

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

For the financial year ended _____
December 2021

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, SAINT 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
ORDINARY 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:

Rolf Phillips

SIGNED AND CERTIFIED

18th May 2022

Date

Name of Director:

Llewellyn Gill

SIGNED AND CERTIFIED

18th May 2022

Date

Name of Chief Financial Officer:

Ketha Auguste

SIGNED AND CERTIFIED

Signature

18th May 2022

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 company operates in the Banking and Financial Services Sector where it offers domestic banking and investment services through its branch network. The industry in which Bank of Saint Lucia Limited operates is highly competitive with many players offering similar products and services. The bank's main competitors are the larger local, regional and international banks. Increasingly however, both insurance companies and non-bank financial institutions are now starting to encroach on markets that were strictly the domain of financial institutions.

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.

Description and Location	Capitalized_value	Net Book Value
LAND - BANK PREMISES -(Soufriere)	635,000.00	635,000.00
BANK BUILDING -(SOUFRIERE)	1,845,662.32	995,573.10
INDUSTRIAL LOT -(Massade Gros Islet)	435,000.00	435,000.00
INDUSTRIAL BUILDING-(Archives)	1,331,154.82	963,527.83
COMMERCIAL LOT-(Bridgestreet Castries)	11,160,000.00	1,160,000.00
COMMERCIAL BUILDING (Financial Centre)	28,852,418.84	5,409,834.03
COMMERCIAL LOT -(New ECFH Building)	3,506,580.00	3,506,580.00
NEW ECFH BUILDING- (Gros Islet)	35,037,021.81	30,986,846.78
BUILDING-(Soufriere)	2,461,205.91	2,052,713.94
LAND (Soufriere)	700,000.00	700,000.00
BUILDING (Vieux Fort)	1,990,064.33	1,633,925.55
LAND (Vieux Fort)	950,000.00	950,000.00
LAND-CARPARK (Vieux Fort)	415,635.74	415,635.74
BUILDING (Gros Islet)	3,047,318.43	2,374,368.51
LAND (Gros Islet)	820,000.00	820,000.00
Total	93,187,062.20	73,039,005.48

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.

The annual meeting of shareholders was held on 29th July 2021.

(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.

The following person(s) were proposed by the Board as nominees for election as directors of the company:

1. Stewart Haynes
2. Omar Davis
3. Llewellyn Gill
4. Pat Payne
5. Trevor Louisy
6. Evaristus Jn Marie
7. Malcolm Alexander
8. Matthew Mathurin

(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.

The other items tabled at the Annual Meeting of Shareholders were as follows and were approved by a show of hands:-

1. To consider and adopt the Report of the Auditors and the Audited Financial Statements for the year ended December 31, 2020
2. To consider and adopt the Report of Directors
3. To Appoint Auditors and authorize Directors to fix their remuneration
4. To elect Directors

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

There was no settlement between the registrant and any participant.

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

N/A

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.

Enterprise Risk Management

During the period under review, the risk management function continued to play a key role in the Bank's activities, in line with the strategic objectives defined by the Bank for the period 2021 to 2023. The Bank continued work on enhancement of its Enterprise Risk Management (ERM) Framework. Draft Risk Registers were completed for all units of BOSL by December 31, 2021 and during the upcoming quarter, efforts will be focused on tailoring appropriate risk treatment plans. This is expected to result in significant enhancements to risk identification, evaluation, control, monitoring, and reporting in this regard. Work also continued towards enhancing the risk culture within the organization through training programmes, review and updating of policies and procedures, and efforts further training of Risk Champions Programme.

COVID 19 Response

As part of the Bank's Covid 19 response, the Pandemic Response Team is activated during the commencement of a wave and meets weekly with all Branch and Unit Managers to discuss the issues emanating from the COVID 19 infections of staff and to adjust internal controls where necessary. The Bank has also strengthened its IT Security Posture given the increasing threat of cyber risk globally, as a result of the pandemic. To this end, during the quarter under review, the Bank was in the final phase of developing a robust IT incident Response Plan to enable it to respond appropriately to any cyber incident.

Board Oversight

The Bank, through the Risk Management and Audit Sub-Committees of the Board, continued to review and action timely and comprehensive risk and internal audit reports, with additional emphasis on the existing and potential impact of the Covid-19 pandemic. The Bank remains committed to maintaining rigid oversight for adherence to the Risk Appetite Statement, and continues to address emerging risks in a timely manner. The newly elected government and the NIC have each appointed two new Directors, to replace their representatives who resigned over the past few months, and they have since been appointed to various Board Committees.

Risk Assessments

The core risks to which the Bank was exposed were keenly monitored and controlled; however, risk ratings were assessed as high for the categories of credit, operational and cyber risks, at the end of the quarter under review. Risk ratings remained stable and medium-to-low for the other risk areas. Efforts continue within the various departments, with support from the Risk Management and Compliance Services Department, towards strengthening the robustness of internal controls and the safety and soundness of the institution. The three main risks as at 31 December, 2021 were assessed as follows:

Credit Risk

Credit risk remained one of the key risk areas of the Bank, evidenced by the high non-performing loans portfolio, and the pressures on performing credits, emanating from the economic challenges related to the pandemic. The challenges of collateral realization also continued, due to the dated foreclosure legislation of Saint Lucia. The Bank ceased the moratoria option as at 30 September 2021 for customers directly affected by the pandemic; as such, all loans were being repaid as originally arranged or are being restructured based on the impact of the moratoria taken during the prior months. , along with initiatives towards obtaining repayments for portions of the non-performing loan portfolio, and continuous enhancements to underwriting, loan processing and security perfection.

Operational Risk

The Bank remained vulnerable to operational risks, inclusive of those imposed by Covid-19. Notwithstanding, all protocols were adhered to, with physical and policy changes implemented, to protect clients, staff and other stakeholders. In addition, 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 pay keen attention to strengthening internal controls to mitigate against the possibility of fraud and cyber-crime. Correspondent banking risks remained one of the significant operational risks faced by the Bank, as the practice of de-risking persisted globally by international banks. All efforts continue towards ensuring a high level of comfort with the quality of customers on-boarded and transactions facilitated, towards maintaining strong relationships with Correspondent Banks.

Cyber Risk

Cyber Risk was another key risk due to the rising cost of information security breaches and increased sophistication of hackers globally. In addition, the expansion of teleworking as a social distancing strategy to contain the transmission of Covid-19, provided a perfect opportunity for exploitation by cyber criminals, if the adequate security controls are not maintained by employers. However, the bank continued vigorous control implementation and maintenance, whilst undertaking various monitoring and tests from external and internal agents, as well as obtaining additional insurance coverage specific to Cyber Risk.

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 in Securities and Use of Proceeds.

- (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)

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

- Name and address of underwriter(s)

- Amount of expenses incurred in connection with the offer _____

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

- Payments to associated persons and the purpose for such payments

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

There are no working capital restrictions and other limitations upon the payment of dividends.

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 Senior Securities.

- (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.

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

General Discussion and Analysis of Financial Condition

Bank of Saint Lucia Limited (BOSL) continues to demonstrate its resilience, stability and drive by delivering encouraging results in the midst of a continued challenging environment. The enduring support of our loyal customers and efforts of our employees anchored in a strong balance sheet and well diversified business lines, augured well for the Bank. We continue to practice prudent and proactive risk management and remain disciplined in the execution of our key strategies. This has assisted in the quick recovery as reflected in the results for the year and expectations of continued business momentum. The Bank well capitalized during the year and maintained strong liquidity levels.

During the year under review, the Bank made significant investments in technology to enhance and modernize our convenience banking service and to introduce digital capabilities to improve our customer banking experience. The reliability and functionality of our ABM network have improved with the replacement of 11 ATMs during the 2021 fiscal year and we have earmarked an additional 12 machines for replacement in 2022. Our online digital networks have improved with localized peer to peer transfer capability and improved security through multi-factor authentication. Being cognizant of the generational thrusts of digitization brought on by Covid-19, the Bank is already at advanced stages of introducing a "Digital Branch" in 2022 which will increase our responsiveness and enable our customers to conduct a number of banking transactions including account opening and loan applications without having to visit the branch. While we are investing in digital platforms to simplify our customers' experience and satisfy their evolving expectations, we are also improving the security networks and standards throughout the Bank. Emphasis is also being placed on development of data governance framework and analytics to support business growth.

During the 2021 financial year we also spent significantly on improving the heating, ventilation and air conditioning (HVAC) system in our buildings to promote a healthy and safe working environment for our employees and on upgrading the drive through facility at the Gros Islet branch to make it more easily accessible to our clients.

We foresee long term and profitable growth in all our business areas including loan growth arising from strengthened economic outlook supported by updated lending, retail and corporate strategies, improved interest margins as international benchmark rates increase, and lower credit losses as credit quality improves. We also expect growth in non-traditional income areas such as investment management driven by growth initiatives such as the mutual fund and the trading desk as well as growth in our insurance agency business supported by a revamped agency structure. This will be partially challenged by increased operating costs to support new business initiatives as well as by rising inflation and supply chain shortages. We however continue to practice prudent cost

Liquidity and Capital Resources

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

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

Discussion of Liquidity and Capital Resources

The Bank reported a reduction of \$46.7M in cash held with the Central Bank and banking and non-banking financial institutions as funds were used for investments and loan disbursements. Despite this, the Group's liquidity remains very strong with the ratio of loans to deposits at 43.9% at year end and duration and average maturity of our investment portfolio at 3.02 and 3.76 years, respectively.

The strong liquidity was driven by customer deposits which continued to increase during the year, with growth of \$123.4 million or 6.5% since the end of 2020 to \$2 billion in 2021, demonstrating continued trust in our brand. There was significant growth in household savings accounts, institutional demand and call accounts. This was partially offset by a reduction in term deposits which was attributed to customer migration due to the sensitivity of CD rate reductions implemented to align with the market during the year.

Total shareholder's equity increased \$10.3 million or 3.4% to \$314.7 million in 2021 compared to \$304.4M million in 2020. This was due mainly to profits for the year of \$22.7 million offset by other comprehensive loss of \$12.4 million.

During the year, the Bank did not pay dividends on ordinary shares due to the economic impact of the pandemic on the financial results and the significant uncertainty regarding the duration and further effects of the pandemic.

Return on average equity improved to 7.3% in 2021 from 2.2% in 2020 primarily due increased net income which was partially offset by comprehensive loss for the year.

Bank of St. Lucia's capital adequacy ratios were maintained well above regulatory benchmarks with the tier 1 ratio contracting slightly from 16.5% in 2020 to 16% in 2021. This was attributed to a significant increase in risk weighted assets which overshadowed the growth in tier 1 capital. Total capital adequacy ratio (tier 1 and tier 2) also remained strong and well above statutory requirement at 20.4% in 2021 but below 2020's 22.43% by 203 basis points. The year on year decline was due to the combined effects of a reduction in tier 2 capital arising from the reduction in fair value reserve, the repayment of \$5 million on a \$50 million subordinated debt which supports tier 2 capital and the increased risk weighted assets. The impact was partially softened by increased tier 1 capital.

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.

The Bank provides investment management and advisory services to third parties, which involve the Group making allocation and purchase and sale decisions in relation to a wide range of financial instruments. The assets held under administration at December 31, 2021 was \$154.6M compared to \$139.9M in 2020.

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

The Bank's reported profit after tax for the 2021 financial year was \$22.7 million up by 241% from \$6.7 million in 2020. This was due primarily to lower provision for credit losses as a result of the improved macro-economic environment and improved loan quality. This benefit was partly offset by reduced interest margins stemming from lower interest rates on new investments and re-investment of funds as well as reduced interest rates on loans. During the year, the economy continued to battle with the more contagious variants of Covid-19 - Delta and Omicron which led to further tightening of restrictions including curfews and travel restrictions. These actions resulted in reduced economic activity which negatively affected growth in the Group's other operating income.

The Bank reported other comprehensive loss of \$12.4 million of which \$12 million represents net losses from investments held at Fair Value through Other Comprehensive Income (OCI), which more than eroded the prior year gains of \$11 million. This was due largely to the expectation that central banks would commence increasing interest rates after sharp declines in 2020 to combat the economic impact of Covid-19. Net remeasurement losses on the Bank's retirement benefit plan of \$441 thousand also contributed to the other comprehensive loss for the year.

Net interest income decreased \$5.3 million or 10.4% to \$45.8 million in 2021 arising largely from a \$4 million and \$1.3 million reduction in interest income on loans and interest income on deposits with banks respectively. This is represented by a 37 and 185 basis point reduction in the average yields on loans and overdrafts respectively due in part to competitive pressures as well as the bank's assistance to clients who had been significantly impacted by the pandemic. The average yield on deposits with other banks also declined by 90 basis points from the 2020 position. There was a marginal reduction in interest income on investments year on year which was not reflective of the \$151 million growth in the investments portfolio as the average yields also declined by a little over 250 basis points reflecting the low international benchmark rates and the re-investment of securities at much lower rates.

Interest expense declined \$200 thousand as the benefits of rate reductions on certificate of deposits to closer align to market offerings over compensated for increased cost from the growth in interest bearing call and savings deposits. The Bank also benefited from a \$308 thousand reduction in interest cost from principal repayments on borrowings.

Non-interest income declined \$5.2 million or 8.7% to \$54.3 million in 2021 compared to 2020. The decline was largely due to \$4.2 million decline in other operating income driven by lower bad debt recovery income as well as \$3.5 million decline in other gains (net) attributed to loss on the fair value of investment property and lower gains realized on the disposal of investment securities. These reductions were partially compensated by \$2.3 million increased fee and commission income driven by elevated card income from higher levels of client activity and merchant services.

Total operating expenses declined \$1.8 million or 2.6% to \$69.6 million in 2021 compared to 2020. The decline was largely attributed to a \$6.6 million reduction in employee benefit expense which resulted from the net impact of prior year accrual for the cost of conversion of the defined benefit pension plan to a defined contribution plan and cost associated with redundancies and salary adjustments during the year. This was partially offset by \$4.8 million increases in other operating expenses driven by loss on the disposal of one property, losses sustained on the credit card portfolio, increased premium expense and the impact of a significant reversal in the prior year of an accrual.

Impairment losses on loans declined by \$19.5 million or 75.6% to \$6.3 million in 2021 compared to 2020. The Bank recorded upfront provisioning last year in recognition of the increased credit risk brought on by Covid-19 which still remains, as the uncertainty over the impact of the pandemic persists. During 2021 the Bank saw an improvement in credit quality resulting from improvements in the macro-economic environment which negated the need for significant loan provisioning in 2021. All Covid-19 loan moratoriums expired by September 2021 and most customers have resumed payment under restructured terms. The ratio of loan loss impairment and contingency reserves remained at 100% of the non-performing portfolio while the ratio of balance sheet provisions to Non-performing loans increased from 77% in 2020 to 78.5%.

There was a net write back of impairment losses on the investment portfolio of \$597 thousand compared to an expense of \$2.9 million in 2020 reflecting the more favorable macro-economic outlook.

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 or disagreements with the Auditors on Accounting and Financial disclosures for the financial year ended December 31, 2021.

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.

See Attached

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: SAME AS ECFH 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

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

Use additional sheets if necessary.

APPENDIX 1(a) – BIOGRAPHICAL DATA FORMS

EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF THE COMPANY

Name: ^{SAME AS ECFH} _____ 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.

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

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.