

FREQUENTLY ASKED QUESTIONS

BANK OF ST. VINCENT & THE GRENADINES/FIRST ST. VINCENT BANK LTD.

Overview of the FSVB transaction

The Eastern Caribbean Central Bank (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 Receivers for First St Vincent Bank Ltd (FSVB) with effect **26 May 2023**.

FSVB has been providing banking services to the people of Saint Vincent and Grenadines since 1909. As at 31 March 2023, FSVB reported \$46.8 million in total assets, which accounted for 1.6 per cent of the total banking assets (\$2,953.4 million or approximately \$3.0 billion) in Saint Vincent and the Grenadines.

1. When will FSVB terminate operations?

A receiver has been appointed with effect 26 May 2023. As such FSVB will remain closed from the 27 May 2023 until the Receivers complete the liquidation of the institution through the sale of viable assets, and winds up the affairs of FSVB in an orderly manner to minimize the risk to financial stability.

2. Why was FSVB closed?

As the regulator of banking business in the Eastern Caribbean Currency Union (ECCU), 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 (AML/CFT) 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, 2015, 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.

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

Notwithstanding the issues identified, the ECCB granted the board and management of FSVB time and opportunity to address the identified breaches and mitigate against the continued erosion of capital to place the institution on a sustainable path and become compliant with the Banking Act, 2015.

In keeping with its mandate to protect the interest of depositors and creditors of FSVB, the ECCB, in consultation with the Government of Saint Vincent and the Grenadines, has implemented a two-phase resolution strategy for FSVB.

3. How will the ECCB proceed with winding up the affairs of FSVB?

Phase I – The ECCB has appointed David Collins and David Standish of Interpath East Caribbean Ltd (trading as Interpath Advisory), as Receivers to assume control and secure the assets of FSVB for an initial period of six months.

The Receivers will liquidate the institution via the sale of viable assets and wind up its affairs in an orderly manner to minimize risk to financial stability.

Phase II – A Purchase and Assumption Agreement was executed with Bank of St Vincent and the Grenadines Ltd (BOSVG) effective 1 June 2023, to acquire certain assets and assume certain liabilities of FSVB.

The remaining assets and liabilities will remain in the Receivership for liquidation.

4. What does the Receivership of FSVB mean for its customers?

- ✓ The institution was closed with effect from 26 May 2023.
- ✓ Total Depositors' accounts up to the sum of \$100,000 will be transferred to BOSVG.
- ✓ For total deposit accounts over \$100,000, the sum of \$100,000 will be transferred to BOSVG and the balance (exceeding \$100,000) will remain in the Receivership.
- ✓ Depositors with total account balances up to \$100,000 will have full access to their funds from 1 June 2023 at BOSVG's Card Distribution Centre, 1st Floor, Halifax Street Branch.

5. Where will the Card Distribution Centre now be located?

Given the foregoing, the distribution of cards will be relocated to the ground floor of the Halifax branch. Management will keep you informed accordingly as we work along with the Receivers and the ECCB in settling the banking business of the acquired customers.

6. Does this mean that the Banking sector is SVG is unstable?

In the press release issued on 26 May 2023, the ECCB has indicated that the banking sector in Saint Vincent and the Grenadines remains stable. They have stated that the other four (4) licensed financial institutions, which operate in the country, are continuing to do business as normal and that the issues, which warranted the closure of FSVB, were very specific to the institution.

The ECCB gave its assurance that it will continue to exercise its powers to maintain financial stability and safeguard the soundness of the ECCU banking system.

Note: Furthermore, the closure of FSVB is not related to the ongoing community banking challenges in the United States or elsewhere. The challenges faced by some community banks within the United States stem primarily from the rapid increase in interest rates by the Federal Reserve (US Central Bank) as it attempts to reduce very high inflation.

7. Who do I speak with to obtain more information regarding the Receivership of FSVB?

Depositors who wish to obtain more information about their accounts may use the following contact information:

Queries for the Receiver – Telephone number: 784-456-1873
Email: FSVB@interpathadvisory.com

General Queries – Telephone number: 784-452-4385
Telephone number: 784-452-4395
Email: process@bosvg.com

8. Is BOSVG taking on too much risk with the acquisition of FSVB?

No. BOSVG will only be purchasing the “good assets” of FSVB, all other assets will remain with the Receivers. Therefore, no additional risk will be borne by BOSVG with the purchase.

PRODUCTS AND SERVICES

GENERAL INFORMATION

9. Will you maintain all the account-type from FSVB?

Our aim is to support the seamless transition of assets and liabilities. We will transition the accounts to similar BOSVG products. All efforts will be made to communicate changes where applicable.

10. What products can I expect from BOSVG as a retail customer?

Once our due diligence has been successfully completed, you may access our full suite of banking products for Retail customers as follows:

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| ▪ Savings Accounts | transfer funds between accounts and to other account holders within BOSVG or other local and regional banks; international wire transfer request, cheque-book request, draft request, text banking etc.) |
| ▪ Chequing Accounts (Personal & Personal Business) | |
| ▪ Personal Business Overdraft | |
| ▪ Consumer Loans | |
| ▪ Mortgages | ▪ Debit Card & ATM Card |
| ▪ Student Loans | ▪ Credit Card |
| ▪ Online Banking (Instant access to banking services, pay bills, Peer-to-Peer payments, | ▪ Standing Orders |

11. What products can I expect from BOSVG as a Business customer?

Products available to our business customers are:

- | | |
|-------------------------------------|--|
| ▪ Private Business Chequing Account | ▪ Online Banking (Corporate) |
| ▪ Overdrafts | ▪ Corporate Credit Cards |
| ▪ Commercial Loans | ▪ E-Commerce |
| ▪ Commercial Mortgages | ▪ Point of Sale |
| ▪ Letter of Credit | ▪ Electronic Fund Transfer (EFT) – Salaries and payroll upload |
| ▪ Bonds and Guarantees | |

12. Will my fees change?

All BOSVG's fees will become applicable following the transfer of accounts. You can view the list of BOSVG's current fees on our website www.bosvg.com.

WIRES/STANDING ORDERS/STATEMENTS/INVESTIGATIONS

13. How will I be able to access incoming Electronic Funds Transfers (EFT)?

Effective 01 June 2023, the routing number of all incoming EFT payments should be changed to 000000343, in order to initiate a transfer. If this is not done, the transfer will not be successful.

14. How does this change affect my wire instructions?

All wire transfers should be routed to BOSVG using the most applicable intermediary banking correspondent information. These details can be accessed on our website: www.bosvg.com under the "Products and Services" menu. The routing number - **000000343** will be needed for Automated Clearing House (ACH) transfers only.

15. Will we be able to obtain statements from our FSVB Accounts?

We are presently working with FSVB to obtain historical data, which can be accessible after the transition.

Deposits

16. Will my account number change?

The account numbers will remain the same, therefore, you will be able to access your account/s using the same account number which was being used at FSVB.

17. Will my Fixed Deposits be transferred to BOSVG?

As with your savings accounts, your fixed deposit account/s valued up to the sum of \$100,000 will be transferred to BOSVG. For total accounts valued over \$100,000, the sum of \$100,000 will be transferred to BOSVG and the balance (exceeding \$100,000) will remain in the Receivership. Depositors with total balances up to \$100,000 will have full access to their funds from 1 June 2023 at BOSVG's Card Distribution Centre, 1st Floor, Halifax Street branch.

18. What happens with my FSVB account if it was inactive/dormant on 26 May 2023?

If you maintain an inactive or dormant account at the time of the transition, then your inactive/dormant account will be transferred to the operating platform at BOSVG.

19. Will we need to sign over agreements with BOSVG to maintain our accounts?

While your accounts will be transferred to BOSVG, we will need to obtain updated information for our records. Our officers at the designated location will conduct the initial assessment and guide you accordingly. If you require a new product with us, our officers will work with you to have the necessary documentation signed. You may see our full product listing on our website www.bosvg.com.

Lending (Loans & Overdrafts)

20. Will my loan have the existing interest rate?

The existing terms of your credit facilities will be transitioned to those of BOSVG.

21. What happens if I had a non-productive loan at FSVB?

If your loan was non-productive, you will need to contact the Receivers, as per questions 6 and 22, to obtain information regarding all of your accounts and facilities.

Operations

22. Are you maintaining the property currently used by FSVB? If so, can I continue to do my business there?

We will not be maintaining the property which currently houses the operations of FSVB. Therefore, former customers of FSVB will need to visit us upstairs the Halifax location where the Card Distribution Centre was housed, to update their accounts and receive further instructions regarding their access to our products and services.

23. Once I am onboarded, how can I obtain customer support?

The contact details for our Call Center, which operates on weekdays from 8:00 a.m. to 3:45 p.m., are listed below:

Call Centre Team
Telephone number: 784-452-4375
WhatsApp number: 784-494-1844 (**messages only**)
784-528-1844 (**messages only**)
Email: info@bosvg.com

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