



Euro Pacific Bank



Financial Institution Presentation

AS OF SEPTEMBER 6, 2020

About the Bank

Euro Pacific Bank and its subsidiaries operate throughout the Caribbean in the international banking, brokerage, mutual fund and financial services industry. The Bank is licensed in Puerto Rico as an International Bank (IFE), with subsidiaries licensed in brokerage and investments in the British Virgin Islands and St. Vincent & the Grenadines.



Euro Pacific Bank Safe, Digital, Global.

For the last decade and a half, Euro Pacific Bank and its subsidiaries have offered a wide array of financial services from offices in the Caribbean.

Through a dedication to client service and a diverse multi-currency product offering, clients enjoy unrivaled access to the global investment markets.

The Bank's online, multi-channel access provides account holders with 24/7 access to their accounts, regardless of where they are located. The Bank's unique full-reserve policy provides clients the safety and stability they require to manage their global finances. Through Euro Pacific Securities, an investment brokerage and advisor, the Bank is able to pass along foreign exchange savings rates of up to 80% over traditional retail banks.

Business Summary

Euro Pacific Bank differentiates itself through a unique banking model. Many of the traditional banking services (mortgages, car loans, credit cards, trade finance etc.) are not offered. The Bank instead focuses on offering transactional banking and investment services, which are superior to those of others in the industry.

1. Full-Reserve Banking

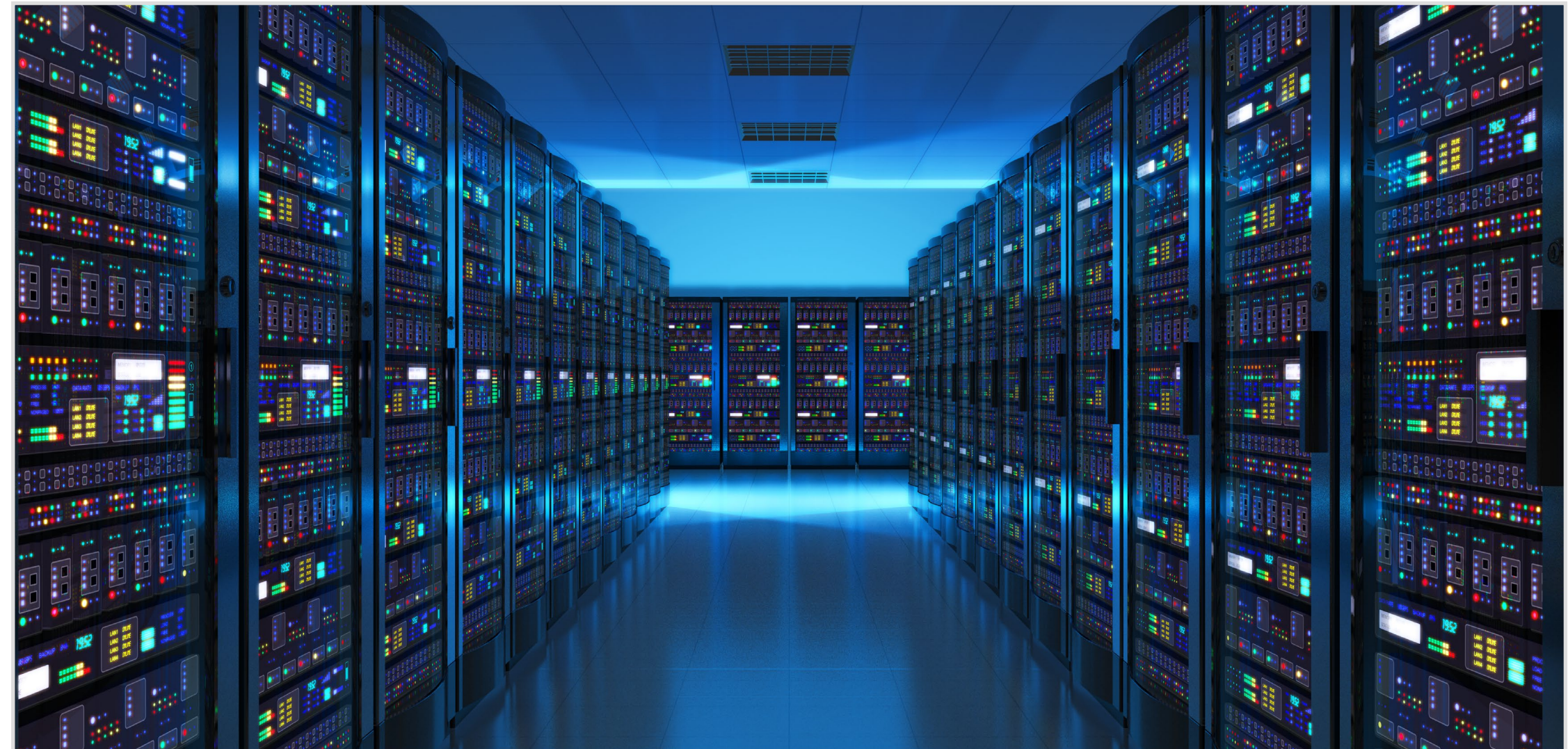
The Bank makes no loans and does not extend credit, or offer leverage on client deposits.

2. Dedicated Service

Service is a cornerstone of the client experience, where clients are all treated with distinction.

3. Truly Global Banking

24/7 multi-currency, multilingual banking accessible in real-time no matter where clients live.



One of the key facets of EPB's banking business model is the notion of full-reserve banking. EPB takes a unique approach to banking by maintaining a 100% ratio of reserves to deposits. This full-reserve structure has become a driving force behind EPB's growth and client retention as global financial markets have become increasingly unstable over the last number of years (European "bail-ins", CHF de-pegging etc.) resulting in an increased awareness of the lack of stability and prudence undertaken by major global financial institutions with retail customer deposits.

Servicing a Market

Technology and the liberalization of financial markets worldwide have enabled international banking to flourish. It is no longer the case that consumers are **limited to the banking options in their local markets**.

As a result, consumers can now select their bank based on the **highest quality service offering** provided at the lowest price, regardless of location.

Said another way, **money goes where it is treated the best**.

Technology has afforded the opportunity to **compete and disrupt the market** for domestic banks' local corporate customers.

As local businesses have internationalized their customer base, their legacy banking partners have not tailored their products and pricing to meet their changing needs. In response, the Bank has **partnered with hundreds of global service providers**, who have stepped in to help these companies find better banking relationships.

Over the last 9 years the Bank has successfully built a global business, with **customers in over 140 countries**.

Minimizing Risk

The Bank's full-reserve model means that it makes no loans and does not leverage client funds.

Knowing the Client

An intimate knowledge of client's business, allows for exceptional service and support.

Online Banking Model

As an online-only bank it is possible to adjust rapidly to market demand and keep costs highly competitive.

History

Euro Pacific Bank's history began over 19 years ago with the formation of Global Trading in Anguilla. In 2011, Euro Pacific Bank Limited was formed as a Class A International Bank based in St. Vincent and the Grenadines. In 2017, Euro Pacific Bank redomiciled operations to Puerto Rico and operates there as a licensed International Financial Entity (IFE).



Euro Pacific Bank

Sources of New Accounts

All new accounts that are opened by the Bank are a result of referrals. The Bank does no direct marketing and does not directly solicit any new customers. The primary sources of new accounts are detailed below.

Referring Agents

About 50% of new accounts are generated through referrals from lawyers, accountants, corporate consultants and many other professionals worldwide.

Press & Media

The Bank has been featured in the Financial Times, CNBC, print media, talk radio and in many online publications.

Strategic Partners

In working directly with many strategic partners in the financial services industry the Bank organically develops new account relationships.

Existing Clients

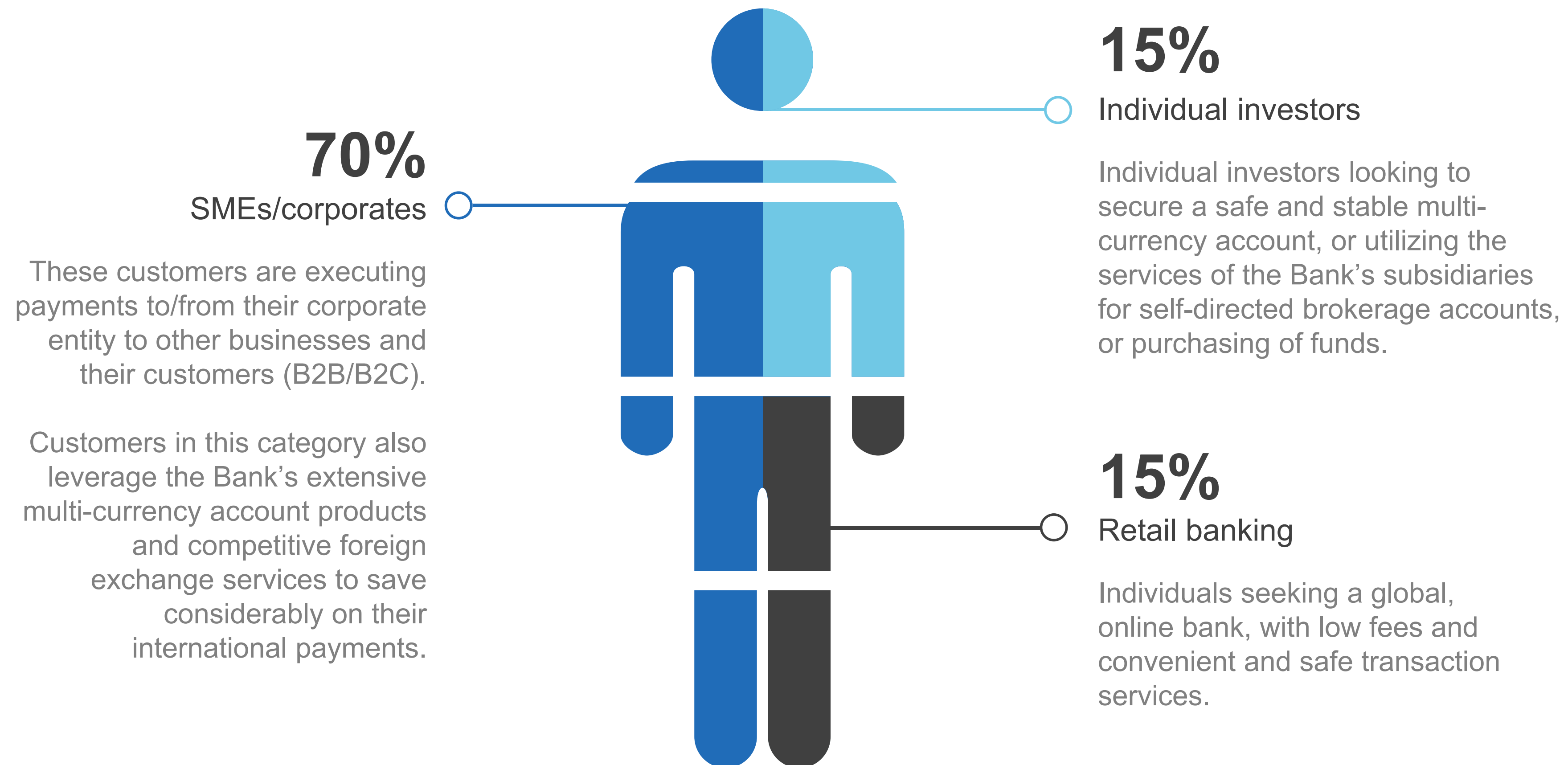
As clients establish history with their account they will refer friends and family to open accounts.

Online Search

The Bank's website ranks highly with many search topics and on prominent review sites (4.6/5 on Trustpilot, 4.5/5 on Google Reviews). This channel makes up close to 40% of new accounts.

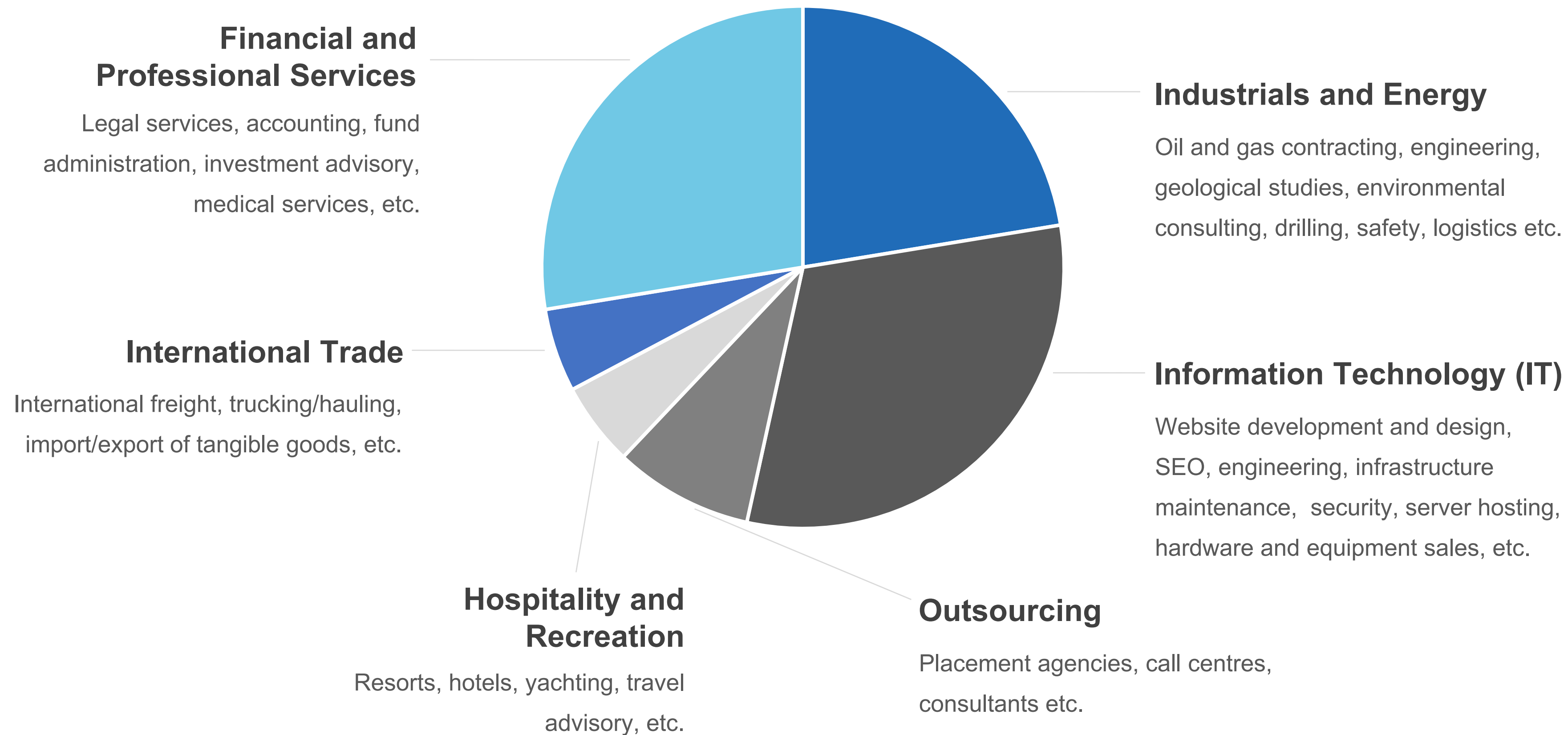
Client Categories

The Bank's customers can be segmented into three primary categories depending on their focus (business and investment).



Primary Client Industries

The Bank's corporate client base makes up over 85% of total payment volumes. The below industries are a summary of the most common sources of incoming/outgoing transactions at the Bank along with some sample sub-categories.



Key Compliance Policies

In keeping with the ongoing complexity and breadth of global compliance standards, the Bank has established a number of key compliance policies to help mitigate the risk of operating an international bank.

US Regulatory Compliance

As a US financial institution, the Bank maintains and is audited for compliance with all applicable US financial regulations, including the US Patriot Act, Bank Secrecy Act (BSA) and others.

FATCA and CRS Compliance

The Bank and its subsidiaries maintain full compliance with all relevant FATCA and CRS reporting obligations, and does not open accounts for US persons or entities.

No Cash or Cash Equivalents

No cash, or cash equivalents such as cheques, money orders or drafts are accepted for deposits. All transfers must be sent via traceable electronic wire over SWIFT or Fedwire.

Sophisticated Customer Profiling

In utilizing the latest transaction profiling technology from Temenos Financial Crime Mitigation suite, the Bank is able to detect and react swiftly to complex customer patterns.

No PEPs/SOEs

No clients of the Bank are PEPs (Politically Exposed Persons), or SOEs (State Owned Enterprises). Any payments from verified PEP/SOEs are also not accepted.

Global Sanctions Compliance

The Bank partnered with World-Check (Thompson Reuters) to utilize their Risk And Compliance databases, offering coverage globally of Sanctions, PEPs, SOEs and Negative News events.

New Account Compliance

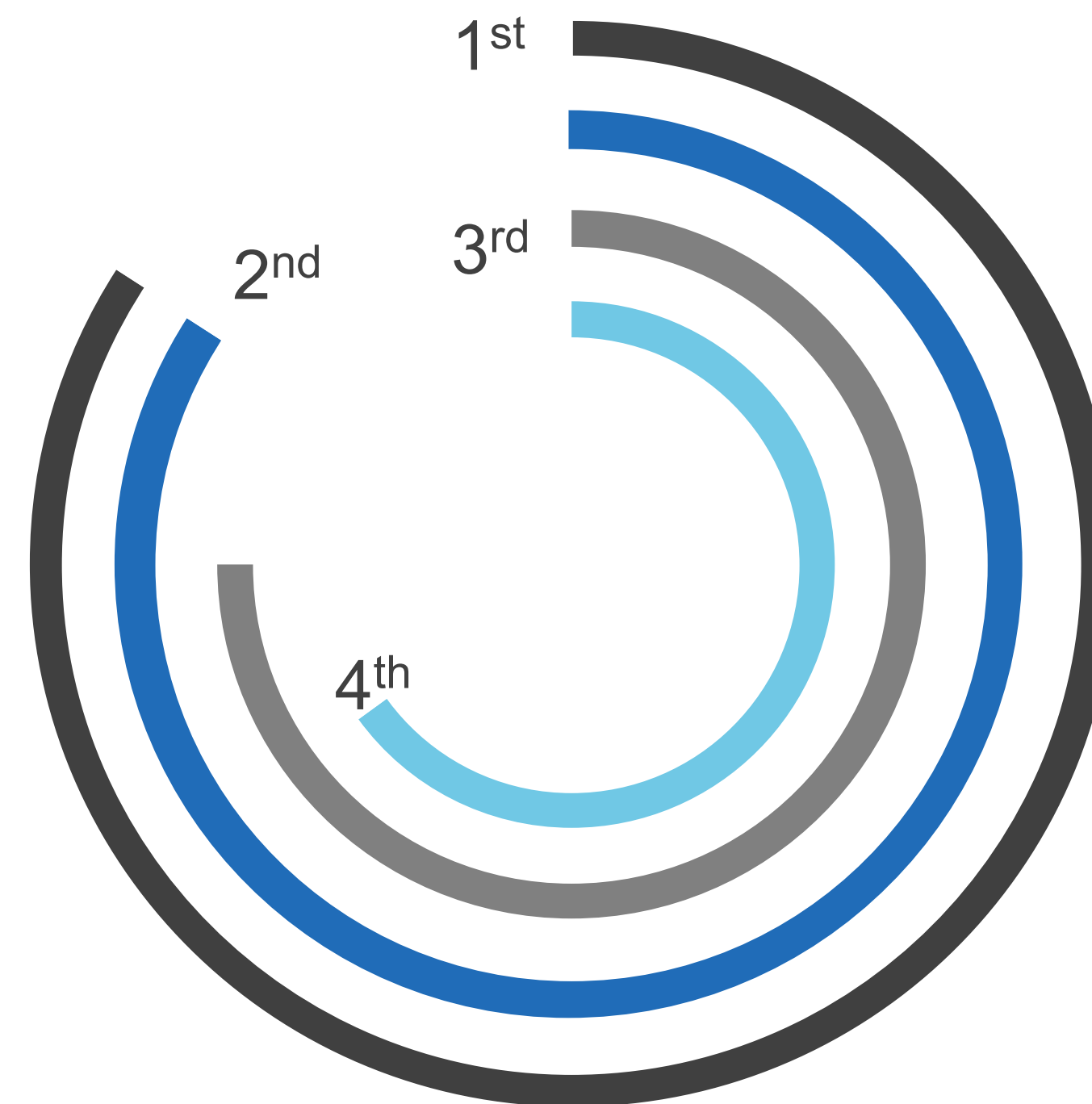
Euro Pacific Bank is regulated by the Office of the Commissioner of Financial Institutions in Puerto Rico. In following strict adherence to local and international AML policies, compliance seeks to obtain a in-depth knowledge of each and every client.

1. Applicant Review

All clients are vetted through individual phone conversations with trained onboarding staff. Client records are reviewed, including historical invoices, contracts and bank references.

2. L1 Compliance

Level 1 compliance involves review by a member of the Bank's compliance department to verify the findings of the onboarding team, as well as secondary review of all supporting documentation and output of risk scores.



3. L2 Compliance

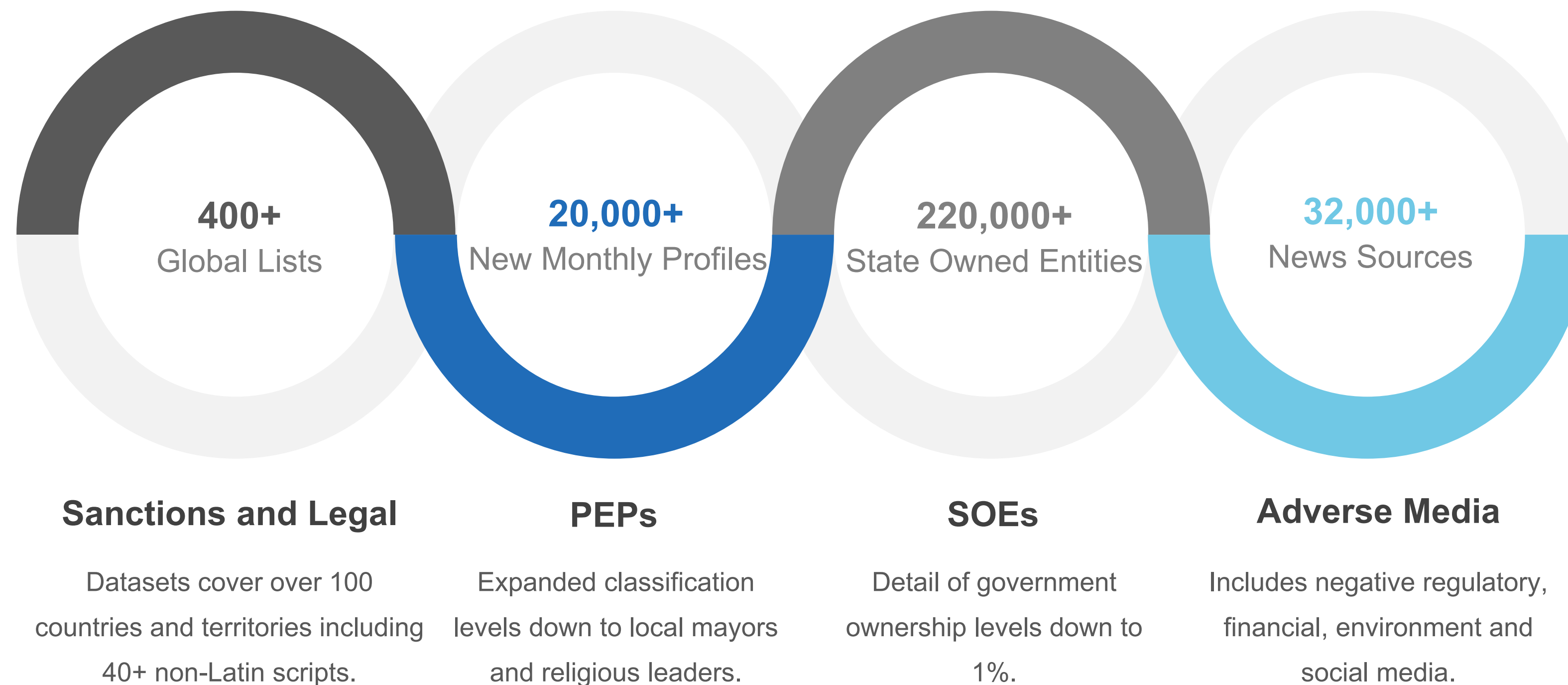
Level 2 compliance review involves review of applicant information and supporting documentation by a Compliance Officer, or Senior Compliance Manager.

4. Real-time Scanning

Comprehensive real-time scanning of client records against over 400 global sanctions databases, PEP checks and reviews of negative news events occurs on a real-time basis as clients interact with the Bank.

Compliance Screening

In a rapidly evolving compliance environment it is critical for financial institutions to have the most up-to-date data, which exceeds the standard sources like OFAC . By incorporating dynamic data sources from numerous leading data vendors worldwide the Bank is able to maintain an industry leading, responsive compliance screening protocol.



Transaction Monitoring and Profiling

In the modern banking industry transactional monitoring and ongoing client profiling has become equally important to the new account opening process. All incoming/outgoing transactions are heavily screened through the following process.

Initiation

Individual that has already been approved by compliance initiates a transaction request through their online bank account. The user is authenticated and security codes prevent unauthorized activity.

Real-time Scanning

Real time scanning using **en.SafeWatch technology** will scan transactions against hundreds of sanctions lists, PEP databases and adverse media. The Bank has partnered with **Thompson Reuters World-Check** to provide this data.

Profiling

Through the use of **Temenos Profile**, the Bank's automated transaction profiling software, all transactions are screened for sophisticated pattern matching, smurfing, structuring and other high risk activity on an ongoing basis.

Authorization

Payments that have been scanned and profiled are sent via straight through connection to the Bank's SWIFT payment hub where they are reviewed by authorized user(s) based on the transaction size for final approval and execution.

Summary

In conclusion, Euro Pacific Bank and its subsidiaries are established in the international banking, brokerage, mutual fund and financial services industry, with roots dating back over 15 years. The Bank seeks to differentiate itself to its global clientele by offering superior services and a diverse range of financial products, all through a stable banking model. The Bank has a strong focus on compliance and utilizes modern technology and infrastructure, as well as key partnerships, to provide a world class banking experience.

History and Business

- ✓ History dating back over 19 years
- ✓ Differentiated business model (full-reserve, service focus, 24/7 access)
- ✓ Focus on transactions and investments
- ✓ Conservative banking approach

Accountability

- ✓ Follows US banking and financial laws including Patriot Act, BSA, etc.
- ✓ Audited by Top 8 accounting firm
- ✓ Independent BSA Audit by BDO USA, LLP
- ✓ Same compliance partners and advisors that the major banks use

Customer Base

- ✓ 15,000 accounts at end of 2019
- ✓ 70% of clients are SME and corporate businesses
- ✓ Key client industries include: IT, Financial, Energy and Outsourcing

Compliance

- ✓ BSA Compliant
- ✓ FATCA and CRS compliant
- ✓ No cash or cash equivalents
- ✓ No PEPs/SOEs
- ✓ US regulation and audit

Screening & Profiling

- ✓ Utilizing modern datasets to capture wide range of hits
- ✓ Data covering 240+ countries and territories
- ✓ Advanced, data driven approach



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For more information regarding the contents of this presentation, or to speak with an executive further regarding any products and services please use the contact details below.

Euro Pacific Intl. Bank Inc.

53 Palmeras St., 10th Floor, San Juan, 00901, Puerto Rico

Toll Free : +1-888-527-4041 | Local : +1-787-305-3663

Email : fi@europacbank.com

www.europacbank.com