



FINANCIAL SERVICES AUTHORITY  
SAINT VINCENT & THE GRENADINES

**PRESS RELEASE No.6**  
**March 04, 2013**

**STATEMENT BY THE FSA**

The FSA remains committed and focused on its primary objective of restoring stability, efficiency, profitability and solvency of the St Vincent Building and Loan Association ("the Association"). We are pleased to report that **progress is being made** in assisting the Association to attain financial stability and a sound future.

The FSA's assessment prior to the intervention of the BLA is being confirmed by our findings. We have **already corrected some irregularities, and are in the process of correcting many more**. Our main focus and concern however, remains **the liquidity and solvency** of the Association.

We have received considerable support from members of the Association and the whole community, and we look forward to the continuing support in the future of the Association. Both prior to and after the intervention, some members have been requesting the withdrawals of deposits, the redemption of shares, and their loan payments have slowed down. **Such action has placed added strain on the Association.**

As a cooperative-type structure, the Association's interest supersedes individual interests of its members. **Members are encouraged to be part of the solution** to the problem by supporting the collective interests of the Association rather than engaging in any self serving approach which harms the Association and its peer members. The FSA is obliged to protect the interests of all members and not just a few.

The FSA now has **no option** but to try to put a stop to this continuous outflow of funds and requests for funds, and feels obliged to take firm decisions in order to stabilize the Association as soon as possible. The FSA is engaging major local, regional, and international institutions to provide financial support but we must be able to demonstrate that members and the local community overwhelmingly support these efforts.

The FSA has therefore been left with **no alternative but to revise and modify some Rules of the Association** in order to limit the damage that it is being caused by a

continued run on the organization due to an excessive demand for funds. With this in mind, we have been obliged to take some firm decisions regarding the policies and procedures guiding the granting of loans, withdrawals of deposits, and redemption of shares. We are aware that inconveniences will be caused to members, but we strongly feel that such efforts and sacrifices are worthy in our quest to benefit all members.

**The FSA wishes to emphasize that these measures are temporary** and will be reviewed and revised from time to time. Details of same are posted on the Association's website and within the offices of the Association. **We remain at the disposal of the members of the Association in order to answer your questions** and hope that you will understand that responsible management means having to act in accordance with the seriousness of the circumstances and to address those circumstances in a prudent and productive manner.

Regardless of all the difficulties, the FSA strongly believes in the important role of the Association in the Vincentian community and will not spare resources or efforts in trying to restore it for the benefit of the members and the community as a whole. We believe that ensuring the survival of the Association should not just be the objective of the FSA but a **national objective, one that every Vincentian citizen holds dear.**

*Submitted by and on behalf of:*

## **Financial Services Authority**

Press Release No. 6 dated March 1<sup>st</sup>, 2013

*(Following Statements/Press Releases No. 1, dated January 25<sup>th</sup> 2013; No. 2, dated January 29<sup>th</sup> 2013; No.3, dated February 1<sup>st</sup> 2013; and No. 4, dated February 6<sup>th</sup> 2013; No.5 dated February13, 2013).*