

BANK OF ST. LUCIA INTERNATIONAL LIMITED

BOARD OF DIRECTORS

George Leonard Lewis
Chairman

Vern Gill – Director

Thecla Deterville – Director

Kiegan Cox – Director

Esther Brown-Weekes – Director

Estherlita Cumberbatch
Corporate Secretary

PROFILE OF SENIOR MANAGEMENT

- | | |
|--|--|
| <p>1. Ryan Devaux, Chartered Accountant
Chief Executive Officer</p> <p>2. Nicholas Clark, Bsc, ACIB, TEP Deputy
Chief Executive Officer</p> <p>3. David Sookwa, AICB Bachelor of Com-
merce & Financial Services – Opera-
tions Manager</p> | <p>4. Gwyneth Taitt, LLB, FCIS – Legal &
Product Development Manager</p> <p>5. Kim Vigier – ACCA, Financial
Controller</p> |
|--|--|



Bank of St. Lucia International Limited



OVERVIEW

Bank of Saint Lucia International Limited (BOSLIL) recorded another year of strong performance. Prior investments in our personnel and the markets we serve have allowed the bank to continue positioning itself for continued growth. We continue to make significant investments in personnel and technology in order to capitalize on the opportunities that lie ahead.

These opportunities have to be considered in the context of global initiatives that continue to increase the regulatory requirements and the related costs associated with remaining in this business. In some cases, these initiatives or policies unfairly affect our ability to compete internationally and/or can be hostile toward the international financial services sector. Greater and greater transparency will become the new norm going forward and rather than being a threat, it should be regarded as an opportunity. The opportunity being to continue focusing on excellent service delivered efficiently and competitively in order to compete for the ever growing banking needs of a global commercial space. This is where we need to continue positioning ourselves for a long sustainable future.

FINANCIAL HIGHLIGHTS 2014

Total assets as at December 31, 2014 were US \$340.9 million and at December 31, 2013 were US \$372.2 million. Customer deposits decreased in line with the change in assets from US \$358.9 million in 2013 to US \$326.9 million. The core deposit (and related asset) base of the bank increased from approximately US \$295 million to US \$340 million as there were no short-term significant deposits at year ended December 31, 2014 whereas for 2013 there was approximately US \$75 million on deposit which was known to be short-term in nature. From a management perspective, growth is focused on the core deposit and assets of the Bank.

Net profit for the year ended December 31, 2014 was US \$3.2 million as compared to US \$2.7 million for the year ended December 31, 2013. The strong performance in 2014 resulted from increases in most revenue streams with the exception of interest income. The bank benefitted from an increase in business activity which translated into increases in overall net fees and commissions and foreign exchange trading income. The bank also benefitted from approximately \$790K in realized gains from the sale of bonds during the year as compared to only US \$37K in 2013 when the bond market was fairly flat.

Operating costs increased during the year from US \$3.5 million to US \$3.9 million. The increases in costs are largely associated with continued investment in new personnel with the staff compliment increasing from 28 to 42 persons.

The Bank continued to maintain a conservative investment profile for its bond portfolios and, consistent with prior years and the importance placed on protecting clients' deposits, 64% of total assets were held as cash and cash equivalents (2013 – 69%).

From a Group performance perspective, it is important to highlight that BOSLIL remains a distinct and separate legal entity to the other domestic banks of the Group. BOSLIL's assets are managed and maintained separately from any other related company. The Group has a strictly adhered to intercompany policy that restricts investments between related parties to no more than 10% of the investable assets and the value of BOSLIL's deposits with the domestic bank at year end were US \$6.8M or 1.9% of the balance sheet (2013 – US \$6.0M or 1.6%).

During 2014, BOSLIL continued to experienced significant growth in business volumes and new clients, including intermediary clients, a very important segment for the Bank. BOSLIL is currently engaged in a technology replacement project that will be implemented in 2015 to ensure that the continued growth is managed and that excellent service standards, one of the main reasons for BOSLIL's success, are maintained. Continued investments in our people and hiring the best talent remain important to ensure that BOSLIL continues to achieve its growth targets to contribute positively to the ECFH Group.



Bank of Saint Lucia International Limited

Financial Statement Highlights As at 31 December 2014

	2014 US\$'000	2013 US\$'000
Assets		
Cash and cash equivalents	218,567	258,478
Cash secured loans	8,281	15,254
Investment securities	112,735	97,971
Other	1,234	550
Total Assets	340,817	372,253
Liabilities and Equity		
Customer deposits	326,923	358,930
Other liabilities	640	407
Equity	13,254	12,916
Total Liabilities & Shareholder's Equity	340,817	372,253
Statement of Income		
Net Operating Income	7,112	6,224
Total Expenses	3,953	3,532
Net income	3,159	2,692