



FINANCIAL SERVICES AUTHORITY
SAINT VINCENT & THE GRENADINES

PRESS RELEASE No. 7
April 17, 2013

The FSA convened a **Town-hall Meeting on Thursday April 11th, 2013**, to engage Members of the St. Vincent Building and Loan Association (the Association) in relevant discussions pertaining to the Association. This invitation was limited to the members of the Association. Members of the Press and other distinguished members of the community were not invited, unless they were members of the Association, in keeping with the normal practice for Members' meetings.

The objectives of the meeting were for the FSA to **inform members about the status of the Association**, including: immediate corrective actions taken, presentation of the outline of a Turnaround Plan for the Association being implemented, as well as to facilitate a frank and open exchange with members to clarify doubts, to answer concerns, and fundamentally, to listen to comments and suggestions.

The FSA was represented by its **Board of Directors and management** and the meeting took the form of a **presentation** by FSA management and thereafter, a **question and answer session**. The meeting was led by an independent moderator and a panel comprising the FSA's Chairman, Executive Director and Deputy Executive Director, who is the present CEO (Ag) of the Association.

195 Association members attended the meeting, 5 FSA directors, 11 FSA staff members, and 10 employees of the Association, making a total attendance of 221 persons at the Peace Memorial Hall.

As encouraged by the opening remarks of the Chairman of the FSA, the topics discussed touched briefly on the past, reviewed summarily the present, but focused primarily on the future of the Association. The objectives of the meeting outlined above were fulfilled and detailed information on progress to date was shared. This included addressing matters relating to **corporate governance, liquidity, non-performing loans and accounting, IT and internal control systems**. Key specific objectives of the Association's Turnaround Plan were presented, the fundamental objective being ***to stabilize the Association ensuring minimum operational levels of liquidity and solvency, correct major deficiencies and gradually transfer back to the members the control and management of the Association***. The FSA also assured Members that any potential liabilities which are identified would be pursued to the full extent of the law.

The meeting was **cordial with many fruitful exchanges**. An atmosphere of support and empathy for the common cause was palpable throughout the event, which lasted more than 3 hours. Some questions were asked about the specific situations of some members' business with the Association, however, most comments recognized and supported the work being done by the FSA, and many suggestions, proposals, and recommendations were made by members regarding the future of the Association.

The FSA is very appreciative of the expressions of overwhelming support by members, and wishes to emphasize the **need to translate this support into concrete actions**, that will enable the Association to return to a normal state of operations, and to face the future with 'realistic optimism' from a stronger institutional platform.

At the meeting, the FSA emphasized that a **core problem** facing the Association is the volume of withdrawal notices of deposits, redemption of shares, and the apparent slow down in loan payments. Such actions are not conducive to the achievement of the fundamental objective of strengthening the Association and are adding more difficulty to an already complex situation. The FSA stressed that it is imperative that those members **reflect and reverse their decisions to withdraw funds** in reaction to the present situation. Bearing in mind the **co-operative type structure** of the Association, **only such a collective approach would determine the survival and sustainability of the Association, and the return to normal business operations**. In particular, the FSA's Chairman strongly emphasized that Members had ultimate responsibility for the survival of the Association and had a critical role to play as retracting notices of withdrawals is in fact the most effective way of helping the Association to return to normalcy. As the FSA Chairman further indicated, the only withdrawals which would help the Association are the **'withdrawals of withdrawal notices.'**

The FSA **undertook to keep Members informed** and to convene other meetings, as necessary, including the next to discuss proposed changes to the Rules of Association.

The FSA wishes to extend **sincerest thanks and appreciation for the support and recommendations received from Members** as it goes about achieving its primary objective of restoring stability, efficiency, profitability and solvency of the Association.

Submitted by and on behalf of:

Financial Services Authority

(Following Statements/Press Releases No. 1, dated January 25th 2013; No. 2, dated January 29th 2013; No. 3, dated February 1st 2013; and No. 4, dated February 6th 2013; No. 5 dated February 13th, 2013; No. 6 dated March 1st, 2013).