

First St Vincent Bank in Receivership

interpath



**Frequently
Asked
Questions**



David Collins of Interpath Eastern Caribbean Limited and David Standish of Interpath Ltd were appointed Receivers of First St Vincent Bank Ltd (FSVB/the Company) on 26 May 2023.

This document does not constitute legal, tax, financial or other professional advice to customers of FSVB. Customers should take advice from their own professional advisers before taking any action in connection with their position.

Important **Notice** |



This document was compiled with information available to the Receiver as at 26 May 2023.

Updates will be provided as further information becomes known, therefore, please monitor this document for the latest position.

We highlight the following:

interpath



- The Receivers have been working with the Eastern Caribbean Central Bank (“ECCB”) to transfer eligible depositors to Bank of St Vincent and the Grenadines Ltd (“BoSVG”) by 1 June 2023;
- Customers have access to their transferred deposits from 1 June 2023 from BoSVG;
- Borrowers should continue to make loan repayments on the current contractual terms;
- The Company’s customers and creditors with balances remaining in the Receivership should submit a Statement of Claims for balances due on appointment date, 26 May 2023;
- Further updates will be provided on the Company’s website and media outlets.



1. What is a Bank Receivership?

The Banking Act, 2015 (the “Banking Act”) provides a variety of resolution processes where a deposit taking licensed financial institution fails, including a Bank Receivership.

The ECCB, in exercise of the powers conferred under section 138 of the Banking Act, No 4 of 2015, of the Laws of Saint Vincent and the Grenadines, has appointed a Receiver for FSVB with effect 26 May 2023.

The Banking Act establishes the priority of claims in the Receivership. The small depositor threshold in the priority of claims is set up to \$200,000.00 and a third tier of depositors that is, insiders (directors, officers and significant shareholders), who would rank lower than all other depositors in the hierarchy of claims in liquidation, has been created. This provides a basis for treating depositors differently from others.



2. Who is regulating the current activities being performed by the Receiver?

The Receiver performs his duties in line with the Banking Act (and associated rules). He is also working closely with the ECCB who maintains oversight of the Receivership.

3. What does FSVB do?

FSVB is a licensed financial institution, which provided standard banking services such as current accounts, deposit accounts and loans to its customers in Saint Vincent and the Grenadines.



4. Why has FSVB entered Receivership?

The ECCB has been monitoring the operations of FSVB closely for the past eight (8) years including daily ongoing off-site surveillance, on-site examination in 2018, Anti-Money Laundering/Combating the Financing of Terrorism examination in 2019, and most recently, on-site examination over the period 15 – 26 May 2023.

Those examinations revealed the following:

1. Significant and sustained breaches of the Banking Act, especially in respect of capital requirements;
2. High credit risk and low earnings performance;
3. Poor accounting and corporate governance practices; and
4. Ineffective risk management systems.



4. Why has FSVB entered Receivership (cont'd)?

The foregoing deficiencies have posed a serious threat to the depositors of FSVB and the future viability of the institution.

Consequently, the ECCB, in consultation with the Government of Saint Vincent and the Grenadines, announced that it proposed to put FSVB into Receivership Procedure. This procedure results in the appointment of receivers to take control of the business.



5. When did the Receiver start working with FSVB?

The ECCB approached the Receiver shortly before appointment to help with the preparation of the Receivership.

6. Who is the Receiver?

David Collins and David Standish are licensed insolvency practitioners in Saint Vincent and the Grenadines.

The Receivers act as agent of the Company without personal liability.



7. Are you in contact with the ECCB?

Yes, we are in regular and frequent discussions with ECCB. In addition, under the Banking Act, we are required to report formally to the ECCB monthly.

8. Are you in contact with the FSVB management?

Yes, we are working closely with the management of the Company to achieve the best outcome for its customers and creditors.



Customer Deposits



9. As a former customer of FSVB who had deposited funds in the institution, what does this mean for me?

Most customers are now able to have access to their funds at BoSVG from 1 June 2023.

The Receivers have agreed to a Purchase and Assumption Agreement with BoSVG whereby customers with total deposits up to the sum of \$100,000 have been transferred to BoSVG.



10. How much of my money will I get back?

Generally, a customer with total deposits up to the sum of \$100,000 has been transferred to BoSVG. Depositors with total balances up to \$100,000 have full access to their funds from 1 June 2023 at BoSVG's Card Distribution Centre, 1st Floor, Halifax Street Branch.

Exception rules will be applied to deposit holders with non-performing loans, or joint and sole accounts, or loans secured by collateral.

The Receivers have sent you a letter on 1 June 2023 detailing this transfer. Please check the statements provided with the Receivers' letter for details. Alternatively, please contact us using the details on the last page this document.



11. What is the procedure to get my money back?

If your deposit has not been transferred in full to BoSVG, please complete the depositor claim form and return to the Receivers by 29 September 2023, via post or email to the addresses listed on the Statement of Claims for Depositors form.



12. When will I get my deposits exceeding \$100,000?

The Receiver has set 29 September 2023 as the deadline for all claims to be submitted. Once this date has passed, the Receiver will review the validity of the claims received and make distributions thereafter.

The Receiver is currently unable to confirm the amount and timeline of any distribution; as this will depend on the amount of assets realised in the Receivership. Updates will be made continuously and depositors will be informed of any progress in due course.



13. What happens to my savings?

All savings have been redeemed as at the date of the appointment, 26 May 2023. These formed part of the transfer to BoSVG. The BoSVG will be in touch with you to confirm any new interest rate applicable to your new account

14. What if I had a loan with FSVB?

As part of the Purchase and Assumption Agreement with BoSVG, some loans have been transferred to the new institution whilst others will remain in the Receivership. The Receivers have sent you a statement showing this balance. Please contact us if you have not received this.



15. What happens if all or some of my funds are not transferred to the new institution?

For customers whose funds are not eligible for transfer, you will need to make a claim into the Receivership by 29 September 2023. To make a claim please complete the claimant form and return it to the address shown at the end of this document.



16. Do I need to make a claim?

At this stage we invite all depositors and creditors to submit their claims, we anticipate developing a streamlined claim process shortly, at which point we will reach out to customers and creditors to advise of the actions they are required to take.

17. When will I hear from the Receiver?

Information from the Receiver will be provided continuously through the various media channels and the Company website.



18. I would like to close my account now and have the funds returned to me - can you action this?

No. Sadly due to the appointment of Receivers, all funds have been frozen. The Receivers' first priority was to work closely with ECCB in order to ensure all eligible customers are transferred to BoSVG.

The Receivers will shortly identify the remaining customers' and creditors' claims and develop a distribution process.



19. Will I continue to receive interest on my deposits?

No. All account balances are frozen as at the date of the Bank Receivership, 26 May 2023. Customers whose saving deposit has been transferred to BoSVG will be contacted by BoSVG with any new rates.

The Regulations do allow for statutory interest to be paid to creditors should there be sufficient funds available; having first repaid all creditors' claims in full.

CUSTOMERS DEPOSITS

interpath



20. Will my bank account be the same with BoSVG?

Yes, all account numbers will be the same.



21. I accidentally had funds transferred to my account at FSVB after the appointment of the Receiver on 26 May 2023, what happens to these funds?

Deposits made from customers, that are received after 26 May 2023, will be returned to customers if they do not form part of the receivership estate. However, due to the current circumstances, it may take some time for this process to occur.



22. What is the current balance of my account?

A statement for your deposits and/or loans balance have been sent to you on 1 June 2023. If you have not received this, please get in touch using the details on the last page of this document.



23. Can I sell my funds at the Company to someone else?

We understand there may be a secondary market in which customers sell their claims. We will provide further information regarding the process should you wish to sell your claim against the Company.



24. I have a deposit account and a loan – can these be set off?

If a depositor owes FSVB an amount for a matured or past-due loan, that amount will be set off against the deposit amount owed by the Company.

If a depositor owes FSVB an amount for a loan and the loan is not matured or past-due, then, at the sole option of the depositor, the amount owed may be set-off against the deposit amount owed by the licensed financial institution.



**Customers
Borrowers**



25. Do I need to still repay my loans?

Yes, customers should continue to repay their loans in the normal way and in line with their contractual obligations with FSVB. If your loan has been transferred to BoSVG, then future repayments are to be made to BoSVG as from 1 June 2023.



26. Am I required to meet existing requirements of my loans/facilities with FSVB?

Yes, customers with loans in the Receivership should continue to meet all contractual obligations in relation to their loans and facilities with FSVB.



27. I have committed facilities that are unutilised – can I draw down on these facilities?

No. At this stage all unutilised facilities are suspended and unavailable to draw down.



28. I have borrowed funds from FSVB. I also hold a deposit account with FSVB – will these balances be set-off?

If a depositor owes the Company an amount for a matured or past-due loan, that amount will be set off against the deposit amount owed by the Company.

If a depositor owes the Company an amount for a loan and the loan is not matured or past-due, then, at the sole option of the depositor, the amount owed may be set-off against the deposit amount owed by the licensed financial institution.



29. I can't afford my repayments – what shall I do?

We are aware of the impact the failure of FSVB is having across the market. Should customers be facing financial difficulties that impact their ability to meet their scheduled obligations, please contact the customer service desk using the details at the end of this document.



30. I would like to refinance my existing facilities with FSVB to another lender. Can I do this?

The Receiver recognises that customers may wish to refinance their existing credit facilities from the Company, and all such proposals will be considered on a case-by-case basis. Please contact FSVB (in receivership) in the first instance with details of any refinancing proposals.



31. Will my facility with FSVB continue to accrue interest?

All loans will continue to accrue interest in accordance to the terms of the lending.

SCAMS

interpath



All customers should remain alert to the possibility of fraud. At this stage, neither FSVB, the Receivers, and the ECCB will be calling you directly. If you are called by someone claiming to be from FSVB, the Receivers, or the ECCB please end the call.

We will provide updates to customers through email, in writing and via uploads to the Company's website.

Protect yourself from scams

Where financial firms enter insolvency, fraudsters may seek to take advantage by approaching customers claiming to be able to recover their funds in return for an advance fee. Sometimes the fraudsters claim to be from the Company or the Receivers' office. You should treat with caution any unexpected call, email or other contact which asks you for money in this manner and do not be pressured into acting quickly.

Clone websites - beware

Please note that the Receivers' webpage and the Company's website is firstvinbank.com. This is the only webpage that will be used to provide updates and relevant information.



Specific queries if you are a supplier of FSVB

If you have not been paid for services rendered to FSVB prior to the Receivers' appointment on 26 May 2023, we invite creditors to complete a Statement of Claims for Creditors form.

Please note, a key provision in the Regulations requires essential suppliers (broadly defined) to continue the provision of essential supplies to FSVB (in receivership) where requested to do so by the Receivers.

Contact **Details** |



Website

firstvinbank.com



Address

First St. Vincent Bank Ltd
(in receivership)
P .O. Box 154
Granby Street
Kingstown
Saint Vincent



Phone

(784) 456-1873



Email

fsvb@interpathadvisory.com