

COMPLIANCE/RISK MANAGEMENT STATEMENT

The Board of Directors and Management Committees as well as all staff of Loyal Bank Ltd including its representative offices endeavour to uphold a strong compliance culture and business strategy representing Loyal Bank's core values and the highest levels of professional conduct. These values and standards of business conduct are an integral part of Loyal Bank's compliance policy.

Standards of compliance are understood to be the applicable legislation of St. Vincent and the Grenadines which include St Vincent and the Grenadines Proceeds of Crime Act, 2013; The Proceeds of Crime (Money Laundering) Regulations 2001; The United Nations (Anti-Terrorism Measures) Act 2002; The National Anti-Money Laundering Committee Guidance Notes; Financial Intelligence Unit Act 2001; and directives by the competent authority, The Financial Services Authority as well as International and Regional Standards such as The Financial Action Task Force (FATF); The Caribbean Financial Action Task Force (CFATF); The Basel Committee; The Wolfsberg Group; The Organisation for Economic Co-operation and Development (OECD); and The European Union Regulations.

The Board of Directors holds the overall responsibility for ensuring Loyal Bank's compliance and has the primary duty of ensuring the implementation and the on-going maintenance of adequate control systems within compliance. The risk management and compliance function jointly support the bank's management structure and have the primary duty of providing advice with the implementation and continuous maintenance of compliance. The internal audit function has the primary duty of assessing and testing the functioning and effectiveness of the business areas of Loyal Bank in line with risk management and compliance operations.

Notwithstanding the Board of Directors' overall responsibility for compliance, the mitigation of any compliance risk is a shared responsibility which places the staff, officers and representatives of Loyal Bank under a duty to respect the compliance primary functions of oversight and defence.

Compliance functions in an ever changing environment and therefore its methodology of managing compliance risk is subject to continuous review, evaluation and revision. Loyal Bank stands firmly committed to the prevention, detection and arrest of money laundering, terrorist financing, fraud, corruption or other financial crimes.

The Board of Directors
Loyal Bank Limited