



SUMMARY OF FINANCIAL PERFORMANCE

Dear Shareholders,

On behalf of the Board of Directors, I present this review of the performance of Bank of St. Vincent and the Grenadines Ltd. for the first half of 2026.

As we reflect on the six-month period under review, we do so at a significant stage in the Bank's ongoing development. This period represents an important phase of evolution as the Bank continues to strengthen its operations, adapt to an ever-changing financial environment, and remain focused on meeting the needs of its customers and other stakeholders.

Against a backdrop of evolving economic conditions, the Bank maintained its emphasis on sound governance, prudent risk management, and sustainable growth. While the Bank recorded positive contributions across several areas of operations, overall results were affected by developments within portions of the asset portfolio, which necessitated a more cautious assessment of the impact of the increased credit risk during the period.

The financial performance for the first six months of the year was adversely affected by the recognition of additional credit related provisions. Consequently, the Group recorded a loss before tax of \$15.0 million for the six months ended June 30, 2026, compared with a profit before tax of \$25.9 million for the corresponding period ended June 30, 2025. Notwithstanding the impact of the additional provisions on the half-year results, the Bank continues to record improvement in several key financial indicators. These are highlighted below:

Financial Performance Highlights

- Net interest income increased by 5.8% to \$41.9 million, mainly driven by higher growth in consumer and temporary overdraft facilities,

combined with growth in the investment portfolio.

- Despite a 7.2% increase in the deposit base, interest expense was carefully managed at \$12.1 million, enabling the Bank to maintain its cost of funding at 1.2%.
- Non-interest income decreased by 15.5% to \$16.0 million. Growth in transactional activity provided modest support to fee-based revenue during the period; however, this was offset by a one-time loss of \$1.4 million on a Trinidad and Tobago (TTD) transaction undertaken to support local traders and reflects the Bank's broader commitment to facilitating economic activity within the business community.
- Credit quality remained sound, with non-performing exposures reduced to \$37.5 million or 3.4% of the total portfolio and a total provision coverage of 222.4%. An amount of \$0.689 million in recoveries was realized through improved credit administration.

Balance Sheet and Capital Strength

- The Group's balance sheet grew by 2.2% over December 2025 and 5.0% over June 2025, reaching \$2.3 billion as at mid-year 2026.
- Customer deposits increased to \$2.0 billion, with efforts to deepen engagement across both physical branches and digital channels, reflecting the relevance of our product suite.
- Cross sell and up sell opportunities remain a clear driver for deposit growth and retention.
- Net loans and advances stood at \$1.0 billion, growing by 9.5% from the previous period due to increase in consumer lending and short-term overdraft facilities.
- Investment securities increased substantially to \$775.5 million, a 23.0% year-on-year increase, as

excess liquidity was strategically redeployed into higher-yielding assets.

- The capital adequacy ratio ended at 19.5%, well above regulatory thresholds. This reflects prudent provisioning and the distribution of \$19.9 million in dividend.
- While liquidity has tightened at 20.1% due to the deployment of funds towards interest earning assets, the Bank remains safe, sound and compliant with all regulatory requirements.

The Board and Management continue to closely monitor portfolio performance and broader market conditions to ensure that risks are appropriately managed and addressed in a timely manner. The Bank remains focused on maintaining a strong balance sheet, preserving financial stability, and supporting its customers and stakeholders.

The Board remains committed to providing effective oversight and strategic direction while supporting initiatives that enhance the Bank's long-term stability and performance. We are encouraged by the progress made during the period and remain focused on the opportunities and challenges that lie ahead in the second half of 2026.

Strategic and Operational Progress

Since 2024, our strategic pillars have guided the Bank's execution and growth agenda. The achievement of key milestones and proactive adaptation to emerging challenges and opportunities continue to drive resilience and sustainable value creation.

- Our dedication to delivering value and achieving operational excellence centers on maintaining high customer satisfaction. We utilize our annual Customer Satisfaction survey to benchmark our ability to attract, retain, and serve our client base. In 2026, operational sentiment faced headwinds due to persistent friction with our online services; consequently, customer satisfaction declined to 9.0%, down from 53.0% in 2025.
- The importance of our purpose, vision, and mission is evident in the value we create for our stakeholders including employees, customers, shareholders and regulators. Engagements through results presentations and the annual shareholders meeting were conducted.

Community Engagement and Diaspora Relations

- The Bank remains committed to building an inclusive and thriving economy through supporting initiatives that will have a positive and lasting impact on our society. The Bank continued to focus on education, socio-economic development, job creation, and financial literacy. Through these efforts, we strive to integrate previously marginalized individuals into economic activities, fostering inclusivity and sustainable growth.
- To deepen our international reach and maintain strong connections with nationals abroad, we partnered with Invest SVG to conduct outreach activities in the United Kingdom, Canada, BVI and the United States. These sessions provided opportunities for diaspora engagement, customer onboarding, and brand reinforcement.
- The Bank continued to advance Youth Development through the sponsorship of key culture and sports initiatives.

Staff Engagement and Culture

Staff engagement remained a fundamental pillar of our operational and strategic progress during the review period. In March 2026, the Bank hosted its Annual Staff Rally and Awards Ceremony, which provided an opportunity to celebrate outstanding performance, reinforce our shared values, and foster a deeper sense of unity and motivation across the organization.

As we build a bank for the future, we are equally committed to building a workforce that is skilled, engaged, and empowered. Employees are central to everything we do, and we continue to invest in leadership development, talent management, and capability building. Furthermore, we are fostering a culture of performance, accountability, and innovation, one that encourages our people to think differently, act boldly, and deliver excellence.

Our commitment to employee development and inclusion is further demonstrated through the introduction of employee roundtable discussions and the establishment of a Fiftieth Anniversary Committee, which provide opportunities for staff engagement, collaboration, and participation in shaping the Bank's future.

contributions have been instrumental in advancing our transformation journey. We appreciate the strategic guidance of our Board and the constructive partnership of our regulators and key stakeholders.

Leadership and Governance

In the first half of 2026, key leadership changes and appointments have been made to accelerate performance and drive accountability. Our Board and executive committees continue to provide robust oversight, ensuring we operate with integrity, transparency, and discipline. We continue to assess and strengthen our governance structures, and will further enhance these structures through targeted training. We extend our sincere thanks to the outgoing directors for their dedication and significant contributions, which have laid a solid foundation for this next phase of growth. Supported by the guidance and oversight of our newly appointed Directors, the Bank is well positioned to build on its progress, capitalize on emerging opportunities, and achieve its long-term strategic objectives.



Judith Veira
Chairman

Looking Ahead

As we look ahead to the rest of 2026, we do so with a clear sense of purpose and a strong commitment to executing our strategic priorities. We are entering a critical phase where disciplined execution and consistent delivery will be essential to maintaining stability, preserving capital, growing revenue and managing costs responsibly. At the same time, we will remain agile and responsive to evolving external conditions, enabling us to navigate uncertainty while capitalizing on emerging opportunities. We expect 2026 to remain challenging as we make these changes and sharpen our focus on operational stability and value creation with the intent to create a stronger foundation that positions us for sustainable growth and success in 2027.

Appreciation

We recognize that our progress would not have been possible without the continued support and confidence of our stakeholders.

We extend our sincere gratitude to our customers for their trust and loyalty. We also acknowledge the dedication, resilience and hard work of our employees, whose

BANK OF ST. VINCENT & THE GRENADINES LTD.
Interim Consolidated Statement of Financial Position
As at June 30, 2026

(in thousands of Eastern Caribbean dollars)

	(Unaudited) Jun 30 2026 \$	(Audited) Dec 31 2025 \$	(Unaudited) Jun 30 2025 \$
Assets			
Cash and balances with Eastern Caribbean Central Bank	246,789	215,233	225,673
Deposits with other banks	96,746	197,218	263,711
Investment securities	775,535	768,933	628,573
Loans & Advances to customers	1,031,827	957,682	942,883
Other assets	75,824	38,498	51,981
Investment properties	2,262	2,262	2,262
Intangible assets	5,224	5,224	5,724
Property and equipment	63,256	64,088	64,687
Corporation tax refundable	1,274	-	-
Deferred tax asset	4,280	4,280	5,894
Total Assets	2,303,017	2,253,418	2,191,388
Liabilities			
Deposits due to banks	14,498	17,993	17,817
Due to customers	2,001,423	1,946,446	1,866,610
Corporation tax payable	-	990	4,154
Provisions and other liabilities	101,466	65,943	100,424
Borrowings	6,697	7,120	8,008
Total Liabilities	2,124,084	2,038,492	1,997,013
Equity			
Share capital	20,753	20,753	20,753
Statutory reserves	20,753	20,753	20,753
General provision reserve	15,293	15,293	11,298
Fair value through OCI reserve	20,472	21,483	19,071
Retained earnings	101,662	136,644	122,500
Total Equity	178,933	214,926	194,375
Total Liabilities and Equity	2,303,017	2,253,418	2,191,388

BANK OF ST. VINCENT AND THE GRENADINES LTD.
Interim Consolidated Statement of Changes in Equity
For the period ended June 30, 2026

(in thousands of Eastern Caribbean dollars)

	Share Capital \$	Statutory Reserves \$	General Provision Reserves \$	Fair value through OCI Reserve \$	Retained Earnings \$	Total \$
Balance at January 1, 2025	20,753	20,753	11,298	19,088	118,241	190,135
Profit for the period	-	-	-	-	39,948	39,948
Change in fair value of FVOCI investments	-	-	-	2,395	-	2,395
Transfer to general reserves	-	-	3,995	-	(3,995)	-
Dividend paid	-	-	-	-	(17,550)	(17,550)
Balance at December 31, 2025	20,753	20,753	15,293	21,483	136,644	214,926
Balance at January 1, 2026	20,753	20,753	15,293	21,483	136,644	214,926
Loss for the period	-	-	-	-	(15,033)	(15,033)
Change in fair value of FVOCI investments	-	-	-	(1,011)	-	(1,011)
Dividend paid	-	-	-	-	(19,949)	(19,949)
At June 30, 2026	20,753	20,753	15,293	20,472	101,662	178,933

BANK OF ST. VINCENT AND THE GRENADINES LTD.
Interim Consolidated Statement of Income
For the period ended June 30, 2026

(in thousands of Eastern Caribbean dollars)

	(Unaudited) Jun 30 2026 \$	(Audited) Dec 31 2025 \$	(Unaudited) Jun 30 2025 \$
Interest income	54,053	104,065	50,944
Interest expense	(12,105)	(22,906)	(11,291)
Net interest income	41,948	81,159	39,653
Fee, commission and other income	16,005	29,842	18,945
Dividend income	1,037	663	239
Net gains from financial instruments at FVTPL	2,415	2,324	1,471
Operating income	61,405	113,988	60,308
Allowances for credit losses on financial assets	(42,279)	(1,877)	(2,125)
Operating expenses	(34,159)	(63,185)	(32,220)
(Loss)/Profit before income tax	(15,033)	48,926	25,963
Income tax expense	-	(8,978)	(4,154)
(Loss)/Profit for the period	(15,033)	39,948	21,809
Basic and diluted (Loss) /earnings per share	(1.00)	2.66	1.45

BANK OF ST. VINCENT AND THE GRENADINES LTD.
Interim Consolidated Statement of Cash Flows
For the period ended June 30, 2026

(in thousands of Eastern Caribbean dollars)

	(Unaudited) 6mths to Jun 30 2026 \$	(Audited) 12mths to Dec 31 2025 \$	(Unaudited) 6mths to Jun 30 2025 \$
Cash flows from operating activities	66	190,446	132,744
Cash flows used in investing activities	(77,666)	(123,968)	(73,169)
Cash flows used in financing activities	(20,411)	(19,484)	(18,604)
Net (increase)/decrease in cash and cash equivalents	(98,011)	46,994	(40,971)
Cash and cash equivalents at beginning of the period	372,148	325,154	270,256
Cash and cash equivalents at end of the period	274,137	372,148	311,227

Note 1

These interim consolidated financial statements are prepared in accordance with the criteria developed by management. Under management's established criteria, management discloses the interim consolidated statement of financial position, interim consolidated statement of income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows. These interim consolidated financial statements are derived from the consolidated financial statements of Bank of St. Vincent and the Grenadines Ltd. for the period ended June 30, 2026, which are prepared in accordance with International Financial Reporting Standards (IFRSs). The accounting policies that we applied for these interim consolidated financial statements are consistent with those described on pages 50 to 77 of the Annual Report and Accounts 2025, as are the method of computation.