

# ST VINCENT BUILDING & LOAN ASSOCIATION

## RECAPITALIZATION PLAN

### KEY CONSIDERATIONS OF RECAPITALIZATION PLAN

#### NEW MEMBERSHIP CATEGORIES

**Full Membership:** Member must own a minimum of 100 Permanent Shares of a nominal value of EC\$ 10 per each shares (total EC\$ 1,000). This membership provides access to all products and services and gives the right to vote at AGM, to nominate and to be nominated for Board directorship.

**Associate Membership:** To be achieved by paying a quarterly Membership Fee of EC\$ 100. This membership does not provide access to lending products nor voting or nomination rights. There is an incentive to partially apply membership fees paid to the purchase of permanent shares.

- **SHARES**

**Permanent Shares:** This is the only type of shares to be issued. They represent ownership with full political and economic rights.

**Redeemable Shares:** These are eliminated and would be replaced by a very similar product to function in the same way in principle. In fact, they were a “saving product” (interest bearing unrelated to the performance of the BLA), redeemable subject to a very short notice (30 days), and used as collateral for loans. For all intent and purposes these were treated as “cash deposits”. Nevertheless they provided full political rights. **There is a new range of savings products to be rolled out catered for the needs of members.**

#### SOURCES OF RECAPITALIZATION

##### **I. TOP-UP OF EXISTING PERMANENT SHAREHOLDINGS OF <100 SHARES (EC\$ 1,000) TO REACH THE NEW MINIMUM REQUIRED**

These members will top up PS for an amount equal to or greater than the deficit between the current shareholdings and the new minimum required. PS can be paid in cash or with debit to shareholders’ existing deposits.

##### **II. PARTIAL CONVERSION OF MATURED REDEEMABLE SHARES**

An amount of EC\$ 1,000 will be converted into Permanent Shares from the holdings of each account. If the holding is less than EC\$ 1,000, the member will be asked to make up the difference in cash or with existing deposits. If the holding is greater than EC\$ 1,000, the member will be credited the excess in a Deposit account.

##### **III. PARTIAL CONVERSION OF ACTIVE REDEEMABLE SHARES**

Shareholders of active Redeemable shares will be asked to convert EC\$ 1,000 from their holding into 100 Permanent Shares. If the holding is less than EC\$ 1,000, the member will be asked to make up the difference in cash or with existing deposits. If the holding is greater than EC\$ 1,000, the member will be credited the excess in a Deposit account.

**IV. CONVERSION OF DELINQUENT REDEEMABLE SHARES**

These accounts are delinquent, as payments have not been made for six (6) months or more. An amount of EC\$ 1,000 from each of these accounts will be converted into Permanent Shares. If there is a shortfall between the actual member holding and the EC\$ 1,000 minimum, the member will be asked to make up the difference in cash or by debit to any deposit account he may hold. If the holding is greater than EC\$1,000, the member will be credited the excess in a Deposit account.

**V. REGULAR SAVINGS DEPOSIT ACCOUNTS**

No conversion will be requested from these members, but in order to continue maintaining their membership and to hold their Savings Account they will have to: a) buy the minimum of Permanent Shares, or b) pay the quarterly Membership fee.

**VI. SPECIAL DEPOSIT ACCOUNTS – SEGMENT 1 – BALANCES >EC\$ 5,000 <EC\$100,000**

An amount of 2.5% or \$1,000.00 of the Special Deposit account balance will be converted into Permanent Shares (whichever is greater), and the excess balances will be credited to Fixed Term Time Deposits.

**VII. SPECIAL DEPOSIT ACCOUNTS – SEGMENT 2 – BALANCES >EC\$ 100,000 <EC\$500,000**

An amount equal to 5% of the Special Deposit account balance will be converted into Permanent Shares, and the excess balances will be credited to Fixed Term Time Deposits.

**VIII. SPECIAL DEPOSIT ACCOUNTS – SEGMENT 3 – BALANCES >EC\$ 500,000**

An amount equal to 10% of the Special Deposit account balance will be converted into Permanent Shares, and the excess balances will be credited to Fixed Term Time Deposits.