

# REPORT ON SUBSIDIARIES

## BANK OF SAINT LUCIA INTERNATIONAL LIMITED

### BOARD OF DIRECTORS

Marius St Rose – Chairman | Vern Gill | Thecla Deterville | George Lewis | James Wadham | Esther Browne-Weekes | Nestor Alfred | Estherlita Cumberbatch – Corporate Secretary

### PRINCIPAL OFFICERS



From left to right: **RYAN DEVAUX**, Chartered Accountant – Chief Executive Officer | **DAVID SOOKWA**, AICB Bachelor of Commerce & Financial Services – Operations Manager | **GWYNETH TAITT**, LLB, FCIS – Legal & Product Development Manager | **KIM VIGIER** – ACCA, Financial Controller

Bank of Saint Lucia International Limited (BOSLIL) has performed exceptionally well in 2012 and in that regard has recorded significant continued growth and its best financial results to date. The strategic initiatives implemented, particularly as they relate to the diversification of target markets, our intermediary base and the product range, continue to position the Bank well for the future. Its service level and its outreach to a diverse international market coupled with its dedicated team of employees, presented the opportunity for the Bank to be recognized and win the Service Exporter of Year Award at the annual Chamber of Commerce Business Awards presented in January 2013.

Throughout 2012, BOSLIL maintained an active presence internationally, in so doing promoted not only its products and services, but also Saint Lucia as a jurisdiction of choice for pursuing international business. The international financial services sector has demonstrated its potential to contribute to Saint Lucia's economic diversification and every effort should be made to explore the opportunities that exist within this sector. The sector continues to do well despite the numerous international initiatives which have had its impact on the numerous jurisdictions which are involved in the international financial services sector. The Foreign Account Tax Compliance Act (FATCA) is one such approach being undertaken by the United States in its effort to improve tax compliance involving foreign financial assets and

offshore accounts. FATCA will impact not just the international financial services sector but also the onshore/domestic financial sector. Saint Lucia has moved towards the implementation of the Single Regulatory Authority, in line with global best practice thus providing an additional attractiveness to the jurisdiction as a place to pursue international financial services.

### FINANCIAL HIGHLIGHTS 2012

Total assets at December 31, 2012 of US\$242.6 million increased from US\$204.1 million at December 31, 2011. Similarly customer deposits increased in line with the change in assets from US\$185.2 million to US\$219.6 million. This increase in assets and liabilities is consistent with BOSLIL efforts to grow the business.

Net profit for the year ended December 31, 2012 was US\$3.3 million as compared to US\$1.9 million for the year ended December 31, 2011. 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, 62% of total assets were held as cash and cash equivalents. Operating expenses increased during the year from US\$3.1 million to US\$3.3 million.

From a Group performance perspective, it is important to highlight that BOSLIL remains a distinct and separate 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 strictly adhered to intercompany policy that restricts investments between related parties to no more than 10% of the investable assets.

During 2012 BOSLIL continued to experience 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 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 achieving its growth targets and contribute positively to the ECFH Group.

## FINANCIAL STATEMENT HIGHLIGHTS

	2012 US\$'000	2011 US\$'000
<b>Assets</b>		
Cash and Investments	242,231	203,674
Other	384	428
<b>Total Assets</b>	<b>242,615</b>	<b>204,102</b>
<b>Liabilities and Equity</b>		
Customer deposits	219,616	185,187
Other liabilities	10,710	10,492
Equity	12,289	8,423
<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>242,615</b>	<b>204,102</b>
<b>Statement of Income</b>		
Net Operating Income	6,625	5,010
Total Expenses	3,334	3,089
<b>Net income</b>	<b>3,291</b>	<b>1,921</b>