

Schedule 1

FORM ECSRC – K

**ANNUAL REPORT
PURSUANT TO SECTION 98(1) OF THE SECURITIES ACT, 2001**

For the financial year ended **December 31, 2019**

Issuer Registration number **BOSVG01061977SV**

Bank of St. Vincent and the Grenadines Ltd.

(Exact name of reporting issuer as specified in its charter)

St. Vincent and the Grenadines

(Territory of incorporation)

Reigate, Granby Street, Kingstown, St. Vincent and the Grenadines

(Address of principal office)

REPORTING ISSUER'S:

Telephone number (including area code): **1784-457-1844**

Fax number: **1784-456-2612**

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

(Provide information stipulated in paragraphs 1 to 14 hereunder)

Indicate whether the reporting issuer has filed all reports required to be filed by section 98 of the Securities Act, 2001 during the preceding 12 months

Yes **X**

No _____

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

May 06 , 2020

Date

Name of Director:

Maurice Edwards


Signature

May 06 , 2020

Date

Name of Chief Financial Officer:

Bennie Stapleton


Signature

Date

6/5/20

INFORMATION TO BE INCLUDED IN FORM ECSRC-K

1. **Business.**

Provide a description of the developments in the main line of business including accomplishments and future plans. The discussion of the development of the reporting issuer's business need only include developments since the beginning of the financial year for which this report is filed.

The year was challenging, yet a very successful one for the Bank of St. Vincent and the Grenadines (BOSVG). Emerging trends in the global, regional and local environment are challenging our traditional business model. New players are entering the local market as longstanding names make their exit; technological developments are blurring the lines between banking and other parts of the economy and; mounting regulatory requirements restrict the way we can respond.

Notwithstanding these challenges, we continued to ensure the highest standards of corporate governance and adherence to the Bank's policies and international best practices. In this regard, numerous policies were introduced or updated during 2019, with particular attention paid to cyber-security and other risk management policies. This emphasis on Risk Management is not accidental as this is an area of great concern to regulators and other stakeholders in the banking industry.

2. **Properties.**

Provide a list of properties owned by the reporting entity, detailing the productive capacity and future prospects of the facilities. Identify properties acquired or disposed of since the beginning of the financial year for which this report is filed.

Note: The subsidiary, Property Holding SVG Ltd. disposed three lots of land being lot#2, lot#3 and lot#4 admeasuring 11,885 square feet each, totaling 35,655 square feet in June 2017. Please see below details of properties held by the BOSVG and its subsidiary.

BANK OF ST. VINCENT & THE GRENADINES LTD PROPERTIES			
Properties	Date of Acquisition	Size	Purpose of Acquisition/Productive Capacity
BOSVG Bedford Street Branch	30-Jul-10	5255 sq. ft. land with three storey building 14,236 sq. ft.	To conduct banking business
BOSVG Reigate Branch	21-Nov-11	18,090 sq. ft. land with four storey building 42,660 sq. ft.	To conduct banking business
BOSVG Georgetown Branch	30-Jul-10	7,200 sq. ft. with two storey building 4,294 sq. ft.	To conduct banking business
BOSVG Canouan Branch	30-Jul-10	7,663 sq. ft. land with two storey building 4,200 sq. ft.	To conduct banking business
BOSVG Bequia Branch	30-Jul-10	26,349 sq. ft. land with two storey building 4,200 sq. ft.	To conduct banking business
BOSVG Union Island Branch	30-Jul-10	15,191 sq. ft. land with two storey building 5,510 sq. ft.	To conduct banking business
BOSVG Barronallie Branch	30-Jul-10	1,705 sq. ft. land with building 1,313 sq. ft.	To conduct banking business
Land at Rillan Hill	30-Jul-10	9,814 sq. ft. land	Transfer of land from mortgage customer to bank. Land was sold to customer by the bank for the purpose of constructing dwelling house. However, land was unsuitable for construction as a result of water pipe running through the middle of the land. Productive capacity - Agriculture
PROPERTY HOLDING SVG LTD REMAINING PROPERTIES			
Properties	Date of Acquisition	Size	Purpose of Acquisition/Productive Capacity
Real estate	26-Oct-11	23,851 sq. ft.	Temporary acquisition of distressed properties for future investment
Real estate	26-Oct-11	2AIR24P/105,544 sq. ft.	Temporary acquisition of distressed properties for future investment
Real estate	26-Oct-11	39,454 sq. ft.	Temporary acquisition of distressed properties for future investment

3. Legal Proceedings.

Furnish information on any proceedings that were commenced or were terminated during the current financial year. Information should include date of commencement or termination of proceedings. Also include a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

All previously filed:

Claim # SVGHCV2019/57 -GREGORY FERRARI AND BOSVG

The Claimant claims against BOSVG for negligence and or breach of duty in respect of loss and damage caused to him as a result of the wrongful/unlawful refusal to accept for deposit various cheques issued by him or, alternatively, the failure to present the said cheques to the Claimant's bank for payment.

The Bank's defence was filed and the case came up for case management before Master Rickie Burnett on Thursday 10th October 2019.

SUIT # 162 OF 2019 LISA DEANE AND BOSVG AND DERRY WILLIAMS (KINGSTOWN MAGISTRATE COURT)

Claim- Recompense from BOSVG for fraudulent cheque in the amount of \$800 which was drawn on claimants account on May 6, 2019. Claimant claims punitive damages in treble of the principal amount.

The matter was heard on September 26, 2019 at the Kingstown Magistrate Court. The plaintiff did not attend court and the application to strike out the matter was successful.

ULRIC V.D. PHILLIPS JR. AND BOSVG

Plaintiff claims that he went to the Bank's ATM at the Bequia branch to check his account balance and was shocked by the ATM causing physical damages.

Plaintiff seeks compensatory damages in the amount of 5000 million, trillion, trillion US Dollars.

Bank's attorney applied to the court to have the matter struck out and the application to strike out the claim was heard on September 17, 2019. The Master awarded the Bank cost of \$750.00.

4. 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 Shareholders held on May 31, 2019 (previously reported)

- (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.

Election/Appointment held. All directorships continued after the Meeting:

Mr. Maurice Edwards	-	Chairman – Gov't appointee
Sir. Errol Allen	-	Gov't appointee
Mrs. Judith Veira	-	Gov't appointee
Dr. Timothy Providence	-	Elected by the public shareholders
Mr. Omar Davis	-	ECFH appointee
Mr. Lennox Bowman	-	NIS appointee
Mr. Lennox Timm	-	NIS appointee
Mr. Medford Francis	-	ECFH appointee
Mrs. Saibrina Brewster-Dickson	-	Gov't appointee

- (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 with decision:

1. To consider and adopt the Report of the Auditors and Audited Financial Statements of the Company for the year ended December 31, 2018
- Decided by a show of hands which was adopted/carried.
2. To consider and adopt the Directors' Report
- Decided by a show of hands – motion carried.
3. To sanction cash dividends of \$0.43 per share paid for the financial year ending December 31, 2018
- Decided by a show of hands – motion /carried.
4. To appoint Auditors for the financial year January to December 2019
- Decided by a show of hands – motion /carried.
5. To elect Directors
 - 2 nominees from the Public– Jorge Da Silva and Timothy Providence
 - Jorge Da Silva received 115,183 votes/ Timothy Providence received 279,354 votes (Timothy Providence elected)
 - Appointments:

Mr. Maurice Edwards	-	Gov't appointee
Sir. Errol Allen	-	Gov't appointee
Mrs. Judith Veira	-	Gov't appointee
Mr. Omar Davis	-	ECFH appointee
Mr. Lennox Bowman	-	NIS appointee
Mr. Lennox Timm	-	NIS appointee
Mr. Medford Francis	-	ECFH appointee
Mrs. Saibrina Brewster-Dickson	-	Gov't appointee
6. 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.

None

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

None

5. Market for Reporting issuer's Common Equity and Related Stockholder Matters.

Furnish information regarding all equity securities of the reporting issuer sold by the reporting issuer during the period covered by the report.

SHAREHOLDER	NO. OF COMMON SHARES	PERCENTAGE
East Caribbean Financial Holding Company Ltd.	3,000,000	20%
The National Insurance Services	2,999,999	20%
The Public inclusive of employees of the Bank	2,530,623	16.87%
Government of St. Vincent and the Grenadines	6,469,222	43.13%

See attached copy of Annual Returns submitted to the Companies Registry for December 31, 2019 showing movement of securities.

6. Financial Statements and Selected Financial Data.

Attach Audited Financial Statements, which comprise the following:

For the most recent financial year

- (i) Auditor's report; and
- (ii) Statement of Financial Position;

For the most recent financial year and for each of the two financial years preceding the date of the most recent audited Statement of Financial Position being filed

- (iii) Statement of Profit or Loss and other Comprehensive Income;
- (iv) Statement of Cash Flows;
- (v) Statement of Changes in Equity; and
- (vi) Notes to the Financial Statements.

The 2019 Financial Statements are attached.

7. 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.

As at December 31, 2019, the Bank's overall risk profile remained stable in the following categories: Credit Risk, Liquidity Risk, Market Risk, Reputational Risk, Legal and Regulatory/Compliance Risk, Earnings and Capital Adequacy. The continued volatility of corresponding banking relationships contributed to the high rating for operational risk, which remained higher than the other categories. The Bank recorded minimal operational losses and litigation costs.

During the period focus was on the following areas of operational risk:

Policy Review Exercise

The Policy Review exercise has generally been managed within the established timeline. Two suites of policies remain outstanding at December 31, 2019 – Operations and Human Resources – due to the amount of work required to complete. The new deadline for the completion of these policies is June 2020.

IT Governance Framework

The IT Governance Committee, which has oversight of governance of the IT activities of the Bank, recommended seventeen (17) IT Policies for approval. The suite of policies was developed to ensure that the IT activities of the Bank are in compliance with all relevant laws and regulatory requirements.

Cybersecurity risk

This area continues to be of concern due to constant evolution in technology. The Bank ensures that the systems and controls in place to detect and prevent unauthorized access to its network and IT systems are always functional and adequately monitored. The Bank has an arrangement with an external company to conduct 24 hour monitoring of its IT environment and provide incident reports. There were no major security activities for the quarter ended December 31, 2019.

Business Continuity and Disaster Recovery

The Bank conducts annual testing of its IT infrastructure to determine its ability to recovery and provide service to its customers in a timely manner, in the event of a disaster. The DR testing to assess and mitigate all applicable risks was successfully completed in May 2019, ahead of the commencement of the annual hurricane season.

Compliance

There was no increase in the risk rating in this area.

There is general compliance with AML / CFT policies and procedures. Activities are generally in keeping with what is known of the bank's customers and supporting documentation is obtained as required.

The Enhanced Compliance Solutions software is utilized to monitor all transactions, including wire transfers for structuring any other AML infractions.

There were no reported breaches for the quarter ended December 31, 2019.

Legal and Regulatory

The Bank maintained compliance with the established legal and regulatory requirements.

Reporting requirements under FATCA and Common Reporting Standard (CRS) have been satisfied for 2019.

8. 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 to the rights of the holders of BOSVG securities.

- (b) 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

9. 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

10. 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 financial year of the filing. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated.

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.

General Discussion and Analysis of Financial Condition

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.

During the year under review, the Bank realized a net profit of \$14.09 million, a modest increase over the \$12.92 million earned in 2018. This improved performance was largely attributed to a 38.4% increase in interest earned in investment securities, and a 19.6% increase in commission and credit related fees. Interest on loans and advances for the year was flat.

The 2019 financial year continued the trend of balance sheet growth with total assets increasing by \$125.3 million or 12.5%. Asset growth was primarily in the areas of Cash and Balances with Central Bank and Deposits with other banks, which grew by a combined amount of \$136.8 million or 60.9%. The growth in assets was funded through increase in deposits of \$143.2 million or 18.7 %

Based on the existing dividend policy and with this financial performance during the year, the Board has approved a dividend payment of \$0.47 per share. We thus started 2020 with a strong balance sheet and combined with a clear strategy on improving the brand, the Bank of St. Vincent and the Grenadines is in a good position for the future.

The economy of St. Vincent & the Grenadines is expected to be negatively impacted by emergence of the COVID 19 (CORONA VIRUS). Preliminary indications are that the Bank's interest-earning potential by way of interest income from investments and foreign exchange earnings are the categories most likely to be impacted in the short term. We have prepared a relief package for our customers which, includes a moratorium on interest and /or principal for our loan customers who are affected. In our view, the major impact of this initiative will be on the Bank's loan loss provisions, as the occurrence of the event triggers a review of the Bank's IFRS 9 model.

While the pandemic is likely to have some impact on the Bank's operation, the present liquidity and capital buffers are deemed adequate to withstand any major fallouts. The Liquid Asset to Deposit ratio at the end of 2019 Financial Year was approximately 41%. This currently exceeds the benchmarked ratio of 20-25%. There is also an approved Liquidity Contingency plan, which identifies the steps to be followed in the event of a liquidity crisis.

Further, as at December 31st the Bank's Capital Adequacy Ratio (CAR) was 24.2%, this was well above the benchmarked guideline of 8 %. As such, we are of the view that there is enough capital buffer to cushion any major fallout from impact of the pandemic on the Bank's operations

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 Capital Adequacy Ratio remained strong at 24.2%, which was significantly above regulatory requirement of 8%. This strong capital position was driven by profits before tax of \$16.1M for the 2019 financial year. Total equity increased by \$5.5M (4.6%) from \$119.7M at September 30, 2019 to \$125.2M at the end of December 2019.

Healthy liquidity and funding positions were maintained with net liquid assets to deposit ratio of 41.6%. The Bank was able to maintain stable asset quality by preventing large-scale migration of loans into non-performing status.

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 on-going 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.

There was no material off balance sheet arrangements at reporting period.

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.

Results of Operations

The 2019 financial year was another successful one for the Bank of St. Vincent and the Grenadines as significant progress was made in advancing the initiatives outlined in the Bank's Strategic Plan. Buoyed by an increase in total revenue of \$4.7 million, the Bank recorded a net profit \$14.1 million compared to \$12.9 million recorded for the 2018 financial year. Revenue growth was mainly manifested in both interest and non-interest income categories, with non-interest income growing by approximately \$2.9 million or 18 % over the previous financial year. The investment in technology to support the ongoing digitization of the Bank in conjunction with other volume-driven costs resulted in an increase in operating expenses of \$1.5 million during the year.

Net Interest Income

The growth in net interest income of \$1.4 million was mainly as a result of the deployment of excess liquidity and was mainly reflected in the category of Income from Investments and Bank Deposits, which grew by \$1.6 million. Consistent with the growth in savings deposits, there was an increase in interest expense of \$0.65 million or 6.1%. The Bank's cost of funds was managed in a manner that allowed the Bank to achieve its budgetary targets for the 2019 financial year.

Non-Interest Income

Over the past years, the bank introduced a number of fees to mainly offset the rising cost of risk management and digitization. The adjustments also brought the fee structure in line with the market. The revised fees have contributed significantly to the increase in non-interest off \$2.9 million.

Operating Expenses

Total operating expenses increased by \$1.5 million (4.4%) when compared to the comparative period in 2018. This increase is consistent with the initiatives in the Bank's Strategic Plan as it relates to the development of human capital, increased digitization and the re-branding of the institution. Within this context, an additional amount of \$0.16 million was spent in the training of the staff, and marketing expenses increased by \$0.40 million. Other areas of increases include interest levy of \$0.22 million and credit card expenses, with the increase in membership fees and licenses driven by additional compliance cost. Management remains committed to making concerted efforts and to be extra vigilant in managing costs in the ensuing period.

Asset Quality

Consistent with the strategic theme of enhancing financial performance, the management of the bank continued to implement a number of initiatives geared at sustaining asset quality. As such, there was a marginal increase of \$0.9 million in total non-performing loans when compared with the 2018 financial year. As at the December 31, 2019, the balance on the portfolio was \$40.6 million compared with \$39.6 million in the comparative period. The major contributing category to the overall increase was mortgages, which moved from \$15.3 million in 2018, to \$18.2 million at the end of 2019. There were also reductions of \$1.2 million and \$0.96 million in the term loans and corporate loans categories.

The non-performing loans as a percentage of total loans moved from 6.2 to 6.5 percent, while provisions for loans losses moved from \$17.0 million to \$19.8 million as at December 31, 2019. Additionally, an amount of \$1.4 million was transferred to the Bank's General Provision Reserves, increasing that Reserve to \$4.5 million. Consequently, the provisions (including the General Provisions Reserves) as a percentage of non-performing loans improved from 50.7 % in 2018 to 60.3 % in 2019.

Balance Sheet Review

Total assets increased by \$125 million or 12.5% over the 2018 financial year; this growth was mainly concentrated in the areas of Cash and Balances with Central Bank and Deposits from Banks, which grew by \$52 million or 49.2% and \$84.8 million or 71.4% respectively. The growth in assets was funded through increased deposit liabilities of \$143.1 million or 18.7%. Despite the significant growth in deposits, the Bank was able to manage its cost of funds in a manner that allowed the achievement of profitability targets.

Loans and Advances

There was a marginal decline of \$13.5 million or 2.2% in the loans and advances portfolio. This reduction was primarily in the overdraft category and resulted from reduced public sector exposure at the end of the financial year. The average loan portfolio balance maintained during the year was consistent with the performance in the comparative period as the Bank was successful in recycling principal collections. Significant internal focus was also placed on strengthening the Bank's Credit Risk Framework; this culminated with the approval of a new Credit Policy and training of staff in all critical areas of loan approval and Credit risk management.

Investments

The Bank's total investment portfolio of \$80.7 million was comparable to the previous financial year. During the 2019 financial year, a decision was taken to invest the Bank's excess liquidity funds with international Banks which offered rates comparable to those offered by the Bank's Portfolio Managers. This strategy has contributed in part to the overall improvement in net interest income.

Funding

Given the prevailing economic environment, the domestic banking sector continues to be characterized by high levels of liquidity. During the year the Bank's deposit portfolio grew by \$143 million. Total deposits as at December 31, 2019 was \$910 million compared to \$767 million in 2018. Overall growth in deposit of 18.7% was mainly in the areas of savings deposits and demand deposits which increased by \$61.3 million or 15.4% and \$78.9 million or 30.8% respectively. Despite the significant increase in deposits, the Bank was able to maintain the associated interest expense at an acceptable level.

Capital and Reserves

In light of the growth in profitability, the Bank's total Capital & Reserves grew by \$7.7 million moving from \$117.6 million at December 31, 2018 to \$125.4 million at the end of 2019. During the 2019, financial year, an amount of \$6.4 million in dividends was paid to shareholders while \$1.4 million was transferred from Retained Earnings to the General Provision Reserves. The Capital Adequacy at 26.2% remains well above the 8 % regulatory benchmarked requirement.

During the year we conducted a sensitivity analysis to assess the impact of the implementation of the Basel II/III. The results of these analyses indicate that there is significant capital buffer to withstand the implementation of the proposed requirements for capital adequacy under the new framework.

11. Changes in and Disagreements with Auditors on Accounting and Financial Disclosure.

Describe any changes in auditors or disagreements with auditors, if any, on financial disclosure.

There were no changes in and disagreements with Auditors on Accounting and Financial disclosure.

12. Directors and Executive Officers of the Reporting Issuer. (*Complete Biographical Data Form attached in Appendix 1 and Appendix 1(a) for each director and executive officer*)

Furnish biographical information on directors and executive officers indicating the nature of their expertise.

13. Other Information.

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC – MC report provided that the material change occurred within seven days of the due date of the Form ECSRC – K 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.

N/A

14. List of Exhibits

List all exhibits, financial statements, and all other documents filed with this report.

1. Appendix 1- Biographical Data Forms –Directors of the Company
2. Appendix 1a-Biographical Data Forms – Executive Officers
3. Audited Financial Statements for the year ended December 31, 2019
4. Annual Returns 2019

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Mr. Maurice Edwards

Position: Chairman of the Board of Directors, Member of the Audit Committee and Member of the Risk & Compliance Committee

Age: 60

Mailing Address: C/O Bank of St. Vincent and the Grenadines Ltd., Reigate, Granby Street, P.O. Box 880, Kingstown, VC0 100, St. Vincent and the Grenadines

Telephone No: (784) 457-1844

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

- Consultant – 2017 - Present
- Director General Finance – Government of SVG – 1990 - 2017
- Present Director – St. Vincent Electricity Services
- Present Director – Ottley Hall Marina
- Present Director – Argyle International Airport
- Present Director – Agricultural Input Warehouse
- Present Director – Glossy Bay Mariana
- Present Director – Almond Tree Investment
- Former Director – National Properties Ltd.
- Former Director - Eastern Caribbean Central Bank

Give brief description of **current** responsibilities.

Chairman of the Board of Directors - The Chairperson is responsible for:

- i) Leading the Board in reviewing and discussing Board matters;
 - ii) Preside at meetings of directors and the shareholders
 - iii) Ensuring the efficient organization and conduct of the Board's function
 - iv) Facilitating effective contribution by all directors
 - v) Monitoring and reviewing directors performance
 - vi) Ensuring that directors meet separately at least once per year to consider, among other things, management's performance
- Member of the Audit Committee
 - Member of the Risk & Compliance Committee

Education (degrees or other academic qualifications, schools attended, and dates):

BSc. Accounting – UWI - 1983
CFA – 2016

Use additional sheets if necessary.

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Sir Errol Allen

Position: Director of the Board of Directors,
Chairman of the Human Resources
Committee and Member of the Credit
Committee
Age: 82

Mailing Address: C/O Bank of St. Vincent and the Grenadines Ltd., Reigate, Granby Street,
P.O. Box 880, Kingstown, VC0 100, St. Vincent and the Grenadines

Telephone No: (784) 457-1844

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

- 1983 – 2005: Former Deputy Governor of the Eastern Caribbean Central Bank
- 1996 – Present: President of the Eastern Caribbean Institute of Banking and Financial Services (ECIB)
- 2010 – Present: Chairman of the Eastern Caribbean Securities Regulatory Commissions (ECSRC)
- 2011 – Present: Chairman of the Turks & Caicos Island Regulatory Commissions
- 2016 – Present: Director NCB Anguilla

Give brief description of **current** responsibilities.

Director of the Board of Directors, Chairman of the Human Resources Committee and Member of Credit Committee

Education (degrees or other academic qualifications, schools attended, and dates):

Acc. Dir – Caribbean Governance Training Institute – March 2015
Acc. Dir – ICSA Jan 2013
BSc. Economics – London University, UK 1967
MSc. International Economics – University of Surrey, UK 1970

Use additional sheets if necessary.

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Saibrina Brewster-Dickson

Position: Director of the Board of Directors, Member of the Credit Committee and Member of the Human Resources Committee

Age: 42

Mailing Address: C/O Bank of St. Vincent and the Grenadines Ltd. Reigate, Granby Street, P.O. Box 880, Kingstown, VC0 100, St. Vincent and the Grenadines

Telephone No: (784) 457-1844

List jobs held during past five years. Give brief description of responsibilities. Include names of employers.

- April 19, 2004 – Present: Chief Accountant – The Mustique Company Limited
- April 21, 2016 – Present: Director – Brewster's Auto Supplies Ltd.
- Present – Co- Owner – The Corner Store

Give brief description of **current** responsibilities.

Director of the Board of Directors
Member of the Credit Committee
Member of the Human Resources Committee

Education (degrees or other academic qualifications, schools attended, and dates):

- 2004 - MBA – Heriott – Watt
- 2002 -ACCA
- 2000 - BSC Management Studies – UWI

Use additional sheets if necessary.

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Mrs. Judith Veira

Position: Director of the Board of Directors, Chairperson of the Audit Committee and Member of the Risk & Compliance Committee

Age: 58

Mailing Address: C/O Bank of St. Vincent and the Grenadines Ltd., Reigate, Granby Street, P.O. Box 880, Kingstown, VC0 100, St. Vincent and the Grenadines

Telephone No.: (784) 457-1844

List jobs held during past five years. Give brief description of responsibilities. Include names of employers.

- 1994 – Present – Consulting Actuary, Trinity Consulting Ltd.
- Present: Member – Caribbean Actuarial Association
- Present: Director - IM Holdings Inc.
- Present: Director – Trinity Consulting Inc

Give brief description of **current** responsibilities.

Director of the Board of Directors
Chairperson of the Audit Committee
Member of the Risk & Compliance Committee

Education (degrees or other academic qualifications, schools attended, and dates):

BA Hons Actuarial Science – London University, UK – 1986
Associate, Society of Actuaries - 1987
Fellow of the Society of Actuaries – 1994

Use additional sheets if necessary.

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Lennox Bowman

Position: Director of the Board,
Member of the Credit Committee and
Member of the Human Resources
Committee
Age: 61

Mailing Address: C/O Bank of St. Vincent and the Grenadines Ltd., Reigate, Granby St. P.O.
Box 880, Kingstown VC0 100, St. Vincent and the Grenadines

Telephone No: (784) 457-1844

List jobs held during past five years. Give brief description of responsibilities. Include names of employers.

- CEO - General Employees Co-operative Credit Union Ltd. – 1994 – present
- Chairman – National Insurance Services – April 2001- present
- Local Director - B2B Ltd. – 2012 – present
- Director – Centre for Enterprise Development (CED) – Jan 2019 – Present

Give brief description of **current** responsibilities.

Director of the Board of Directors
Member of the Credit Committee
Member of the Human Resources Committee

Education (degrees or other academic qualifications, schools attended, and dates):

MAAT- Association of Accounting Technicians UK - 1989
ACIB - Chartered Institute of Bankers UK – 1994

Use additional sheets if necessary.

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Dr. Timothy Providence

Position: Director of the Board of Directors, Chairman of the Credit Committee and Member of the Human Resources Committee

Age: 69

Mailing Address: C/O Bank of St. Vincent and the Grenadines Ltd., Reigate, Granby Street, P.O. Box 880, Kingstown, VC0 100, St. Vincent and the Grenadines

Telephone No: (784) 457-1844

List jobs held during past five years. Give brief description of responsibilities. Include names of employers.

Current Director for the following Companies:

- Irie Investments Ltd.
- Caribbean Reference Laboratory Ltd
- Victoria Medical Centre Inc.

Give brief description of **current** responsibilities.

Director of the Board of Directors
Chairman of the Credit Committee
Member of the Human Resources Committee

Education (degrees or other academic qualifications, schools attended, and dates):

- MBBS (UWI) 1974
- MRCOG (LON) 1981
- FRCOG (LON) 1998

Use additional sheets if necessary.

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Omar Davis

Position: Director of the Board of Directors and Member of the Audit Committee

Age: 68

Mailing Address: C/O East Caribbean Financial Holding Company Ltd., P.O. Box 1860, Bridge Street, Castries, St. Lucia

Telephone No: 758-456-6000

List jobs held during past five years. Give brief description of responsibilities. Include names of employers.

- Financial Consultant / Chartered Certified Accountant
- Current: Director – OL Davis & Co
- Current: Director – O.T.N Ltd.
- Current: Director – OMS Ltd.
- Current: Director – ODEL Inc
- Current: Director – Adroit Global Solutions
- Current: Director – East Caribbean Financial Holding Company Limited
- Current Director – Caribbean Youth Fest Limited
- Current Director – Caribbean Life Limited
- Current Director – Windward Islands Crop Insurance (1988) Limited

Give brief description of **current** responsibilities.

Director of the Board of Directors
Member of the Audit Committee

Education (degrees or other academic qualifications, schools attended, and dates):

Chartered Accountant – Fellow of the Association of Chartered Certified Accountants 1975
Accredited Director and Member –ICSA - January 2013

Use additional sheets if necessary.

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Mr. Lennox Timm

Position: Director of the Board of Directors,
Chairman of the Risk & Compliance
Committee and Member of the Audit
Committee

Age: 59

Mailing Address: C/O Bank of St. Vincent and the Grenadines Ltd. Reigate, Granby Street,
P.O. Box 880, Kingstown, VC0 100, St. Vincent and the Grenadines

Telephone No: 784-457-1844

List jobs held during past five years. Give brief description of responsibilities. Include names of employers.

- 1993 – Present – Financial Comptroller – National Insurance Services St. Vincent and the Grenadines
- Past Director – National Development Foundation SVG
- Past Director - Carnival Development Corporation SVG
- Past Director – East Caribbean Financial Holding Company Limited

Give brief description of **current** responsibilities.

Director of the Board of Directors
Chairman of the Risk & Compliance Committee
Member of the Audit Committee

Education (degrees or other academic qualifications, schools attended, and dates):

- 1995 – 1997 – Professional Degree in Accounting – Emille Wolf College of Accountancy UK
- 1997 - Chartered Certified Accountant (FCCA)
- Member of the Association of Accounting Technicians (MAAT)
- 2019 – Chartered Business Valuator (CBV) – Canadian Institute of Business Valuators
- 2019 – MSc. International Banking & Finance – University of Salford, Manchester, UK

Use additional sheets if necessary.

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Medford Francis

Position: Director of the Board of Directors,
Member of the Risk & Compliance Committee
Age: 48

Mailing Address: C/O East Caribbean Financial Holding Company Ltd., P.O. Box 1860, Bridge Street, Castries, St. Lucia

Telephone No: 758-456-6000

List jobs held during past five years. Give brief description of responsibilities. Include names of employers.

- Feb 2019 – Present – Deputy Managing Director, Lending & Investments, Bank of St. Lucia Limited
- June 2015 – Jan 2019 – Senior Manager, Investment Banking Services, Bank of St. Lucia Limited
- April 2014 – June 2015 – Group Investment Manager, East Caribbean Financial Holding Company Limited

Give brief description of current responsibilities.

Director of the Board of Directors
Member of the Risk & Compliance Committee

Education (degrees or other academic qualifications, schools attended, and dates):

- 1999 – BSc. Economics – University of the West Indies
- 2006 - MSc. Financial Management – University of London

APPENDIX 1(a) – BIOGRAPHICAL DATA FORMS

EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF THE COMPANY

Name: Derry Williams

Position: Managing Director

Age: 49

Mailing Address: **Reigate, P.O. Box 880, Kingstown, VC0 100, St. Vincent and the Grenadines**

Telephone No.: **(784) 457-1844 ext.111**

List jobs held during past five years (including names of employers and dates of employment).

May 2018 – Present – Managing Director, BOSVG

May 2016 – March 2018 – Country Manager/Managing Director, BOSL/ECFH

April 2011 – April 2016 – Managing Director, BOSVG

Give brief description of current responsibilities.

Position is responsible for providing strategic leadership for the Bank by working with the Board of Director and the Executive Management Team to establish and ensure delivery of the agreed work programme output and targets for the Bank within agreed budgets and for the development of the Bank's network, systems and strategies, policies, new products and services;

- Review and set work programme strategies, targets and periodic performance monitoring indicators for the various departments;
- Review credit and other financial proposals above specified limits to ensure that they are feasible, bankable and mutually beneficial to the Bank and borrower;
- Manage the risk profile of the bank's credit and investment portfolios;
- Spearhead the development, communication and implementation of effective growth strategies and processes;
- Collaborates with the Executive Management Team to develop and implement plans for operational infrastructure of systems, processes and personnel designed to accommodate the growth objectives of the bank.

Education (degrees or other academic qualifications, schools attended, and dates):

2002 – MBA Finance – University of Leicester, UK

1998 – Institute of Canadian Bankers

Also a Director of the company [] Yes [x] No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use additional sheets if necessary.

APPENDIX 1(a) – BIOGRAPHICAL DATA FORMS

EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF THE COMPANY

Name: Bennie Stapleton

Position: Chief Financial Officer

Age: 47

Mailing Address: **Reigate, P.O. Box 880 , Kingstown, VC0 100, St. Vincent and the Grenadines**

Telephone No.: **(784) 457-1844 ext.111**

List jobs held during past five years (including names of employers and dates of employment).

September 2009– present Chief Financial Officer

Give brief description of **current** responsibilities.

The Chief Financial Officer is responsible for the Bank's fiscal operating results. He engages in strategic planning, prepares, presents and interprets financial reports and provides guidance to senior management on fiscal control and profitability. The CFO assists the Managing Director in finance and accounting policy formulation, attaining the bank's financial goals and ensuring compliance with Bank policies, procedures, legal and regulatory requirements;

- Overall responsibility for finance and accounting for finance and accounting functions;
- Develop and execute strategies to achieve the bank' fiscal goals, including capital-raising strategies and market initiatives to support growth and profitability;
- Develop budget targets and oversees budget preparation and implementation;
- Analyse projections, trends and actual performance to identify opportunities for improvement; provides direction to ensure compliance with budget;

Education (degrees or other academic qualifications, schools attended, and dates):

2010 – Certificate in Executive Management, Columbia Business Graduate School of Business

June 2008 – Certified Internal Auditor, the Institute of Internal Auditors NY

2002 - ACCA

1994 – 1997 – UWI Cave Hill Campus, BSc. Accounting

Also a Director of the company ☐ Yes ☒ No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use additional sheets if necessary.

APPENDIX 1(a) – BIOGRAPHICAL DATA FORMS

EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF THE COMPANY

Name: Nandi Williams Morgan

Position: Corporate Secretary

Age: 45

Mailing Address: **Reigate, P.O. Box 880 , Kingstown, VC0 100, St. Vincent and the Grenadines**

Telephone No.: **(784) 457-1844 ext.111**

List jobs held during past five years (including names of employers and dates of employment).

December 2004 – Present

Corporate Secretary

Give brief description of **current** responsibilities.

To provide support to Directors and Senior Executive Management in areas of corporate governance and corporate legal and administrative matters.

- Ensuring compliance with the statutes and regulations that govern the operations of the bank;
- Executing documents as a signing office and keeping proper records of documents;
- Dealing with matters related to the issue, transfer and transmission of shares and other securities;
- Ensure that the proper procedure for the declaration and payment of dividends is carried out;
- Arranging and maintaining insurance coverage;
- Coordinating arrangements for attending and recording the minutes of shareholders', directors' and other company meetings, and dealing with matters that arise there from;
- Conveying decisions arising from company meetings, and directing and assisting in the implementation of these decisions;
- Directing , coordinating and organizing the flow of information to the board of directors and sub-committees of the board;
- Obtaining from directors and maintaining information required for legal and regulatory compliance;
- Keeping custody of the corporate seal, statutory books and other corporate documents;
- Directing and assisting in the preparation and distribution of reports and other material/communication to the shareholders;
- Coordinating and assisting in orientation of new directors to the Bank and to the Board;

Education (degrees or other academic qualifications, schools attended, and dates):

Jan 2011 – Sept 2011	BPP Law School, UK – Graduate Diploma in Law (GDL)
2003 – 2004	Brunel University, UK - LLM International Trade Law
2001	ECSRC Exam Certificate
June 2001	ECSE System Certificate
1995 – 1998	UWI, Cave Hill, BSc. Economic with Law

Also a Director of the company ☐ Yes ☒ No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use additional sheets if necessary.

APPENDIX 1(a) – BIOGRAPHICAL DATA FORMS

EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF THE COMPANY

Name: La Fleur Hall

Position: Manager Risk & Compliance

Age: 47

Mailing Address: **Reigate, P.O. Box 880 , Kingstown, VC0 100, St. Vincent and the Grenadines**

Telephone No.: **(784) 457-1844 ext.111**

List jobs held during past five years (including names of employers and dates of employment).

February 2011 – Present Manager Risk & Compliance

Give brief description of **current** responsibilities.

Responsibilities include the following among others:

To ensure compliance with Bank policies and procedures, and associated regulatory requirements. The Manager is further responsible for ensuring that the Bank remains in compliance with all applicable laws, rules and regulations, governing operations and products;

- Analyze large transaction report daily, scrutinizing Declaration of Source of Funds forms where necessary, to ensure that compliance issues/concerns within the bank are being identified, appropriately evaluated, investigated and resolved;
- Investigate suspicious transactions and submit Suspicious Activity Reports to the Financial Intelligence Unit in accordance with relevant laws and regulations, and ensure a log of such reporting is properly maintained;
- Ensure compliance with certification and reporting requirements of foreign authorities and correspondent banks with respect to matters relating to money laundering control;
- Develop, coordinate and conduct a comprehensive training programme that focuses on all elements of risk and compliance.
- Review compliance related policies and procedures annually to ensure that policies are adequate and in compliance with relevant laws and regulations and make recommendations for changes where applicable.
- Develop, implement, review and revise compliance risk management programmes, procedures and systems throughout the bank to prevent illegal, unethical or improper conduct.
- Identify potential areas of compliance vulnerability and risk, develop/implement corrective action plans for resolution of problematic issues and provide general guidance on how to avoid or handle similar situations in the future.

Education (degrees or other academic qualifications, schools attended, and dates):

2010 – Certified Anti Money Laundering Specialist – Accreditation Association of Certified Anti-Money Laundering Specialist

2010 – MSc. Audit Management and Consultancy – Birmingham City University

2008 – Anti Money Laundering Certified Associate – Florida International Banker's Association

2007 - Certified Forensic Financial Analyst

Also a Director of the company [] Yes [x] No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use additional sheets if necessary.

APPENDIX 1(a) – BIOGRAPHICAL DATA FORMS

EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF THE COMPANY

Name: Cerlian Russell

Position: Senior Manager Business and Operations

Age: 48

Mailing Address: **Reigate, P.O. Box 880 , Kingstown, VC0 100, St. Vincent and the Grenadines**

Telephone No.: **(784) 457-1844 ext.111**

List jobs held during past five years (including names of employers and dates of employment).

March 2010 – Present Senior Manager Business and Operations

Give brief description of **current** responsibilities.

Responsibilities include the following among others:

The Senior Manager Business and Operations leads and directs the operations and compliance functions of the Bank, setting goals and formulating procedures to meet and/or surpass the Bank's objectives for shareholder return, customer service and public expectations. The incumbent is responsible for ensuring the highest level of customer service;

- Develop long-term strategic initiatives and annual business plans establishing goals and targets for the operations function, and developing and executing strategies for the achievement of these goals and targets.
- Responsible for the Deposits Portfolio and to set, monitor, and implement initiatives for the achievement of and reports on the budgeted targets and actual performance.
- Responsible for Operations Integrity and following through and implementing agreed Best Practice recommendations, including the Central Bank's Code of Best Practice for financial institutions licensed under the Banking Act.
- Manage the Staff in the operations function, working closely with the Human Resource Department to provide training, development and career growth opportunities to adequately plan for succession and manpower requirements and to manage disciplinary issues.
- Ensure appropriate initiatives are in place to develop the leadership pipeline throughout the Operations Network and to ensure staff rotation in accordance with Risk Management guidelines.
- Lead the formulation, implementation and management of sales strategies for the various units in the Retail function, initiating the development of individual sales performance reporting for staff within the Operations function, and monitoring Branches' sales performance through working together with Branch Managers and to ensure sales targets are achieved.

Education (degrees or other academic qualifications, schools attended, and dates):

2017 - Anti-Money Laundering Certified Associate (AMLCA) – Florida International Bankers Association (FIBA) Inc.

2007 – Masters in Business Administration – UWI

Sept 2005 - Diploma in Management – UWI

Oct 2004 - Certified Residential Underwriter – Real Estate Institute of Canada

Also a Director of the company ☐ Yes ☒ No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use additional sheets if necessary.