



FINANCIAL SERVICES AUTHORITY  
SAINT VINCENT & THE GRENADINES

**PRESS RELEASE NO.4**  
**February 06, 2013**

**STATEMENT BY THE FSA**

---

---

As was previously informed, on Friday 1<sup>st</sup> of February 2013 the **Financial Services Authority (FSA)** assumed management and control of the **St Vincent Building and Loan Association and its Subsidiaries (“the Association”)**. Consequently, the empowerment of the then existing Board of Directors and Chief Executive Officer was ceased with immediate effect.

We trust that this publication would serve to address what we perceive to be the main concerns of members, depositors, shareholders, and the public at large, arising from the aforementioned action of the FSA.

The action taken by the FSA was based on concerns about the financial soundness and corporate governance of the Association, and for **the purpose of protecting the interests of shareholders, members and depositors, as well as the public in general**. FSA is committed to ensure that the Association remains financially sound and a viable and important institution for the Vincentian community. The FSA acted pursuant to its regulatory powers, which are enshrined in the law under section 8 (1) (d) of the Financial Services Authority Act, Act No. 33 of 2011.

The FSA is a governmental statutory agency, however, **it is an independent agency** governed by the Financial Services Authority Act 2011, Act No.33 of 2011, which sets out its functions and powers. It is responsible for regulating and supervising all institutions within its jurisdiction, including the Association, in accordance with the law and international best practices. **The objective of the FSA in assuming management and control of the Association is to safeguard the Association’s financial stability and future sustainable growth**. The FSA is already working with the staff of the Association to stabilize and strengthen the organization.

A Special Meeting of the Shareholders of the Association will be convened to address Shareholders’ concerns and to report to the membership the actions taken and being taken by the FSA. An Annual General Meeting (AGM) will take

place subsequently to this meeting as soon as Audited Financial Statements are ready for presentation to the AGM. The FSA will announce the dates of these events in the near future.

The FSA would like to emphasize that its management of the Association **is not a permanent arrangement**. The FSA is working to meet its targets within the shortest possible time, although is prepared to remain in this capacity for as long as needed to ensure the intended results. It has to be pointed out that the FSA is exercising control and the management of the Association, but the **Association ownership remains, and will remain, with its members**.

It is important for Members, Shareholders, and Depositors to know that the FSA's approach is **"business as usual"**. The Rules of the Association are to be followed; however, we are reviewing all policies and procedures in order to enhance the efficiency and effectiveness of the Associations' operations aiming at achieving an overall betterment of the institution. All work and decisions by the FSA are being taken in a transparent manner and will be presented to Shareholders at the appropriate forum (AGM and/or Special Meeting).

As the FSA is an independent statutory body, as mentioned above, the Central Government has no access to funds of the Association to finance its operations or for any other purpose. On the contrary, the Central Government may be a valuable source of financial resources to the Association if needed.

The FSA wishes to reiterate its appeal for calm and reasoned judgment on the part of all relevant parties at this time and to emphasize that reacting in panic to withdraw monies and close accounts is **NOT** helping the institution. On the contrary, the Association would be considerably weakened if funds were hastily withdrawn. It is in everyone's interests to strengthen the Association and safeguard its future.

In these circumstances, the Association needs the cooperation and support of all members, depositors and shareholders, and the **FSA asks all parties to help us to help the Association**. The FSA is only asking for patience and understanding throughout this process. We can more effectively do the job of stabilizing and strengthening the Association if at this time you all share with us our confidence in this long standing, iconic indigenous institution, and the process that has been undertaken to strengthen it and promote its future sustainability.

*Submitted by and on behalf of:*

**Financial Services Authority**

Press Release No. 4 (*Following Statements/Press Releases No. 1, dated January 25<sup>th</sup> 2013; No. 2, dated January 29<sup>th</sup> 2013; and No.3, dated February 1<sup>st</sup> 2013*).