



**BOARD OF DIRECTORS**

|                              |                          |
|------------------------------|--------------------------|
| Emma Hippolyte – Chairperson | Wendell Skeete           |
| Marius St. Rose              | Byron Leslie             |
| Hildreth Alexander           | Robert Norstrom          |
| Thaddeus Antonie             | Esther Browne            |
| Andrew Levy                  | Estherlita Cumberbatch – |
| Didacus Jules                | Corporate Secretary      |

**PRINCIPAL OFFICERS:**

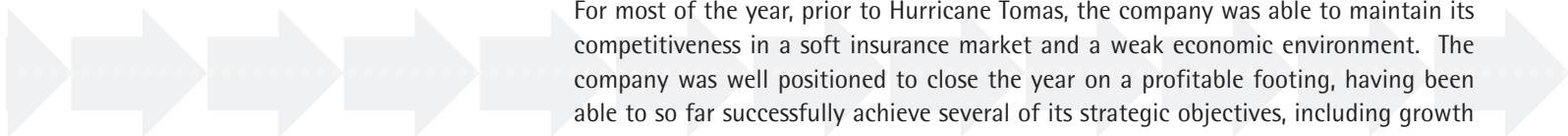
Leathon Khan, B.Sc, Chartered Insurance Practitioner – Chief Executive Officer  
 AnneMarie Herman, MSc Industrial Management, Licensed Casualty Adjuster – Operations & Agencies Manager



**Leathon Khan**  
 B.Sc, Chartered Insurance Practitioner – Chief Executive Officer

**Anne Marie Herman**  
 MSc, Industrial Management, Licensed Casualty Adjuster – Operations & Agencies Manager

**2010** was an exceptionally challenging year which presented mixed fortunes for the company ranging from growth and expansion in the business portfolio to dealing with the harsh reality of a national catastrophe brought about by Hurricane Tomas at the end of October.



For most of the year, prior to Hurricane Tomas, the company was able to maintain its competitiveness in a soft insurance market and a weak economic environment. The company was well positioned to close the year on a profitable footing, having been able to so far successfully achieve several of its strategic objectives, including growth in premium income of 17%; containing operating expenses; improving the quality of service delivery to ensure a high rate of customer retention; and the establishment of a new convenience centre in Rodney Bay.

The financial impact of Hurricane Tomas reversed the profitable results that the company had produced up to that point. The total incurred losses arising from Hurricane Tomas was \$8.5 million. The company met all its claims payment commitments without encountering any cash flow problems or incurring any debt to make these payments. This was possible due to the excellent reinsurance arrangements in place.

**Financial Highlights**

Total assets stood at EC\$19M at the end of the reporting period increasing over last year by 37%. Underwriting surplus decreased by 41% from the previous year to EC\$1.24M. Other operating income inclusive of interest income grew by 33%. Notwithstanding the additional costs brought about by Hurricane Tomas, total operating expenses varied from the company's budget by a mere 1%. The net effect overall from the hurricane, given the significant increase in claims costs, resulted in a relatively small loss after tax for the year of EC\$0.38M.

Gross premiums written for 2010 were EC\$11.98 M which was 17% above 2009 total of EC\$10.26M. Property and motor remain the top performers obtaining EC\$7.44M (62%) and EC\$4.24M (35%) respectively. Both motor and property premiums showed an increase over last year of 15% and 19% respectively. Motor business has remained very competitive.

Portfolio Performance

Claims incurred for the period totaled EC\$10.42M increasing almost six times over last year. Total motor claims amounted to EC\$1.55M, a modest increase of 3% while property claims showed a gross increase of over EC\$8.8M.

**Bank of Saint Lucia Insurance Agency**

The formation of the Bank of Saint Lucia Insurance Agency is a key strategic partnership to foster business development and to provide a convenient "one stop shop" facility for the mutual clients of Bank of Saint Lucia and EC Global. This agency relationship provides an excellent opportunity to further expand the business portfolio and to gain market share.

Marketing Initiatives and Outlook

**Sales Executives**

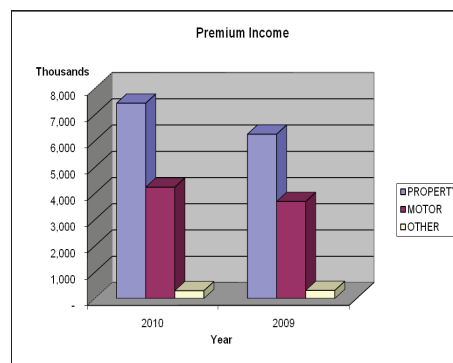
The strategy of engaging a team of Sales Executives has proven to be successful and shows great potential. The company intends to expand the size of the Sales Executive team in the coming year, to cover a wider cross section of Saint Lucia.

**Rodney Bay Convenience Centre**

This new facility was established to create a strong presence in the most rapidly developing commercial and residential area in Saint Lucia and will offer ease and convenience to many customers residing or doing business in the North. The convenience centre will also play a key role in further establishing EC Global as a dominant player in the insurance market.

EC Global Insurance Ltd.  
Financial Statement Highlights  
as at December 31, 2010

|                                     | 2010<br>EC \$000 | 2009<br>EC \$000 |
|-------------------------------------|------------------|------------------|
| <b>Assets</b>                       |                  |                  |
| Cash and Investments                | 6,109            | 6,390            |
| Other Assets                        | 13,038           | 7,576            |
| <b>Total Assets</b>                 | <b>19,147</b>    | <b>13,966</b>    |
| <b>Liabilities and Equity</b>       |                  |                  |
| Liabilities                         | 16,426           | 10,853           |
| Equity                              | 2,721            | 3,113            |
| <b>Total Liabilities and Equity</b> | <b>19,147</b>    | <b>13,966</b>    |
| <b>Income &amp; Expenses</b>        |                  |                  |
| Net Insurance Premium               | 1,237            | 2,111            |
| Other Income                        | 1,218            | 913              |
| Total Expenses (including tax)      | 2,831            | 2,526            |
| Net (loss)/income after tax         | (376)            | 498              |





**BOARD OF DIRECTORS:**

Victor Eudoxie – Chairman  
 Emma Hippolyte  
 Marius St. Rose  
 Hildreth Alexander

Henry Mangal  
 Robert Norstrom –  
 Group  
 Managing Director

Nestor Alfred  
 Esther Browne  
 Estherlita Cumberbatch –  
 Corporate Secretary

**PRINCIPAL OFFICER:**

Elizabeth Bousquet, MSc Int. Construction Management  
 & Engineering - Manager



**Elizabeth Bousquet**  
 MSc Int. Construction  
 Management & Engineering -  
 Manager

The Property Holding and Development Company of Saint Lucia Limited (ProDev) recorded an after tax profit of \$2.89M in 2010, an increase of 13% from \$2.56M in 2009. This increase was achieved despite a decrease in interest income as invested funds were utilized for the construction of the new ECFH building at Massade, Gros Islet and the inability to secure a tenant for one of the company's locations in Castries. This last mentioned issue has been rectified.

Total assets were recorded as \$104.5M in December 2010, an increase of 6.15% from \$98.4M in December 2009. The most significant increase was in the area of property plant and equipment which increased to \$14.4M in 2010 from \$3.5M in 2009 as construction on the new ECFH Building in Gros Islet commenced in February 2010. Total liabilities was at \$60.4M in 2010, a 9.5% increase over \$55.1 M in 2009.

Work on the new ECFH building in Gros Islet commenced in February 2010. This building will house the operations of the offshore bank, BOSLIL, and the Wealth and Asset Management Division (WAM) on one floor leaving the other floors for rental to external tenants. ProDev also purchased a three storey building on the Soufriere Waterfront to facilitate the relocation of the Soufriere Branch of the Bank of Saint Lucia to a facility which would house modern amenities and technical systems to facilitate operations of the branch. In both cases, appropriate financing has been arranged.

**Property Holding & Development Company Limited  
 Financial Statement Highlights at  
 December 31, 2010**

|                                     | 2010<br>EC \$000 | 2009<br>EC \$000 |
|-------------------------------------|------------------|------------------|
| <b>Assets</b>                       |                  |                  |
| Investment properties               | 79,457           | 76,752           |
| Investments                         | 3,630            | 10,694           |
| Other                               | 21,398           | 10,990           |
| <b>Total Assets</b>                 | <b>104,485</b>   | <b>98,436</b>    |
| <b>Liabilities and Equity</b>       |                  |                  |
| Long term loans                     | 41,475           | 38,199           |
| Other                               | 18,897           | 16,946           |
| Equity                              | 44,113           | 43,291           |
| <b>Total Liabilities and Equity</b> | <b>104,485</b>   | <b>98,436</b>    |
| <b>Income &amp; Expenses</b>        |                  |                  |
| Total Income and gains              | 11,439           | 11,103           |
| Total Expenses (including tax)      | 8,552            | 8,547            |
| <b>Net income after tax</b>         | <b>2,887</b>     | <b>2,556</b>     |



## BOARD OF DIRECTORS

Victor Eudoxie – Chairman  
Hildreth Alexander  
Emma Hippolyte  
Henry Mangal

Issac Anthony  
Llewelyn Gill  
Lennox Timm  
Jacqueline Quamina

Terrence Farrell  
Lisle Chase  
Robert Norstrom

The Mortgage Finance Company faced similar challenges as the Bank of St Lucia during 2010. The mortgage portfolio fell during the year, due mainly to a mid year sale of mortgages to the Eastern Caribbean Home Mortgage Bank to strengthen the company's liquidity. As a result, the company's total assets reduced in value by 4% to \$217M.

The reduced loan balances were matched by reduced borrowings of \$14.1M or 9% which caused net interest income to grow by just over 1%. This, together with the fact that additional loan loss provisioning was not required and expenses being contained at only a marginal increase, resulted in the company reporting an increase in net income after tax of 5%.

### Mortgage Finance Company Of Saint Lucia Limited

Financial Statement Highlights at  
December 31, 2010

|                                     | 2010<br>EC \$000 | 2009<br>EC \$000 |
|-------------------------------------|------------------|------------------|
| <b>Assets</b>                       |                  |                  |
| Loans & Advances                    | 216,799          | 224,603          |
| Other                               | 222              | 321              |
| <b>Total Assets</b>                 | <b>217,021</b>   | <b>224,924</b>   |
|                                     |                  |                  |
| <b>Liabilities and Equity</b>       |                  |                  |
| Customer Deposits                   | 34,999           | 33,259           |
| Borrowings                          | 150,436          | 164,580          |
| Other Liabilities                   | 8,693            | 5,550            |
| Equity                              | 22,893           | 21,535           |
| <b>Total Liabilities and Equity</b> | <b>217,021</b>   | <b>224,924</b>   |
|                                     |                  |                  |
| <b>Income &amp; Expenses</b>        |                  |                  |
| Net Interest Income                 | 7,726            | 7,551            |
| Other Income                        | 390              | 391              |
| Total Expenses (including tax)      | 2,258            | 2,373            |
| <b>Net income after tax</b>         | <b>5,858</b>     | <b>5,569</b>     |

## FINANCIAL REPORTING RESPONSIBILITIES

The Management of the East Caribbean Financial Holding Company is responsible for the preparation and fair presentation of the financial statements and other financial information contained within this Annual Report. The accompanying financial statements were prepared in accordance with International Financial Reporting Standards. Where amounts had to be based on estimates and judgements, these represent the best estimates and judgements of Management.

In discharging its responsibility for the integrity and fairness of the financial statements, and for the accounting systems from which they were derived, Management has developed and maintains a system of accounting and reporting which provides the necessary internal controls that ensure transactions are properly authorized, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. This is supported by written policies and procedures; quality standards in recruiting and training employees; and an established organizational structure that permits accountability for performance within appropriate and well-defined areas of responsibility.

An Audit Unit that conducts periodic audits of all aspects of the Group's operations further supports the system of internal controls.

The Board of Directors oversees Management responsibility for financial reporting through the Audit Committee, which is composed of only Directors who are neither officers nor staff of the Bank. The primary responsibility of the Audit Committee is to review the Group's internal control procedures and plan revision of those procedures and to advise directors on auditing matters and financial reporting issues. The Group's head of Internal Audit has full and unrestricted access to the Audit Committee.

At least once a year the Eastern Caribbean Central Bank makes such examination and inquiry into the affairs of the Group as deemed necessary to ensure that the provision of the Banking Act relating to safety of depositors' funds and shareholders' equity is being observed and that the Group is in a sound financial condition.

PriceWaterHouseCoopers, appointed as Auditors by the shareholders of the Group, have examined the financial statements and their report follows. The shareholders' auditors have full and unrestricted access to the Audit Committee to discuss their audit and related findings as to the integrity of the Group's financial reporting and adequacy of the systems of internal control.



Robert Norstrom  
GROUP MANAGING DIRECTOR



Gordon Cochrane  
GROUP FINANCIAL CONTROLLER