FINANCIAL SERVICES REGULATORY AUTHORITY

SAINT LUCIA

FINANCIAL SERVICES REGULATORY AUTHORITY

ANNUAL REPORT 2024/2025



www.fsrastlucia.org

Vision & **Mission**

V.

"To be a regulator of excellence promoting the growth and development of the Financial Services Sector of Saint Lucia"

M.

"To maintain the integrity and stability of Saint Lucia's financial sector through the efficient and effective administration of the laws and regulations and the application of international best practices and standards."

Core **Values**

INTEGRITY 1

The Financial Services Regulatory Authority is committed to the embodiment of honesty, fairness, trustworthiness and consistent adherence to high moral principles in its dealings with stakeholders.
The Financial Services Regulatory Authority is committed to being forthright, honest, ethical and consistent in its dealings with stakeholders.

SAFETY AND SECURITY 2

Financial services safety and security refers to our responsibility to safeguard customers' financial assets and information. It involves effectively supervising the financial sector as well as ensuring that regulated entities comply with relevant laws and regulations.
We are committed to the ongoing review of our customers' financial soundness, and creating an environment which facilitates stakeholder engagements and legislative enhancements.

EFFICIENCY 3

Efficiency is the life blood of all our operations. We value the time and effort of our employees, clients, and other key stakeholders. As such, we commit to the continuous improvement of our core business processes and systems. We will leverage technology and innovation as key drivers in our quest for meeting or exceeding service standards.

TRANSPARENCY 4

It is our firmly held view that disclosing the discharge of public resources is essential in promoting trust of the FSRA. The FSRA is committed to articulating and documenting key decision-making processes at all levels of the organisation and providing for the retention of critical records for a reasonable time frame that will allow for organisational review and improvement in the future.

PROFESSIONALISM 5

As significant regulators we are committed to providing dedicated and competent service to our clients, employees and key stakeholders. We will endeavour to adopt best practices and standards that promote a professional disposition on the part of the FSRA.

ACCOUNTABILITY 6

The FSRA is accountable to our clients, employees, the government and other external stakeholders. As accountability is crucial to our success, we will articulate performance expectations and results, train and empower our organizational leaders to make effective decisions, install the systems, checks and balances that nurture accountable behavior, and reward success.

COLLABORATION 7

We believe in the power of working together to achieve shared objectives. We will listen actively, communicate clearly and respectfully, and be supportive of our internal and external stakeholders. From time to time, where the opportunity presents itself, we will collaborate to co-create tools, instruments, and/or information that is mutually beneficial to both parties.

Section 14 of the Financial Services Regulatory Authority Act, Cap 12.23 of the revised laws of Saint Lucia also states core guiding principles that the Authority must commit to as follows:

- Reduction of the risk to the public of financial loss due to dishonesty, incompetence or malpractice by or through the imprudence of persons carrying on the business of financial services in or from within Saint Lucia;
- Protection and enhancement of the reputation and integrity of Saint Lucia in financial matters;
- Upholding the best economic and social interests of Saint Lucia;
- The need to counter financial crime both in Saint Lucia and elsewhere;
- The protection and fair treatment for consumers;
- Stable and secure financial markets;
- Competitive and innovative financial markets (including a choice of organizational options);
- Proportionate, risk-based regulation;
- Prudential supervision and enforcement;
- Management responsibilities (including the maintenance of adequate financial and managerial resources); and
- The application of ethical conduct at all levels of thee regulated entity.

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Board of **Directors**



Philip Dalsou

CHAIRMAN



Trevor Brathwaite

DEPUTY CHAIRMAN



Francis Fontenelle

DIRECTOR

Permanent Secretary
Ministry of Finance



Felicia ELIE

ALTERNATE DIRECTOR

to the Permanent Secretary
Ministry of Finance -
Acting Comptroller IRD



Paul Thompson

DIRECTOR

Executive Director,
Financial Intelligence
Authority



Adria Rose Sonson

DIRECTOR



Mary Popo

DIRECTOR





...Promoting the growth and development of the Financial Services Sector of Saint Lucia begins with Good Governance...



Board of **Directors**
-Key Highlights

NUMBER OF MEETINGS AND ATTENDANCE

Section 16 (1) of the Financial Services Regulatory Authority Act, Cap 12.23 states that "The Board shall meet monthly as far as practicable and at such other times as may be necessary or expedient for the transaction of business and in any event not less than 6 times per year and the meetings of the Board must be held at such places as the Chairperson shall determine."

12 Board Meetings were held during the period under review as per the graph below:

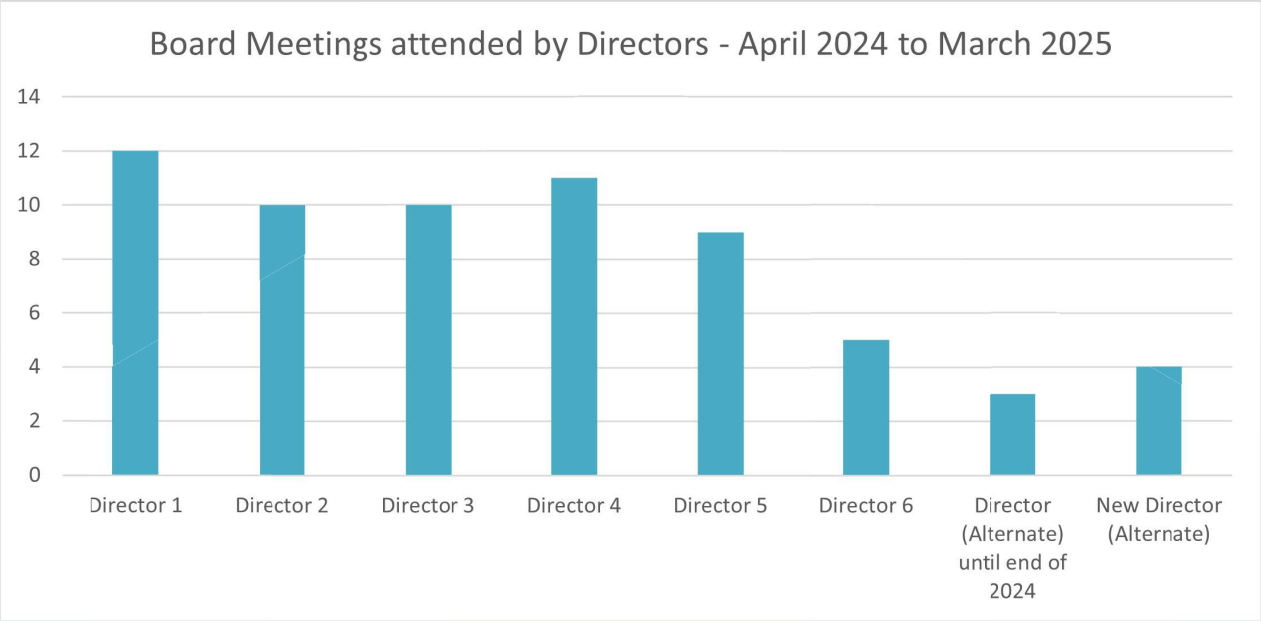


Figure 1: Board Meeting Attended by Directors (Dir) - April 2023 to March 2024

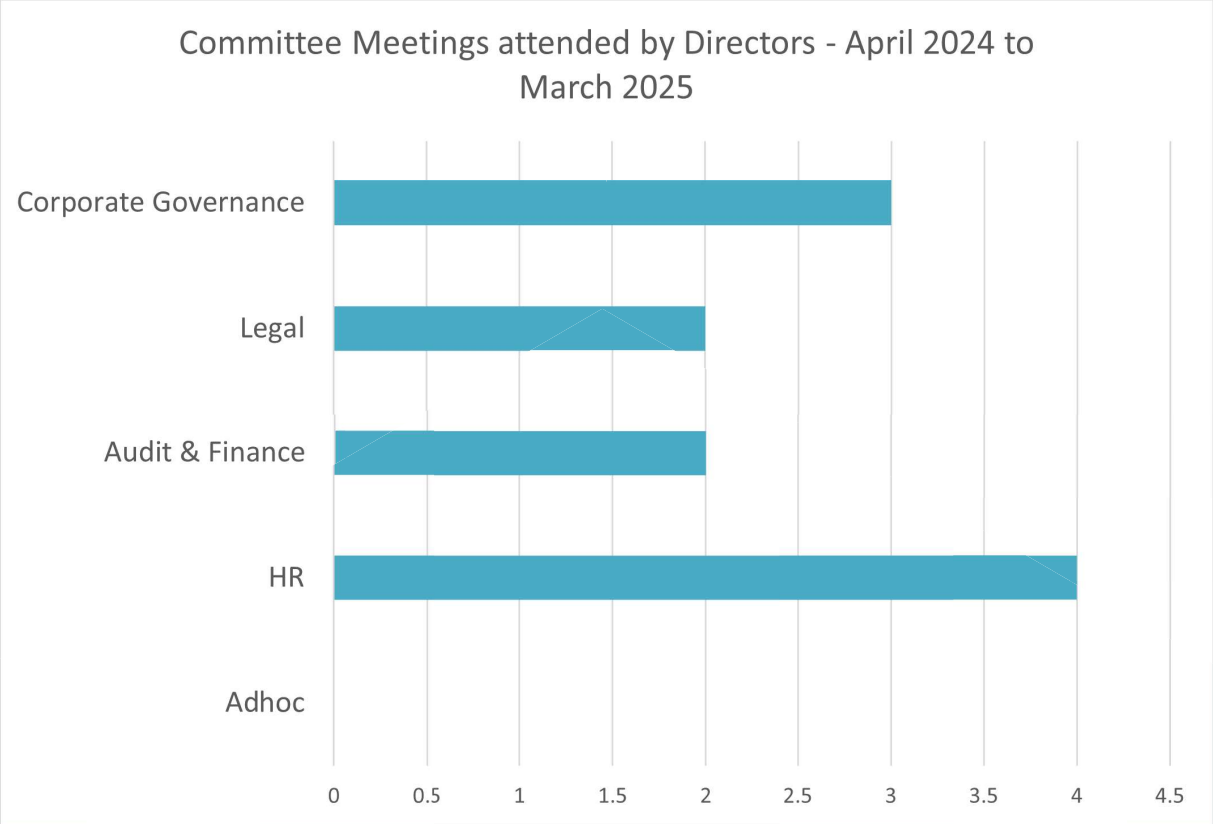
COMMITTEES

Directors	Finance and Audit	Human Resource	Corporate Governance	Legal	Ad Hoc
Adria Sonson	√	√			√
Philip Dalsou		√			
Paul Thompson **(Director, Financial Intelligence Agency)**				√	√
Mary Popo		√	√		
Francis Fontenelle **(Permanent Secretary, Ministry of Finance)**			√	√	
Trevor Brathwaite **(ECCB designate)**	√		√	√	√

Table 1: Committee members as per resolution of September 22, 2022 and Board Minutes of December 8, 2023.

Board of **Directors**

-Key Highlights



-**FINANCE AND AUDIT COMMITTEE:** The purpose of the Finance and Audit Committee is to support the Board in meeting its duties and oversight obligations concerning financial planning, the audit process, financial reporting, corporate controls, and risk management. Additionally, when necessary, the committee is tasked with presenting recommendations to the entire Board.

-**HUMAN RESOURCES COMMITTEE:** The purpose of the Human Resources Committee is to assist and advise the Board on matters that have been delegated to the Committee; review and make recommendations to the Board on matters that have been delegated to the Committee; present recommendations to the Board of Directors for approval.

-**CORPORATE GOVERNANCE COMMITTEE:** The purpose of the Corporate Governance Committee is to (i) assist, review, advise and make recommendations to the Board on matters that have been delegated to the Committee; (ii) ensure that there is a robust and effective process in place (systems, processes, resources and accountabilities) to enable good governance of the Financial Services Regulatory Authority (FSRA/ Authority); (ii) ensure that there is an effective process for evaluating the performance of the Board, Board Committees and individual directors for greater effectiveness; (iv) review environmental and social governance issues of the Authority and make recommendations to the Board.

-**LEGAL COMMITTEE:** The purpose of the Legal Committee is to provide legal expertise to the Board and provide recommendations on legal issues as required. Keep members informed about pertinent legal advancements, including potential international conventions, encompassing areas such as civil liability, insurance, corporate social responsibility, and related subjects.

-**AD HOC COMMITTEE:** The Ad hoc Committee is a temporary committee created to address a particular issue referred by the Board that does not fall within the purview of any other committees established by the Board.

Management **Team**



Nathalie Dusauzay

EXECUTIVE DIRECTOR



Hubert Deligny

DEPUTY EXECUTIVE DIRECTOR



Hemish Lesmond

CORPORATE SECRETARY – LEGAL OFFICER

Management **Team**



Sancha Victor

MANAGER INTERNATIONAL FINANCIAL SERVICES AND NBFIS



Cuby King

MANAGER INSURANCE AND PENSION FUND PLANS SECTOR



Shemedia Gajadhar

ADMINISTRATIVE MANAGER



Hannah Mc Donald

SUPERVISOR NBFIS



Shelevon Louis

SUPERVISOR INTERNATIONAL FINANCIAL SERVICES



Crystal Martyr

SUPERVISOR INSURANCE AND PENSION FUND PLANS SECTOR

New Team **Members**



Embert St Juste

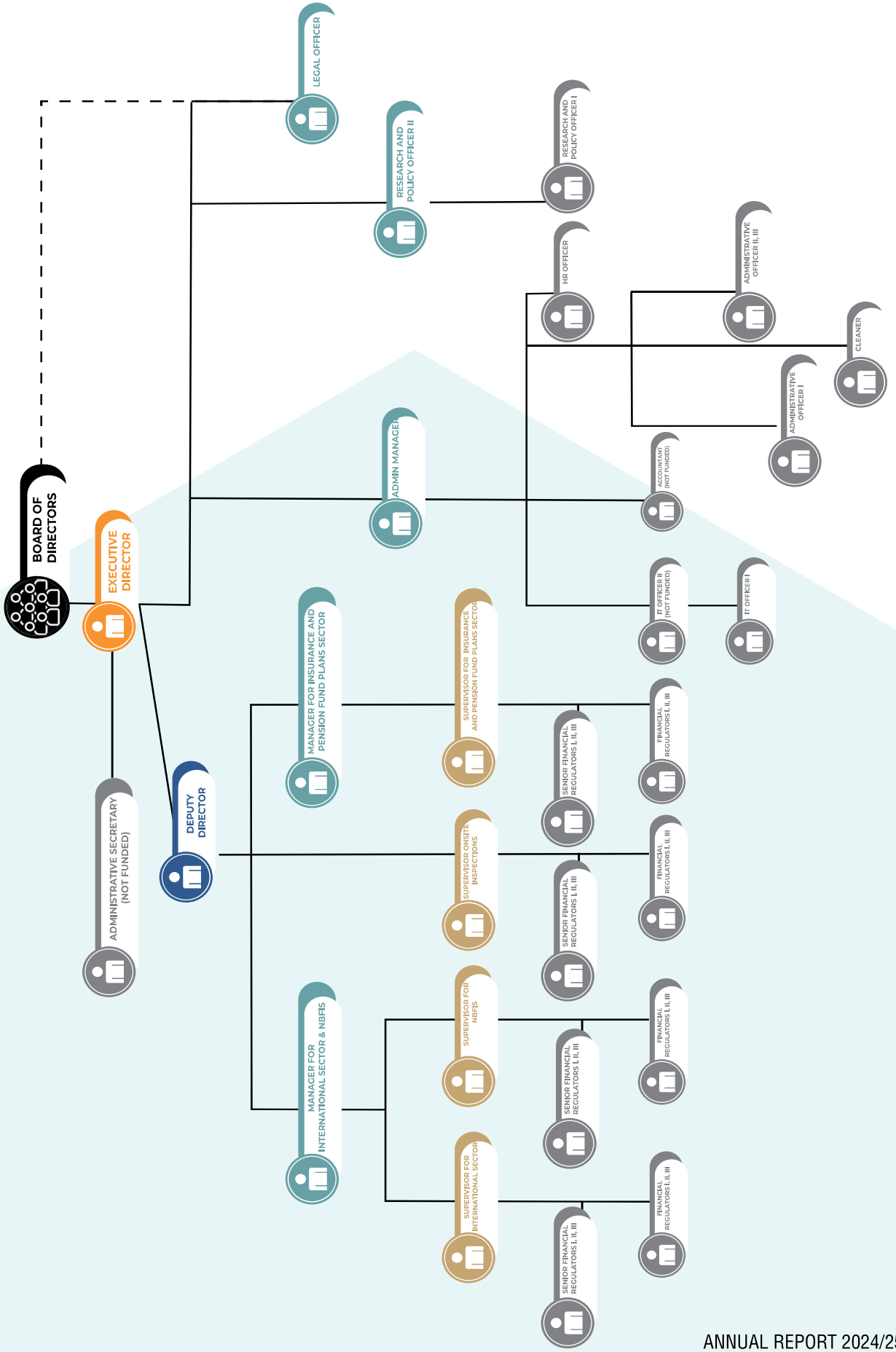
RESEARCH AND POLICY OFFICER



Stacey Julien

HUMAN RESOURCE OFFICER

Organizational Chart



Staff Members

Insurance and Pension Fund Plans Unit



Top L-R: Cuby King, Kerline Sylvester, Edmona James, Ruan Branch, Crystal Martyr, Travis Deterville
Bottom L-R: Kerea Joseph, Jeannique Gaillard, Hubert Deligny, Nadell George, Jamica Francis

International Financial Sector & NBFIs Unit



Top L-R: Sancha Gervais-Victor, Kirby Auguste, Malauge Vitalis, Shelanco Frederick, Kurthny Shoulette
Bottom L-R: Hannah Mc Donald, Gillan Dore, Hubert Deligny, Giovanni Saltibus, Cody Mohamed, Nina William

Staff Members

Onsite Inspection Unit



L-R: Cody Mohamed, Hubert Deligny, Sancha Gervais-Victor, Gillan Dore, Cuby King

Administrative Unit



L-R: Cornelia Francis, Shemedia Gajadhar, Tyller Jules, Stacey Julien, Suzanne James, Elaina Naitram



10th Anniversary Symposium

The Path Forward: "Mitigating Risk, Preparedness, and Resilience"

Symposium Held on December 6, 2024

On behalf of the Financial Services Regulatory Authority (FSRA), I extend our heartfelt gratitude to all who contributed to making the symposium, **"The Path Forward: Mitigating Risk, Preparedness, and Resilience,"** a resounding success.

First and foremost, we would like to express our sincere thanks to the Honourable Prime Minister and Minister for Finance and his Ministry for their invaluable support in facilitating this important event. Their commitment to advancing discussions on the financial services sector in Saint Lucia has been instrumental.

A special note of appreciation goes to Mrs. Mary Popo, our Mistress of Ceremonies and esteemed Board Member of the FSRA, for her excellent guidance throughout today's proceedings. Your professionalism and grace have added a touch of brilliance to the event. We also extend our thanks to Father Albert Smith for his thoughtful invocation, setting a reflective tone at the start of our program.

We are deeply grateful to the Chairman of our Board of Directors, Mr. Philip Dalsou, for his inspiring opening remarks, and to all members of the FSRA Board who supported this initiative with their presence and insights.

A heartfelt thanks to the saxophonist from the Royal Saint Lucia Police Force Band for the moving rendition of our National Anthem. Your talent has truly set the stage for an enriching day.







To our distinguished moderators and panelists, we owe much of the symposium's success to your willingness to share your expertise and perspectives on critical topics such as climate-related financial risks, emerging technologies, credit union contributions, and AML/CFT compliance. Your insights have undoubtedly sparked meaningful conversations that will guide the financial services sector forward.

Behind the scenes, a dedicated team worked tirelessly to ensure this event was executed flawlessly. Our gratitude extends to everyone who provided logistical support—those responsible for the décor, sound system, videography, catering, emergency services from the Red Cross and St. Lucia Fire Service, and all the coordinators who handled the finer details of the symposium.

We would also like to acknowledge the vital contributions of our audience. Your active participation and engagement, along with the presence of representatives from financial entities, government agencies, and other stakeholders, have made this event truly impactful. Thank you for making time to be here with us today.

A special thanks to the FSRA's Symposium Committee, ably chaired by Mr. Embert St. Juste and deputized by Ms. Ruan Branch. Your vision and dedication in planning this event have been outstanding. To the FSRA Administrative Team and staff, we commend your hard work and commitment to ensuring that every detail, from start to finish, was thoughtfully executed.

Finally, to everyone—whether named or unnamed—who contributed in some way to the success of this symposium, we extend our deepest gratitude.

Thank You










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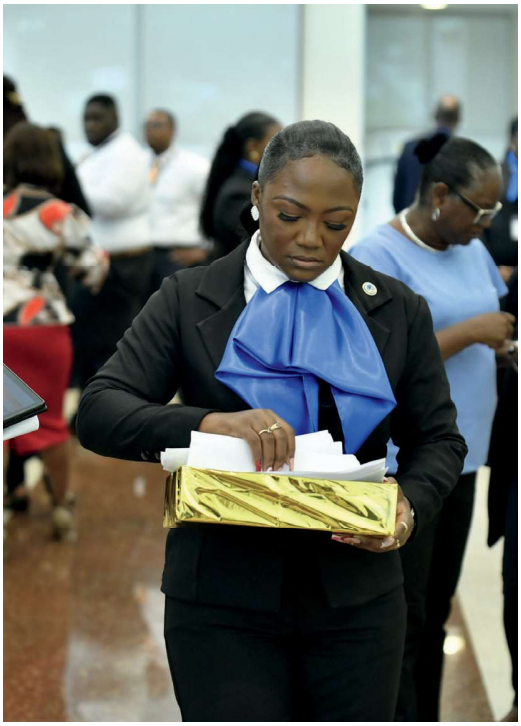

FINANCIAL
SERVICES
REGULATORY
AUTHORITY
10TH ANNIVERSARY
SYMPOSIUM
THEME:
THE PATH FORWARD: "MITIGATING
RISK, PREPAREDNES, AND RESILIENCE"




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INTRODUCTORY ADDRESS


INTRODUCTORY ADDRESS






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Chairman's Message



Philip Dalsou
Chairman

Dear Valued Stakeholders,

I am pleased to present the Financial Services Regulatory Authority Annual Report for 2024-2025. This year marks the final year of implementation of the FSRA's 2022-2025 Strategic Plan, and represented a year of regulatory transformation, resilience, and operational progress. In the context of global uncertainty, the FSRA remained steadfast in its mandate to preserve financial stability, enhance regulatory oversight, and safeguard consumers' interests. The Authority continued its strategic focus across four core pillars: Customer Value, Business Process, People and Culture, and Financial Resources.

This report focuses on the Authority's achievements of its core strategic priorities during the 2024-2025 period and key areas of priorities in the medium term. Our achievements for each pillar are listed below.

STRATEGIC PILLAR 1: CUSTOMER VALUE.
Major legislative milestones were achieved, most notably the enactment of the Cooperative Societies Act in September 2024, which will modernise the oversight of the credit union sector. The FSRA also developed new guidelines aligned with IFRS 17 and 9, Own Risk and Solvency Assessment (ORSA), and corporate governance standards. Public awareness initiatives— including warnings on pyramid schemes and a Financial Resilience Symposium — underscored FSRA's commitment to transparency and consumer protection.

Future Outlook and Goals

- Implementation of IFRS 17, Own Risk and Solvency Assessment (ORSA), and corporate governance standards;
- Extension of Asset Quality Reviews (AQRs) to include smaller credit unions and financial institutions;
- Strengthening regulation of digital financial services, with focus on forex trading and virtual assets;
- Ongoing efforts to improve climate- risk preparedness, including data gathering and stress testing;
- Enhanced prudential oversight of systemically important institutions and introduction of licensing frameworks for fintech providers.

STRATEGIC PILLAR 2: BUSINESS PROCESS
The FSRA formalised a dedicated Onsite Inspection Unit, enhancing its supervisory reach with scheduled and risk-based inspections. Efforts to implement a modern Management Information System (MIS) also progressed, setting the stage for more data-driven supervision.

STRATEGIC PILLAR 3: PEOPLE AND CULTURE
Internal capacity was bolstered through structured onboarding and targeted staff training in partnership with regional and international institutions (ECCB, CARTAC, World Bank). Training covered areas such as IFRS 17, climate risk, virtual assets, and risk-based supervision.

STRATEGIC PILLAR 4: FINANCIAL RESOURCES
The FSRA initiated a review of supervision fees to better align regulatory costs with sector risk. Work also continued on finalising the Virtual Assets Business Regulations, aiming to strengthen financial innovation while securing new revenue streams.

The insurance and credit union sectors showed robust growth in 2024 evidenced by increases in gross premiums for the insurance sector and strong growth in assets for credit unions. However, remittance inflows through money services businesses, declined while the international financial sector faced structural headwinds from global tax reforms and the increase in the corporate income tax.

Looking ahead, the FSRA will remain steadfast in advancing its strategic priorities for the period 2025/26 to 2027/28. Guided by our new three-year Strategic Plan, we will focus on strengthening trust across the financial sector. Our priorities include:

- **Enhancing stakeholder communication and engagement** through a structured communication strategy.
- **Improving regulatory enforcement and compliance monitoring** by refining our risk-based supervision.
- **Enhancing operational resilience** by modernizing our IT systems.
- **Modernizing legislation and guidelines** to align with international standards, while fostering innovation through initiatives such as a regulatory sandbox for fintech and emerging technologies.

Through these efforts, the FSRA is positioning itself as a proactive and trusted regulator, committed to financial stability, consumer protection, and sustainable sector growth.

On behalf of the Board of Directors, I commend the management and staff of the FSRA for their hard work and dedication in achieving the various outcomes in 2024 and I look forward to further achievements in the future. I also wish to thank our stakeholders, including the financial services sector and government agencies for their continued cooperation and collaboration in fulfilling the objectives of the FSRA.

I Thank you.

Philip Dalsou
Chairman of the Board of Directors
Financial Services Regulatory Authority

Executive Director's Report



Nathalie Dusauzay
Executive Director

This year marks the culmination of the Financial Services Regulatory Authority's (FSRA)'s 2022–2025 Strategic Plan —an era characterized by measurable advancement. As we conclude this strategic cycle, I am pleased to report on the significant milestones achieved over the past fiscal year, as well as the continuing evolution of Saint Lucia's financial sector.

Throughout the 2024–2025 fiscal year, the FSRA has remained focused on its core mandate: to strengthen regulatory oversight, promote financial stability, and protect the interests of consumers and stakeholders. These goals have taken on renewed importance in the face of evolving regional and global challenges, including heightened geopolitical tensions, shifting donor priorities, and the introduction of new foreign policy directives. Notably, certain projects were delayed or placed on hold, such as the development of the electronic money providers legislative framework, due to policy changes by the United States that affected USAID- funded initiatives. Despite these external constraints, we remained diligent in advancing our mandate across our four strategic pillars: Customer Value, Business Process, People and Culture, and Finance, to ensure that our regulatory posture remains agile, data-informed, and risk-responsive.

Strategic **Pillars**

01 Clients and Consumers (Customer Value)

In keeping with our client-centric approach, the FSRA advanced key legislative reforms to strengthen regulatory oversight and market discipline. Most notably, the enactment of the Cooperative Societies Act in September 2024 marked a major milestone in modernising the regulatory framework for credit unions, enabling greater alignment with international prudential standards and improved governance practices.

We also progressed the development and consultation of guidelines for IFRS 17, IFRS 9, Corporate Governance, and Own Risk and Solvency Assessment (ORSA), helping to elevate risk management and reporting across regulated sectors.

Recognising the importance of public awareness in ensuring market integrity, the FSRA undertook several outreach initiatives. In partnership with the Financial Intelligence Authority and the Department of Consumer Affairs, we issued joint public advisories addressing the rise of pyramid and Ponzi schemes in the Eastern Caribbean Currency Union (ECCU). Additionally, in December 2024, the FSRA hosted a well-attended Financial Resilience Symposium, providing a platform for dialogue among regulators, industry practitioners, and consumers on the risks and opportunities shaping the financial ecosystem and advancing consumer protection.

02 Operations (Business Process)

To enhance supervisory reach and operational efficiency, the FSRA formally launched a dedicated Onsite Inspection Unit. This team played a critical role in executing both scheduled and risk-based inspections across the financial sector, including credit unions, money service businesses, and international banks.

The continued implementation of our Risk-Based Supervision (RBS) was further solidified, with risk assessments shaping the prioritisation of supervisory activities. Meanwhile, efforts to establish a modern Management Information System (MIS) progressed in collaboration with the Public Service Modernisation Unit. The MIS will serve as a cornerstone of our digital transformation, allowing for more timely regulatory reporting, data-driven interventions, and enhanced compliance monitoring.

Strategic **Pillars**

03 Internal Capacity (People and Culture)

At the heart of the FSRA is a dedicated and professional team. During the year, the Authority strengthened its internal capacity through key staff appointments and the introduction of structured onboarding processes to enhance employee integration. In line with staff engagement efforts, further initiatives were implemented to support employee well-being and foster a positive work environment.

Our capacity-building initiatives remained robust, with FSRA staff participating in specialised training sessions covering IFRS 17, climate-related risk, risk-based supervision, corporate governance, and virtual asset regulation. These engagements, delivered in partnership with institutions such as the ECCB, World Bank, ICAEC, and CARTAC, positioned the FSRA to remain abreast of evolving regulatory and market developments.

04 Financial Resources

Ensuring financial sustainability remains a strategic imperative. Over the year, the FSRA advanced its review of supervision fee structures (of credit unions and insurance intermediaries) to better reflect the risk exposure and cost of oversight across different financial sectors. These revisions are expected to enhance the Authority's financial independence while maintaining fairness and transparency.

In parallel, the FSRA continued advocating for the passage of the Virtual Assets Business Regulations, a critical step in licensing and supervising digital financial service providers. These efforts aim not only to close regulatory gaps but to also broaden the FSRA's revenue streams as fintech adoption grows.

SECTORAL OVERVIEW

Domestic Insurance Sector

Saint Lucia's domestic insurance sector continued its positive trajectory in 2024, reflecting broad-based growth across key indicators. Total gross written premiums increased by $25.8 million over the previous year, reaching $320.1 million. This 9.2 percent growth was primarily driven by gains in both the general and long-term insurance segments, with general insurance contributing over 80 percent of the total increase.

Stability in the sector was supported by sound investment strategies and a high proportion of liquid and investment assets. The FSRA's dissemination of IFRS 17[1] guidance and the development of standardized reporting templates marked a significant step toward full implementation of IFRS 17 which will enhance transparency and comparability in the sector.

Operating profits totaled $17.4 million, underpinned by steady underwriting income and a robust reinsurance programme that served as the principal mechanism for managing risk. However, the sector experienced a marginal decline in capital and reserves, which remains an area for continued monitoring.

Credit Union Sector

The credit union sector exhibited continued growth and resilience in 2024, with increases in total membership, asset base, and capital levels. This performance was bolstered by the implementation of Asset Quality Reviews (AQRs), which provided a more comprehensive assessment of credit risk across institutions. The minimum permanent share capital requirements under the newly enacted Cooperative Societies Act, though not yet in force, further strengthened the capital adequacy framework, as several credit unions took the initiative to begin the process of implementing initiatives aimed at increasing their Permanent Share Capital base.

These regulatory reforms were complemented by enhanced stakeholder engagement, including training sessions and prudential meetings. Despite persistent challenges such as elevated delinquency levels in some institutions, improvements in provisioning and internal controls reflect growing maturity in risk governance practices.

Money Services Business (MSB) Sector

The MSB sector experienced notable shifts in 2024, with a 4.69 percent decline in remittance inflows to EC$161.13 million, reversing the modest growth recorded in 2023. Conversely, outflows rose to EC$26 million, reflecting evolving diaspora remittance patterns, particularly to the United States and "Other" territories.

The sector remains a critical channel for cross-border transactions and economic inclusion and these transactions warrant ongoing scrutiny. Although the FSRA is not the designated AML/CFT regulator, it remains actively engaged with licensees to encourage adherence to applicable standards and to support the overall integrity of the financial system.

International Financial Services Sector

The international sector continued to face structural challenges due to tax reforms and heightened compliance demands. The increase in corporate income tax on International Business Companies (IBCs) from 1 percent to 30 percent has had a discernible impact on new registrations, with several entities winding down operations or relocating.

In addition, ongoing de-risking by global correspondent banks has constrained the operating environment for international banks. These pressures underscore the FSRA's continued advocacy for proportionate AML/CFT frameworks and enhanced cooperation with international standard setters. The FSRA also remains actively engaged with regional counterparts in this regard, with a view to identifying sustainable solutions.

Despite these headwinds, the net decrease in international entities was less pronounced than in previous years, indicating a potential easing in the pace of market contraction as the sector continues to adjust to the post-reform environment.

[1] IFRS 17 is the International Financial Reporting Standard detailing how insurers measure and report all insurance-related liabilities and profits

OUTLOOK

Looking ahead, the FSRA is positioning itself to address emerging vulnerabilities while capitalising on opportunities for regulatory innovation and institutional growth. Building on the momentum of the 2022–2025 Strategic Plan, our focus is shifting towards the full implementation of key reforms and the targeted expansion of supervisory reach across high-risk areas of the financial system.

A priority initiative in the upcoming fiscal period will be the operationalisation of IFRS 17. With supporting guidance and reporting templates already disseminated during the year, the FSRA will proceed to finalise industry submissions and commence its compliance review framework. This development is critical in ensuring alignment with international insurance reporting standards and enhancing actuarial and financial transparency.

The **Asset Quality Review (AQR)** programme, initially focused on systemically important credit unions, will be expanded in 2025 to include other smaller credit unions and financial institutions. The continued application of this diagnostic tool is expected to deepen sectoral insight into credit exposures, strengthen provisioning practices, and support prudent lending frameworks, especially in the context of residual post- pandemic vulnerabilities and elevated delinquency in certain segments.

The FSRA also intends to advance policy development in foreign exchange trading (FOREX) and digital financial services, following the identification of several International Business Companies (IBCs) engaging in unsupervised Forex activities. As such services fall outside the existing legislative scope, we will continue to engage national policymakers on crafting a fit-for-purpose regulatory framework to guide market conduct and mitigate jurisdictional risk.

In the insurance sector, continued increases in property and motor premiums, driven by higher reinsurance costs and growing claims, highlight the need for closer regulatory focus on risk-based pricing and catastrophe modelling. The FSRA will intensify its review of reinsurance programmes and capital adequacy levels to ensure sector resilience amid rising operational risks and global market volatility.

The Money Services Business (MSB) sector, remains a vital mechanism for economic participation. In 2025, the FSRA will explore opportunities to improve reporting frameworks and bolster financial inclusion efforts through digital channels, while maintaining regulatory vigilance.

We will also progress to **Phase II of the Climate-Risk Readiness Initiative**, in collaboration with the ECCB and ECSRC. This phase will build on the initial awareness and survey efforts conducted with non-bank financial institutions, and will include targeted data collection, capacity-building workshops, and preparatory work for climate stress-testing methodologies in insurance and credit unions.

STRATEGIC OUTLOOK: 2025–2028

As we prepare to launch the 2025–2028 Strategic Plan, the FSRA is committed to delivering a regulatory framework that is agile, data-driven, and forward-looking. Our overarching priorities include:

- Finalising and embedding IFRS 17, corporate governance standards, actuarial guidelines, and the Own Risk and Solvency Assessment (ORSA) framework into supervisory practices;
- Strengthening prudential oversight of systemically important institutions;
- Advancing the regulatory perimeter to capture Forex and digital asset activities;
- Deepening stakeholder partnerships to strengthen industry compliance and innovation;
- Advancing the integration of climate risk supervision and financial resilience metrics.

This next chapter will build on the solid foundation we have laid, strengthening institutions, deepening stakeholder trust, and positioning the FSRA not merely as a regulator, but as a partner in shaping a more inclusive, innovative, and resilient financial sector.

In closing, I extend my sincere gratitude to our Board of Directors for their stewardship, to our staff for their dedication and integrity, and to our regulated entities, regional peers, and government partners for their continued collaboration. Together, we will continue to shape a financial sector that meets the needs of today while preparing for the demands of tomorrow.

SECTOR REPORTS



DOMESTIC FINANCIAL SECTOR

- Domestic Insurance and Pension Sector
- Money Services Business
  - Money Transmitters
  - Micro-Lendors
- Credit Union Sector
- St. Lucia Development Bank

INTERNATIONAL FINANCIAL SECTOR

- International Banks
- International Insurance Sector
- International Mutual Funds Sector
- Registered Agents and Trustees
- Other Areas of Work



DOMESTIC
Financial Sector

Domestic Insurance and Pension Sector

Money Services Business

- Money Transmitters
- Micro-Lendors

Credit Union Sector

St. Lucia Development Bank



Domestic Insurance and Pension Sector

Saint Lucia's domestic insurance sector comprised twenty-three (23) active registered insurance companies; eight (8) long-term insurers, fourteen (14) general insurers and one (1) composite insurer underwriting both long-term and general insurance business at the end of December 2024. Three (3) additional long-term insurers, remained inactive at the end of 2023; two (2) were under judicial management transitioning out of the market and one (1) incorporated within the Eastern Caribbean Currency Union (ECCU) assuming the portfolio of an associated company operating on a branch/agency basis within the sub-region. One (1) out of the 14 general insurers operated under judicial management.

In 2024, fifteen (15) insurance companies carried out business through twenty-two (22) insurance agents. Ten (10) insurance agents operated as their principal's sole agency; four (4) operated alongside their principal's head office or branch in Saint Lucia, while six (6) were their principal's only insurance representative. The other twelve (12) insurance agents represented three (3) insurance companies; none of which were their principal's sole insurance agent. In respect of ownership, fifteen (15) insurance agents are Saint Lucian owned , three (3) are beneficially owned by citizens of CARICOM countries and one (1) is an internationally owned entity. Insurance salespersons were also contracted by insurers and insurance agents to solicit business on their behalf. At the end of 2024, there were one hundred and ninety-one (191) insurance salesmen certificates issued to approximately one hundred and fifty-seven (157) individuals.

Insurance brokers remain a vital part of the industry, in some instances, handling more than half of an insurer's total gross premiums. Serving as insurance representatives of potential policyholders and existing customers, brokers also placed business directly

with Lloyd's, an association of underwriters registered to operate in Saint Lucia. Risks placed with Lloyd's primarily relate to liability and property insurance business and does not include motor vehicle or long-term insurance. Ten (10) insurance brokers were registered at the end of 2024, the same as the previous year, of which, eight (8) are Saint Lucian owned companies.

Private occupational pension fund plans (pension plans) are registered and regulated under Section 9 of the Insurance Act. In 2024, there was no movement in the number of registered pension plans, therefore the number of registered pension plans remained at thirty-four (34) at the end of year. Of the registered pension plans, twenty-seven (27) are defined contribution plans, four (4) are defined benefit plans, and three (3) are hybrid plans which operate both defined benefit and defined contribution sections.

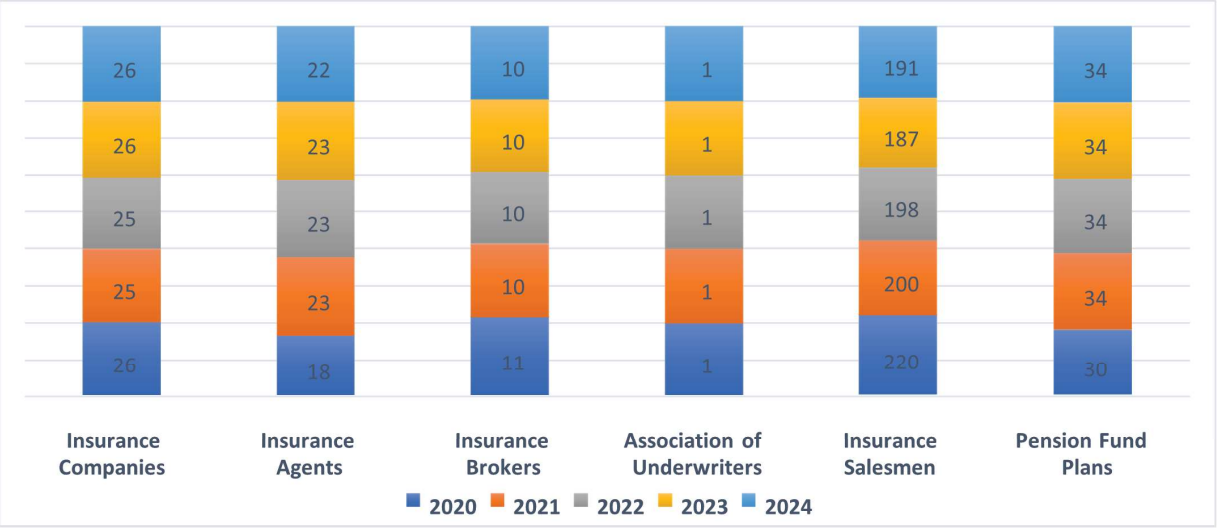


Figure 1: Number of Registered Insurance Entities and Pension Fund Plans 2020-2024

Sector Performance and Position

For the year 2024, the insurance sector maintained its trend of recording higher gross written premiums compared to the previous year. Total premiums generated by insurance companies amounted to $320.1 million, a $25.8 million increase from the prior year 2023. The significant increase in premiums was underpinned by increases in the gross premiums of nineteen (19) of the twenty-three insurers which offset the combined $4.1 million reduction in premiums by the other four insurers.

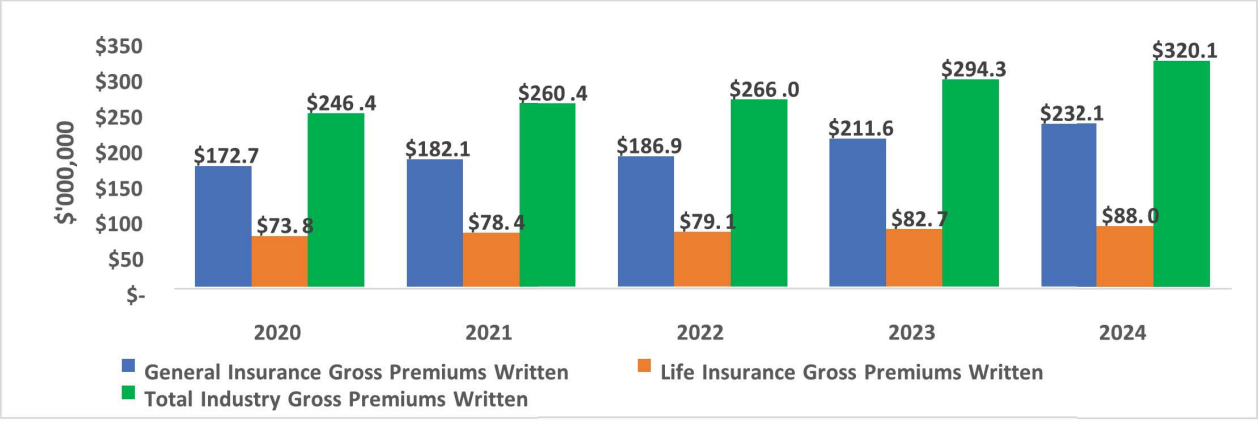


Figure 2: Industry Gross Written Premium 2020-2024 ($'000,000)

The 8.8 percent increase in gross written premiums was fueled by increases in both the long-term and general insurance sectors, with the latter responsible for 80.2 percent of the total increase. The quarterly underwriting performance of the sector when compared with 2023, reveals increases in premiums every quarter except for general insurance business which declined in Q3.

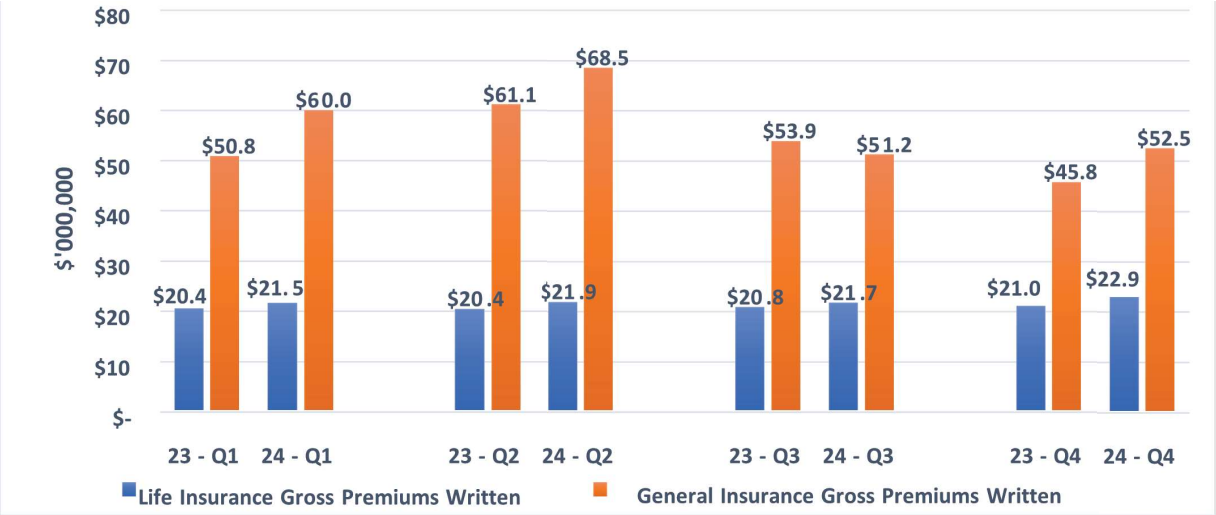


Figure 3: Quarterly Gross Written Premiums by Subsectors 2023, 2024 ($'000,000)

The percentage of total premiums retained by insurers in 2024, that is, amounts not ceded to reinsurers, fell slightly from 63.7 percent in 2023 to 63.2 percent in 2024, placing 2024 just below the 5-year median of 63.7 percent. Since 2020, the retention rate ranged from 63.2 percent to 64.2 percent.

Premiums earned by the sector in 2024 amounting to $195.0 million along with other revenue of $33.5 million, were sufficient to fully cover all insurers' claims, expenses and other policyholder benefits totaling $211.1 million, earning the insurance sector an operating profit of $17.4 million.

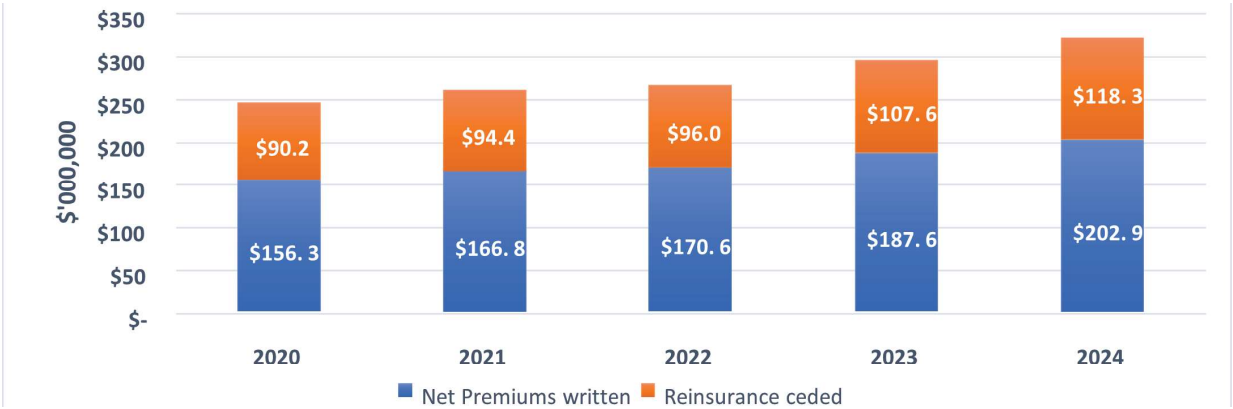


Figure 4: Premiums Ceded and Retained by Domestic Insurers 2020-2024 ($'000,000)

Insurers' assets totaled $845.9 million at the end of 2024, a 1.9 percent increase from $829.9 million in 2023. Highly liquid and other investment assets made up 76.7 percent or $649.1 million of total assets, while an additional amount of $49.8 million (5.9 percent of assets) represented an estimate of reinsurers' portion of insurance liabilities. Total liabilities amounted to $611.5 million, of which, insurance liabilities formed 83.6 percent or $510.9 million. Total capital and reserves of insurers were reported at $234.3 million; a decrease of $2.5 million or 1.1 percent from the prior year's $236.9 million.

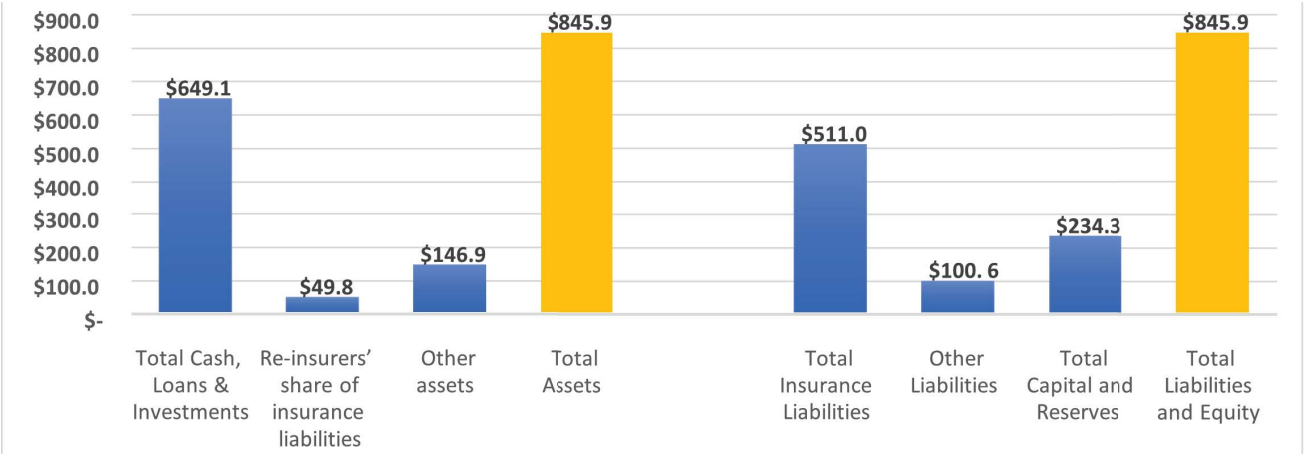


Figure 5: Balance Sheet of Insurance Companies operating in Saint Lucia, 2024 ($'000,000)

General Insurance Business

During the reporting period, the general insurance classes of business contributed 72.5 percent ($232.1 million) of total premiums underwritten by insurers. This represents an increase of $20.5 million or 9.7 percent compared to 2023, where insurers recorded $211.61 million in total premium. Net premiums increased by $9.7 million (8.89 percent) to $118.6 million, due to a disproportionate 10.7 percent increase or $11.1 million in reinsurance premiums ceded from $103.6 million to $114.7 million.

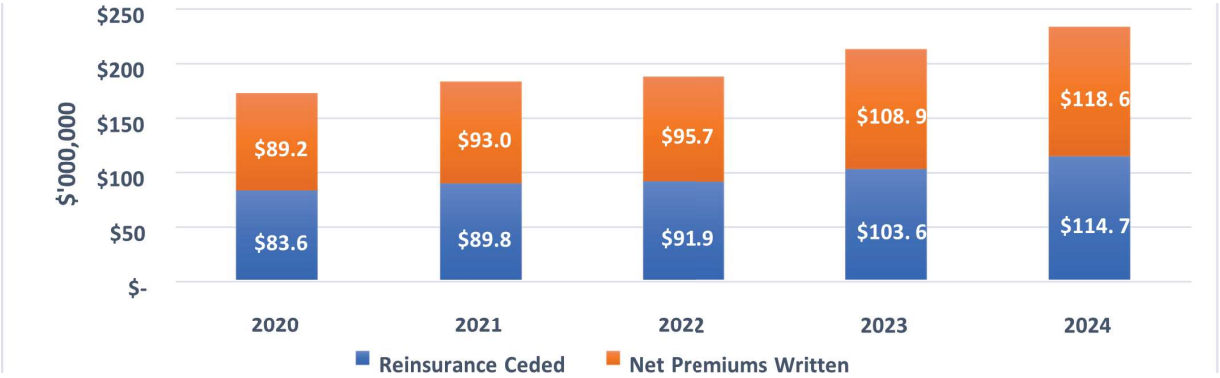


Figure 6: General Insurance Premiums Written by Insurers during 2020-2024 FY ($'000,000)

Premiums earned from general insurance business were estimated at $110.7 million while underwriting expenses totalled $107.8 million. These expenses were primarily driven by claims expenses of $71.8 million and operating/management expenses of $31.0 million. The underwriting profit of $2.8 million was supplemented by other income of $5.8 million resulting in net operating income of $8.6 million. When considering the four (4) long-term insurers underwriting personal accident (health) insurance along with the fifteen (15) general insurers underwriting general insurance business, ten (10) reported positive net income from general insurance operations.

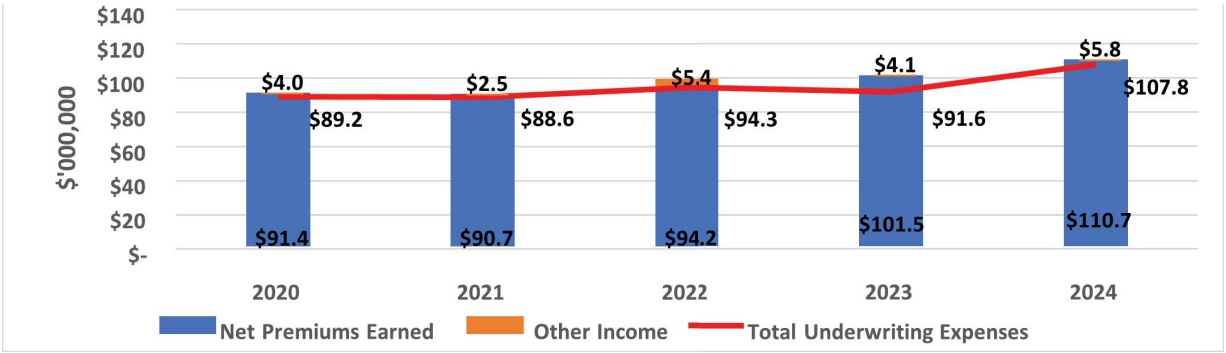


Figure 7: General Insurance Business Profitability 2020-2024 ($'000,000)

Of the $232.1 million of general insurance gross premiums generated in 2024, property accounted for $99.7 million (43 percent), motor vehicle $74.3 million (32 percent), personal accident $42.4 million (18.3 percent) while the other three (3) classes of general business, namely, liability, pecuniary loss and marine, aviation and transport, accounted for $15.8 million (6.8 percent) collectively. The overall increase in premiums in 2024 was largely driven by increased premiums in the property and motor vehicle classes of business of $11 million and $9.4 million, respectively. These increases correlate with the increases in policy rates to meet increasing motor vehicle claims costs and increased reinsurance costs for property risks. The marine, aviation and transport class and the pecuniary class, each generated reduced premiums amounting to a total reduction of $2.8 million.

	2020	2021	2022	2023	2024
Liability	$14.91	$6.80	$9.47	$13.11	$11.48
Marine, Aviation and Transport	$3.22	$2.81	$3.09	$2.61	$3.40
Motor Vehicle	$50.86	$53.23	$57.66	$64.86	$74.25
Pecuniary	$0.94	$1.68	$0.52	$1.36	$0.90
Personal Accident	$33.06	$40.73	$36.40	$40.98	$42.37
Property	$77.54	$76.83	$79.76	$88.69	$99.70

Table 1: Gross Written Premiums by Classes of General Insurance 2020-2024 ($'000,000)

Long-Term Insurance Business

Long-term insurance business underwritten during 2024 was recorded at $88.0 million; a $5.3 million, or 6.4 percent increase compared to 2023. Conversely, reinsurance ceded dropped by $370,000, from $4.0 million, resulting in a $5.7 million or 7.2 percent increase in net premiums to $84.3 million.

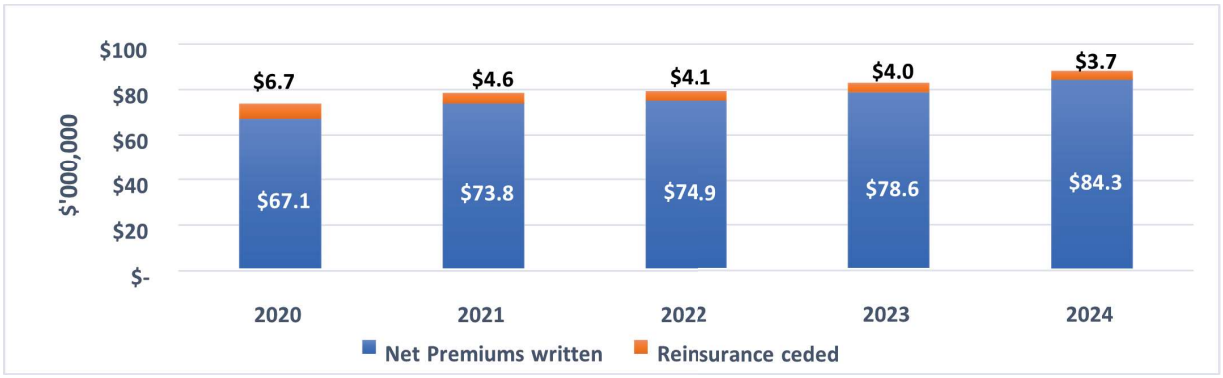


Figure 8: Long-term Insurance Premiums Written 2020-2024 ($'000,000)

Other income, which was largely fueled by an increase in investment income, also improved, rising by $3.4 million (14%) from $24.3 million to $27.7 million. Consequently, total revenue grew by $9.1 million, moving from $102.9 million in 2023 to $112 million in 2024. Although total underwriting expenses grew by $2.5 million or 2.5 percent, moving from $100.7 million to $103.2 million, the overall financial performance in 2024 was notably stronger compared to the previous year.

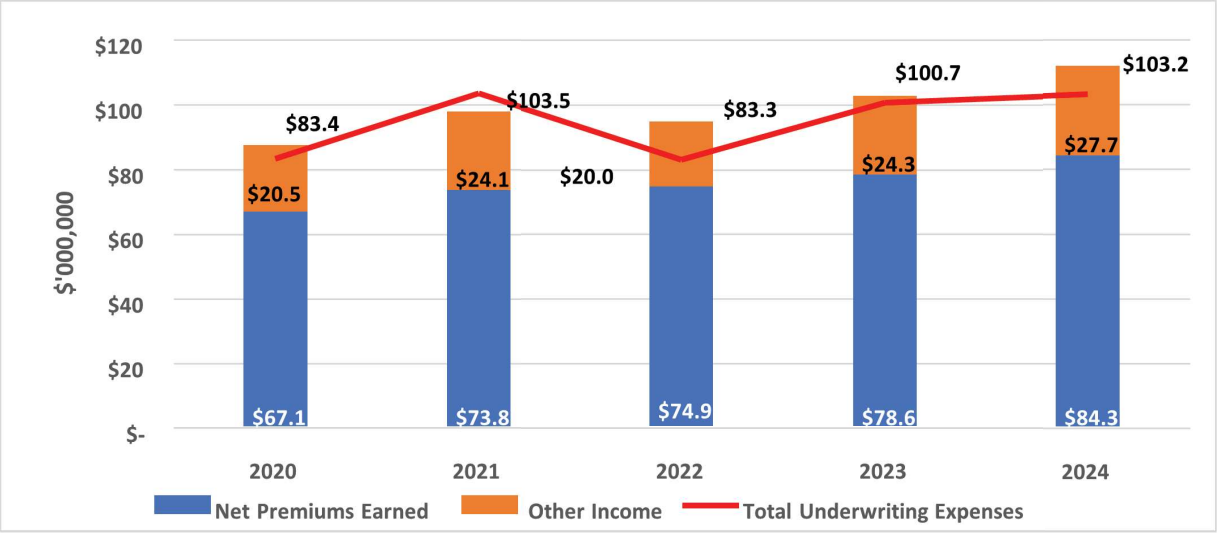


Figure 9: Long-term Insurance Business Profitability 2020-2024 ($'000,000)

Insurers carrying on long-term insurance business reported total policyholder benefits of $58.6 million for 2024 relative to $61.2 million in 2023. The key expenses driving this reduction were insurance claims, which declined by $1.9 million (9.2 percent) to $19.1 million from $21.0 million, and policy surrenders, which fell by $1.4 million or 8.4 percent to $15.7 million. The most significant increase compared to the prior year was $2.1 million rise in the life insurance, annuity, and deposit benefits provision, which was recorded at $11.2 million in 2023. In addition to policyholder benefits, operational expenses amounted to $34.2 million in 2024, up from $30.5 million in 2023, reflecting an increase of $3.7 million or 12.1 percent. Net commission expenses also rose to $5.8 million from $5.1 million, an increase of $680,000. Despite these higher costs, long-term insurance business recorded a net profit before tax of $8.8 million, representing a significant increase of $6.6 million or 299.5 percent compared to 2023.

Domestic Insurance Sector Summary and Outlook

In 2024, the insurance sector sustained its multi-year growth trend, supported by rising gross premiums and strong performance in both the general and long-term insurance segments. General insurance remained the dominant contributor, propelled by rising premiums in property and motor vehicle business. Despite a marginal dip in retention rates, insurers remained profitable through disciplined underwriting and improved investment income, particularly in long-term insurance where reduced policyholder benefits bolstered earnings.

Looking ahead, the sector is expected to benefit from stabilising reinsurance premium rates, which should enhance predictability in reinsurance arrangements and support sustainable growth. While property insurance may no longer face material cost increases from reinsurance, motor vehicle insurance premiums are anticipated to continue rising due to persistent inflationary pressures on claims costs. Insurers are likely to maintain proactive rate adjustments to offset these challenges. Overall, the industry appears well-positioned to balance growth with resilience, leveraging strategic adaptations to navigate an evolving market and maintain financial stability.



Money Services Business

Money services businesses (MSBs) serve as financial intermediaries, and provide an alternative avenue for funding, whether by means of transmission of money or the facilitation of personal loans to clients. The Money Services Business Act, Cap. 12.22, allows for six (6) classes of licenses which are money transmission (Class A), traveller's cheques activities (Class B), cheque cashing (Class C), currency exchange (Class D), Micro-Lending (Class E) and Lending (Class F).

Composition

As of December 31st, 2024, the Money Services Business Sector comprised of a total of fourteen (14) licensed money services business providers (MSBs). Five (5) "Class A", four (4) "Class E" and five (5) "Class F" licensees. Currently, two applications (one "Class E" and one "Class F") are under review.

Type of License		Description	No of Licences 2024	No of Licences 2023
Class A	1.	Transmission of money or monetary value	5	5
	2.	Issuance, sale or redemption of money orders or traveller's cheques		
	3.	Cheque Cashing		
	4.	Currency Exchange		
Class B	1.	Issuance, sale or redemption of money orders or traveller's cheques	0	0
	2.	Cheque cashing		
	3.	Currency exchange		
Class C	1.	Cheque cashing	0	0
Class D	1.	Currency exchange	0	0
Class E	1.	Micro-lending	4	5
Class F	1.	Lending	5	5
TOTAL			14	15

Table 2: Type of License

While there are five (5) licensed Money transmitters (Class A Licensees), approval was granted for these Money transmitters (Main agents) to operate through sub-agents. There are currently thirty-eight (38) approved sub-agents operating across the island.

MONEY TRANSMITTERS

A.Inflows

For the year 2024, total remittance inflows for the sector totalled $161.13 million, a decrease of 4.7% ($7.92 million) from $169.05 million in 2023. Figure 10 reveals an increasing trend throughout the 2020 to 2021 period with fluctuations in remittance inflows from the years 2021 to 2024. The lower receipts in 2024 were due largely to fewer inflows from the "USA" and "Other" regions.

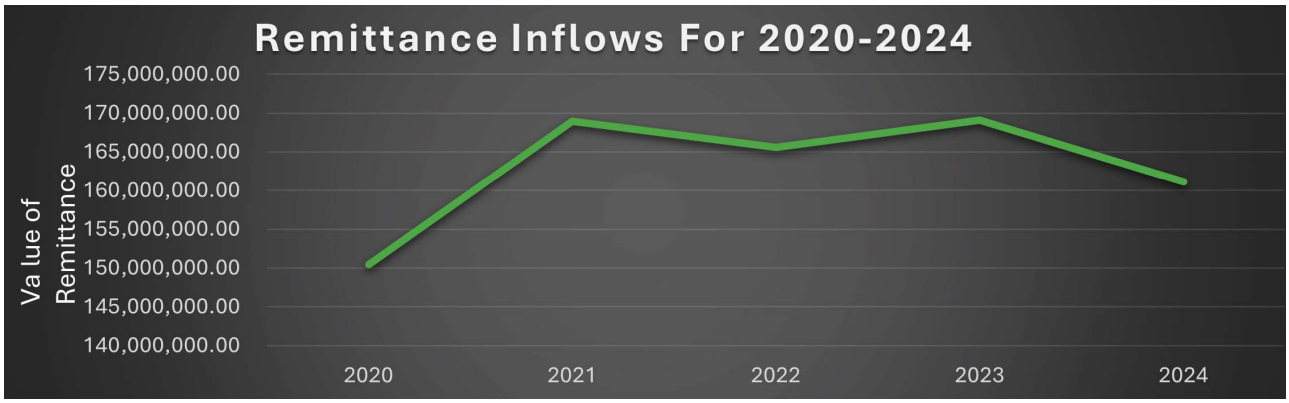


Figure 10: Money Transmitters - Trends in remittance Inflows for 2020-2024

Country Proportion

The United States of America (USA) continues to account for the largest proportion of remittance inflows with a total share of inflows of 52%, followed by Canada (12%) and United Kingdom (12%). Collectively, the "Other" category which includes all non-sanctioned countries of the world with the exception of the United States, United Kingdom, European Countries, ECCU, Non-ECCU and Canada, accounted for 10% of the total.

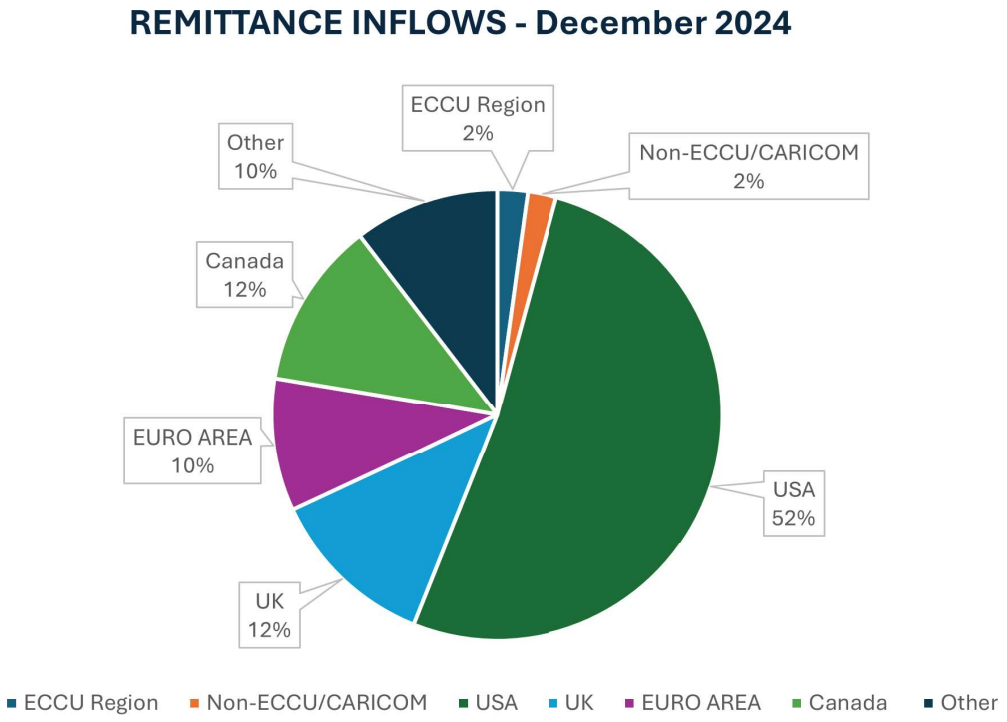


Figure 11: Money Remittance - Inflows during 2024 by region

INFLOWS (XCD)

	2019	2020	2021	2022	2023	2024
ECCU Region	4,816,785.95	3,542,370.98	3,088,309.26	3,458,197.41	3,436,717.12	3,524,232.04
Non-ECCU/CARICOM	2,208,229.71	1,278,739.15	1,777,368.71	6,892,423.31	1,615,080.49	3,321,400.54
USA	56,522,851.77	79,034,859.86	81,491,678.23	83,954,910.47	88,430,600.46	83,475,976.89
UK	13,948,275.24	18,201,694.81	21,682,271.77	19,029,351.01	20,989,800.44	19,368,490.36
EURO AREA	7,418,699.94	10,722,111.50	13,410,676.55	10,607,797.66	11,752,801.08	15,348,506.52
Canada	11,988,029.59	19,087,356.18	21,414,754.85	20,029,078.54	21,196,106.30	19,296,636.32
Other	16,380,298.51	18,551,574.67	26,083,286.28	21,527,795.23	21,636,975.00	16,800,833.73
Total	**113,283,170.71**	**150,418,707.15**	**168,948,345.65**	**165,499,553.63**	**169,058,080.89**	**161,136,076.40**

Table 3: Inflows in XCD

B. Outflows

Remittance Outflows totalled $26 million as at December 31, 2024, compared to $21.9 million as at December 31, 2023.

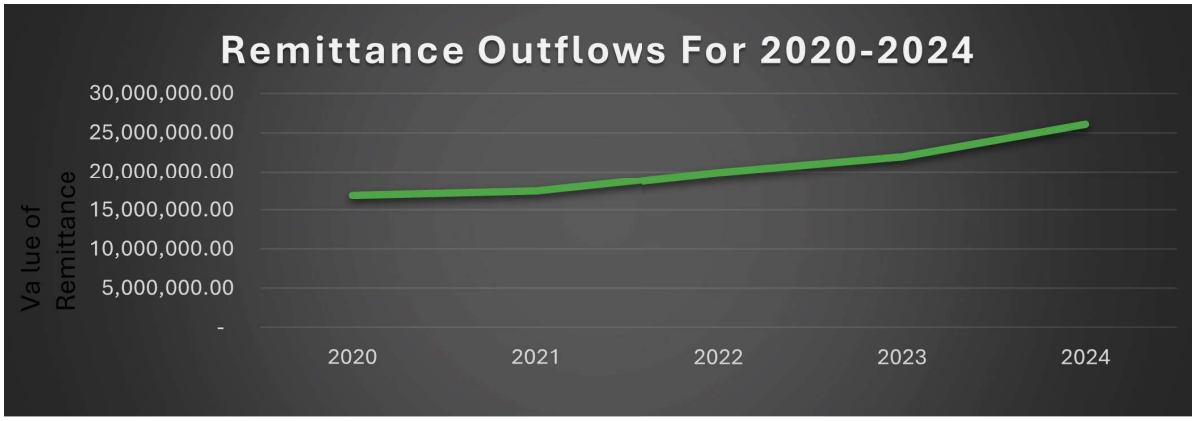


Figure 12: Money Transmitters - Trend in Remittance Outflows

Country Proportion

The share remittance outflows to "Other" represents the highest portion of outflows of 31%, an increase of 17% from the previous year, followed by the USA region which has a proportion of 29% as compared to 21% in the previous year. There was a significant decrease in outflows within Non-ECCU/CARICOM which represents 13% as compared to 45% in 2023, while Canada, Euro Area, and United Kingdom all experienced slight increases.

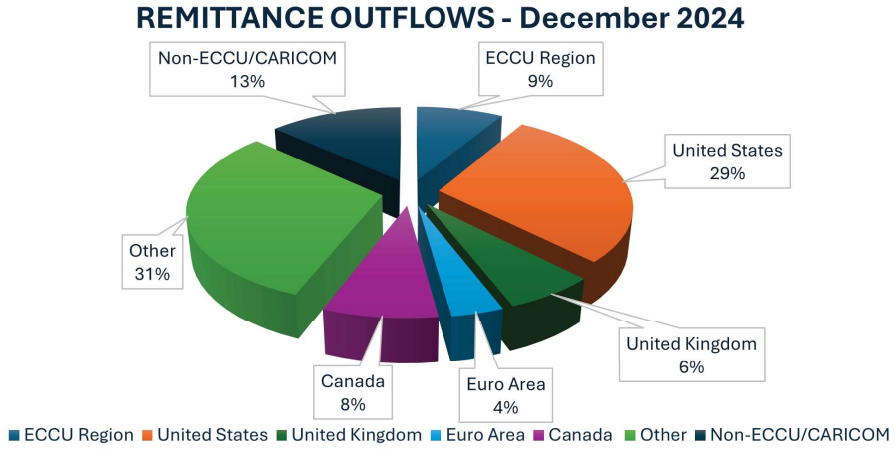


Figure 13: Total Outflows and Outflows by Region 2024

OUTFLOWS (XCD)

	2019	2020	2021	2022	2023	2024
ECCU Region	1,584,697.38	1,830,932.23	1,798,542.45	2,119,686.97	2,020,993.00	2,261,492.89
Non-ECCU/CARICOM	1,834,886.89	6,006,673.07	2,636,412.85	6,586,760.00	3,022,115.00	3,470,851.02
USA	6,445,543.10	1,153,369.84	5,528,418.23	1,317,942.63	6,838,017.00	7,561,777.93
UK	1,581,218.17	594,326.92	1,304,530.25	708,440.56	1,682,812.00	1,693,549.06
EURO AREA	806,708.59	954,706.61	553,072.56	1,366,484.13	907,424.00	958,086.42
Canada	1,242,334.72	4,075,258.21	1,202,311.71	4,615,151.99	1,694,277.00	2,095,611.42
Other	6,702,252.17	2,246,435.89	4,429,996.62	3,213,742.25	5,736,314.00	8,055,910.65
Total	**20,197,641.02**	**16,861,702.77**	**17,453,284.67**	**19,928,208.53**	**21,901,952.00**	**26,097,279.39**

Table 4: Remittance Outflows in XCD

LENDERS AND MICRO-LENDERS

Analysis of the Sector

The total value of loans granted by lenders and micro-lenders as at December 31, 2024 amounted to $139.6 million as compared for $141.5 million at December 31, 2023. The categories of loans disbursed are indicated in Table 5, with vehicle loans representing the highest amount at 40%, which is an increase of 5% as compared to 2023. Personal loans held the second highest proportion at 32% which is a 6% decrease from the previous year. The Medical, Education, Home Renovation, Business, and "Other" categories remained consistent between the two years. This data indicates that vehicle loans hold the highest value among all other types and that lenders and micro-lenders should cater to facilitating these loan types.

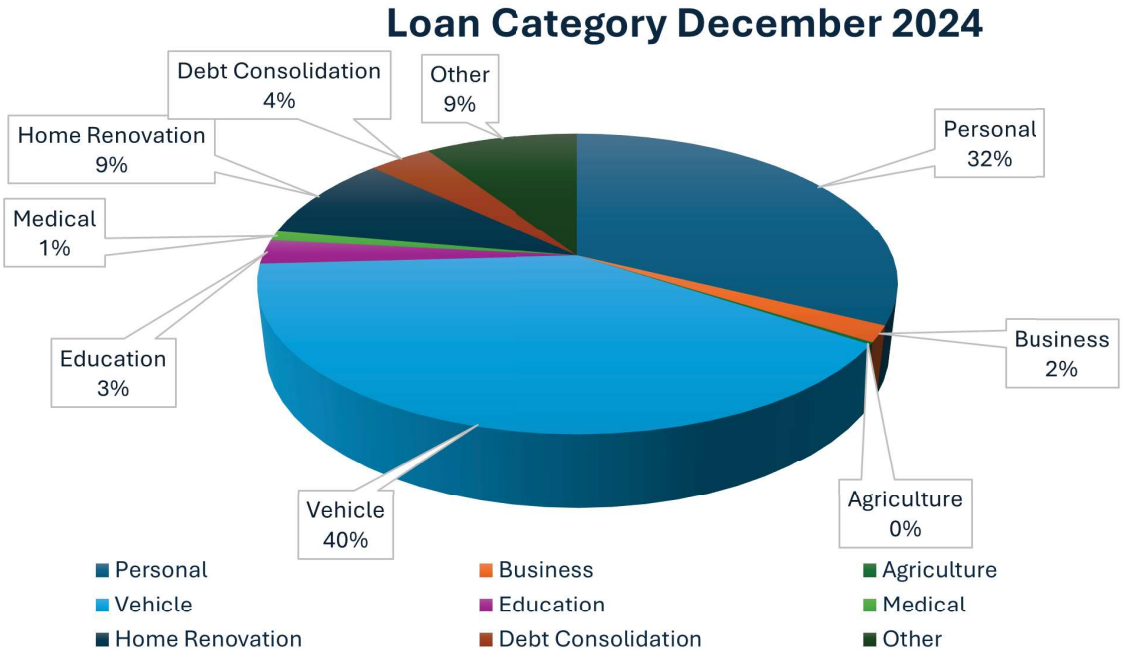


Figure 14: Types of Loans issued by Lenders and Microlenders - 2024

As depicted in Figure 15, the personal loans category recorded the highest number of loans (7,767) followed by other loans (3,351) and home renovation (2,375) with agriculture loans at the lowest number (28).

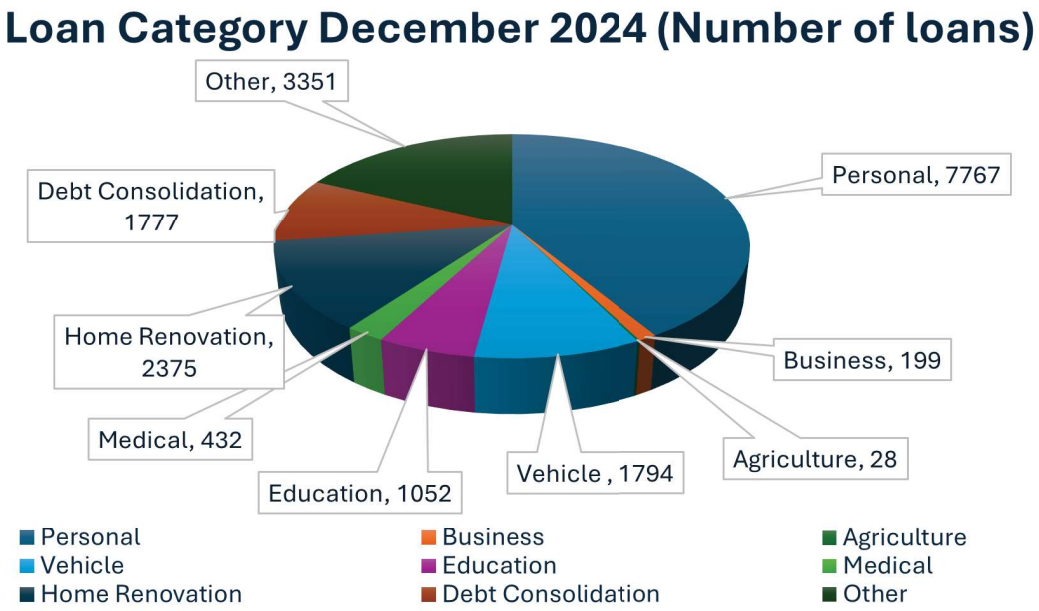


Figure 15: Loan Category for the Year 2024

Type of Loan	Total Amount (December 2024)	Number of Loans (December 2024)	Total Amount (December 2023)	Number of Loans (December 2023)
Personal	45,113,228	7,767	54,230,956	10,655
Business	2,421,355	199	2,827,759	212
Agriculture	333,749	28	529,439	41
Vehicle	55,670,068	1,794	48,793,837	1,728
Education	3,664,203	1,052	3,618,209	1,108
Medical	1,462,072	432	1,989,443	558
Home Renovation	12,760,269	2,375	12,814,796	2,694
Debt Consolidation	5,314,182	1,777	4,699,397	1,564
Other	12,928,091	3,351	12,045,599	3,776
Total	**139,667,217**	**18,775**	**141,549,434**	**22,336**

Table 5: Micro-lenders



Credit Union Sector

The Credit union sector is a critical player within the financial sector as it provides an avenue and alternative means of savings, value, and wealth creation for the niche groups and individuals with common bonds. Credit unions are membership-based "not for profit" financial cooperative institutions which aim to generate surpluses for membership growth and socio-economic development, thereby creating sustainability for future generations. Credit unions were previously constituted by employment, community/geographic location, or another common bond. In recent times however, while the sense and identity of the original bonds remain, some credit unions have expanded their membership to include individuals nationally, thereby creating the avenue for greater sustainability and impacting lives of persons which may have been previously deemed "unbankable."

Composition:

As at December 31, 2024, the composition of the credit union sector remained unchanged, comprising of sixteen (16) credit unions and one (1) League.

Socio-Economic Insight:

From the period January to December 2024, some notable changes within the sector were as follows (See Table 1):

- Total membership increased from 139,230 to 144,339 representing a 3.7 percent increase;
- The total number of credit union employees actively employed, increased from 364 to 377, indicative of a 3.6 percent increase;
- The sector's total asset base increased from $1,649 million to $1,810 million, representing a 9.8 percent increase;
- The sector experienced a 9.5 percent increase in its institutional capital and 9.24 percent increase in its capital base.

Income Year	Total Assets	Total Withdrawable Shares & Deposits	Total Liabilities	Institutional Capital	Capital Base	Percentage of Capital Base / Assets	Total Share Capital (Permanent)	Percentage of Permanent Shares / Assets	Total Members	Total Staff
2014	604,358,592	480,486,613	493,021,469	75,975,107	98,588,790	16.3%	22,613,683	3.7%	83,397	232
2015	672,371,519	536,970,193	536,970,193	90,230,496	117,570,935	17.5%	27,340,439	4.1%	91,637	237
2016	782,988,581	632,332,205	639,847,975	97,781,731	132,577,697	16.9%	34,795,966	4.4%	99,098	255
2017	871,240,735	702,329,185	711,737,295	107,647,013	148,765,822	17.1%	41,118,809	4.7%	104,142	263
2018	989,184,726	796,673,487	807,175,677	123,723,295	174,155,350	17.6%	50,432,055	5.1%	111,141	279
2019	1,095,856,689	885,074,677	895,904,661	132,564,523	190,416,200	17.4%	57,851,678	5.3%	111,141	279
2020	1,185,008,871	961,938,397	976,222,045	127,792,880	190,209,926	16.1%	62,417,046	5.3%	114,149	308
2021	1,315,291,928	1,079,836,332	1,097,947,498	133,059,171	202,832,540	15.4%	69,773,369	5.3%	126,204	323
2022	1,478,411,410	1,220,506,698	1,239,597,911	141,420,837	220,296,032	14.9%	78,177,707	5.3%	132,473	345
2023	1,649,436,883	1,359,813,172	1,388,092,760	151,055,973	239,512,541	14.5%	88,456,568	5.4%	139,230	364
2024	1,810,267,048	1,494,469,621	1,523,791,198	165,445,737	261,647,163	14.5%	96,201,426	5.3%	144,339	377

Table 6: Capital requirement

Total Assets

Over the past ten years, total assets continued to increase and amounted to approximately $1,810.3 million as at December 2024, representing an increase of 9.75 percent from December 2023.

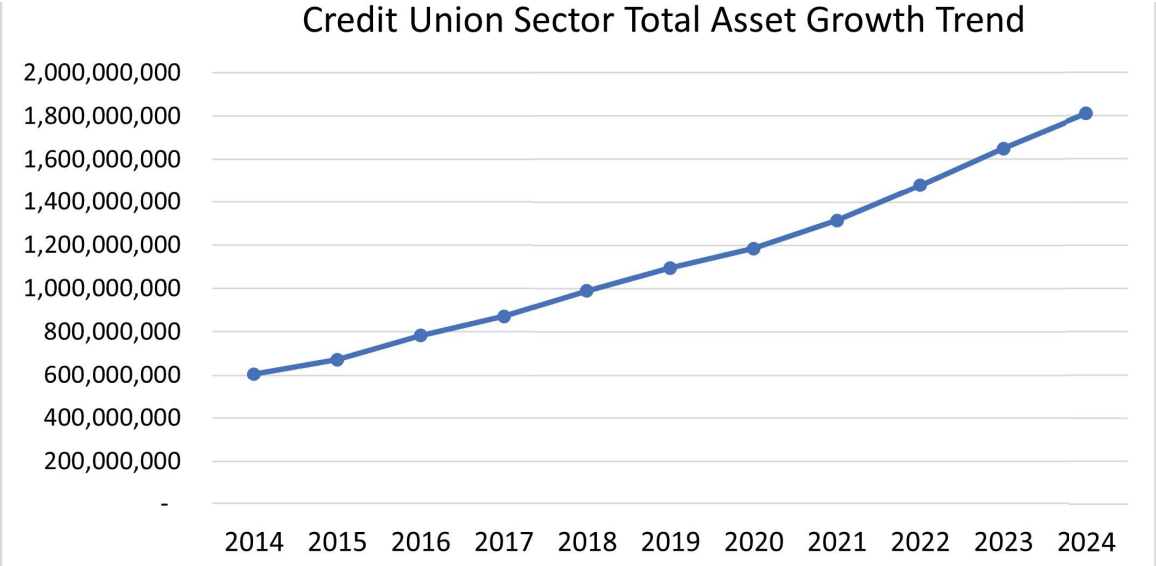


Figure 16: Total Asset Growth Trend

Capital

Further to the enactment of the new Cooperative Societies Act, No. 16 of 2024, credit unions are mandated to provide for a minimum Permanent Share Capital requirement (members' share capital/total assets) of 5.0 percent and Institutional Capital adequacy ratio (institutional capital /total assets) of 10.0 percent. The regulatory benchmark is consistent with the "PEARLS" industry standard which requires a minimum institutional capital adequacy ratio of 10.0 percent. Moreover, the new Act includes the notion of Capital Base whereby a 15.0 percent minimum is required. This Capital Base comprises of permanent shares, institutional capital, and the value of the co-operative society's contribution to the stabilization fund.

In an effort to satisfy these requirements, credit unions continue to implement initiatives aimed at increasing their Permanent Share Capital base. This signifies a positive step in the right direction, given that the greater the amount of Permanent Share Capital held, the more favourable the position of the sector in withstanding adverse shocks and cushioning against losses, during times of economic crisis.

The sector's Permanent Share Capital increased from $88.5 million in December 2023 to $96.2 million in December 2024, indicative of an 8.8 percent increase.

Nonetheless, pursuant to Section 119 (3) (b) of the Co-operatives Societies Act, Cap. 12.06, Statutory & Other Reserves, every society shall ensure that its statutory and other reserves are, at no stage, less than 10% of its total liabilities. (See figure 17).

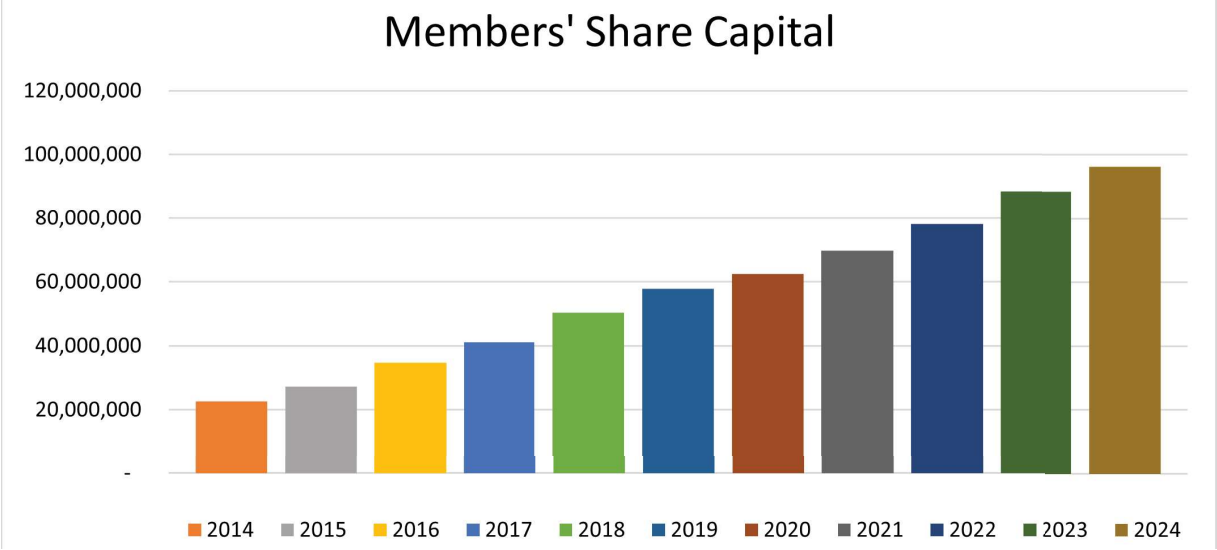


Figure 17: Members' Share Capital

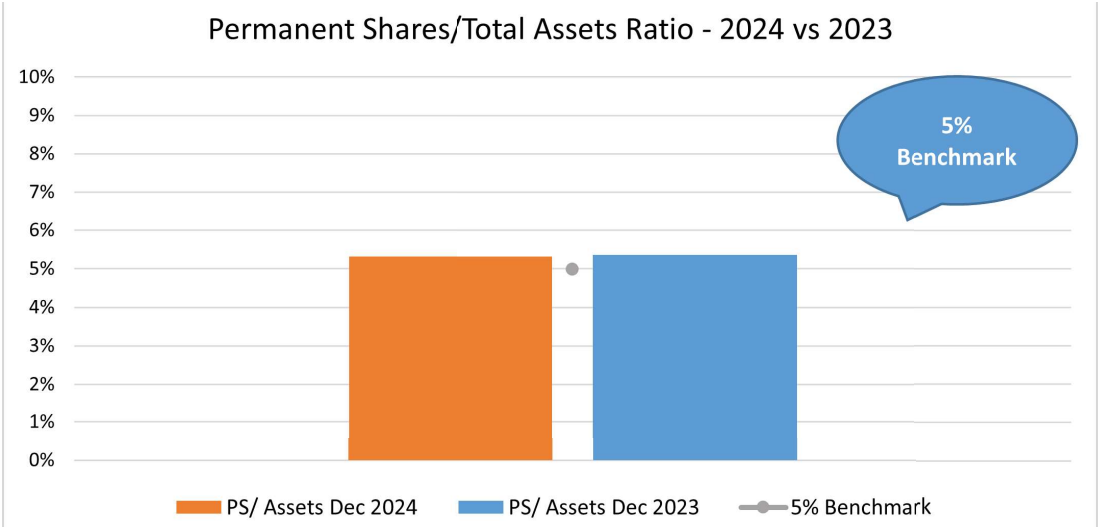


Figure 18: Permanent Shares/Total Assets Ratio (2024 vs 2023)

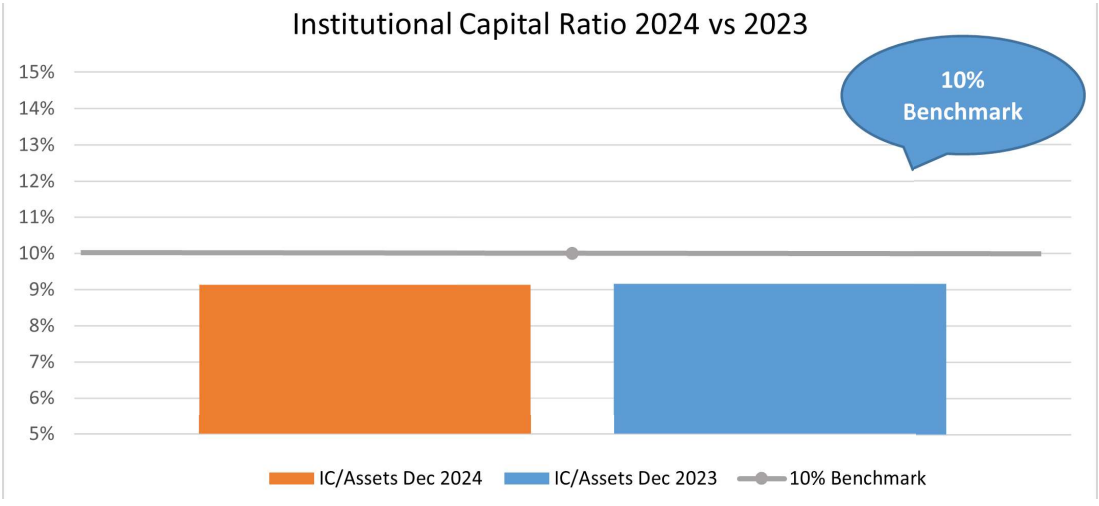


Figure 19: Institutional Capital/Total Assets Ratio (2024 vs 2023)

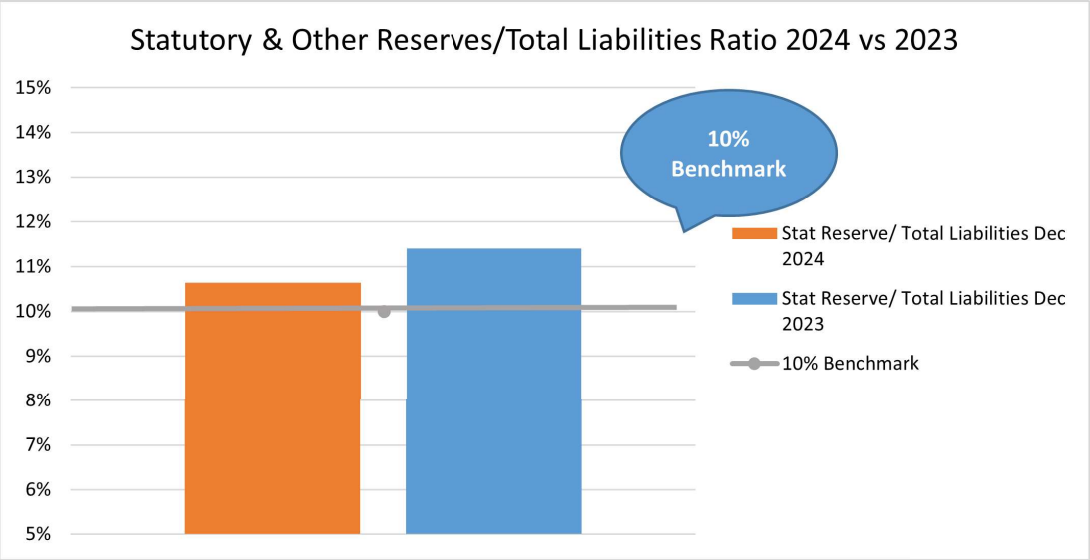


Figure 20: Statutory &Other Reserves/Total Liabilities Ratio (2024 vs 2023)

Loans and Asset Quality

Total loans amounted to $1,292.6 million in the quarter ended December 2024 as compared to $1,177 million for the year ended December 2023, representing a 9.85 percent increase.

There was a 1.6 percent decrease in total delinquent loans from $80.5 million in December 2023 to $79.2 million by December 2024. Moreover, the ratio of total delinquent loans over total loans decreased by 0.7 percentage points, dropping from 6.8 percent in December 2023 to 6.1 percent by December 2024. It is worthy to note that this ratio has been on a steady decline from 2015 to December 2024, save for one year (December 2020 to December 2021), primarily owing to widespread job loss and wage cuts resulting from the Covid-19 pandemic (See figure 21).

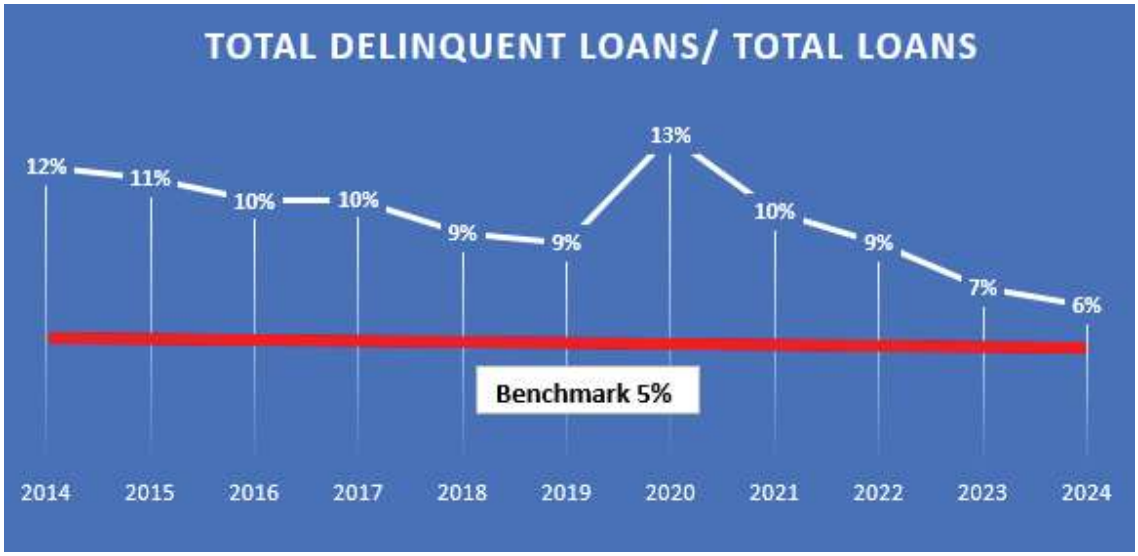


Figure 21: Total Delinquent Loans/Total Loans Ratio Trend

However, the country has returned to a significant level of normalcy. Credit unions have resumed previous loans granting mechanisms which existed prior to the pandemic. Notwithstanding the strides made by the sector in reducing the delinquency ratio, this remains above the prudential limit set by PEARLS (financial assessment tool for credit unions) which requires a ratio of "less than 5.0 percent".

The Co-operative Societies Regulations require regulatory provisions for delinquent loans that are non-performing (90 days or more). From December 2023 to December 2024, total provisioning increased by 1.7 percent, moving from $36.6 million in December 2023 to $37.2 million in December 2024.

It is further noted that from the year 2019, provisioning experienced a steady increase yearly, with the most material increase occurring in 2021 when the level of provisioning increased to 46 percent.

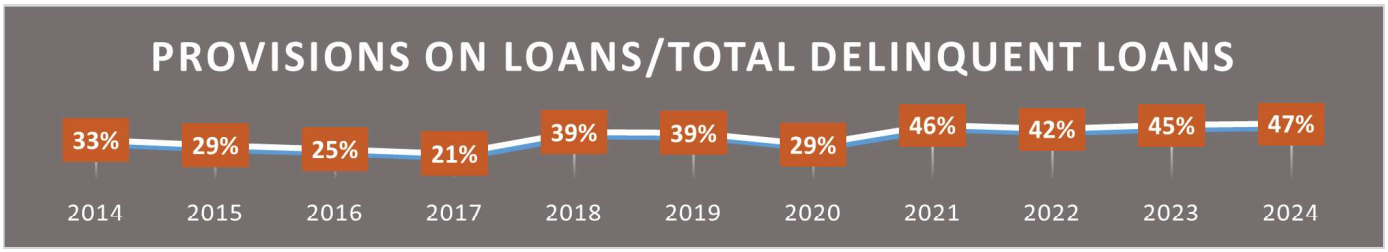


Figure 22: Provisions/Total Delinquent Loans Ratio Trend

Income Year	Total Assets	Total Loans	Total Delinquent Loans	Total Delinquent Loans/ Total Loans	Total Provisions on Loans	Provisions on Loans/Total Delinquent Loans	Capital Base less Delinquent Loans NO PROVISION	Percentage of Capital Base less Delinquent Loans NO PROVISION / Assets
2014	604,358,592	439,318,934	50,711,135	11.50%	16,696,548	32.90%	64,574,203	10.70%
2015	672,371,519	505,270,587	56,173,728	11.10%	16,028,098	28.50%	77,425,305	11.50%
2016	782,988,581	568,918,047	58,220,553	10.20%	14,693,315	25.20%	89,050,459	11.40%
2017	871,240,735	628,710,244	64,761,574	10.30%	13,832,028	21.40%	97,836,276	11.20%
2018	989,184,726	694,895,165	62,301,307	9.00%	24,591,214	39.50%	136,445,257	13.80%
2019	1,095,856,689	733,923,615	63,053,292	8.60%	24,456,916	38.80%	151,819,824	13.90%
2020	1,185,008,871	766,277,561	97,812,050	12.80%	28,214,793	28.80%	120,612,669	10.20%
2021	1,315,291,928	891,563,637	87,623,556	9.80%	39,989,417	45.60%	155,198,401	11.80%
2022	1,478,411,410	1,036,599,235	89,044,556	8.60%	37,638,385	42.30%	168,889,862	11.40%
2023	1,649,436,883	1,176,737,457	80,536,116	6.80%	36,558,138	45.40%	195,534,563	11.90%
2024	1,810,267,048	1,292,648,067	79,249,610	6.10%	37,195,578	46.90%	219,593,130	12.10%

Table 7: Total Loans & Asset Quality



Figure 23: Asset Quality

The sector has satisfied the PEARLS prudential ratio requirement of 70-80% of its assets in the form of loans to its members by achieving a ratio of 71% (2023: 71%).

Liquidity

Pursuant to Section 119(3)(a) of the Co-operatives Societies Act, Cap. 12.06, every society shall ensure that not less than 15% of its members' shares and deposits are kept in a liquidity reserve. The sector remains liquid with most credit unions showing a ratio above 15%. A declining trend in the liquidity ratio has been observed over the last 5 years (2019 – 2024) (See Figure 24). Nonetheless, the total sector's liquid assets have increased from approximately $361.4 Million as at December 2023 to approximately $392.1 Million as at December 2024.

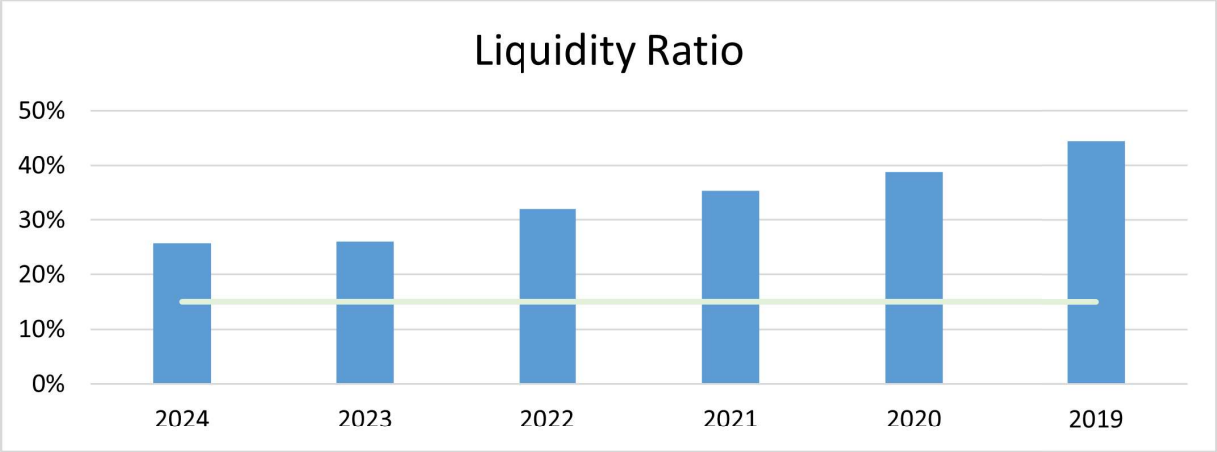


Figure 24: Liquid Assets/Members' shares and deposits

AREAS OF GROWTH AND IMPROVEMENT

The total delinquency to gross loan portfolio ratio has been and continues to remain a major concern for the Financial Services Regulatory Authority (FSRA). However, as more credit unions become compliant with International Financial Reporting Standards nine (IFRS 9), the provisions to total delinquent loans appears to be improving. The sector is called to find innovative ways to improve the quality of loans granted through adequate loan underwriting practices and implement measures that will foster better delinquency control /recovery. Nonetheless, total assets increased by 9.75 percent, along with total withdrawable shares and deposits which increased by 9.9 percent. There were further notable increases in gross loans, institutional capital, total equity, and interest income.

REGULATORY OVERSIGHT & SUPERVISION:

The Authority engaged in continuous regulatory oversight functions to preserve members' deposits and maintain a stable financial sector industry. A few key activities undertaken by the Authority in addition to that of on-site and off-site supervision include the following.

- **Consultation/Discussion on the Co-operative Societies Act & Regulations**

Subsequent to the circulation of the draft Regulations to the sector for their review and feedback by October 31, 2024, the Authority embarked on a one (1) day consultation on November 6, 2024. The purpose of the consultation was to provide updates on Regulatory matters, specifically, the Co-operative Societies Act, No. 16 of 2024 and the draft Co-operative Societies Regulations.

The one-day consultation included a full immersive review and practical session which formed part of the day's discussion in order to provide greater clarity and guidance to all, on the new/revised legislation.

The session was directed at the Board of Directors, Credit Committees, Supervisory Committees, and management personnel of credit unions within the sector. In this regard, the Authority catered for up to a maximum of five (5) representatives from each credit union, of which included an officer of the Board of Directors, a member of the Supervisory Committee, a member of the Credit Committee, a representative of Compliance Management and/or Internal Audit and one representative from the Management team.

- **Sector Capacity Building**

During the year 2024/2025, the Authority embarked on several training workshops with different credit unions within the sector. These workshops and consultations were geared at strengthening the technical capacities of the sector.

In this regard, these consultations aimed to satisfy the following objectives.

- Provide insight into key provisions of the Co-operative Societies Act, No. 16 of 2024 and its implications on the credit union's existing by-laws and overall operations. The exercise also assisted in aiding the credit unions in commencing thorough reviews and revisions of their by-laws pursuant to the new Act.

- Fortify good Corporate Governance with the goal of reducing the risk of financial loss to the public, due to dishonesty, incompetence, or malpractice by or through the imprudence of persons carrying on the business of credit unions operating in Saint Lucia.

- Enhancement of the sector's ability to generate more detailed and accurate quarterly and monthly reporting forms through the revision of the forms, in keeping with International Reporting Financial Standards.

- **Asset Quality Reviews**

The Authority has commenced its Asset Quality Review exercise of the credit union sector. The primary purpose is to determine whether:

- Loans and other credit exposures are properly classified according to risk,
- Adequate provisions have been made for potential credit losses,
- The valuation and enforceability of collateral are appropriate and accurately reflected,
- The credit union is in compliance with applicable accounting standards (e.g., IFRS 9) and internal credit risk policies.

During the year 2024/2025 an Asset Quality Review exercise was completed for one credit union who was deemed a Systemically Important Financial Institution (SIFI). The Authority plans to undertake several Asset Quality Review exercises in the upcoming year 2025/2026.

INTERVENTION MEASURES

The Authority's Prompt Corrective Action (PCA) Framework is intended to provide clear signals to credit unions, of progressive actions that will be instituted, for credit unions presenting regulatory ratios below the requisite benchmarks. The PCA Framework has five (5) Stages as follows: Watch List & Increased Reporting, Restoration Plan, Restricted Action/Restructure, Administration or Merger, and Merger, Sale or Closure. During the 2024 to 2025 financial year, the Authority has utilized the PCA as follows:

	Phases	Number of Credit Unions
1.	Watch List & Increased Reporting	2
2.	Restoration Plan	3
3.	Restricted Action/Restructure	
4.	Administration (Examiner/Receiver Manager) or Merger	2
5.	Merger, Sale or Closure	0

Table 8: PCA Actions Taken



St. Lucia Development Bank

Introduction

The Saint Lucia Development Bank (the "Bank") was established under the Saint Lucia Development Bank Act No. 12 of 2008. The Bank provides development financing across a range of sectors including housing, education, industry, and services in alignment with national economic objectives. The Saint Lucia Development Bank (SLDB) stands as the sole development bank in Saint Lucia, playing a central role in shaping the country's economic trajectory. The Bank established the Youth Enterprise Equity Fund Inc. (YEEF) a wholly owned subsidiary. YEEF principal activity is the provision of equity funding to young entrepreneurs in Saint Lucia.

Financial Performance

As at March 31, 2024, the Bank reported total assets of $127.8 million and equity of $16.3 million, resulting in a capital adequacy ratio of 12.77%, which remains above the regulatory minimum of 8%. The Bank recorded a net loss of $1.03 million in 2024.

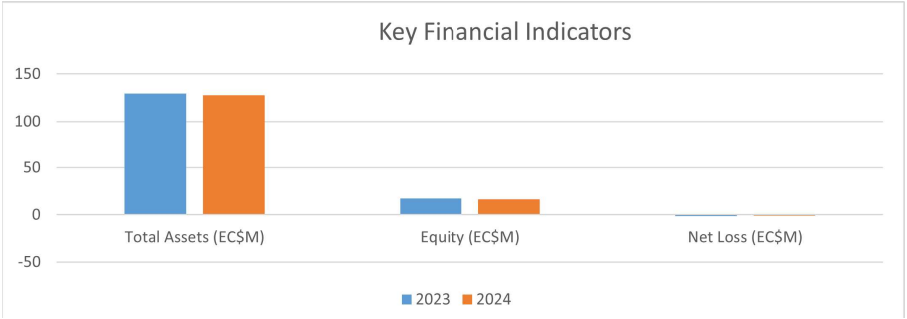


Figure 25: Key Financial Indicators

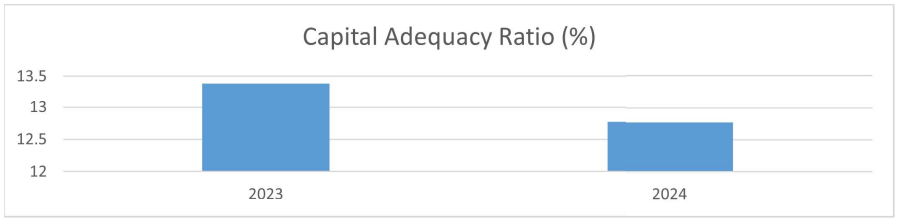


Figure 26: Capital Adequacy Ratio

Loan Portfolio

The loan portfolio remains concentrated in the housing and services sectors, and the level of non-performing loans, in the longer-term delinquency categories, has increased. The Authority will continue to monitor developments in this area as part of its routine supervisory review.

Regulatory Oversight and Supervision

The Financial Services Regulatory Authority (FSRA) issued guidelines to ensure that SLDB's operations are conducted safely and in compliance with governing statutes and best international practices. No onsite inspection was conducted for the 2024/2025 financial year, notwithstanding, the Bank remains subject to ongoing offsite monitoring and is required to submit annual audited financial statements and semi-annual reports to the Authority.

Way Forward

As part of the Authority's strategic priorities, amendments to the Saint Lucia Development Bank Act and the guidelines are being considered. These amendments will introduce enhanced prudential benchmarks covering liquidity requirements, delinquency thresholds, large exposure limits, and minimum corporate governance standards. The objective is to align the oversight framework more closely with principles of sound financial management, improve risk resilience, and ensure the Bank's mandate is fulfilled in a financially sustainable manner.



INTERNATIONAL
Financial Sector

- International Banks
- International Insurance Sector
- International Mutual Funds Sector
- Registered Agents and Trustees
- Other Areas of Work



International Banks

The International Banks Act, Cap 12.17, provides for the issuance of two (2) classes of international bank licenses: "Class A" and "Class B".

The "Class A" licence allows licensees to conduct business with third parties who are neither citizens nor residents of St. Lucia. These banks are actively engaged in transactional accounts (wire transfers), corporate loans and trade financing, which involve little to no over-the-counter physical cash transactions. There are no restrictions concerning the licensee receiving or soliciting funds by way of trade or business from non-residents. On the other hand, holders of "Class B" licenses are restricted to conduct business with a specific group of parties, preferably, not exceeding 10 (ten) persons.

For the period under review, the number of licensed international banks declined to nine (9), following the voluntary surrender of one (1) licensee. This represents a continuation of the downward trend in licensed entities observed since 2019. As at year-end 2024, the international banks' composition was three (3) "Class B" licenced banks and six (6) "Class A" licenced banks.

Total Banking Licenses	Class "A" Licenses	Class "B" Licenses
9	6	3

The Authority reports that no international bank licenses were issued in 2024. However, an application submitted in the previous period (2023) remains under review. Table 9 and figure 27 below depict the composition of the banking sector over the past five years.

International Banks	2020	2021	2022	2023	2024
Licensed International Banks beginning of period	11	11	11	11	10
Application Received	0	2	1	1	0
Application Approved	0	0	0	0	0
Application denied	2	1	1	1	0
Pending application	0	1	1	1	1
Revocation or surrender	0	0	0	1	1
Licensed International Banks at the end of the period	11	11	11	10	9

Table 9: Composition of the banking sector

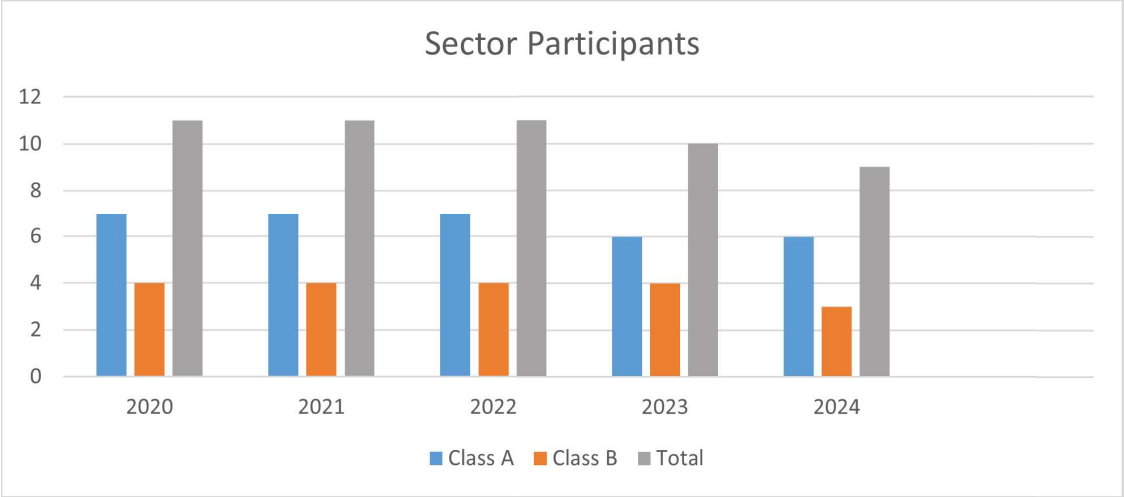


Figure 27: Sector Participants

SHAREHOLDING

European investors continue to represent the largest shareholder group across the nine international banks, accounting for 50% of total ownership. This dominant position reflects Europe's sustained interest and confidence in Saint Lucia's international banking sector. The Caribbean region ranks second, with 29% of shareholders. Shareholders from Latin America, the United States, and other regions each comprise 7%, indicating a globally diverse, though uneven, ownership landscape. This mix of international investment highlights the sector's broad appeal while also pointing to opportunities for deeper geographic diversification. Graph 28 below illustrates the distribution of shareholders by country.

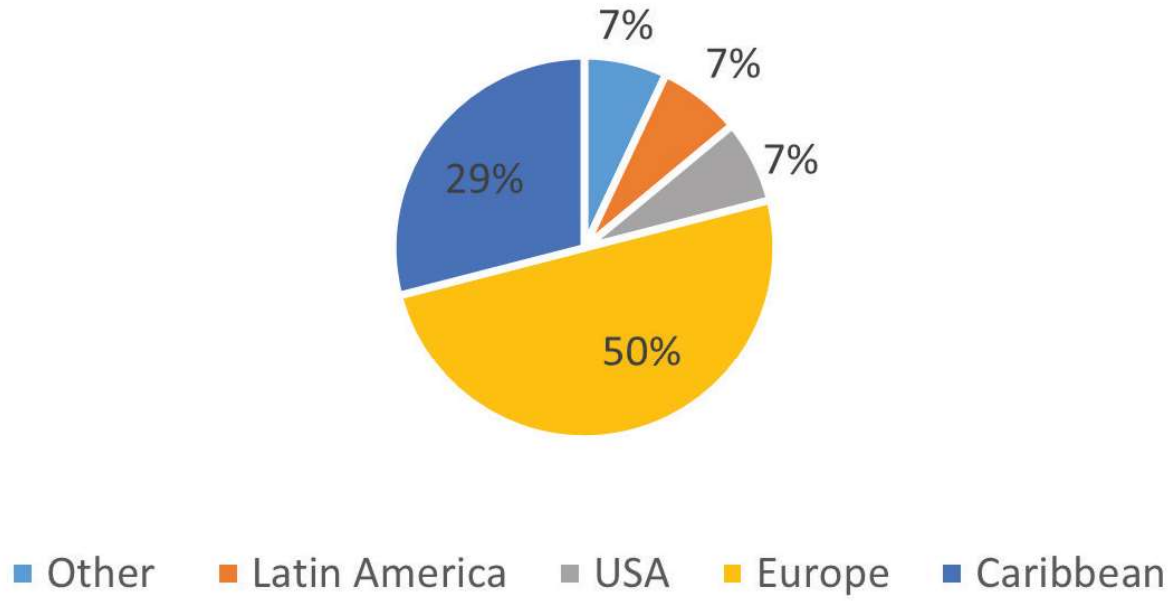


Figure 28: Shareholder by Country

As highlighted in Table 10 below, the Financial Soundness Indicators (FSIs) indicate that the international banking sector remains resilient. The sector has an average capital adequacy ratio ("CAR") well above the 8% minimum requirement set by the Basel Committee on Banking Supervision ("BCBS"), and the sector is quite liquid.

Non-performing loans (NPLs) rose to 10.22% of total gross loans, reflecting a deterioration in asset quality. This underscores the need for enhanced credit risk management practices across international banks.

Financial Soundness Indicators %	2023	2024
Capital Adequacy		
Regulatory Capital to Risk-Weighted Assets	59.19%	56.84%
Asset Quality		
Non-performing Loans to Total Gross Loans	7.82%	10.22%
Earning and Profitability		
ROA	1.49%	1.31%
Interest Margin to gross income	43.92%	54.81%
Liquidity		
Liquid assets to total assets	51.13%	45.95%

Table 10: Financial Soundness Indicators, 2023-2024

As at December 31, 2024, the total share capital across the reporting institutions amounted to approximately USD 274.7 million, reflecting a slight decline of 0.99% compared to USD 277.5 million recorded in 2023. This decrease was attributed to the surrender of one bank's license. Additionally, Tier 1 capital experienced a 1.6% increase. Notably, in the year 2021, share capital saw a substantial rise of 142%, driven by significant capital investments made during that period. However, such fluctuations became more stabilized and less material thereafter. Graph 29 below illustrates share capital levels.

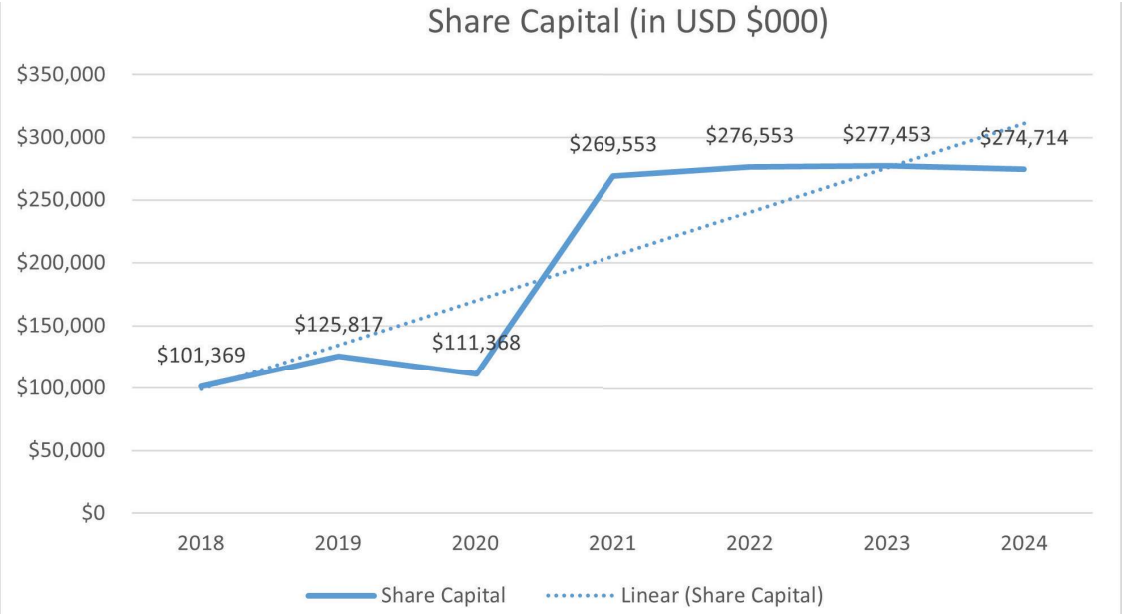


Figure 29: Share Capital

As shown in Table 11 and Figure 30 below, the banking sector's total assets (USD 1,137,151,217) remained relatively stable, recording a slight increase of 0.18%. In contrast, total deposits (USD 501,512,455) declined by 11.7%, driven primarily by one bank which manages client assets under custody. These funds are not owned by the bank and therefore do not ordinarily appear on its balance sheet. However, when the bank invests temporary cash surpluses on behalf of clients, the associated inflows are reflected as an increase in deposits. These funds are subsequently returned to the custody account when required by clients, resulting in short-term fluctuations in reported deposit balances.

Gross loans (USD 208,595,366) declined by 12.1%, largely due to the surrender of licence by one Class 'B' bank whose core business was loan financing. This exit significantly reduced the overall loan portfolio for the sector. Despite these developments, the sector recorded a 3.9% increase in total employment, indicating modest growth in institutional capacity and investment in operations

Details	2024	2023	Diff.	Diff. %
Total Assets	1,137,151,217	1,135,068,136	2,083,081	0.18
Share Capital	274,714,953	277,452,599	-2,737,646	-0.99
Tier 1 Capital	406,499,180	400,119,535	6,379,645	1.6
Total Deposits	501,512,455	567,932,344	-66,419,889	-11.7
Gross Loans	208,595,366	237,286,734	-28,691,368	-12.1
Net Income	16,822,406	18,929,267	-2,106,861	-11.1
Total Employees	107	103	4	3.9

Table 11: Key Data

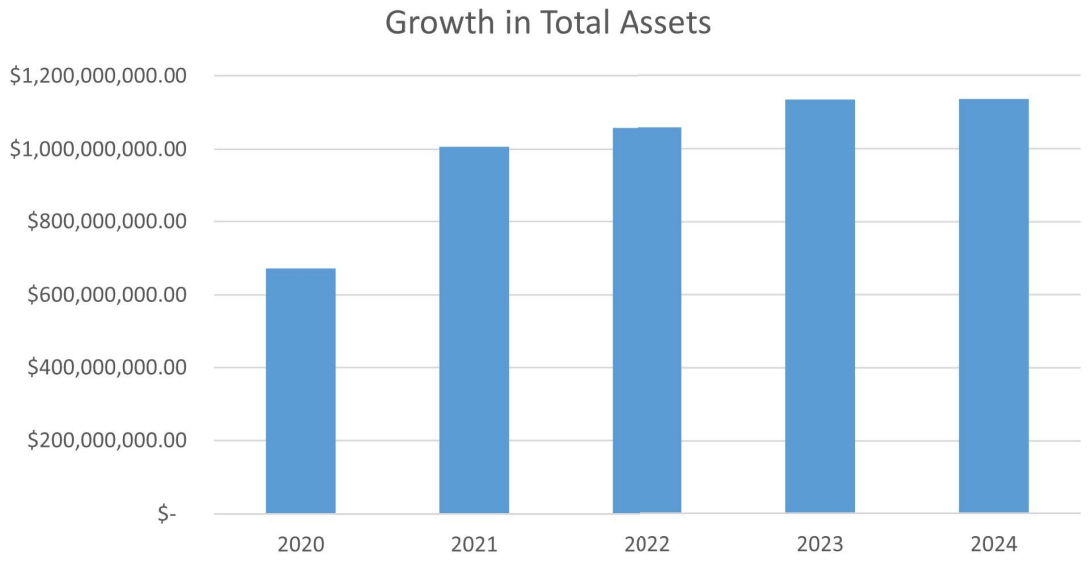


Figure 30: Growth in Total Assets

Investments

As at December 31, 2024, the combined investment portfolio of the nine (9) international banks stood at approximately USD $676 million. The portfolio remains heavily weighted toward long-term instruments, with corporate bonds and other long-term securities comprising around 60% of total investments. This allocation suggests a broad institutional strategy focused on long-term liquidity and monetary stability. U.S. Treasury Bills accounted for 16.45% of the portfolio, indicating an ongoing preference for low-risk, short-term sovereign instruments. Additional exposures include other government-issued securities (9%) and government treasury bills (6%), highlighting a continued emphasis on sovereign debt. The remaining balance is spread across other investments, U.S. bonds, subsidiaries, and collateral or pledged securities, each representing a relatively small share of the portfolio.

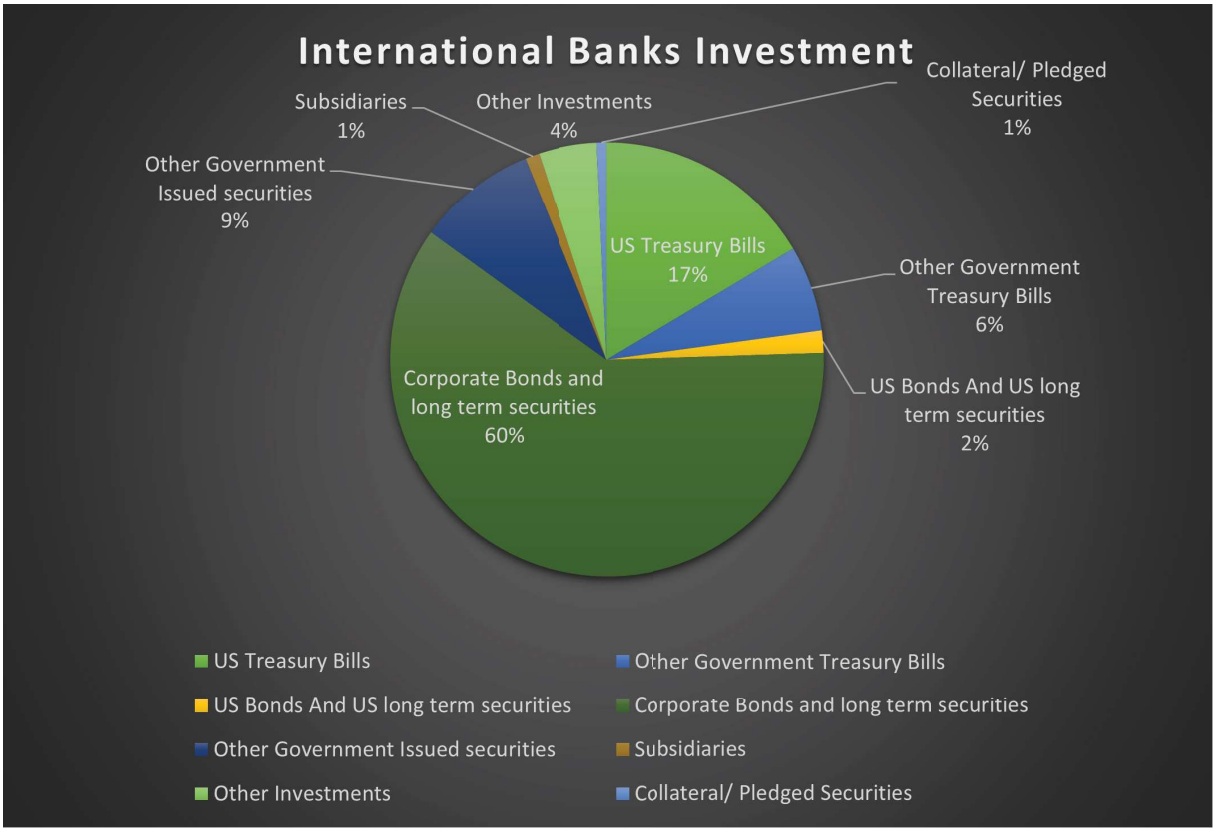


Figure 31: Investment

CHALLENGES WITHIN THE SECTOR

The challenges posed by de-risking have been highlighted in previous annual reports, reflecting its continued impact on the international banking sector. Several international banks operating in the jurisdiction have had correspondent banking relationships terminated, resulting in the surrender of licences and delays in launching operations.

As previously reported, the drivers of de-risking in the Caribbean remain complex and interconnected. These include heightened global regulatory expectations, concerns about money laundering and terrorism financing, uneven progress in meeting FATF standards, and the relatively small size and limited profitability of some regional markets.

To address these challenges, the region must sustain efforts in strengthening regulatory compliance, enhancing transparency, investing in technological infrastructure, and improving engagement with correspondent banking partners. Public awareness of AML/CFT requirements also remains essential.

As a further step, consideration should be given to the establishment of an international banking association comprising the licensed international banks operating within the jurisdiction. This association could serve as a collective platform to advocate for issues affecting the sector, particularly by fostering collaboration on regulatory and operational matters and representing the interests of the industry in regional and international fora. A coordinated approach of this nature may enhance the sector's resilience and support its integration within the global financial system.



International Insurance Companies

At the end of 2024, there was a total of thirty (30) companies registered/licensed under the International Insurance Act. Thus, there was a reduction of three (3) in the total number of entities in the sector compared to the previous year, 2023.

	2018	2019	2020	2021	2022	2023	2024
International Insurers at beginning of period	54	49	39	38	34	33	33
Applications Received	0	2	3	0	2	2	1
Applications Approved	1	1	1	2	2	1	0
Applications Denied	0	0	1	1	0	0	0
Pending Applications	3	3	2	1	1	2	3
Revocation or Surrender	6	11	2	6	3	1	3
International Insurers at end of period	49	39	38	34	33	33	30

Table 12: Movement in the number of International Insurers 2018-2024

The reduction was due to the surrender of the licence of one (1) Incorporated Cell Company and one (1) Incorporated Cell and the revocation of the licence of one (1) International Insurance Company. Three (3) Incorporated Cells are in the application phase.

The International Insurers on record at the end of 2024 comprised three (3) Incorporated Cell Companies, thirteen (13) Incorporated Cells and fourteen (14) International Insurance Companies. The fourteen (14) International Insurance Companies comprised six (6) Class A1, seven (7) Class A2, and one (1) Class C2 licensees.

	General		Life	Composite		Total
	A1	A2	B	C1	C2	
International Insurance Companies	7	6			1	14
Incorporated Cell Companies	2				1	3
Incorporated Cells	12				1	13
Total	21	6			3	30

Table 13: Composition of International Insurers - 2024

Class A1 licensees insure anything other than human life, while Class B licensees are licensed to insure human life. The Class C licence allows the selling of both general and long-term insurance. General insurers may be issued either a sub-class 1 licence to insure only the risks of its parent or affiliates within a group or a sub-class 2 licence which permits the holder to also insure third party risks.

	2018	2019	2020	2021	2022	2023	2024
Gross Written Premiums	50,291	48,240	54,736	20,234	81,939	29,812	24,443
Allowable Assets	224,953	240,186	288,435	259,758	280,600	311,159	338,398
Capital & Surplus	83,470	97,202	118,896	159,395	186,417	203,760	225,010

Table 14: International Insurance Sector – Key Financial Indicators 2018-2024 (USD '000)

International insurers continued to generate premiums in excess of USD 20 million and, at the close of 2024, strengthened their allowable asset base and capital. As depicted in Table 14 above, although gross written premiums decreased by eighteen (18%) from 2023 to 2024, allowable assets increased by nine percent (9%) while capital and surplus continued its increasing trend from 2018, recording a ten percent (10%) increase year-over-year for 2024.



International Mutual Funds

The International Mutual Funds Sector continues to be the smallest sector regulated by the Financial Services Regulatory Authority (FSRA). It is governed by the International Mutual Funds Act, Cap. 12.16 of the Revised Laws of Saint Lucia, supported by the International Mutual Funds Guidance Notes. The Act provides for the regulation of four categories of entities: International Private Mutual Funds, International Public Mutual Funds, International Mutual Fund Administrators, and International Mutual Fund Managers.

Sector Overview

As of December 31, 2024, the FSRA regulated seven (7) International Private Mutual Funds and one (1) International Mutual Fund Administrator, the same as the previous year. During the reporting period, the FSRA received one application for the registration of a Private Mutual Fund, and one Private Mutual Fund application for surrendering.

The sector has seen a notable decrease in the number of International Public Mutual Funds, consistent with the broader trend of fewer new registrations in recent years. This steep reduction was mainly due to legislative amendments to the International Business Companies Act, Cap. 12.14 as amended, where international business companies (IBCs) are now subjected to the same corporate income tax treatment (30%) as domestic companies, moving from the preferential tax rate of 1%.

The table below summarizes the sector composition:

International Mutual Funds – Registered Entities

International Mutual Funds Sector	2024	2023	2022	2021	2020	2019
International Private Mutual Funds	7	7	7	6	7	6
International Public Mutual Funds	0	0	0	0	3	3
International Public Mutual Fund Administrators	1	1	1	1	2	2
International Public Mutual Fund Managers	0	0	0	0	1	1
Total	**8**	**8**	**8**	**7**	**13**	**12**

Table 15: Movement in the international mutual funds sector 2019-2024

International Private Mutual Funds remain the dominant fund type and are primarily used for investment in debt and equity securities, real estate and property. Some diversification has also been observed into foreign exchange, art, oil and gas investments, and other non-traditional assets

The FSRA maintained ongoing monitoring, focusing on compliance with registration or licensing requirements, investor eligibility criteria, and, where applicable, the submission of audited financial statements and offering documents.

LEGISLATIVE AMENDMENTS

Proposed amendments to the International Mutual Funds Act, aimed at strengthening the supervisory framework for International Private Mutual Funds, remain under consideration. These include a requirement for all International Private Mutual Funds to engage a licensed Administrator under the Act. The Administrator would have defined obligations, including the maintenance of fund records and timely reporting to the FSRA of any concerns about the fund's solvency or conduct.

As at December 31, 2024, these amendments had not yet been enacted. However, the FSRA continues to advocate for their adoption to enhance transparency, improve access to records for supervisory purposes, and support broader compliance with international standards. The FSRA will maintain engagement with relevant stakeholders to advance these amendments.



Registered Agents and Trustees

The Registered Agent and Trustee Sector is governed by the Registered Agent and Trustee Licensing Act, Cap 12.12 of the Revised Laws of Saint Lucia ('the RATLA'). The RATLA was enacted to make provisions for the licensing and regulation of international financial services representation, which includes acting as a registered agent for international business companies or as a trustee of registered trusts in Saint Lucia.

Notwithstanding the above, the International Trust Act was repealed as at July 1, 2021. Consequently, as at December 31, 2024, the FSRA has only one (1) Registered Trustee on record, and eighteen (18) Registered Agents.

The table below reflects the licensed RAs and RT as at December 2024.

	Registered Agents as at December 31, 2024
1	PKF Corporate Services Ltd.
2	AXIS Financial Services Ltd.
3	Bespoke Corporate and Fiduciary Services Ltd.
4	AFCS Inc.
5	Oceanus International Inc.
6	Proven Corporate Services Ltd.
7	Hewanorra Corporate Services Ltd.
8	Financial and Corporate Services Ltd.
9	Corporate Services (St. Lucia) 1996 Ltd.
10	Ace Corporate Services
11	McNamara Corporate Services Ltd.
12	Colonial Trust Company Limited
13	Fortgate Offshore Investment and Legal Services Limited
14	Abacus Financial Services Limited
15	Foster Capital Inc.
16	Adco Incorporated
17	Dentons Corporate Services Limited
18	Island Registered Agents Ltd.

	Registered Trustees as at December 31, 2024
1	Adco Incorporated

Table 16: RAs and RT as at December 2024

Registered Agents are expected to ensure that promoters of International Business Companies which they represent meet fit and proper criteria, and to maintain the statutory records required by the Act. These obligations have become more significant following recent revisions to the International Business Companies Act, which aim to enhance transparency and support effective exchange of information in line with international standards.

Registered Agents continue to provide a range of administrative and representative services to International Business Companies (IBCs), as mandated under the Registered Agent and Trustee Licensing Act, Cap. 12.12.

Diagram 1 highlights that the majority of engagements involve the provision of a Registered Office or Business Address, which accounted for 45% of all services. This is consistent with the statutory requirement for all IBCs to maintain a registered address in Saint Lucia. The second most common service was Company Formation, comprising 38% of the services provided. This reflects the continuing reliance on Registered Agents to facilitate the incorporation of new entities and to guide promoters through the initial regulatory and administrative processes.

Other services included:

- Secretarial Services (11%), which cover routine corporate compliance such as preparing resolutions, maintaining registers, and filing statutory returns.
- Directorship Services (5%), where agents or affiliated individuals act as corporate directors.
- Provision of a Company Officer (1%), representing a small but notable percentage, typically involving nominee officers for structuring purposes.

These figures underscore the concentration of activity in address and formation services, while also pointing to the limited but ongoing use of agents in corporate governance roles.

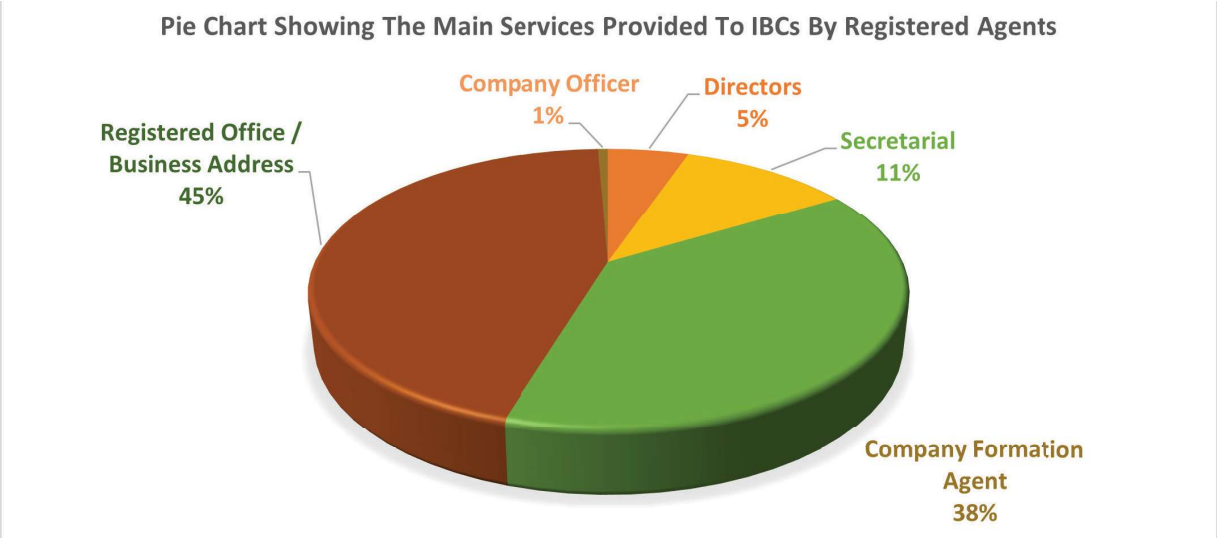


Figure 32: Main Services Being Provided by Registered Agents as at December 31, 2024

As part of its supervisory function, the Authority emphasizes the importance of registered agents conducting adequate due diligence and continuous monitoring where services extend beyond administrative support to more substantive roles such as directorships or office appointments.

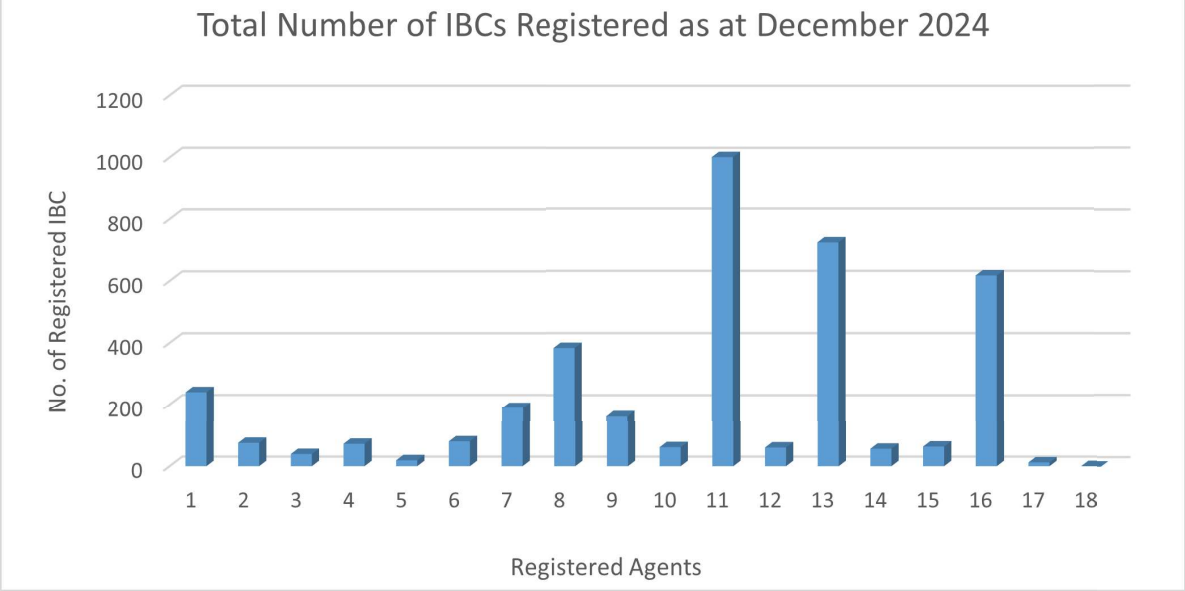


Figure 33: IBCs Registered as at December 2024

For the year ended December 31, 2024, there was a total of 3,856 registered IBCs. This reflects a notable increase of 777 IBCs compared to the previous year ended 2023, which had a total of 3,079 registered IBCs. This growth signifies market expansion, and heightened investor confidence, reinforcing Saint Lucia's appeal as an international business hub.

Ongoing Issues with Unregulated Financial Services

The FSRA continues to face challenges regarding IBCs engaging in financial services activities outside the scope of existing legislation, particularly Forex Brokerage, Contracts for Difference (CFDs), and similar high-risk trading platforms. While the IBC Act mandates that companies obtain FSRA consent to engage in international banking, insurance, or mutual fund business, there is currently no expressed licensing or approval framework for other financial services activities such as forex trading.



OTHER AREAS OF WORK

VIRTUAL ASSET BUSINESS SECTOR

The Financial Services Regulatory Authority (FSRA) continues to strengthen its regulatory framework in anticipation of activity within the virtual assets sector. While the FSRA has not yet commenced the licensing of Virtual Asset Service Providers (VASPs), significant legislative progress was made during the period under review.

The Virtual Assets Business Regulations, which came into effect on March 3, 2025, establish a comprehensive framework for the regulation and supervision of virtual asset businesses, pursuant to the Virtual Assets Business Act, No. 24 of 2022. These Regulations address key areas such as:

- Licensing and registration requirements;
- Fit and proper criteria;
- Capital adequacy and financial resource requirements;
- Safeguarding of client assets;
- Risk management and internal controls; and
- Ongoing reporting and compliance obligations.

During the year, the FSRA focused on internal capacity-building and the development of draft regulatory guidelines to support the implementation of the framework. These guidelines are being finalized and will be circulated to stakeholders ahead of a sector-wide consultation scheduled for the second quarter of 2025. The consultation will provide an opportunity for stakeholders to review and provide feedback on the proposed supervisory approach and compliance expectations under the Act and Regulations.

The FSRA remains committed to ensuring a risk-based, transparent, and well-governed regime for virtual asset activities in Saint Lucia, consistent with international standards including the Financial Action Task Force (FATF) Recommendations.

ONSITE INSPECTION UNIT

The Onsite Inspection Department was established in October 2023 to enhance the Financial Services Regulatory Authority's (FSRA) supervisory framework by supporting offsite reviews and strengthening the Authority's presence in the financial sector. The Department plays a critical role in assessing compliance, identifying risk exposures, and ensuring that regulated entities operate within the parameters of the law and established prudential guidelines.

Risk-Based Approach to Onsite Inspections

The FSRA has adopted a risk-based approach to onsite supervision. This framework prioritizes the inspection of entities that pose a higher risk to financial stability based on:

- Financial Stability – Size, interconnectedness, and systemic importance of the entity
- Regulatory Compliance History – Frequency and severity of past breaches
- Market Impact – The entity's role in the financial system
- Emerging Risks – Including risks linked to digitalisation, governance, and macroeconomic conditions

This approach enables the Authority to allocate resources effectively while maintaining broad coverage of the financial services landscape.

Onsite Inspections Conducted (2024-2025)

During the financial year, the Department conducted five onsite inspections across a range of licensed entities. These inspections were guided by the FSRA's supervisory priorities and the risk profiles of individual institutions.

Entity Type	Number of Onsite Inspections Conducted
Registered Agents	1
Money Services Business	1
Credit Union	1
International Banks	1
Insurance	1
TOTAL	5

Table 17: Onsite inspections conducted

The inspections assessed readiness to commence operations, governance practices, financial soundness, loan underwriting, compliance with statutory requirements, and the adequacy of internal controls and risk management frameworks. Key issues identified included weaknesses in documentation standards, gaps in transaction monitoring, and inconsistencies in credit risk provisioning. Where deficiencies were identified, entities were issued formal findings and required to submit action plans to address supervisory concerns within specified timeframes.

Two-Year Cycle Approach to Supervision

To ensure comprehensive coverage and timely risk mitigation, the FSRA has implemented a structured two-year inspection cycle. This plan balances the need for frequent engagement with higher-risk institutions against the obligation to maintain periodic oversight of all supervised entities.

Entity Type	2025	2026
Credit Unions	2	2
Money Services Businesses	1	3
Registered Agents	4	4
Mutual Funds Administrators	_	_
Insurance Companies	4	4
Insurance Agents	1	_
Insurance Brokers	2	2
Pension Funds	_	_
International Banks	2	1
International Insurances	_	_
Development Bank	_	_
TOTAL	16	15

Table 18: Onsite Inspection Work Plan (2025–2026)

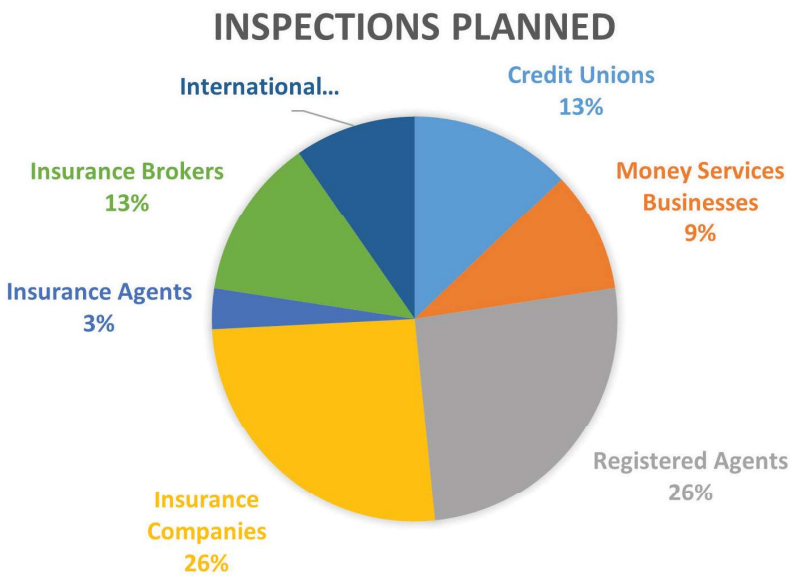


Figure 34: Risk-Based Inspection Distribution by Sector (2025–2026)

This forward-looking framework ensures that onsite supervision remains proactive, risk-aligned, and responsive to the evolving nature of the financial sector.

NEXT STEPS

In the year ahead, the Department will focus on improving the quality of its inspections through enhanced training and updates to inspection manuals. Greater emphasis will also be placed on:

- IFRS 9 implementation assessments
- Governance effectiveness and board accountability
- Liquidity and capital adequacy reviews
- Loan underwriting, provisioning and collateral
- Cybersecurity and operational resilience

The FSRA remains committed to strengthening its onsite supervisory capacity and will continue to evaluate and adapt its tools and methodologies in line with international best practices.



ACCOUNTANTS REPORT

REVENUE- SUBVENTIONS

During the fiscal year April 2024 to March 2025, the Financial Services Regulatory Authority (FSRA) continued to receive financial support from the Central Government through a gross subvention of $3,502,562.

This represents an increase of $474,567 (increase of 15.67 %) over the previous period. The additional allocation was directed toward strengthening the organization's capacity, including the appointment of a Human Resource Officer and ongoing training initiatives for both the recently commissioned onsite inspection team and in the area of risk-based regulatory practices.

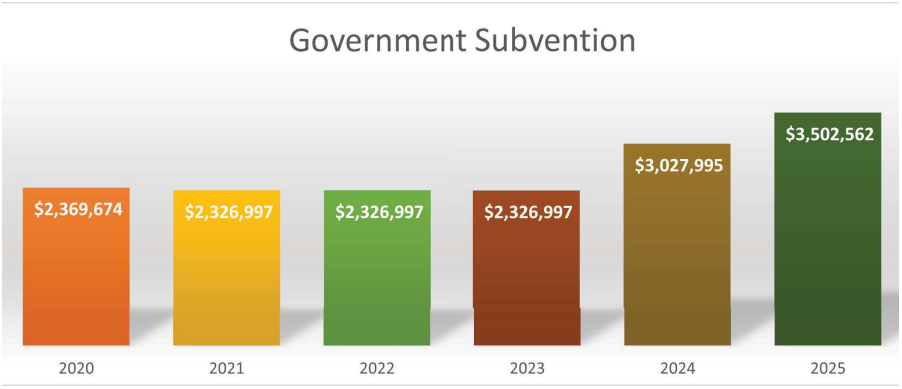


Figure 35: Government Subventions of fiscal years 2020 to 2025

Financial regulation remains a specialized and dynamic discipline, requiring continuous adaptation to emerging trends and the evolving complexities of the financial sector. Key focus areas include virtual assets, risk-based regulatory frameworks, foreign exchange (forex) oversight, and modern onsite inspection methodologies.

In line with its expanding regulatory responsibilities, the FSRA enhanced its organizational capacity through the commissioning of a dedicated Onsite Inspection Unit in 2024. This newly established team continued to undergo targeted training to ensure they are well-equipped to support the FSRA's mandate of safeguarding the jurisdiction's financial system.

The scope of supervisory oversight has also increased significantly, driven by new and evolving requirements from international bodies such as the Global Forum, CFATF, and

FATCA. Additionally, the delegation of due diligence responsibilities for International Business Companies (IBCs) headquarters applications by the Ministry of Finance has added to its operational workload. As a result, the FSRA is now required to conduct a greater number of onsite inspections and actively participate in several technical sub-committees.

For the fiscal year ended March 31, 2025, a surplus of $92,207 is being reported. These funds will be strategically allocated to support ongoing initiatives that reinforce the FSRA's commitment to effective, efficient, and forward-looking financial regulation.

ADMINISTRATIVE EXPENSES

For the fiscal year ended March 31, 2025, administrative expenses amounted to $3,412,855—representing a 16.49% increase over the previous year's total of $2,929,620. This moderate rise in expenditure reflects the organization's ongoing efforts to strengthen regulatory capacity and support internal growth.

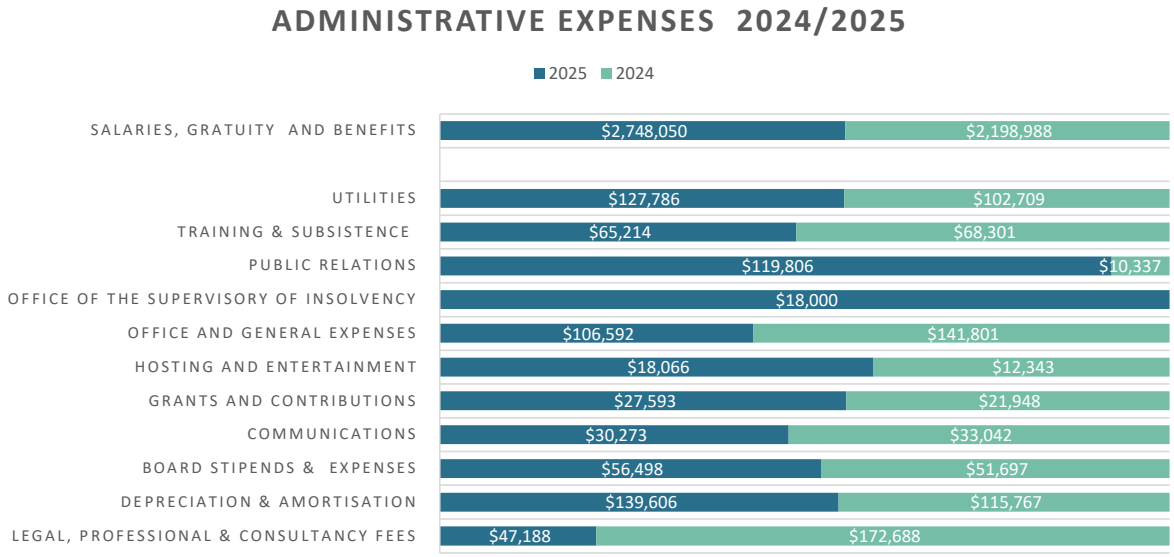


Figure 36: Total Administrative Expenses for the year 2024/2025

Key drivers of this increase include investments in regulatory initiatives and the successful hosting of the its first stakeholder symposium. The symposium was a strategic effort to enhance public awareness and foster stronger engagement with key stakeholders.

BREAKDOWN OF FEES, FINES AND FOREFITURES COLLECTED ON BEHALF OF THE GOVERNMENT OF SAINT LUCIA

For the fiscal year ended March 31, 2025, total fees collected from regulated entities amounted to $1,312,002—representing a 16.88% decrease compared to the previous year's collection of $1,533,443.

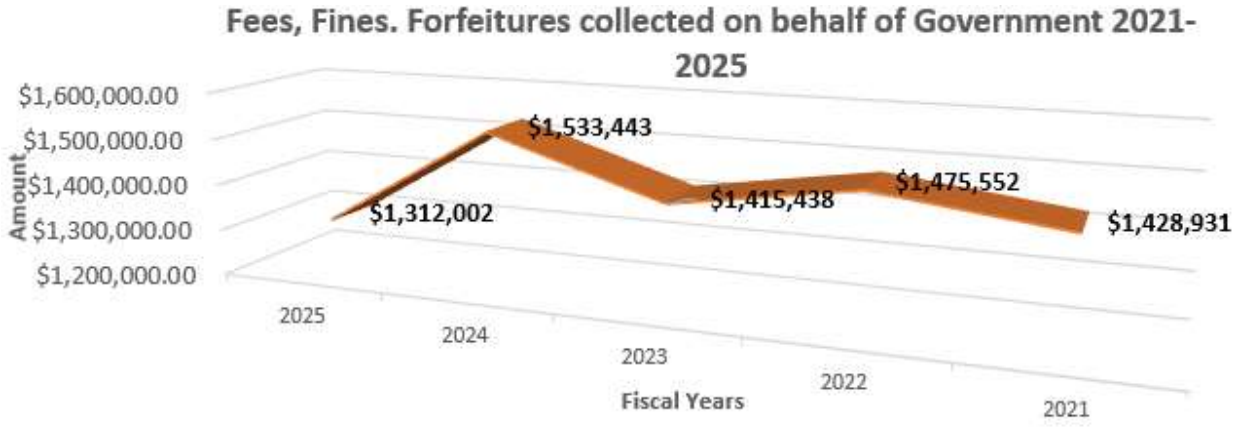


Figure 37: Fees, fines and Forfeitures collected for the financial year ended March 31, 2025

This decline in revenue is primarily attributed to reduced activity within the international sector. As such, continued efforts are necessary to enhance the competitiveness and attractiveness of the jurisdiction, particularly within the international financial market.
The domestic sector has shown stable performance, with revenue levels consistent with prior periods.

Looking ahead, the FSRA will explore new revenue opportunities across its regulatory portfolios, including growing interest in virtual assets. The passage of the Virtual Assets Regulation in 2025 is expected to open new avenues for revenue generation and sector development.

STAFF TRAINING

The FSRA remains committed to strengthening institutional capacity through continuous staff development. In the fiscal year under review, the focus continued to be on building the competencies of staff to effectively support and enhance regulatory oversight.

Much of the training conducted during the period was made possible through the generous support of regional bodies enabling a wide cross-section of staff to benefit from targeted learning opportunities. Training was delivered through a hybrid approach, combining virtual sessions with in-country, in-person workshops to maximize participation and impact.

The FSRA remains grateful to bodies such as the Caribbean Regional Technical Assistance Centre (CARTAC) for its generous support to the continued development of the staff of the FSRA.

	Training	Sponsor	Period
1	Licensing and Risk Based Supervision of Virtual Asset Service Providers (VASPs)	IMF/CARTAC	Apr-24
2	Virtual Assets Training	FSRA	Apr-24
3	CaribDE Workshop	CaribDE	Apr-24
4	RBS Follow Up and Credit Risk Management (NPLs, and IFRS9)	IMF/CARTAC	May-24
5	Risk Based Supervision Follow Up and Credit Risk Management (Nonperforming Loans and IFRS9) Workshop	CARTAC	May-24
6	Caribbean Association of Insurance Regulators (CAIR) 2024 Conference and Annual General	CAIR	May-24
7	Risk Management in the Financial Sector and Supervisory Approaches	IMF/CARTAC	Jun-24
8	Navigating the Future: Generative Artificial Intelligence in Accounting and Finance Workshop-ICAEC	FSRA	Jun-24
9	Risk Based Supervision Supervisory Planning and Procedures for Conducting Onsite Examination at Insurance Companies Workshop	CARTAC	Jun 24-Jul 24
10	Methodological Framework for Assessing Climate Risks	IMF/CARTAC	Aug 24- Feb 25
11	BIS-IMF Supervisory and Regulatory Online Course (SROC) for Banking Supervisors 2024	FSRA	Aug 24- Feb 25
12	Integrating Climate-Related and Environmental Risks into Banks' Supervision	FSRA	Sep 24- Oct 24
13	Corporate Governance and Enterprise Risk Management for Insurers	CARTAC	Sep 24 - Oct 24
14	Cybersecurity and the Role of Robust Risk Assessment	FSRA	Oct-24
15	Selected Issues in Fintech Regulation Workshop - CARTAC / IMF Monetary and Capital Markets Department	CARTAC / IMF	Oct-24
16	Ultimate Beneficial Owner Workshop - FSRA FSRA Oct-24	FSRA	Oct-24
17	Digital Financial Services (DFS) Security Clinic	PSM	Nov-24
18	Pre-Onsite Planning Workshop	FSRA/CARTAC	Nov-24
19	Corporate Governance and Enterprise Risk Management for Insurers	CARTAC	Jan-25
20	Use of AI in Public & Private Sector		
21	Digital Financial Services Workshop	PSM	Mar-25
22	Key Performance Indicators (KPIs) for Life Insurers Webinar - Caribbean Association of Insurance Regulators	CAIR	Mar-25

Table 19: Staff Training 2024/2025

AUDITED FINANCIALS

Prepared For:
Financial Services
Regulatory Authority

BDO

Audited Financial Statements

Financial Services Regulatory Authority

FOR THE YEAR ENDED March 31, 2025

(Expressed in Eastern Caribbean Dollars)

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Page 6	Statement of Income and Expenditure
Page 7	Statement of Cash Flows
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REGISTERED OFFICE

6th Floor
Francis Compton Building
Waterfront
Castries

EXECUTIVE DIRECTOR

Mrs. Nathalie Dusauzay

DIRECTORS

Mr. Philip Dalsou - Chairman (Appointed June 01, 2022)
Mr. Paul Thompson - Managing Director, Financial Intelligence Authority (Appointed May 06, 2022)
Mr. Trevor Brathwaite - Designated Representative : Eastern Caribbean Central Bank (Appointed August 23, 2023)
Mr. Francis Fontenelle - Permanent Secretary Ministry of Finance (Appointed September 01, 2022)
Ms. Olivia Marcia Vité (Demitted Office February 25, 2025)
Ms. Mary Popo - Non-Executive Director (Appointed June 01, 2022)
Ms. Adria Sonson - Non- Executive Director, Appointed July 11, 2022)
Ms. Felicia Ellie - Alternate Director (Appointed February 26, 2025)

BANKERS

Bank of Saint Lucia Limited

AUDITORS

BDO Eastern Caribbean

Tel: 758-452-2500
Fax: 758-452-7317
www.bdoecc.com

Mercury Court
Choc Estate
P.O. Box 364
Castries
LC04 101
St. Lucia

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Financial Services Regulatory Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Financial Services Regulatory Authority (the Authority), which comprise the statement of financial position as at March 31, 2025, and the statements of changes in equity, income and expenditure and cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Saint Lucia and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Other Information Included in the Authority's 2025 Annual Report

Other information consists of the information included in the Authority's 2025 Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Authority's 2025 Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

BDO Eastern Caribbean, a network of firms registered in Anguilla, Antigua and Barbuda, St. Lucia and St. Vincent and the Grenadines, is a member of BDO International Limited, a UK company Limited by guarantee, and forms part of the international BDO network of independent member firms.

Other Information Included in the Authority's 2025 Annual Report (Cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the 2025 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.



Chartered Accountants
Castries, St. Lucia
June 26, 2025

Financial Services Regulatory Authority

Statement of Financial Position
As at March 31, 2025
(Expressed in Eastern Caribbean Dollars)

	Notes	2025 $	2024 $
ASSETS			
Current Assets			
Cash	6	868,899	666,835
Accounts receivable and prepayments	7	11,438	28,230
Investments	8	202,500	200,000
		1,082,837	895,065
Long-term Assets			
Property and equipment	9	294,419	349,193
Intangible assets	10	1,374	4,529
		295,793	353,722
TOTAL ASSETS		1,378,630	1,248,787
LIABILITIES AND EQUITY			
Current Liability			
Accounts payable and accruals	11	314,051	276,415
Equity			
Accumulated surplus		1,064,579	972,372
Total Equity		1,064,579	972,372
TOTAL LIABILITIES AND EQUITY		1,378,630	1,248,787

The accompanying notes form an integral part of these financial statements.

APPROVED ON BEHALF OF THE BOARD: -

Chairperson

Member

Financial Services Regulatory Authority

Statement of Changes in Equity
For the Year Ended March 31, 2025
(Expressed in Eastern Caribbean Dollars)

	Accumulated Surplus $	Total $
Balance as at March 31, 2023	873,997	873,997
Surplus for the year	98,375	98,375
Balance as at March 31, 2024	972,372	972,372
Surplus for the year	92,207	92,207
Balance as at March 31, 2025	1,064,579	1,064,579

The accompanying notes form an integral part of these financial statements.

Financial Services Regulatory Authority

Statement of Income and Expenditure
For the Year Ended March 31, 2025
(Expressed in Eastern Caribbean Dollars)

	Notes	2025 $	2024 $
Revenue			
Subventions	12	3,502,562	3,027,995
Other income		2,500	-
		3,505,062	3,027,995
Administrative and general expenses	13	(3,412,855)	(2,929,620)
Surplus for the year		92,207	98,375

The accompanying notes form an integral part of these financial statements.

Financial Services Regulatory Authority

Statement of Cash Flows
For the Year Ended March 31, 2025
(Expressed in Eastern Caribbean Dollars)

	Notes	2025 $	2024 $
Cash Flows from Operating Activities			
Surplus for the year		92,207	98,375
Adjustments for:			
Depreciation and amortization	9,10,13	139,606	115,767
Operating income before working capital changes		231,813	214,142
Decrease/(increase) in accounts receivable and prepayments		16,792	(14,800)
Increase/(decrease) in accounts payable and accruals		37,636	(89,894)
Net cash generated from operating activities		286,241	109,448
Cash Flows from Investing Activities			
Purchase of intangible assets	10	-	(2,249)
Investments		(2,500)	(200,000)
Purchase of property and equipment	9	(81,677)	(258,180)
Net cash used in investing activities		(84,177)	(460,429)
Increase/(decrease) in Cash		202,064	(350,981)
Cash - Beginning of Year		666,835	1,017,816
Cash - End of Year	6	868,899	666,835

The accompanying notes form an integral part of these financial statements.

Financial Services Regulatory Authority

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1. Incorporation and Principal Activity

The Financial Services Regulatory Authority (the Authority), formerly the Financial Sector Supervision Unit, is a statutory body of the Government of Saint Lucia, which was established on April 1, 2011, under the Financial Services Regulatory Authority (FSRA) Act No. 13 of 2011 and commenced operations on January 1, 2014.

The Authority is the single regulatory body which licenses, supervises and regulates financial institutions within the financial sector of Saint Lucia, with the exception of Financial Institutions licensed under the Banking Act Chap 12.01 and the Securities Act Chap. 12.18.

The Authority's registered office and principal place of business is located on the 6th Floor, Francis Compton Building, Waterfront, Castries, Saint Lucia.

2. Date of Authorisation of Issue

These financial statements were authorised for issue by the Board of Directors on June 24, 2025.

3. Material Accounting Policy Information

The principal accounting policies adopted are stated in order to assist in a general understanding of the financial statements. These policies have been consistently applied to the years presented, unless otherwise stated.

(a) Statement of Compliance

The financial statements of the Authority have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and interpretations (collectively IFRS Accounting Standards).

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are material to the financial statements are disclosed in Note 4.

(b) New standards amendments to standards and interpretations

(i) Standards amendments and interpretations effective in 2024 financial year are as follows:

A number of new standards, amendments to standards and interpretations effective for annual periods beginning on or after January 1, 2024, have been adopted in these financial statements. Note: those new standards, amendments and interpretations effective for annual periods beginning on or after January 1, 2024, which do not affect the Authority's financial statements have not been disclosed below.

- *IAS 1, 'Presentation of Financial Statements'* and *IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'* were amended to help companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. Additional amendments clarify how covenants affect the classification of a liability and require additional disclosures.

  It is not anticipated that the application of this amendment will have a material impact on amounts reported in respect to the Authority's financial statements.

3. Material Accounting Policy Information (Cont'd)

(b) New standards amendments to standards and interpretations (Cont'd)

(i) Standards amendments and interpretations effective in 2024 financial year are as follows (Cont'd):

- IAS 7, 'Statement of Cash Flows' and IFRS 7, 'Financial Instruments: Disclosures' were amended to add disclosure requirements, and signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

  The application of this amendment did not have a material impact on disclosures in the Authority's financial statements.

(ii) Standards, amendments and interpretations that are issued but not effective and have not been early adopted are as follows:

- IAS 21, 'The Effects of Changes in Foreign Exchange Rates' was amended to provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.
- IFRS 9, 'Financial Instruments' and IFRS 7, 'Financial Instruments: Disclosures', were amended to clarify:
  - the requirements related to the date of recognition and derecognition of financial assets and financial liabilities, with an exemption for derecognition of financial liabilities settled via electronic transfer,
  - the requirements for assessing contractual cash flow characteristics of financial assets, and
  - characteristics of non-recourse loans and contractually linked instruments.
- IFRS 18, *'Presentation and Disclosures in Financial Statements' supersedes IAS 1, 'Presentation of Financial Statements'* with many of the existing requirements of IAS 1 remaining unchanged. This new standard also introduces new requirements to:
  - present specified categories and defined subtotals in the statement of profit or loss,
  - provide disclosures on management-defined performance measures in the notes to the financial statements, and
  - improve aggregation and disaggregation.

  The Authority does not expect any other standards issued by the IASB, but are yet to be effective, to have a material impact on the financial statements.

3. Material Accounting Policy Information (Cont'd)

(c) Cash

Cash is carried on the statement of financial position at amortised cost. For the purpose of the statement of cash flows, cash comprises balances with a maturity period of three months or less from the date of acquisition including cash on hand and deposits held on call with banks.

(d) Accounts Receivables and Prepayments

Accounts receivables are carried initially at fair value and subsequently measured at amortised cost less any impairment. The amount of the provision for impairment of trade receivable is recognised in Statement of Income and Expenditure. Trade and other receivables, being short-term, are not discounted.

Prepayments represent expenses not yet incurred but are already paid. Prepayments are initially recorded as assets and measured at the amount paid. Subsequently, these are charged to the Statement of Income and Expenditure as they are consumed in the operations or expire with passage of time.

Prepayments are classified in the Statement of Financial Position as current asset when it is expected to be collected within one year. Otherwise, prepayments are classified as current.

(e) Property and Equipment

Property and equipment are stated at historical cost net of accumulated depreciation and or impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Income and Expenditure during the financial period in which they are incurred.

Depreciation is calculated on the straight-line basis to allocate the cost of each asset to their residual values over their estimated useful lives as follows:

Assets	**Estimated Useful Lives**
Motor Vehicles	5 - 7 years
Furniture	5 - 10 years
Equipment	3 - 5 years
Leasehold improvements	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are amortized on a straight-line basis over the shorter of the lease or estimated useful life.

Gains and losses on disposal are determined by comparing proceeds with carrying amounts. These are included in the statement of income and expenditure.

4. Material Accounting Policy Information (Cont'd)

(f) Investments

Financial assets at amortised cost

The Company's investments in fixed deposits are classified as financial assets at amortised cost. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit and loss. Any gain or loss on derecognition is recognised in profit or loss.

(g) Intangible Assets

Intangible assets are stated at historical cost less accumulated amortization. Historical cost includes expenditure that is directly attributable to the acquisition of the item. Amortization is calculated using the straight-line method to allocate cost less residual value over the estimated useful life of three (3) years.

(h) Impairment of non-financial Assets

The carrying amounts of the Authority's property and equipment are reviewed at each reporting date to determine whether there are any indicators of impairment. If any indicators exist, the asset's recoverable amount is estimated.

The recoverable amount of the asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Income and Expenditure.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

(i) Accounts Payable

Accounts payable are classified as current liabilities if payment is due within one year (1) or less. Accounts payable are initially recognised at fair value and subsequently measured at amortised cost.

3. Material Accounting Policy Information (Cont'd)

(j) Related Party Transactions

A party is related to the Authority if:

(i) Directly or indirectly the party:

- Controls, is controlled by, or is under common control with the Authority;
- Has an interest in the Authority that gives it significant influence over the Authority; or
- Has joint control over the Authority;

(ii) The party is a member of the key management personnel of the Authority;

(iii) The party is a close member of the family of any individual referred to in (i) or (ii).

(iv) The party is a post-employment benefit plan for the benefit of employees of the Authority or anybody that is a related party to the Authority.

(k) Contributed Capital

Contributed capital relates to net assets acquired by the Authority at inception.

(l) Revenue Recognition

Revenue is recognised on an accruals basis and comprises subvention received from the Government of Saint Lucia.

An annual subvention is approved by Parliament and is included in the Government of Saint Lucia's Estimates of Revenue & Expenditure for the given financial year.

(m) Expenses

Expenses are recognised on an accruals basis.

(n) Contingencies

Contingent liabilities represent possible obligations and are disclosed in the financial statements unless the possibility of the outflow of resources embodying the economic benefit is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

(o) Events after the Reporting Date

Post year-end events that provide additional information about the Authority's position at the reporting date (adjusting events) are reflected in the Authority's financial statements. Material post year-end events which are not adjusting events are disclosed.

(p) Comparatives

Where necessary, comparatives have been adjusted to conform with changes in the presentation in the current year.

4. Critical Accounting Judgments, Estimates and Assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Authority based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstance arising beyond the control of the Authority. Such changes are reflected in the assumptions when they occur.

The most significant use of estimates and assumptions are:

- Estimated useful lives of property and equipment - Note 3(e)
- Estimated useful lives of intangible assets - Note 3(g)

5. Financial Risk Management

In accordance with the provisions of International Financial Reporting Standard No. 7, disclosures are required regarding credit risk, liquidity risk, market risk, fair value of financial instruments and capital management.

(a) Credit Risk

Credit risk arises from the possibility that counterparties may default on their obligations to the Authority. The Authority's maximum exposure to credit risk is indicated by the carrying amount of its financial assets.

The financial assets which may potentially expose the Authority to concentrations of credit risk consist of cash and cash equivalents. The Authority places its deposits with a reputable financial institution and as such, management does not believe that significant credit risk exists as at March 31, 2025.

(b) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents to meet contractual obligations. Management reviews cash flow forecasts on a regular basis to determine whether the Authority has sufficient cash reserves to meet future working capital requirements. All contractual obligations are expected to be settled within the next year.

As such, management does not believe that significant liquidity risk exists as at March 31, 2025.

(c) Market Risk

Market risk is the risk that changes in market prices, such as interest and foreign exchange rates will affect the value of the Authority's assets, the amount of its liabilities and/or the Authority's income. The Authority has minimal exposure to interest rate risk as it has no significant interest-bearing financial assets or liabilities. The Authority also has minimal exposure to foreign exchange risk as the majority of its foreign transactions are quoted in its functional currency, the Eastern Caribbean Dollar.

5. Financial Risk Management (Cont'd)

(d) Fair Value of Financial Instruments

Fair values represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and are best evidenced by quoted market values, if they exist. None of the Authority's financial assets or liabilities are traded on formal markets and as such their fair values are assumed to approximate their carrying amounts.

(e) Capital Management

The Authority's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to collect funds on behalf of the Government of Saint Lucia. In order to maintain or adjust its capital structure, the Authority may adjust its levels of expenditure.

6. Cash

	2025 $	2024 $
Cash on hand	500	500
Cash in bank	868,399	666,335
	868,899	666,835

Other cash in bank is non-interest bearing.

7. Accounts Receivable and Prepayments

	2025 $	2024 $
Prepaid expenses	11,438	11,661
Advance payment	-	16,569
	11,438	28,230

8. Investments

Amortised cost

Fixed deposit

	2025 $	2024 $
Bank of St. Lucia Limited	200,000	200,000
Interest on Fixed Deposit	2,500	-
	202,500	200,000

Fixed deposit account has interest of 1.25% per annum in 2025 and 2024.

9. Property and Equipment

	Leasehold Improvements $	Furniture $	Equipment $	Motor Vehicles $	Total $
At March 31, 2023					
Cost	-	98,037	284,988	144,500	527,525
Accumulated depreciation	-	(86,178)	(222,990)	(15,482)	(324,650)
Net book value	-	11,859	61,998	129,018	202,875
Year ended March 31, 2024					
Opening net book value	-	11,859	61,998	129,018	202,875
Additions	179,606	47,120	31,454	-	258,180
Depreciation charge (Note 13)	(39,912)	(9,287)	(42,020)	(20,643)	(111,862)
Closing net book value	139,694	49,692	51,432	108,375	349,193
At March 31, 2024					
Cost	179,606	145,157	316,442	144,500	785,705
Accumulated depreciation	(39,912)	(95,465)	(265,010)	(36,125)	(436,512)
Net book value	139,694	49,692	51,432	108,375	349,193
Year ended March 31, 2025					
Opening net book value	139,694	49,692	51,432	108,375	349,193
Additions	7,345	6,597	67,735	-	81,677
Depreciation charge (Note 13)	(61,703)	(15,010)	(39,095)	(20,643)	(136,451)
Closing net book value	85,336	41,279	80,072	87,732	294,419
At March 31, 2025					
Cost	186,951	151,754	384,177	144,500	867,382
Accumulated depreciation	(101,615)	(110,475)	(304,105)	(56,768)	(572,963)
Net book value	85,336	41,279	80,072	87,732	294,419

10. Intangible Assets

	Software $
At March 31, 2023	
Cost	18,821
Accumulated amortisation	(12,636)
Net book value	6,185
Year ended March 31, 2024	
Opening net book value	6,185
Additions	2,249
Amortisation charge (Note 13)	(3,905)
Closing net book value	4,529
At March 31, 2024	
Cost	21,070
Accumulated amortisation	(16,541)
Net book value	4,529
Year ended March 31, 2025	
Opening net book value	4,529
Additions	-
Amortisation charge (Note 13)	(3,155)
Closing net book value	1,374
At March 31, 2025	
Cost	21,070
Accumulated amortisation	(19,696)
Net book value	1,374

11. Accounts Payable and Accruals

	2025 $	2024 $
Gratuity payable	196,745	121,358
Vacation accrual	78,466	124,374
Accounts payable	38,840	30,683
	314,051	276,415

The amount for accounts payable represents outstanding utility payments and other payments due to suppliers.

12. Government Subvention

The Authority received an annual subvention from the Government of Saint Lucia to meet its operational costs of $3,502,562 (2024: 3,027,995). A budget is submitted to the Government based on projected cash requirements, and the final amount received is at the discretion of the Government. There are no unfulfilled conditions or other contingencies attached to amounts received in 2025.

	2025 $	2024 $
Government of St. Lucia	3,502,562	3,027,995

13. Administrative and General Expenses

	2025 $	2024 $
Advertisements	3,831	2,888
Audit Fees	12,000	14,887
Amortisation (Note 10)	3,155	3,905
Bank charges	3,242	3,106
Board expenses	2,998	4,097
Board stipends and appeals tribunal	53,500	47,600
Communications	30,273	33,042
Depreciation (Note 9)	136,451	111,862
Grants and contributions	27,593	21,948
Gratuity	151,887	125,575
Hosting and entertainment	18,066	12,343
Legal and professional expenses	11,300	90,138
Consultancy Fees	23,888	67,662
Maintenance	6,773	14,798
Office and general expenses	92,747	121,009
Office of the Supervisory of Insolvency	18,000	-
Public relations	16,260	10,337
Salaries and benefits (Note 14)	2,504,345	2,073,413
Symposium	103,546	-
Training	51,658	35,317
Travel and subsistence	13,556	32,984
Utilities	127,786	102,709
	3,412,855	2,929,620

14. Employee and Management Costs

	2025 $	2024 $
Senior Management		
Salaries and wages	777,930	871,077
National insurance	12,000	9,500
	789,930	880,577
Other Staff		
Salaries and wages	1,629,504	1,117,324
National insurance	61,354	51,074
Other	23,557	24,438
	1,714,415	1,192,836
	2,504,345	2,073,413

The average number of staff for the year was 33 (2024 - 30).

15. Related Party Transactions

The Financial Services Regulatory Authority (FSRA) is a statutory body deemed a related party with Government of Saint Lucia/ Central Government.

(a) Transactions with the Central Government:

The FSRA receives an annual subvention from the Central Government, which is recognized as income in the statement of profit or loss. The annual rent expense for the premises occupied by the FSRA is absorbed by Central Government and paid directly to the landlord. There is no contractual obligation between the FSRA and the landlord as such the transaction is not recognized in the financial statements as an expense or liability.

(b) Unrecognized Related Party Transactions:

In accordance with of IAS 24, the FSRA discloses related party transactions that have occurred but are not recognized in the financial statements when such disclosure is necessary to enable users to understand the potential impact on the financial position and performance of the entity.

Accordingly, the annual rental expense of $240,156 has been disclosed here as a non-monetary benefit, even though no accounting entry is recorded by the entity.

During the year, the Authority collected funds totaling $1,312,002 (2024 - $1,533,443) on behalf of the Government of Saint Lucia for license fees, fines and forfeitures from the financial services sector, in keeping with Section 39 of the FSRA Act No. 13 of 2011.

These amounts generated are paid directly to the consolidated fund of the Government of Saint Lucia by the Licensees.

16. Taxation

In accordance with section 32 of the Financial Services Regulatory Authority Act No. 13 of 2011, the Authority is exempt from the payment of taxes, levies, duties and fees on income, property and documents.

17. Contingent Asset Court Awarded Costs

On October 3, 2024 (Claim No: SLUHCM2022/0031) the Financial Services Regulatory Authority (FSRA) (claimant) received a favourable judgement in a legal matter involving the Seventh Day Adventist Cooperative Society Limited (defendant) with the court awarding assessed costs of $61,744 to be paid by the defendant.

However, as of the reporting date, the FSRA is unable to assess the financial position of the defendant and, therefore, the probability of recovery of the awarded amount remains uncertain.

In accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, the FSRA has not recognized any asset related to this award, but has disclosed it as a contingent asset, since the inflow of economic benefits is not yet virtually certain.

The FSRA will continue to monitor developments and assess recognition criteria in future periods.



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