

# YOUR PARTNER IN PROGRESS



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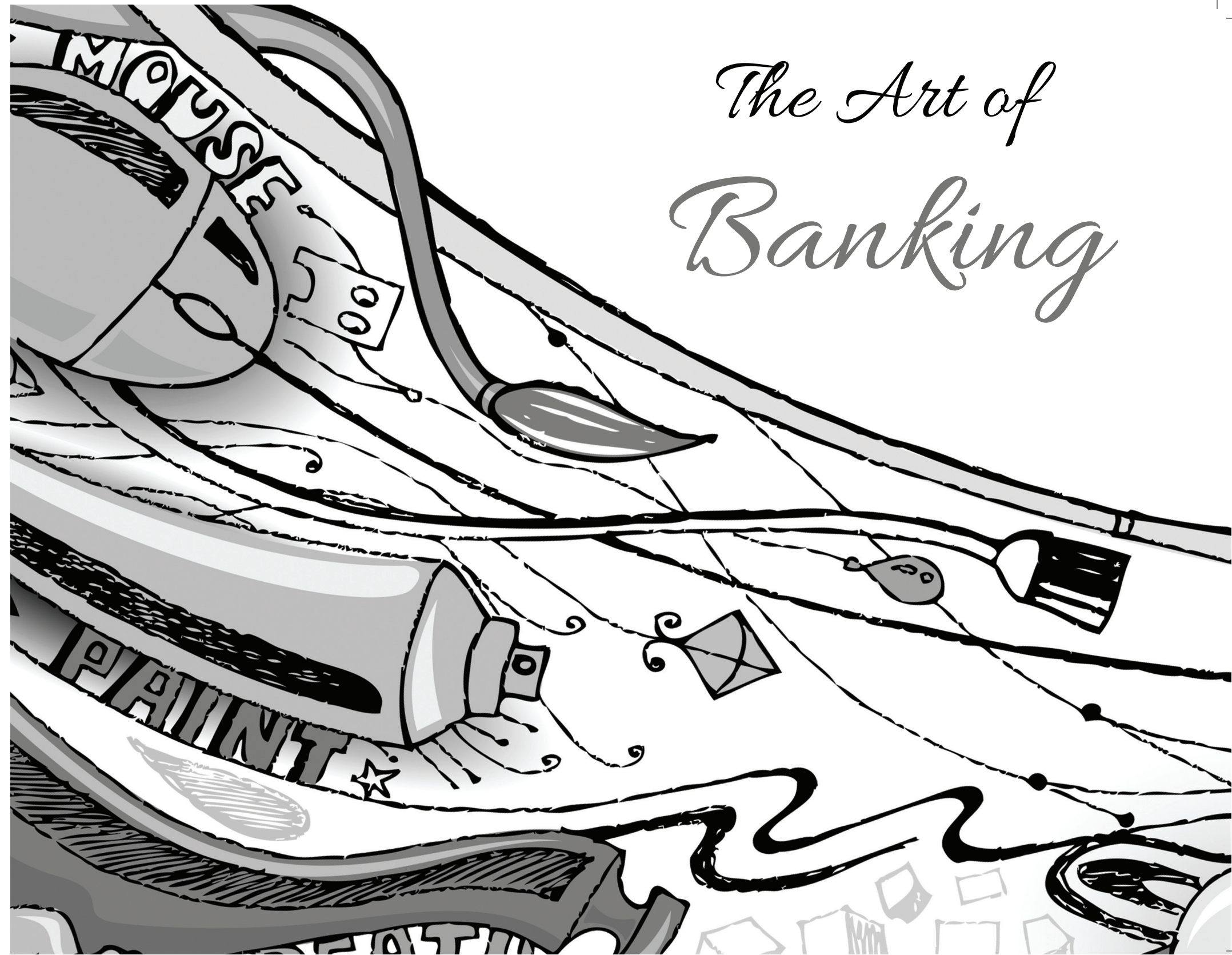


ANNUAL REPORT 2012



ART

*The Art of  
Banking*



## *The Art of Banking*

*To provide innovative and creative products  
and services for our customers' needs*

*To provide sound financial advice*

*To be active in our community*

*To contribute to the economic development of our country*

*To remain your partner in progress*



The slow economy in the USA, the presidential elections, the fiscal cliff, the devastation caused to some coast line states by the hurricane Sandy and in Europe the budgetary measures taken by many governments to reduce their budget deficits, were great concerns to the tourist industry throughout the Caribbean.

#### Our Economy

During the first quarter the high season had its ups and downs with less tourist expenditures. The off-season months have been difficult for many businesses and professionals and business picked up in December ending the year with the number of arrivals being slightly higher than last year. People are traveling however without extravagance in expenditures during their stay.

Real Estate prices and construction activity continued to decline and the hardest hit were the high-priced properties. Land prices however have remained stable with a declining demand as it becomes difficult to find local buyers able to service long term debt for land and construction causing a shift to the declining market of existing homes and apartments.

The Central Bank of Curacao and St. Maarten issued a Credit Freeze in the first quarter of the year and as the Total Loan Market of St. Maarten continued to decrease during the year, this had little effect on the availability of financing for the mortgage loan market which was the only segment showing a slight increase. Businesses were prudent in renewing inventories and many investment plans for expansion or constructions were put on hold.

The local political situation and tension between Curacao, St. Maarten and the Kingdom added some other challenges to maintain stability of the economy as Governments also had to review their budgetary and economic policies.

All in all the year 2012 was a rough ride but in the end the business activity picked up and the year ended being a relatively stable year.

#### Our Bank

During this year we have continued the reorganization efforts, streamlining our administrative services to reduce expense and increase revenues to improve productivity. Our Management Team and Staff have worked diligently to achieve the targets and policies set by our Board of Supervisory Directors. "The art of Banking is to provide sound advice and be involved for and with our Community" and we were very happy to see our Bank being voted for the 3rd consecutive time as the "Best Bank of 2012" by the readers of the Daily Herald for promoting excellent products and services.

In April 2012 we moved all departments and Management from the Main Branch into our new Head Office Building in

Philipsburg. The temporary moving of the Main Branch into a smaller space of this building was quite an achievement and we hope to complete the renovation of the new Main Branch by June 2013 to provide top service in a modern business environment.

#### Review of Financial Operations

The Bank's total assets are driven by its customers' deposits as these by far exceed the volume of outstanding loans. Due to the current market conditions with prevailing low interest rates, we have applied a policy to provide prudent interest compensation on time deposits and on saving accounts. Our total deposits now stand at NAF 855.619.000 being a decrease of 2% due to the moving of large depositors seeking higher remuneration.

On the other hand our loan portfolio increased by 2% to NAF 491.306.000 as we continued to apply a conservative lending approach on the commercial and retail loans. Our officers and general staff have been very active in providing quality service to our commercial and retail customers thereby improving our position in these markets.

Through careful reorganization and review of our procedures we managed to maintain our staff complement at 217 persons as per the end of December 2012. Revised pricing with improved service combined with the introduction of better products and administration, made it possible to handle increased volumes while generating higher non-interest income.

The staff of our Bank continues to be involved in many areas and organizations of the community and the Bank as usual

encouraged this by supporting the many social-economic and cultural organizations with donations and sponsoring amounting to NAF 197.000 in the year 2012, being 15% over last year.

#### Outlook 2013

While we remain attentive to the fluctuating world financial markets, we are now faced with the major challenge of FATCA being imposed on the Caribbean countries as well as the introduction of new budgetary measures by our local government. Nevertheless, we expect to see more optimism in 2013 followed by new investments to sustain our tourism industry. As a tourist destination, we must remain in line with the market requirement for the segment we wish to cater to as this requires constant adjustments of our present structures and services to that market segment.

The occupancy rates of hotels were high in December 2012 and so far, the season is looking good which is a positive sign for more business and better opportunities for our economy in 2013.

We thank our clients, our staff, our shareholders and the management of the Maduro & Curiel's Bank Group for their confidence and great support as we prepare to move into our new Banking Center in Philipsburg to achieve greater success with a bright future.

Jan J. Beaujon  
Managing Director  
February 2013



## Board of Supervisory Directors

Lionel Capriles II	Chairman
Ronald Gomes Casseres	Supervisory Director
Joseph van Dongen	Supervisory Director
Michael de Sola	Supervisory Director
Miguel Alexander	Supervisory Director
Norman Wathey	Supervisory Director
Brenda Wathey	Supervisory Director
Lionel Capriles	Honorary Supervisory Director

## WIB Management Team

Jan Beaujon	Managing Director
Anthony Da Costa Gomez	Managing Director
Derek Downes	Deputy Managing Director
Bruce Mayers	Asst. Managing Director (Retired May 31, 2012)
Carl Snijder	Asst. Managing Director
Kelvin Bloyden	Asst. Managing Director
Alfred de Windt	Asst. Managing Director
Frans Herremans	Chief Financial Officer

## WIB International Management

Jan Beaujon	Managing Director
Anthony Da Costa Gomez	Managing Director

To The Board of Supervisory Directors and the Shareholders of  
The Windward Islands Bank Ltd.  
The Windward Islands Bank International N.V.  
St. Maarten

## INDEPENDENT AUDITORS' REPORT

We have audited the financial statements of The Windward Islands Bank Ltd and The Windward Islands Bank International N.V. (together the "Bank") for the year ended December 31, 2012, from which the accompanying condensed combined balance sheet and explanatory notes were derived, in accordance with International Standards on Auditing.

Management is responsible for the preparation of each of the financial statements in accordance with International Financial Reporting Standards.

In our auditors' reports dated February 12, 2013, we expressed an unqualified opinion on each of the financial statements from which this condensed combined balance sheet and explanatory notes were derived.

In our opinion, the accompanying condensed combined balance sheet and explanatory notes are consistent, in all material respects, with the financial statements from which they have been derived.

For a better understanding of the Bank's financial position, the results of its operations for the period and the scope of our audit, the condensed combined balance sheet and explanatory notes should be read in conjunction with the financial statements from which they have been derived and our auditors' reports thereon.

Curacao,  
February 12, 2013

KPMG ACCOUNTANTS B.V.  
M.L.M. Kesselaer RA

## Explanatory notes to the condensed combined balance sheet as of December 31, 2012

### Accounting Policies

#### 1. GENERAL.

The principal accounting policies adopted in the preparation of the condensed combined financial statements of The Windward Islands Bank Ltd. and The Windward Islands Bank International N.V. (the "Bank") are set out below. These explanatory notes are an extract of the detailed notes included in the financial statements of both Banks and are consistent in all material respects with the financial statements from which they have been derived.

#### 2. BASIS OF PREPARATION.

The financial statements, from which the condensed combined balance sheet has been derived, are prepared in accordance with International Financial Reporting Standards ("IFRS").

The figures presented in the condensed combined balance sheet are stated in thousands of Netherlands Antilles Guilders and are rounded to the nearest thousand.

The policies used have been consistently applied by the Bank and are consistent, in all material respects, with those used in the previous year.

For financial statements presentation purposes certain 2011 items were reclassified in order to be in conformity with the 2012 presentation.

#### 3. LOANS AND ADVANCES TO CUSTOMERS

Loans and advances are carried at amortized cost, less an allowance for loan impairment. An allowance for loan impairment is established if there is an indication that the Bank will not be able to collect all amounts due according to the original contractual loan terms.

## Condensed Combined Balance Sheet as of December 31, 2012

Amounts in NAF 1,000	2012	2011
Cash and due from banks	172,875	184,707
Investment securities	23,386	14,621
Due from affiliates	229,398	253,251
Loans and advances to customers	491,306	481,238
Bank premises and equipment	25,697	19,548
Other assets	20,524	13,713
<b>Total assets</b>	<b>963,186</b>	<b>967,078</b>
Customers' deposits	855,619	875,343
Due to banks	13,375	6,964
Due to affiliates	28	59
Profit tax payable	4,440	4,042
Other Liabilities	22,590	17,209
<b>Total liabilities</b>	<b>896,052</b>	<b>903,617</b>
Share capital	8,870	8,870
Other reserves	24,679	24,681
Undistributed profits	33,585	29,910
<b>Total equity</b>	<b>67,134</b>	<b>63,461</b>
<b>Total liabilities and equity</b>	<b>963,186</b>	<b>967,078</b>



## Cynric Griffith

"I came to St Maarten in 1957. My mother was a seamstress and she wanted me to be a tailor. It wasn't for me. I always had a feeling for drawing and colors.

Well I started at the age of 5 years old, in those days homes were painted with white wash. I saw space to draw on, and she would beat the devil out of me when she found out. So I would go to the store and take the boxes that were thrown out to use as canvasses because we couldn't afford proper painting materials. After getting my sketch book made out of pieces of cardboard, I used it for my drawings.

Between 5 and 10 years old I started with water paint. I never liked to see plain blank spaces. When I was 10 years old, we used to use flour sacks as sheets and my mother would stitch them together and then bleach them. I saw nothing but white spaces, so I painted a hibiscus in the middle of one, and I called her to see it. She got upset and let me have it, and washed it out later. After I was punished I knew that I wanted to become an artist because of this sacrifice.

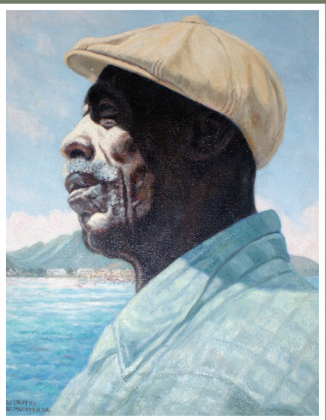
My art is a God given talent, I did not have anything to do with it. In my studio one day while painting, a tourist ship visited the island carrying 200 tourists. Some visited and were very intrigued. They wanted to know about my painting. One of the men in the group was a member of the Art

Student League in New York and offered me the opportunity to allow me to have a scholarship in 1950. He said I'll take some photos of your paintings back with us. I received an application letter a month later.

I mailed the form back to New York and went ahead to tell my boss at the Pasangrahan Hotel that I received a sponsorship of \$1500.00. When I arrived at the school I was given the opportunity to select some classes. I selected drawing. After 6 months I completed drawing class and proceeded with portrait class. I spent 3 years in the portrait class and a year in the graphic class where I did printing.

Not satisfied with my achievements I went on to the National Academy of Art in New York. I was told they do not give scholarship to foreigners. So I had my portfolio at hand and showed her some of my art. She said; "It doesn't matter because we do not give scholarships to foreigners". So I displayed all my art work on the counter. At the same time the director was passing by and said: "Give him the forms and let him fill them out".

My painting style is landscapes and portraits, and my favorite artist is Rembrandt. I love his use of light in his work. No real rituals are involved before I start a painting, I just go to it. The painting is already completed in my head so I just transfer it to the canvas. Inspiration comes from many things, however painting is a major part of what inspires me".



## George Richards

Mr. George Richards started painting when he was about 6 years old. Born in St. Kitts, the last of seven children, he started painting in kindergarten.

"Art is a passion, which I use to express myself. I am inspired to paint by both positive and negative comments from art lovers.

I would say I was born with art already in me. Without the support of my family, art was something I had to be self inspired about and follow on my own. I started with art classes in school using water colors and it became a form of inspiration leading me to realize that it was something I wanted to pursue. I would usually give the art away.

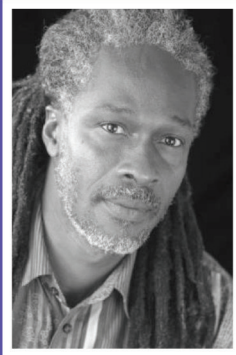
As a favorite artist I like the work of Robert Bateman, his realism in art is mostly about nature, birds, and landscapes. One of my most prized pieces of art work that I had in my possession was the biblical last supper, but decided that I wouldn't keep it and gave it to my mother. There are two other artist as well; Mr. Cynric Griffith and Mr. Albert Kelly who's work I admire.

A lot of my inspiration tends to come from nature. The beauty of nature, especially the hibiscus flower in all its various shapes and colors. I'm a nature lover and painting is my way of expressing myself. I like painting people, as this offers a real challenge.



One of the ways I choose to give back through art is giving away a few pieces. I have donated personal time and painting material to the mental health foundation, donating canvases, paint and brushes, as well as giving lessons to the patients".





## Ras Mosera



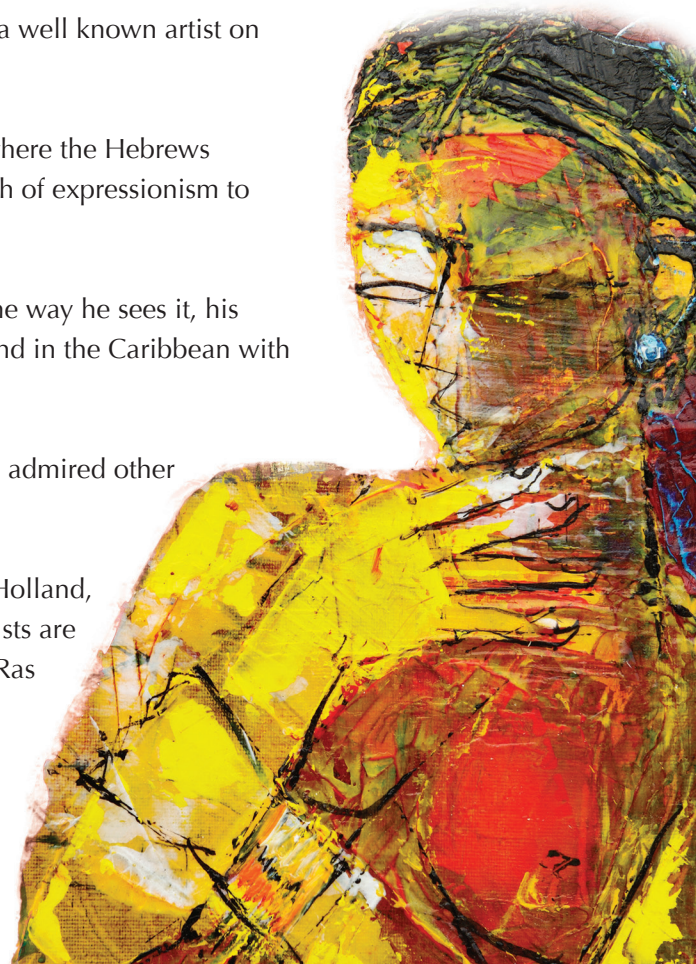
He was born in St. Lucia 1955 and lived in Guadeloupe; Ras Mosera is a well known artist on St. Maarten/ St. Martin.

The name "Mosera" comes from the mountain of Jordan, "Moseroth", where the Hebrews stayed for 40 years after coming out of Egypt. Ras Mosera chose the path of expressionism to communicate in his paintings, representing earth, people and light.

In his paintings this self-taught expressionist not only paints the island the way he sees it, his paintings also reflect the keen social conditions and natural process found in the Caribbean with influences of African and European attributes.

He has painted the major part of his life, starting out in school where he admired other students in art class and recognized his own talent as well.

His works hang in private collections, galleries and museums in Israel, Holland, Sweden, France, Moscow, New York and the Caribbean. His favorite artists are Romain Bearding and Picasso claiming they created magic on canvas. Ras Mosera considers himself to be a true Caribbean Artist.



## Maximillian Phelipa

Mr. Maximillian Phelipa is a self taught artist who moved to St. Maarten in 1973. He mostly specializes in landscapes, pastels, and realism paintings.

"I have been painting since elementary school and have continued to excel in my passion for painting.

"I didn't choose art, art chose me". It was a God given talent. I started out with pencil drawings and then moved on to crayons then eventually into painting. I became aware of my artistic talent back in secondary school while helping other students.

My first painting was a hibiscus flower for my mom, that my uncle put in a cardboard frame. I intend to go back to Curacao to photograph all my previous pieces for my 25th anniversary magazine.

I joined the police force in Curacao in 1971. I was stationed there from 1971 to 1973 during which period I wanted to follow a basic course for artists, which was held at the Radulphus College during the evening. But as I was transferred to the St. Maarten police force 4 months later, I never completed my academic art training.

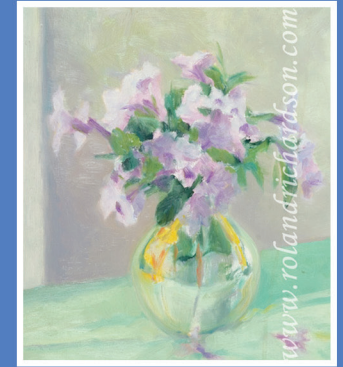
Some of my favorite artists are both from the past and present. Rembrandt; I like how he uses the composition of light vs. dark and Mr. Cynric Griffith; his portraits and landscapes are very realistic and full of emotion. One of my most prized pieces of art is that of "Culebra" from "Tanny and the Boys". I painted it

8 years ago. The painting is currently on loan to the St. Maarten government and hangs in their main meeting room.

For the past 15 years whenever I had an exposition I donated part of the proceeds to a non-profit organization such as a school or the needy. Next year I will be celebrating my 25th anniversary as an artist, so we have formed a committee to plan events leading up to the main exposition in the hope of raising funds to assist in merging more art into the social environment of everyday living".







## Ruby Bute

Ms. Ruby Bute is one of few female artists that actually makes her living solely by the sales of her art. She paints religiously everyday in the comfort of her home in Friars Bay where her art gallery is located.

"I have been painting for more than 50 years. I started to paint at the age of 6 years. My parents encouraged me. Being a young child the use of colors made a great impression on me. I was just fascinated by colors!

It was interesting because my father would buy all my material for me. My mother was a story teller who would fill my head with imagination, after which I would go and draw or paint.

I began writing in 1983 after living here for 7 years. I started to write about the landscape and the beauty of the island which was like finding a new channel of inspiration for me. I studied the art of pastel painting focusing on portraits. At a work shop in Connecticut, I took the opportunity to learn a bit about photography and the business of art.

My painting style is traditional and cultural in the area of acrylics, for example, the marketplace and the joy of the old string band musicians.

Reason being, it is my greatest wish is to show my people a reflection of themselves, educating and immortalizing their national pride. I am familiar with the entire medium such as oils, pastels, acrylics and water colors. My way of using colors and strokes are vibrant, bold and emotional.



My "emancipation" painting, size 4 feet by 6 feet in oils, is in a private collection of Princess Juliana International Airport. It depicts the abolition of slavery which shows the joy of slaves after the declaration of freedom. To capture that painting, we had to recreate a historic plantation scene. The painting of "Tanny and the Boys" is one of my most favorite.

I'm quite satisfied at the moment with what I've done in the field of art. My beautiful estate acts as a cultural garden. I adore being asked to attend or assist with community and cultural events such as, storey telling, activities for women and fashion shows. My intentions are to promote aspiring artists of this island. This beautiful property with a majestic silk cotton tree invites all to come and enjoy.

I would like to acknowledge Mr. Cynric Griffith for his portraits. He's brilliant in how he captures light and shadow. Most of my art is at my home. My art has traveled around the world, reaching a far as Turkey and New Zealand".



Sir Roland Richardson was born on St. Martin.

"I have been painting for approximately 43 years. I discovered my art in school, where I was either playing or drawing. When I would draw everyone would be impressed. Immediately I noticed something in myself that wasn't really in others. It's was all about the colors!

My oldest painting, a "still life", dates back to when I was 17 years old, which I gave to my mother. I studied for five years and graduated with a bachelor's degree in "Fine Art" from the University of Hartford. I knew I always had it in me and the school taught me all the techniques to express it. I'm 100% in favor of getting an education".

I mainly paint from life, and "Plein Air" impressions. Some of my favorite artists are: Leonardo Da Vinci, he saw and painted the divine in people and Rembrandt, he looked at people and painted the soul.

My art gallery is one of my most prized possessions, which is located in a beautifully restored 19th century "Creole Townhouse" in Marigot and one of oldest buildings on the island. I'm hoping to arrive at a point of no doubt. Life is filled with so much mystery and to arrive at a point of absolute certainty in my life would be one of my major achievements.

I contribute to tourism and my onsite painting is a recording of our heritage. There is a lot of my work that I purposely hold ]

## Roland Richardson

onto, preserving those paintings for the time when I am no longer around and these pieces will remain in the family for exhibitions.

The Caribbean is in a unique position for certain great things to happen. We just have to commit to it".





## Urmain Dormoy

Mr. Urmain Dormoy has been involved in music from a very young age. Playing trumpet, percussion and singing are some of his musical passions. He is also very much involved in training children who participate in drum bands.

But as an artist, Urmain also dabbled with paint, with his previous mentor and art instructor Ms. Ruby Bute. As a young aspiring artist he found his artistic voice while painting florals, abstracts and self portraits.

Over the years, Urmain has contributed in training an impressive collection of young talent that participate in cultural events on the island. He uses his eccentricities to communicate who he is and what he is.

"I started painting when Mandela was freed, in 1989. My first project was with Ms. Ruby Bute for a Mandela project. I always doodled and with encouragement from Ms. Bute I was advised to pursue it further. She then agreed to become my mentor, developing a master pupil relationship.

My first painting was a musical piece which a passing tourist saw and loved it instantly. I only did it as a hobby at that time. When my first painting was sold, I became motivated to pursue the arts even further. Now painting is not only providing me with an income but therapy for the soul as well. I

receive inspiration from many sources but I follow my own personal voice in the arts.

Some my favorite artists are:

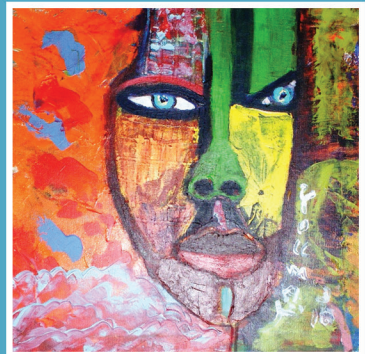
Ras Mosera: I think his surrealistic painting of women is wonderful. His art is bold and colorful which I love.  
Trifan Lucia: Her use of two mediums.  
Cynric Griffith: How his art work jumps at you off the canvas.

My favorite painting is a "fertility painting", and there is a story behind that painting. One day a tourist lady came in to the shop, saw the piece and claimed to have dreamt of it, was so infatuated by it she immediately purchased it. My favorite subjects for my paintings are music, flowers, and portraits. I often find it difficult to single out a favorite. Every piece is my favorite piece!

Inspiration comes from within, what I see or how I feel and the relationship with my soul at any specific time.

There is still so much I want to do. But lack of time makes it hard. I give back all the time, through my art everything I do is for the community to share in my talent. I have learned something from everyone I have been in contact with.

I love art, if you see me you see art".



## Isabelle Souccar

Ms. Isabelle Souccar was born in Bamako (Mali), from a lineage of Franco/Lebanese forefathers, a family of great voyagers who travelled throughout the African continent for over five generations. She grew up immersed in this cultural melting pot of countries and her soul was nourished by the surroundings of her encounters. Today these aesthetic, creative circumstances have given birth to her creative line of jewelry and decorative objects which reflects her craftsmanship.

Her specialization has evolved a lot in researching antique glass beads (trading beads, from 16th to the 20th centuries), they are her passion. Isabelle also works with antique and contemporary silver, bronze, amber, cotton, leather and clay. Combining the materials in pure harmony by preserving and sharing every single history which is attached to each material, is half the pleasure of her creativity.

Isabelle has also greatly included her experiences of living on St. Martin in her jewelry designs. She is very conscious of the natural richness and preservation of the islands heritage and environment. Most of her jewelry line shows her creative process and respect for the environment, recycling instead of throwing away. Isabelle has launched a jewelry line (Yeelen) based on recycled aluminium (scrap metals) from marine workshops. In the summer 2012 she introduced a small jewelry collection (Palma Criolla) made of Royal Palm trees. She also introduced her newest line (Nuts) made from local coconut fiber.



# WIB in the Community



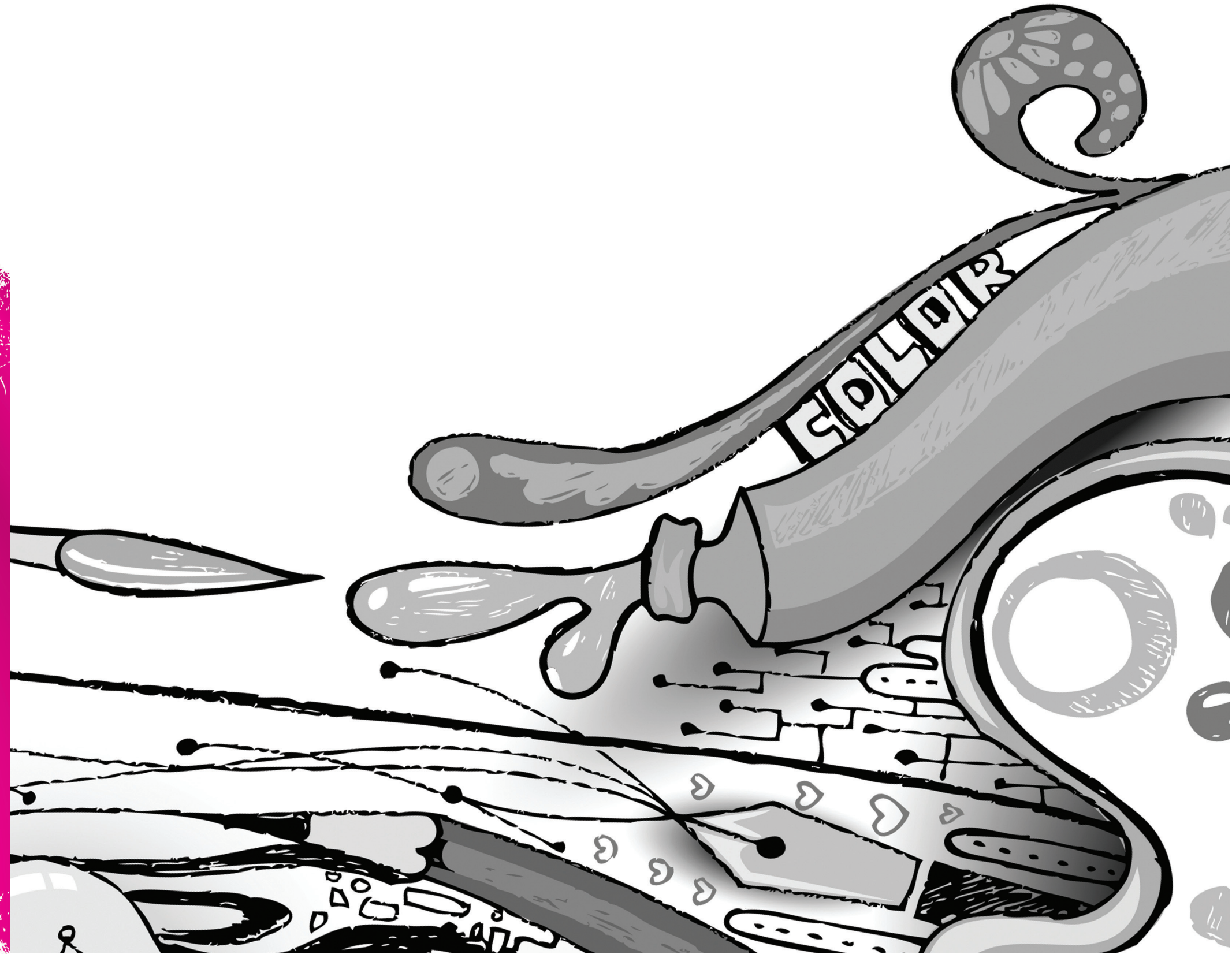
WIB ladies ready for Breast Cancer Awareness parade.



WIB St. Eustatius Auto Show



WIB participates in Coastal Clean-up of La Belle Creole Beach





# WIB's Alternative Energy Show



Invest today &  
**SAVE** tomorrow!

