to ensure the management of market risk, the Bank periodically uses financial risk simulation model to conduct stress testing. Foreign exchange risk exposure is monitored on a daily basis by the Finance Department to ensure that the Bank is not exposed beyond its risk appetite. The Bank maintained limited investments in the international markets evidenced by the avoidance of specific types of securities with high volatilities such as derivatives and other speculative instruments. The investment portfolio increased from \$81.8M as at March 31, 2018 to \$87.9M as June 30, 2018. This increase was mainly as a result of funds deployed by an asset manager in investment grade securities during the quarter under review.

Legal Proceedings.

A legal proceeding need only be reported in the ECSRC – OR filed for the period in which it first became a reportable event and in subsequent interim reports in which there have been material developments. Subsequent Form ECSRC – OR filings in the same financial year in which a legal proceeding or a material development is reported should reference any previous reports in that year. Where proceedings have been terminated during the period covered by the report, provide similar information, including the date of termination and a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

Claim No: SVGHCV2018/78 Anson Randall Layne/David Everson Layne (First & Second Claimants Respectively) And Lillian Williams/The Bank Of St. Vincent And The Grenadines Ltd. (First & Second Defendants Respectively).

Claim

- Damages for loss of entitlement incurred by the claimants under deceased's estate (father of claimants) as a result of the first defendant's (mother of claimants) fraud and /or breach of trust.
- A declaration of interest in the 1.63 acres of land situate at Joseph Land, Mc Carthy, St. Vincent
- A declaration that the First Defendant used undue influence to induce the Claimants to transfer their interest in the deceased's estate to the First Defendant
- The following Deeds to be cancelled:
 - ✓ Deed of Assent No. 3698 of 2006
 - ✓ Deed of Mortgage No. 3722 of 2006
 - ✓ Deed of Further Charge No. 4149/2010
 - ✓ Second Deed of Further Charge No. 2175/2014
 - ✓ Deed of Confirmation No. 3518 of 2017
- Further or other relief as the court deems fit; and
- Costs

Matter was heard. Judge will make decision in matter by the end of August 2018.

Claim No: SVGHCV2018/62 Anson Randall Layne/David Everson Layne (First & Second Applicant Respectively) and Lillian Williams/The Bank of St. Vincent and The Grenadines Ltd. (First & Second Respondents Respectively)

Claim

- An injunction restraining the Respondents whether by themselves, their servants or agents or otherwise howsoever until further order from selling or otherwise disposing of 1.63 acres of land situate at Joseph's Land, Mc Carthy, St. Vincent (Deed of Assent No.3061 of 1978)
- Cost of application to be borne by Respondents
- Further or other relief as the Court deems fit

Hearing of the application for injunction was heard. It was subsequently agreed that the Bank will hold on the sale of the property pending the hearing of the substantive claim above.

4. Changes in Securities and Use of Proceeds.

- (a) Where the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved. State briefly the general effect of such modification upon the rights of holders of such securities.

There were no changes in securities and use of proceeds during the period.

- (a) Where the use of proceeds of a security issue is different from that which is stated in the registration statement, provide the following:

- Offer opening date (provide explanation if different from date disclosed in the registration statement)

N/A

- Offer closing date (provide explanation if different from date disclosed in the registration statement)

N/A

- Name and address of underwriter(s)

N/A

- Amount of expenses incurred in connection with the offer

N/A

- Net proceeds of the issue and a schedule of its use

N/A

- Payments to associated persons and the purpose for such payments

N/A

- (c) Report any working capital restrictions and other limitations upon the payment of dividends.

N/A

5. Defaults upon Senior Securities.

- (a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund instalment, or any other material default not satisfied within 30 days, with respect to any indebtedness of the reporting issuer or any of its significant subsidiaries exceeding 5 per cent of the total assets of the reporting issuer and its consolidated subsidiaries, identify the indebtedness. Indicate the nature of the default. In the case of default in the payment of principal, interest, or a sinking or purchase fund instalment, state the amount of the default and the total arrears on the date of filing this report.

N/A

- (b) If any material arrears in the payment of dividends have occurred or if there has been any other material delinquency not satisfied within 30 days, give the title of the class and state the amount and nature of the arrears or delinquency.

N/A

6. Submission of Matters to a Vote of Security Holders.

If any matter was submitted to a vote of security holders through the solicitation of proxies or otherwise during the financial year covered by this report, furnish the following information:

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

Annual Meeting of the Shareholders held on May 28, 2018

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

There were no elections of Directors. The names of the directors that continued after the meeting are as follows:

- Mr. Maurice Edwards – Chairman – Government appointee
- Sir Errol Allen – Government appointee
- Mrs. Judith Veira – Government appointee
- Mrs. Saibrina Brewster- Dickson – Government appointee
- Mr. Omar Davis – ECFH appointee
- Mr. Andre Chastanet – ECFH appointee
- Mr. Lennox Bowman – NIS appointee
- Mr. Lennox Timm – NIS appointee
- Dr. Timothy Providence – Elected by the Public

- (c) A brief description of each other matter voted upon at the meeting and a statement of the number of votes cast for or against as well as the number of abstentions as to each such matter, including a separate tabulation with respect to each nominee for office.

See Agenda items listed below. There were no votes by ballots. All matters were decided by a show of hands which were all adopted/carried:

1. To consider and adopt the Report of the Auditors and Audited Financial Statements of the Company for the year ended December 31, 2017
2. To consider and adopt the Directors' Report
3. To sanction cash dividends of \$0.17 per share paid for the financial year ending December 31, 2017
4. To appoint Auditors for the financial year January to December 2018
5. To discuss any other business which may be properly considered at the Annual Meeting.

- (d) A description of the terms of any settlement between the registrant and any other participant.

N/A

- (e) Relevant details of any matter where a decision was taken otherwise than at a meeting of such security holders.

N/A

7. Other Information.

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC – MC report (used to report material changes), with respect to which information is not otherwise called for by this form, provided that the material change occurred within seven days of the due date of the Form ECSRC-OR report. If disclosure of such information is made under this item, it need not be repeated in a Form ECSRC – MC report which would otherwise be required to be filed with respect to such information or in a subsequent Form ECSRC – OR report.

N/A

BANK OF ST. VINCENT AND THE GRENADINES LTD

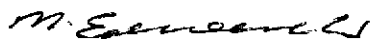
Interim Consolidated Statement of Financial Position

As at June 30, 2018

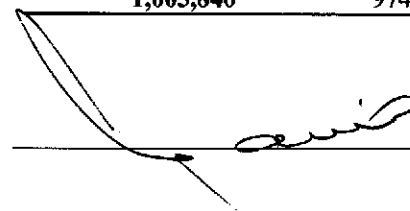
(expressed in thousands of Eastern Caribbean dollars)

	(Unaudited) June 30, 2018 \$	(Audited) December 31, 2017 \$	(Unaudited) June 30, 2017 \$
Assets			
Cash and balances with Central Bank and due from banks	236,719	234,198	294,956
Treasury bills	10,175	10,402	10,175
Loans and receivables - loans and advances to customers	618,472	605,030	592,889
Investment securities	77,710	65,058	67,515
Other assets	60,764	59,895	66,355
Total assets	<u>1,003,840</u>	<u>974,583</u>	<u>1,031,890</u>
Liabilities			
Customers deposits and other borrowed funds	849,249	823,127	854,580
Other liabilities	47,841	47,183	76,373
Total liabilities	<u>897,090</u>	<u>870,310</u>	<u>930,953</u>
Equity			
Issued Capitals and reserves	37,270	37,392	38,110
Retained earnings	69,480	66,881	62,827
Total equity	<u>106,750</u>	<u>104,273</u>	<u>100,937</u>
Total liabilities and equity	<u>1,003,840</u>	<u>974,583</u>	<u>1,031,890</u>

Approved by the Board of Directors on July 27, 2018



Director



Director

BANK OF ST. VINCENT AND THE GRENADINES LTD

Interim Consolidated Statement of Income

For the six-month period ended June 30, 2018

(expressed in thousands of Eastern Caribbean dollars)

	(Unaudited) 6 mths to June 30, 2018 \$	(Audited) 12 mths to December 31, 2017 \$	(Unaudited) 6 mths to June 30, 2017 \$
Net interest income	16,929	32,277	16,032
Other operating income	7,853	12,836	6,064
Net interest and other income	24,782	45,113	22,096
Operating expenses	(16,001)	(31,995)	(15,441)
Impairment losses on loans and advances	(1,728)	(8,503)	(9,084)
Impairment losses on investment securities	-	(1,825)	-
Profit before income tax	7,053	2,790	(2,429)
Income tax expense	(1,904)	(1,994)	-
Profit for the period	5,149	796	(2,429)
Earnings per share	0.34	0.05	(0.16)

BANK OF ST. VINCENT AND THE GRENADINES LTD

Interim Consolidated Statement of Comprehensive Income

For the six month period ended June 30, 2018

(expressed in thousands of Eastern Caribbean dollars)

	(Unaudited)	(Audited)	(Unaudited)
	6 mths to	12 mths to	6 mths to
	June 30,	December 31,	June 30,
	2018	2017	2017
	\$	\$	\$
Profit for the period	5,149	796	(2,429)
Unrealised loss (gain) on available for sale securities	(122)	196	86
Total comprehensive income for the period	5,027	992	(2,343)

BANK OF ST. VINCENT AND THE GRENADINES LTD

Interim Consolidated Statement of Changes in Equity

For the six-month period ended June 30, 2018

(expressed in thousands of Eastern Caribbean dollars)

	Share Capital	Reserves	Unrealised gain/(loss) on investments	Retained Earnings	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2017	14,753	14,753	1,530	74,795	105,831
Transfer	6,000	159	-	(6,159)	-
Total comprehensive income	-	-	197	796	993
Dividend paid	-	-	-	(2,551)	(2,551)
Balance at 31 December 2017	20,753	14,912	1,727	66,881	104,273
Balance at 1 January 2018	20,753	14,912	1,727	66,881	104,273
Transfer	-	-	-	-	-
Total comprehensive income	-	-	(122)	5,149	5,027
Dividend paid	-	-	-	(2,550)	(2,550)
At 30 June 2018	20,753	14,912	1,605	69,480	106,750

BANK OF ST. VINCENT AND THE GRENADINES LTD

Interim Consolidated Statement of Cash Flows

For the six month period ended June 30, 2017

(expressed in thousands of Eastern Caribbean dollars)

	(Unaudited) 6 mths to June 30, 2018 \$	(Audited) 12 mths to December 31, 2017 \$	(Unaudited) 6 mths to June 30, 2017 \$
Net cash generated from operating activities	19,314	(11,769)	49,795
Net cash generated from investing activities	(24,695)	(13,759)	(26,403)
Net cash (used in)/ from financing activities	(4,873)	(6,856)	(4,694)
Net decrease/(increase) in cash and cash equivalents	(10,254)	(32,383)	18,698
Cash and cash equivalents at beginning of year	197,355	229,738	229,738
Cash and cash equivalents at end of the period	187,101	197,355	248,436

BANK OF ST. VINCENT AND THE GRENADINES LTD
Interim Consolidated Statement of Financial Position
As at June 30, 2018

(expressed in thousands of Eastern Caribbean dollars)

	(Unaudited) June 30, 2018 \$	(Audited) December 31, 2017 \$	(Unaudited) June 30, 2017 \$
Assets			
Cash and balances with Central Bank and due from banks	236,719	234,198	294,956
Treasury bills	10,175	10,402	10,175
Loans and receivables - loans and advances to customers	618,472	605,030	592,889
Investment securities	77,710	65,058	67,515
Other assets	60,764	59,895	66,355
Total assets	<u>1,003,840</u>	<u>974,583</u>	<u>1,031,890</u>
Liabilities			
Customers deposits and other borrowed funds	849,249	823,127	854,580
Other liabilities	47,841	47,183	76,373
Total liabilities	<u>897,090</u>	<u>870,310</u>	<u>930,953</u>
Equity			
Issued Capitals and reserves	37,270	37,392	38,110
Retained earnings	69,480	66,881	62,827
Total equity	<u>106,750</u>	<u>104,273</u>	<u>100,937</u>
Total liabilities and equity	<u>1,003,840</u>	<u>974,583</u>	<u>1,031,890</u>

Approved by the Board of Directors on July 27, 2018

Director

Director