

**Schedule 1**  
**FORM ECSRC – K**  
**ANNUAL REPORT**  
**PURSUANT TO SECTION 98(1) OF THE SECURITIES ACT, 2001**

For the financial year ended December 2016

Issuer Registration number BOSL30062001SL

BANK OF SAINT LUCIA LIMITED  
(Exact name of reporting issuer as specified in its charter)

SAINT LUCIA  
(Territory of incorporation)

NO. 1 BRIDGE STREET, CASTRIES ST LUCIA  
(Address of principal office)

**REPORTING ISSUER'S:**

Telephone number (including area code): 1-758-456-6000

Fax number: 1-758-456-6702

Email address: info@bankofsaintlucia.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 \*\*                      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 SHARES	1,478,875

**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 Chief Executive Officer:

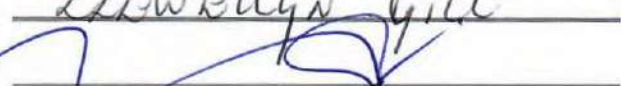
DERRY WILLIAMS  


Signature

29/05/17

Date

Name of Director:

Llewellyn Gill  


Signature

29/05/17

Date

Name of Chief Financial Officer:

~~XXXXXXXXXXXXXXXXXXXX~~  
BENNI E. STAPLETON



Signature

29/05/17

Date

## 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 challenges of the domestic economies and the financial services sector in the OECS, in particular the indigenous financial institutions continued in 2016. Issues with unemployment, sluggish and in some instances, negative growth, as in the case of Saint Lucia which according to the Eastern Caribbean Central Bank contracted by an estimated (0.73)%, are still critical issues that plague the small economies. However, despite these challenges the outlook for 2017 and beyond, is cautiously optimistic with a projected 2.78% growth rate for the OECS.

Over the course of the last few years the Board of ECFH has explored several strategic options to resolve the continuous weak performance of the Group caused primarily by the losses being incurred by Bank of Saint Lucia. One such initiative is the vertical amalgamation of ECFH and the two wholly owned subsidiaries, ECFH Global Investments Solutions Limited (EGIS) and Bank of Saint Lucia Limited. This was completed in 2016 and the new entity continues as Bank of Saint Lucia Limited (BOSL). In addition to the resulting improvement in Capital, the new entity will benefit greatly by allowing for a more efficient corporate structure.

The burden of its legacy non-performing loans (NPLs) continued to plague the performance of BOSL. However the Board decided to be guided by industry best practices by adopting a loan loss provisioning and write-off position to significantly address the high level of NPLs in 2016. This decision will greatly assist BOSL returning to a more normal level of provisioning and consequently profitability.

In 2016, the Board took a decision to amalgamate the domestic banking entities (BOSL & BOSVG) as a means of strengthening the capital base, effectively managing the costs and risks associated with correspondent banking relationships, and generally achieving cost efficiencies from economies of scale by spreading and sharing costs. Although this was being actively pursued, and received the approval from the Regulator, the Board concluded that the emphasis should be on fixing the critical issues facing BOSL, and as such a BOSL standalone strategy was subsequently approved. However, the Board recognizes the potential benefits of a larger regional amalgamated Bank and intends to revisit the option at a more opportune time. In the meantime, the Board has taken a decision to divest its 51% shareholding interest in BOSVG and this process is expected to be completed by the end of June 2017.

As part of the organization's restructuring and risk mitigation strategy the Board also took a decision in 2016 to sell the operations of the Offshore Bank, BOSLIL. After obtaining the necessary regulatory approval, ECFH's shares in BOSLIL were sold to PROVEN Investments Limited. As a consequence, the BOSLIL subsidiary legally separated from the ECFH group on March 10, 2017.

## 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.

<b>Building</b>	<b>Block and Parcel</b>	<b>Land &amp; Building EC\$</b>
Gros Islet Branch	1256D 238,239	4,908,000
Vieux Fort Branch	1217C 676,677,678	3,025,000
Vieux Fort Parking lot	1256C 679	320,000
Soufriere Branch	0031C 474	3,060,000
Financial Centre Building	0848C 11	36,274,500
Massade Archives	1256D 299	1.370.000

## 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.

There were no legal proceedings during the financial year.

**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.

N/A

- (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.

N/A

- (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.

N/A

- (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.

With the amalgamation of ECFH with BOSL in 2016 a single Board of Directors now exist.

**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.

There were no equity securities sold by BOSL during the period covered by the report.

**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.

## 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.

Risk management continued to play a dominant role in the Bank's priorities, with heavy focus on mitigating risk whilst aiming to maximize performance. The mitigation of risk included adherence to the Risk Appetite of the Bank and creating a robust risk management culture. As part of the thrust towards improving the risk management culture, internal training programmes were conducted, along with the review of existing policies and procedures, and the creation of additional policies to address specific areas.

The Bank, through the Risk Management and Audit Sub-Committees of the Board, reviewed and actioned timely and comprehensive reports on risk assessments, risk monitoring, risk modification, risk avoidance and risk sharing. The Bank remains committed to further enhancing its performance in this area, and is therefore in the process of creating an Enterprise Risk Management framework which would provide a more structured approach for identifying, measuring, controlling and reporting on the significant risks faced by the organization.

The main risks to the Bank over the financial year were credit, operational, market, legal and regulatory risks. However, with the exception of credit risk which was deemed high, the level of risk in all other categories was generally assessed as moderate with adequate risk management controls to keep within the Bank's risk appetite.

### **Credit Risk**

In 2016, Credit risk remained the most challenging area for the Bank, evidenced by the high non-performing portfolio. This was even more challenging in an environment of poor economic performance coupled with the dated foreclosure legislation of Saint Lucia. Over the course of the last few years, the Board of ECFH explored several strategic options to resolve the continuous weak performance of the Bank caused primarily by the losses being incurred by its largest subsidiary BOSL. Consequently, in 2016 the Bank undertook a comprehensive review of the credit portfolio. This review was undertaken to determine and apply the most prudent level of loan loss provisioning, guided by industry best practices. This led to the adoption of a loan loss provisioning and write-off policy that forthrightly addressed the high level of NPLs. Having made this level of loan loss provisions in 2016, the Bank effectively reduced the level of non-performing loans, curtailed the extent of its impact on the future performance of BOSL, and placed the Bank on par with the ECCU industry NPL average ratio.

Further, keen attention was paid to concentration risks, sectoral limits, and the process of loan origination, approval and administration. Efforts continue towards enhancing capacity by streamlining processes, strengthening staff through continuous training, and implementing efficient systems for monitoring adherence to established guidelines.

### **Operational Risk**

The Bank remained vulnerable to operational risk. However, internal controls were continuously reviewed and strengthened to mitigate against losses which would result from failed internal processes, people, systems or external events. The Bank continues to improve the robustness of the Operational Risk Management function, and expects to achieve further enhancements from the Enterprise Risk Management framework.

Correspondent banking risks remained the largest operational risk faced by the Bank as the practice of de-risking persisted globally by international banks in 2016. Whilst the Bank was able to maintain all of its correspondent banking relationships, the Bank paid close attention to Compliance and its associated requirements, to ensure that relationships with correspondent banks were well maintained. In this regard, the Bank disposed of the international banking subsidiary BOSLIL. Further, the Bank continued to maintain and improve its comprehensive business continuity management program, to ensure that the Bank could recover and resume normal operations in the shortest time frame following the occurrence of any disaster.

**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.

The rights of the holders of no class of registered securities was materially modified during the year ended 31<sup>st</sup> December, 2016.

- (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

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▪ Offer closing date (provide explanation if different from date disclosed in the registration statement)  
N/A

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▪ Name and address of underwriter(s)  
N/A

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▪ Amount of expenses incurred in connection with the offer     N/A    

▪ Net proceeds of the issue and a schedule of its use  
N/A

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▪ Payments to associated persons and the purpose for such payments  
N/A

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

This is not applicable. Repurchase agreements do not pay dividends but are issued at one price and repurchased at a higher price. The difference represents the return to the investor. No restrictions were encountered in repurchasing the instruments held by the investors in this product during the Financial Year ended 31<sup>st</sup> December, 2016.

**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.

There were no defaults upon the securities issued by Bank of Saint Lucia for the Financial Year ended 31<sup>st</sup> December, 2016.

- (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.

This is not applicable to the repurchase agreements issued neither is there any arrears in the payments of dividends or material delinquency in respect of the Bank of Saint Lucia's issued shares.

## 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.**

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*

The sluggish growth of the domestic economies of the OECS continued in 2016 and this significantly impacted the performance of BOSL. The significant levels of non-performing loans carried by the Bank over the last five (5) years and previous attempts to resolve this issue did not achieve the desired results. During the 2016 financial year, the Board of Directors, guided by industry best practices took a number of decisions to deal with the issue in resolute manner.

As part of the strategic restructuring of the Group, which was primarily ECFH geared at improving operational efficiency and the augmentation of regulatory capital in support of the Bank of St. Lucia, an amalgamation of brokerage arm (ECFH Global Investment Solutions Limited), the Bank of St. Lucia (BOSL) and the Eastern Caribbean Financial Holding Company ( ECFH) was undertaken. A new holding company (ECFH) Eastern Caribbean Financial Holding Company Limited was established at the same time.

## **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*

Economic conditions remained challenging in 2016 with low growth and high unemployment impacting business and household income. As such, BOSL continued on a path of cautious lending which invariably resulted in liquidity levels well in excess of reserve requirements. The Bank, in its quest to offset the cost of rising deposits, channeled these surplus funds into investments consistent with its conservative risk profile namely high quality, investment grade bonds.

Under the circumstances, a strategy rooted in the need to diversify, remained paramount and this was achieved by investing in internationally traded bonds representing all the major industrial sectors and geographical regions. Maintaining a portfolio composition which includes internationally traded instruments not only helped achieve the optimal risk-adjusted return on investments, but also accords the Group the added advantage of an instant source of liquidity as these instruments can be readily sold.

As at the December 31, 2016, the reserves of BOSL at the ECCB was well in excess of requirements to the extent that the liquidation of its investment portfolio to meet liquidity requirements is not likely to be necessary in the foreseeable future. Further, as at December 31, 2016, BOSL still maintained 39% of the deposit market in St. Lucia providing a continuous inflow of liquidity.

The Bank's Capital Ratios remained within prudential guidelines in 2016, offset to some extent by higher Risk Weighted Assets as liquid assets derived from growing deposit levels were invested in assets carrying a regulatory risk rating that is higher than cash. There are no material commitments for capital expenditure other than commitments related to the normal expenditure of running the business.

## **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.

Off-Balance Sheet assets under management as at December 2016 amounted to \$75.1 million. This comprised investment securities managed on behalf of clients. Under such arrangements, BOSL advises the client in the formulation of an investment policy and is given a discretionary investment management mandate to act in accordance with the approved policy. It is important to note that although BOSL has a fiduciary responsibility to these clients, there are adequate disclaimers and indemnifications against possible claims related to investment losses that may arise.

More than two thirds of these off-balance sheet funds comprise company retirement funds while the balance comprises statutory reserves of insurance companies and other corporate entities. Investments include all the major asset classes of fixed income, equity and money market facilities with at least 90% invested in fixed income. In addition, there is a predominance of investments in Commonwealth Caribbean sovereign and corporate entities to as much as 80% in keeping with existing restrictions in legislation governing the investment of pension and insurance assets.

## 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*

In 2016, BOSL recorded a net loss of \$110,977,392 which is the second consecutive year of loss following a small profit of \$3,785,622 in 2014. The loss in 2016 reflects primarily a provision for loan impairment of \$128,782,213.

This level of provisioning was necessary given negative economic prospects, the inability to realise the collateral under existing laws coupled with the declining value of the underlying collateral. The need for loan provisioning and write-offs reflects the continuing trend of the last five years of a deteriorating loan portfolio and is the single greatest contributor to the decline in profitability of BOSL. Non-performing loans to gross loans ratio stood at 17.3% as at December 31, 2016 while provisions as a percentage of non-performing loans was 63.84%. A decline of 15.95% in loans and advances over the period 2015 to 2016 reflects the level of provisioning and write-offs made.

Net interest income fell by 18.04% over the last five years but was offset by a 30.59% increase in fee and commission income over the same period. Net interest income remains the highest contributor to gross revenue, representing 44.24% of total income but it is notably that fee and commission income has increased overall by 97.33% from 2012 to 2016.

**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 auditors or disagreements with auditors during the period.

**12. Directors and Executive Officers of the Reporting Issuer. (See Appendix 1 and 1(a))**

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.

See Form ECSRC – MC dated March 02, 2017.

**14. List of Exhibits**



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

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APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: See Attached

Position: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Telephone No.:

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

Give brief description of **current** responsibilities

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

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

APPENDIX 1(a) – BIOGRAPHICAL DATA FORMS

EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF THE COMPANY

Name: See Attached

Position: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone No.: \_\_\_\_\_

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

Give brief description of **current** responsibilities.

**APPENDIX 1 (a) - BIOGRAPHICAL DATA FORMS  
EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF BOSL:**

Name	Current Position	Key Responsibilities	Jobs held in last five years	Mailing Address/Telephone Number
<p><b>Derry Williams</b> 46 yrs MBA – Finance</p>	<p>General Manager (Acting)</p>	<p>Overall Management and Supervision of Bank of St Lucia Ltd</p>	<p>Managing Director – Bank of St Vincent &amp; the Grenadines</p>	<p>c/o Bank of Saint Lucia, P O Box 1860 No.1 Bridge Street, Castries, St Lucia  758-456-6800</p>
<p><b>Joanna Charles</b> 48 years ACIB BSC. MBA</p>	<p>Assistant General Manager (Acting)</p>	<p>Responsible for some support functions such as Marketing, IT, Administration, facilities and strategy implementation.</p>	<p>Chief Operating Officer, ECFH (May, 2016- March, 2017)  General Manager, Corporate Services, ECFH (January, 2015 – April, 2016)  Assistant General Manager, BOSL (2005 – 2015)</p>	<p>c/o Bank of Saint Lucia, P O Box 1860 No.1 Bridge Street, Castries, St Lucia  758-456-6822</p>
<p><b>Cecilia Ferdinand-La Corbiniere</b> (53 yrs) MBA</p>	<p>Senior Manager, Credit Administration</p>	<p>To provide the necessary back office support to the loan origination process.</p>	<p><b>Senior Manager, Credit Administration</b></p>	<p>c/o Bank of Saint Lucia, P O Box 1860 No. 1 Bridge Street, Castries, St Lucia  (758) 456-6881</p>

Name	Current Position	Key Responsibilities	Jobs held in last five years	Mailing Address
<p><b>Cynthia Laurent</b> (55 yrs) Professional Diploma, Banking</p>	<p>Senior Manager - Operations</p>	<p>Ensure the efficient operations of the branches.  Ensure that systems and procedures for the optimal operation of the area are in place. Ensure that bank policies and procedures are faithfully adhered to</p>	<p>2010 - 2011 <b>Manager - Central Services Unit</b>  To ensure that all back office banking transactions are coordinated and performed in accordance with approved procedure and in a timely manner for upload/entry onto Bank Operating System.</p>	<p>c/o Bank of Saint Lucia, P O Box 1860 No.1 Bridge Street, Castries, St Lucia  (758) 456-6863</p>
<p><b>Medford Francis</b> (44 yrs) BSc. Economics MSc. Financial Management</p>	<p>Senior Manager, Investment Banking</p>	<p>Overall responsibility for the investment management, brokerage and merchant banking business of the bank</p>	<p>Group Investment Manager - Management of the Group's and clients' investments.</p>	<p>c/o Bank of Saint Lucia, P O Box 1860 No. 1 Bridge Street, Castries, St Lucia  (758) 457-7231</p>
<p><b>Shanta Louis</b> (36 yrs) BSc Economics with Finance</p>	<p>Senior Manager, Credit Risk</p>	<p>To provide effective review and analysis of applications for loans and other lines of credit and make recommendations to the Credit Review Committee to inform decisions on approval including the setting of loan pricing and terms and conditions.  Continuous assessment of the bank's lending portfolio to determine level of risk.</p>	<p><b>Senior Manager, Credit Risk</b></p>	<p>c/o Bank of Saint Lucia, P O Box 1860 No. 1 Bridge Street, Castries, St Lucia  (758) 456-6105</p>

Name	Current Position	Key Responsibilities	Jobs held in last five years	Mailing Address
<p><b>Donna Hinkson</b> (49 yrs) BA in Business</p>	<p>Sales &amp; Service/Branch Manager, Waterfront Branch</p>	<p>Supervise, coach, develop, staff. Develop business plan for branch. Review the credit portfolio of Lending officers</p>	<p>2013 - present - Branch Manager 2012 - 2013 Manager - RBBC Unit 2010 - 2012 Manager - Customer Service</p>	<p>c/o Bank of Saint Lucia, P O Box 1860 Bridge Street, Castries, St Lucia  (758) 456-6327</p>
<p><b>Martina Dornelly</b> (49 yrs) Executive Diploma in Banking</p>	<p>Sales &amp; Service//Branch Manager, Vieux Fort Branch</p>	<p>Supervise, coach, develop, staff. Develop business plan for branch. Review the credit portfolio of Lending officers</p>	<p>Sales &amp; Service//Branch Manager, Gros Islet Branch  Loans Manager - Bridge Street Branch</p>	<p>c/o Bank of Saint Lucia, P O Box 1860 Bridge Street, Castries, St Lucia  (758)456-6417</p>
<p><b>Cornelius Sidonie</b> (51 yrs) MSc., Financial Management</p>	<p>Sales &amp; Service//Branch Manager - BOSL Gros Islet</p>	<p>Supervise, coach, develop, staff. Develop business plan for branch. Review that credit portfolio of Lending officers. Monitor branch operations. Manage Customer Service and Sales. Evaluate loan applications</p>	<p>Branch Manager - BOSL Waterfront Supervise, coach, develop, staff. Develop business plan for branch. Review credit portfolio of Lending officers. Monitor branch operations</p>	<p>Bank of Saint Lucia, Gros Islet, Castries, St Lucia  758-456-6008</p>
<p><b>Octavian Charles</b> (50 yrs) MSc. Agricultural Extension &amp; Management Systems</p>	<p>Sales &amp; Service/Branch Manager - BOSL Bridge Street</p>	<p>Supervise, coach, develop, staff. Develop business plan for branch. Review the credit portfolio of Lending Officers. Monitor branch operations. Manage customer service and sales. Evaluate loan applications</p>	<p>Senior Corporate Banking Officer, BOSL</p>	<p>c/o Bank of Saint Lucia, P O Box 1860 Bridge Street, Castries, St Lucia  (758)457-7116</p>

Name	Current Position	Key Responsibilities	Jobs held in last five years	Mailing Address
<p><b>Baldwin Taylor</b> (47 yrs) MBA</p>	<p><b>Senior Manager, Retail Banking</b></p>	<p>Manage the overall operations of the branches</p> <p>Ensure high maintenance of standards of operational risk management</p> <p>Effectively drive sales of core banking products</p> <p>Promote the bank's Strategy</p> <p>Contribute to sales growth</p>	<p><b>Senior Manager - BOSL Soufriere</b> Supervise, coach, develop, staff</p> <p>Develop business plan for branch</p> <p>Review credit portfolio of Lending officers</p> <p>Monitor branch operations</p> <p><b>Senior Manager Customer Insight Unit</b> To provide analytical profiles on BOSL customer to assist in segmentation and marketing strategies</p>	<p>c/o Bank of Saint Lucia, P O Box 1860 Bridge Street, Castries, St Lucia  (758)456-6319</p>
<p><b>Arleta Ratti-Mitchel</b> (42 yrs) AICB</p>	<p><b>Sales &amp; Service/Branch Manager - BOSL Soufriere</b></p>	<p>Supervise, coach, develop, staff. Develop business plan for branch.</p> <p>Review that credit portfolio of Lending officers.</p> <p>Monitor branch operations.</p> <p>Manage Customer Service and Sales</p> <p>Evaluate loan applications</p>	<p><b>Senior Branch Accountant</b></p> <p>Responsible for branch operations</p> <p>Compliance Issues</p> <p>All Accounting functions</p> <p>Supervision of general staff</p>	<p>P O Box 243, Soufriere  (758)456-6601</p>

**REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS**

To the Shareholders of Bank of Saint Lucia Limited

**Opinion**

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2016, the summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended and related notes, are derived from the complete audited financial statements of Bank of Saint Lucia Limited for the year ended 31 December 2016.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, on the basis described in Note 1.

**Summary Financial Statements**

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards ("IFRSs"). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

**The Audited Financial Statements and Our Report Thereon**

We expressed an unmodified audit opinion on the audited financial statements in our report dated 23 March 2017.

The audited financial statements and the summary financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

**Responsibilities of Management for the Summary Financial Statements**

Management is responsible for the preparation of the summary financial statements in accordance with Note 1.

**Auditor's Responsibilities for the Audit of the Summary Financial Statements**

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.



Castries,  
ST.LUCIA  
23 March 2017

**SUMMARY STATEMENT OF FINANCIAL POSITION AS AT:**

	Dec 31 2016 \$'000	Dec 31 2015 \$'000
<b>Assets</b>		
Cash, balances with Central Bank and due from banks	346,949	340,805
Investment securities	521,531	433,055
Loans and receivables	898,627	1,069,182
Property and equipment	78,773	81,986
Investment properties	6,548	8,078
Due from related parties	84,138	84,138
Other assets	85,413	64,788
<b>Total assets</b>	<b>2,021,979</b>	<b>2,082,032</b>
<b>Liabilities</b>		
Due to customers and repurchase agreements	1,817,037	1,808,322
Borrowings	93,629	67,076
Other liabilities	34,874	21,705
<b>Total liabilities</b>	<b>1,945,540</b>	<b>1,897,103</b>
<b>Equity</b>		
Share capital	198,719	198,719
Reserves	(122,280)	(13,790)
<b>Total equity</b>	<b>76,439</b>	<b>184,929</b>
<b>Total liabilities and equity</b>	<b>2,021,979</b>	<b>2,082,032</b>

Approved by the Board of Directors on 23 March 2017:



Director



Director

**SUMMARY STATEMENT OF CHANGES IN EQUITY**

	Share Capital \$'000	Reserves \$'000	Total \$'000
<b>Balance at 1 January 2015</b>	<b>198,719</b>	<b>9,080</b>	<b>207,799</b>
Total comprehensive loss for the year	-	(22,870)	(22,870)
<b>Balance at 31 December 2015</b>	<b>198,719</b>	<b>(13,790)</b>	<b>184,929</b>
Balance at 1 January 2016	198,719	(13,790)	184,929
Total comprehensive loss for the year	-	(108,490)	(108,490)
<b>Balance at 31 December 2016</b>	<b>198,719</b>	<b>(122,280)</b>	<b>76,439</b>

**SUMMARY STATEMENT OF COMPREHENSIVE INCOME**

	2016 \$'000	2015 \$'000
<b>Net interest income</b>	<b>41,193</b>	<b>50,259</b>
<b>Other operating income</b>	<b>51,914</b>	<b>39,607</b>
<b>Impairment losses</b>	<b>(128,782)</b>	<b>(39,231)</b>
<b>Operating expenses</b>	<b>(69,285)</b>	<b>(68,949)</b>
<b>Dividends on preference shares</b>	<b>(291)</b>	<b>(291)</b>
<b>Loss for the year before income tax</b>	<b>(105,251)</b>	<b>(18,605)</b>
<b>Income tax expense</b>	<b>(5,726)</b>	<b>(1,838)</b>
<b>Loss for the year</b>	<b>(110,977)</b>	<b>(20,443)</b>
<b>Other Comprehensive income/(loss):</b>		
Unrealised gain on available for sale investments (net of tax)	1,893	512
Re-measurement gains/(losses) on defined benefit pension plan (net of tax)	594	(2,939)
<b>Total comprehensive loss for the year</b>	<b>(108,490)</b>	<b>(22,870)</b>

**SUMMARY STATEMENT OF CASH FLOWS**

	2016 \$'000	2015 \$'000
Net cash generated from operating activities	58,969	179,493
Net cash used in investing activities	(70,963)	(101,827)
Net cash generated from/(used in) financing activities	26,553	(10,556)
<b>Increase in cash and cash equivalents</b>	<b>14,559</b>	<b>67,110</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>249,330</b>	<b>182,220</b>
<b>Cash and cash equivalents at end of year</b>	<b>263,889</b>	<b>249,330</b>

**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**

Note 1. Basis of presentation

The summary financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary statement of financial position, summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows. These summary financial statements are derived from, and should be read in conjunction with the audited financial statements of Bank of Saint Lucia Limited for the year ended 31 December 2016.

These summary financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the 31 December 2016 audited financial statements consistently applied from period to period. Any new Accounting Standards or interpretations which became effective in this financial year have had no material impact on the Bank. The areas of critical accounting estimate and judgment as disclosed in "Note 4" of the 31 December 2016 audited financial statements, have also remained unchanged.