

**Schedule 2
FORM ECSRC – OR**

(Select One)

QUARTERLY FINANCIAL REPORT for the period ended **September 30, 2018**
Pursuant to Section 98(2) of the Securities Act, 2001

OR

TRANSITION REPORT
for the transition period from _____ to _____
Pursuant to Section 98(2) of the Securities Act, 2001
(Applicable where there is a change in reporting issuer's financial year)

BOSVG01061977SV

Issuer Registration Number: _____
Bank of St. Vincent and the Grenadines Ltd

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

St. Vincent and the Grenadines

(Territory or jurisdiction of incorporation)

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

(Address of principal executive Offices)

(Reporting issuer's: **784-457-1844**
Telephone number (including area code): _____

Fax number: **784-456-2612**

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

(Former name, former address and former financial year, if changed since last report)

(Provide information stipulated in paragraphs 1 to 8 hereunder)

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

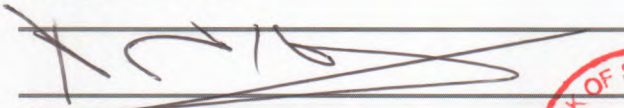
SIGNATURES

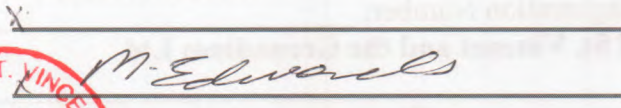
A Director, the Chief Executive Officer and Chief Financial Officer of the company shall sign this Annual Report on behalf of the company. By so doing each certifies that he has made diligent efforts to verify the material accuracy and completeness of the information herein contained.

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

Name of Director:
Maurice Edwards





Signature

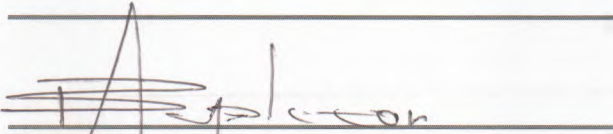
Signature

31/10/2018
Date

31/10/2018
Date



Name of Chief Financial Officer:
Bennie Stapleton



Signature

31/10/2018
Date

ENTITLED

INFORMATION TO BE INCLUDED IN FORM ECSRC-OR

1. **Financial Statements**

Provide Financial Statements for the period being reported in accordance with International Accounting Standards. The format of the financial statements should be similar to those provided with the registration statement. Include the following:

- (a) Condensed Balance Sheet as of the end of the most recent financial year and just concluded reporting period.
- (b) Condensed Statement of Income for the just concluded reporting period and the corresponding period in the previous financial year along with interim three, six and nine months of the current financial year and corresponding period in the previous financial year.
- (c) Condensed Statement of Cash Flows for the just concluded reporting period and the corresponding period in the previous financial year along with the interim three, six and nine months of the current financial year and the corresponding period in the previous financial year.
- (d) By way of *Notes to Condensed Financial Statements*, provide explanation of items in the financial statements and indicate any deviations from generally accepted accounting practices.

2. **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 reporting period. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated. Discussion of material changes should be from the end of the preceding financial year to the date of the most recent interim report.

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 Bank continued to make significant progress in achieving its strategic objective to deliver sustainable returns to shareholders. Profit before tax increased to a record high of \$10.6M; this compares to a loss of \$0.100M at the end of September 2017. The increase in profitability was primarily driven by continued growth in non-interest income. Net interest margin was 3.5% in comparison to 3.3% a year ago. Additionally, there was a further improvement in the operating leverage with the efficiency ratio moving from 100.3% to 70.9%. Earnings per share was \$0.52, with return on equity and return on assets of 9.8% and 1.04% respectively. The improved financial performance was reflected in the positive growth in all revenue lines, reduced loan loss expenses and a reduction in funding costs.

The Bank's balance sheet remained well capitalized and highly liquid. Total assets were stable at \$998.6M, while customers' deposit grew by \$22.4M (3%), allowing for an increase in loans and advances of \$19.2M (3.2%) and investment securities of \$14.8M (22.2%). Correspondingly, there was a reduction in cash and balances with banks of \$19.4M (7.9%) as the Bank sought to redeploy some of its excess liquidity.

In addition to improving the bank's financial performance, Management focused on improving the overall risk management framework with key issues such as disaster preparedness and cyber security given top priority. The Bank continued its preparation for the transition to IFRS 9 (Impairment of Financial Asset) and the Eastern Caribbean Central Bank (ECCB) Valuation Standards. Plans are also underway to refresh the bank's Brand and Value Proposition.

Additionally, significant sums were invested in new technologies. A new system "Core Director Net Teller" was commissioned during the period, this is expected to lead to substantial efficiencies in teller operations and enhancement of customer service. The Alchemy application was also revamped and upgraded to ensure compliance with international regulatory standards and Anti-Money Laundering and Common Reporting Standards.

During the period under review, the local financial sector remained highly competitive, as credit unions and non-bank financial institutions continued to challenge commercial banks for business. Despite this challenge, the Bank was able to maintain and lead the financial sector in the share market of both loans and advances and deposits at 51.3% and 41.5% respectively. More importantly the Bank was able to reduce its market share in terms of non-performing loans and advances by 150 basis points to 44.4% from 45.9% at December 2017.

The external economic environment has shown signs of improvement in most markets however by continuing to focus internally, the Bank have made meaningful progress in improving its financial performance. The Bank will continue to pursue targeted strategic initiatives around corporate governance, information technology advancement, operational efficiency, cost optimization and customer service.

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 continued to maintain a stable liquidity position, with a liquid assets to deposit coverage ratio of 31.3% compared to a benchmarked ratio of 25%. As at September 30, 2018 liquid assets amounted to \$234.1M, a reduction of \$19.6M over the 2017 corresponding period, which was mainly as a result of a decrease in deposits with banks.

The capital position remained robust with Tier1 Capital ratio of 21% (September 30 2017: 21.6%). During the third quarter capital and reserves increased by \$2.6M to \$109.2M (10.9%) of total assets. The change was attributed mainly to earnings net of provisions for tax.

A Reserve Contingency Policy was approved by the Board of Directors, this policy makes provision for incremental transfers to a Reserve Fund to cushion the effects of possible deterioration in 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.

At the end of the reporting period the Bank anticipated that the undrawn credit commitments to customers would require cash outflows totaling \$35.6M compared to \$35.9M at June 2018. This amount represents the total risk exposure of the Bank in this category.

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

Results of Operations

The Bank recorded a significant improvement in profit before tax of \$10.6M for the nine-month period ending September 30, 2018, compared to a loss of \$0.100M in the corresponding period of 2017. This strong result was attributed to an expansion in net interest margin driven by optimal management of cost of funds, combined with lower asset impairment charges and continued emphasis on growing non-interest income.

For the quarter ending September 2018, profits of \$3.6M was recorded, this was \$0.284M (7.4%) lower than the previous quarter amount of \$3.9M. Total operating income declined by \$0.851M (6.2%) to \$12.8M when compared to \$13.7M earned in the second quarter of 2018. However, total operating income for the nine-month period was \$37.6M, an increase of \$5.8M (18.3%) compared to the nine-month period to September 30, 2017. This increase was primarily driven by a combination of a 7% and 33.3% growth in net interest income and non-interest income respectively. Additionally, there was a significant reduction of \$7.6M (74.1%) in provision for impairment on loans and advances.

Net Interest Income

Total interest income was \$37.7M, an increase of \$0.465M (1.3%) over September 2017. The increase corresponded to growth in both the investment and lending portfolios. Interest income was boosted by a change in the composition of non-interest earning assets towards higher yielding assets. This was driven by the Bank's pursuit of viable investment opportunities, which contributed to an improvement in net interest margin (NIM). At September 30, 2018 NIM improved to 3.5% from 3.3% in September 2017.

Overall, total interest expense reduced by 1.3M (10%) over the September 2017 period despite the growth in the deposit portfolio of \$19.2M (3.2%). Although, there was a slight increase during the quarter, cost of funds was maintained at 1.8% compared to 2.1% at the end of September 2017, a reduction of 30 basis points. This reduction was driven by continuous repricing of the deposit mix as part of the Bank's strategy.

Income for the quarter July to September 2018 grew by \$0.346M (2.8%) to \$12.9M when compared to \$12.5M in the previous quarter. Correspondingly, there was an increase of \$0.165M (4.3%) in interest expense during the quarter as a result of variable rate adjustments on a debt facility.

Non-Interest Income

Non-interest income of \$11.8M was \$4.1M (54%) higher than the September 2017 period. This increase was mainly due to higher fee and commission income, recovery income and foreign exchange earnings, as the Bank strengthened its collection base by automating and repricing its fees. During the period July to September 2018 however, non-interest income declined by \$0.846M, due to a reduction in card related fee income as a result of lower transaction volumes.

Operating Expenses

Operating expenses increased by \$2.7M (12.3%) to \$24.3M over the September 2017 period; while there was a reduction of \$0.871M during the reporting period. The increase costs were reflected mainly in staff cost as the Bank provided for the job evaluation exercise and pending union salary adjustments. Accruals were made for expenses in relation to key strategic initiatives for 2018. These strategic initiatives relate to improve customer service, process excellence, brand value and the digital platform. There was notable reduction in some expense categories primarily in the areas of depreciation, security services and sundry gains and losses, as Management focused on cost control.

Loan loss Provisioning

There was a significant improvement in asset quality indicators, with a non-performing loans and advances (NPLs) ratio of 7% compared to 8.3% at September 30, 2017. Similarly, the provisions for credit impairment of \$20.8M represented 46.4% of all impaired loans and advances compared to 44.4% a year ago. NPLs totaled \$44.9M, a reduction of \$7M (13.5%) when compared to \$51.9M at September 30, 2017.

Charges for impairment losses on loans and advances, net of recoveries amounted to \$2.7M compared to \$10.3M at the end of September 2017. Recoveries were stronger at the end of September 2018 period (\$0.998M) when compared to September 30, 2017 (\$0.388M).

The Bank is in the process of transitioning from IAS 39 to IFRS 9. The IFRS 9 preliminary assessment for impairment losses will not have an adverse material impact on reported income.

Balance Sheet Review

At September 30, 2018, total assets were \$998.6M compared to \$986.2M at September 30, 2017. This minimal growth was mainly attributed to the growth in customers' deposits. The cash and balances held with banks decreased by 19.4M (7.9%) over September 2017, and was deployed in the investment and loans and advances portfolios as the Bank sought to improve its interest earning assets.

Loans and Advances

Net loans and advances amounted to \$620.7M an increase of \$19.2M (3.2%) compared to \$601.5M in September 2017. Growth in the portfolio was strongest in the categories of residential mortgages and credit to Central Government. Mortgages continue to represent the largest portion of the credit portfolio, which accounted for 49.5% of total loans and advances.

Deposits

Total customers' deposits increased by \$22.4M (3%) over September 30, 2017 to \$764.5M, driving the total growth of the Bank's balance sheet. Savings deposits grew by 33.7M or 9.2%, demand deposits remained stable at \$252.7M while time deposits declined by 5.2M or 4.2%. This trend is expected to continue as the Bank seeks to lower rates on maturity and manage its funding cost fund.

3. 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 September 30, 2018 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. Due to the volatility of corresponding banking relationships which is being addressed by the Bank, the risk rating for operational risk is higher than the other risk categories. It is anticipated that this rating would be revised downwards once this critical matter is addressed. The Risk and Compliance Committee of the Board of Directors has approved a plan of action to improve corresponding banking relationships. Noteworthy, the Bank has had minimal records of operational losses and litigation costs.

Reviews of all pertinent areas are conducted on a quarterly basis, with a report of findings submitted to the Risk and Compliance Committee of the Board of Directors.

During the period attention was placed on the following risk areas under operational risk;

Policy Review Exercise

The Bank commenced a policy review exercise to update its existing policies and to implement new policies as required by the Banking Act. This review commenced June 2018 and is expected to be completed by May 2019.

IT Governance Framework

The Board is in the process of implementing an IT Governance framework through the establishment of an IT Governance Committee. This IT Governance Committee will be a Management Committee which would report to the Risk and Compliance Committee to the Board of Directors. The committee is expected to be functional by the commencement of 2019.

Cybersecurity risk

This is a high risk area due to constant changes in technological developments. The Bank continues to proactively mitigate the applicable risks to its IT infrastructure and domain; in this regard, penetration tests were conducted in December 2017 and the deficiencies identified were addressed in 2018 to strengthen the bank's defenses.

Business Continuity and Disaster Recovery

The bank continues to mitigate the applicable risks in this area by conducting annual testing of its IT infrastructure to determine its ability to recovery and provide service to its customers in the event of a disaster. The DR testing was conducted in July 2018 and the bank was able to resume its operations within the required timeframe.

Compliance

There has been no increase in the risk rating in this area.

AML - Transactions are generally in keeping with what is known of the bank's customers and supporting documentation is required for transactions exceeding established thresholds or for transactions that appear to be outside the norm.

Monitoring is a continuously rigorous exercise that is being conducted using the Enhanced Compliance Solutions software. This software flags transactions exceeding the established threshold to ensure adequate review of supporting documentation and also facilitates monitoring for structuring.

Legal and Regulatory

The bank remains in compliance with the established legal and regulatory requirements. Reporting of account information under FATCA and Common Reporting Standard (CRS) is up to date for 2018. The Common Reporting Standard which was approved by the Council of the Organization for Economic Co-operation and Development (OECD) on 15 July 2014 sets out the reporting and due diligence procedures for exchange of information between Countries. As a consequence, the Bank is obligated under the Automatic Exchange of Financial Account Information (CRS), Act 31 of 2016 to collect and report certain information about the tax residency of each account holder that is not local.

This obligation is in keeping with the Convention on Mutual Administrative Assistance in Tax Matters signed by the Government of St Vincent and the Grenadines on 25th August 2016. The legislation provides for the legal submission of customer information for purposes of Automatic Exchange of Financial Account Information (CRS). It contains strict confidentiality obligations in dealing with information collected pursuant to the Act and limits the use of information to purposes of CRS compliance. Accordingly, to comply with the legislation the Bank is required to submit to the local Department of Inland Revenue Department certain account information.

Legal Proceedings.

A legal proceeding need only be reported in the ECSRC – OR filed for the period in which it first became a reportable event and in subsequent interim reports in which there have been material developments. Subsequent Form ECSRC – OR filings in the same financial year in which a legal proceeding or a material development is reported should reference any previous reports in that year. Where proceedings have been terminated during the period covered by the report, provide similar information, including the date of termination and a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

Claim No: SVGHCV2018/78 Anson Randall Layne/David Everson Layne (First & Second Claimants respectively) and Lillian Williams / The Bank of St. Vincent and The Grenadines Ltd. (First & Second Defendants respectively).

Claim

- Damages for loss of entitlement incurred by the claimants under deceased's estate (father of claimants) as a result of the first defendant's (mother of claimants) fraud and /or breach of trust.
- A declaration of interest in the 1.63 acres of land situate at Joseph Land, Mc Carthy, St. Vincent
- A declaration that the First Defendant used undue influence to induce the Claimants to transfer their interest in the deceased's estate to the First Defendant
- The following Deeds to be cancelled:
 - ✓ Deed of Assent No. 3698 of 2006
 - ✓ Deed of Mortgage No. 3722 of 2006
 - ✓ Deed of Further Charge No. 4149/2010
 - ✓ Second Deed of Further Charge No. 2175/2014
 - ✓ Deed of Confirmation No. 3518 of 2017
- Further or other relief as the court deems fit; and
- Costs

Update:

Judgment in the caption matter are as follows:

- ✓ The Claimant's claim for loss of entitlement is declined;
- ✓ The Claimants do not have an interest in the property and
- ✓ The Deed of Confirmation bearing registration number 3518/2017 is valid; Deed of Assent bearing registration number 3698/2006 is valid and the mortgage bearing registration number 3722/2006 and therefore Deeds of Further Charge bearing registration numbers 4149 of 2010 and 2175 of 2014 are also valid.
- ✓ The Judge ordered that costs are awarded to the Defendants.

Attorneys advise that the Bank can proceed with the sale of the property as it has a valid mortgage. The matter is closed.

Claim No SVGHCV2017/0124 – Wendy Minors v Margot Dehen (1st and Bank of St. Vincent and the Grenadines Ltd.

The Claimant filed a notice of discontinuance in the subject matter against the Bank of St. Vincent and the Grenadines Ltd (2nd defendant) on March 16, 2018. The matter is closed.

4. 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 during the period.

- (a) 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

5. 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

6. 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.

N/A

7. Other Information.

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC – MC report (used to report material changes), with respect to which information is not otherwise called for by this form, provided that the material change occurred within seven days of the due date of the Form ECSRC-OR 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 or in a subsequent Form ECSRC – OR report.

N/A

BANK OF ST. VINCENT AND THE GRENADINES LTD

Consolidated Statement of Financial Position

As at September 30, 2018

(expressed in thousands of Eastern Caribbean dollars)

	(Unaudited) September 30, 2018 \$	(Unaudited) September 30, 2017 \$	(Audited) December 31, 2017 \$
Assets			
Cash and balances with Central Bank and due from banks	224,074	243,450	234,198
Treasury bills	10,288	10,288	10,402
Loans and receivables - loans and advances to customers	620,679	601,525	605,030
Investment securities	81,536	66,728	65,058
Other assets	62,023	64,209	59,895
Total assets	998,600	986,200	974,583
Liabilities			
Customers deposits and other borrowed funds	844,710	814,221	823,127
Other liabilities	44,643	68,729	47,183
Total liabilities	889,353	882,950	870,310
Equity			
Issued Capitals and reserves	37,148	37,101	37,392
Retained earnings	72,099	66,149	66,881
Total equity	109,247	103,250	104,273
Total liabilities and equity	998,600	986,200	974,583

BANK OF ST. VINCENT AND THE GRENADINES LTD

Consolidated Statement of Income

For the nine months ended September 30, 2018

(expressed in thousands of Eastern Caribbean dollars)

	(Unaudited) 9 mths to September 30, 2018 \$	(Unaudited) 9 mths to September 30, 2017 \$	(Audited) 12 mths to December 31, 2017 \$
Net interest income	25,803	24,122	32,277
Other operating income	11,785	7,651	12,836
Net interest and other income	37,588	31,773	45,113
Operating expenses	(24,287)	(21,621)	(31,995)
Impairment losses on loans and advances	(2,660)	(10,250)	(8,503)
Impairment losses on property and equipment	-	-	(1,825)
Profit before income tax	10,641	(98)	2,790
Income tax expense	(2,873)	-	(1,994)
Profit for the period	7,768	(98)	796
Earnings per share	0.52	(0.01)	0.05

BANK OF ST. VINCENT AND THE GRENADINES LTD

Consolidated Statement of Comprehensive Income

For the nine months ended September 30, 2018

(expressed in thousands of Eastern Caribbean dollars)

	(Unaudited) 9 mths to September 30, 2018 \$	(Unaudited) 9 mths to September 30, 2017 \$	(Audited) 12 mths to December 31, 2017 \$
Profit (loss) for the period	7,768	(98)	(2,429)
Unrealised loss/ (gain) on available for sale securities	(245)	175	86
Total comprehensive income for the period	7,523	77	(2,343)

BANK OF ST. VINCENT AND THE GRENADINES LTD

Summary Consolidated Statement of Changes in Equity

As at September 30, 2018

(expressed in thousands of Eastern Caribbean dollars)

	Share Capital	Reserves	Unrealised gain/(loss) on investments	Retained Earnings	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2017	14,753	14,753	1,530	74,795	105,831
Transfer	6,000	159	-	(6,159)	-
Total comprehensive income	-	-	197	796	993
Dividend paid	-	-	-	(2,551)	(2,551)
Balance at 31 December 2017	20,753	14,912	1,727	66,881	104,273
Balance at 1 January 2018	20,753	14,912	1,727	66,881	104,273
Transfer	-	-	-	-	-
Total comprehensive income	-	-	(245)	7,768	7,523
Dividend paid	-	-	-	(2,550)	(2,550)
At 30 September 2018	20,753	14,912	1,482	72,099	109,246

BANK OF ST. VINCENT AND THE GRENADINES LTD

Consolidated Statement of Cash Flows

For the nine months ended September 30, 2018

(expressed in thousands of Eastern Caribbean dollars)

	(Unaudited) 9 mths to September 30, 2018 \$	(Unaudited) 9 mths to September 30, 2017 \$	(Audited) 12 mths to December 31, 2017 \$
Net cash generated from/ (used in) operating activities	7,741	199	(11,768)
Net cash used in investing activities	(45,418)	(16,801)	(13,759)
Net cash used in financing activities	(5,320)	(5,533)	(6,856)
Net decrease in cash and cash equivalents	(42,997)	(22,135)	(32,383)
Cash and cash equivalents at beginning of year	197,355	229,738	229,738
Cash and cash equivalents at end of the period	154,358	207,603	197,355

Notes to the Summary Financial Statements

Note 2. Basis of Preparation:

The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the consolidated statement of financial position, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows.

These condensed consolidated financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the 31 December 2017 audited financial statements consistently applied from period to period. The areas of critical accounting estimate and judgement as disclosed in "Note 4" of the 31 December 2017 audited financial statements remained unchanged.