



Bank of Saint Lucia International Limited

BOARD OF DIRECTORS

Marius St. Rose	<i>Chairman</i>	George Lewis	<i>Director</i>
Robert Norstrom	<i>Director</i>	James Wadham	<i>Director</i>
Vern Gill	<i>Director</i>	Estherlita Cumberbatch	<i>Corporate Secretary</i>
Thecla Deterville	<i>Director</i>		

PRINCIPAL OFFICERS:

Ryan Devaux, Chartered Accountant
David Lum Kong, BA, ACIB

Aretta Huntley-Wells, BSc., MBA, FCCA
Gifta Dujon-Francois, BSc., MICA

General Manager
Senior Manager Operations & Business Development
Financial Controller
Compliance Manager

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Bank of Saint Lucia International Limited ("BOSLIL"), the international offshore banking subsidiary within the Group, has had another successful year. There has been strong performance growth of the consolidated balance sheet and income statement and importantly within income, an increasing diversification of the sources of revenue in line with the expansion of the services being offered. The Bank continued to invest in its human resource capital and at December 31, 2007 employed 19 staff, including one based in Hong Kong, as compared to 11 staff one year ago.

Total assets grew from US \$101 million (EC \$273 million) at December 31, 2006 to US \$157 million (EC \$424 million) at December 31, 2007. Customer deposits grew in line with the increase in assets from US \$97 million (EC \$262 million) to US \$138 million (EC \$373 million). BOSLIL generated consistent profitability and once again surpassed its targeted net income in achieving actual net income of US \$1.58 million (EC \$4.27 million) for the year ended December 31, 2007 as compared to US \$439 thousand (EC \$1.2 million) for the previous year. This result represents approximately 8% of the Group's net income before tax as compared to 3% the prior year. Consistent with the expansion of the product range into wealth management and structured

finance, net fee and commission income increased from 11% in fiscal 2006 to 18% of total operating income in fiscal 2007. BOSLIL Finance Limited, a wholly owned subsidiary, was introduced to facilitate the structured finance growth. In keeping with the conservative investment policies of the Bank and our commitment to protecting our clients' capital, the Bank was not affected financially by any of the turmoil unfolding in global financial markets and maintained a very conservative balance sheet with 74.6% (2006 – 93.4%) of total assets consisting of cash and cash equivalents.

In line with the growth in staff numbers, significant emphasis was placed on enhancing the structure of the Bank. Operational processes and procedures were strengthened, with a strategic emphasis on risk management. A separate and distinct customer service department was created to facilitate personalized client interaction and enhance the delivery of quality customer care. The finance and accounting department along with the compliance department were strengthened and beginning in 2007 and continuing into fiscal 2008, there will be an increasing emphasis on the business development resources and focus of the Bank. There will also be the continued enhancement of the products and services offered to our valued

customers.

BOSLIL remained the flagship offshore bank in St. Lucia despite the entrance of three new offshore banks during the year. Efforts continued to develop and promote St. Lucia's offshore financial services sector and to continue to enhance the profile of BOSLIL in the international arena. Initiatives included conference sponsorships, various international trips, publication of articles in international magazines and advertisement campaigns with industry-leading publications. These initiatives have been paying off as evidenced by the new relationships being created with financial intermediaries on a consistent basis.

BOSLIL's strategic alliance with a reputable international financial services group has continued to grow and the relationship continues to provide opportunities to collaborate with and establish relationships with significant international financial institutions. Our network with international banks now includes relationships in the United States of America, Canada, Switzerland, Netherlands, Liechtenstein and Hong Kong. These relationships in turn strengthen the Bank's profile in the global market place and provide further opportunities for expanding the range of services on offer. Bespoke asset management services, cash collateralized lending, structured finance solutions are all tangible examples of the benefits that have been derived. Domestically, BOSLIL continues to have a very strong relationship with local stakeholders, including local registered agents, and we remain focused on providing a superior banking service to this market and the wider Caribbean region.

BOSLIL's focus for 2008 and beyond will remain on continuing to build strategic partnerships and intermediary relationships. In keeping with the expansion thrust, the Bank will be seeking to hire very experienced business development personnel to increase our penetration in the Americas market, including Central and South America, as well as the European market.

We will also seek to expand on our structured finance team. Training and the overall development of our people, our most valued resource, and the exposure to new areas of offshore banking will remain an important and critical component of our development strategy. It is this investment that allows the offshore sector to contribute positively to the development of Saint Lucia and the overall economy. In the spirit of giving back, the Bank continued to be involved in socially responsible activities such as food and cash drives to support the less fortunate as well our continuing involvement with various charitable organizations, including the annual Gros Islet Rotary Golf Tournament which raises proceeds for various worthy causes.

Overall, fiscal 2007 has been another successful year and the opportunities for continued growth and expansion in 2008 continue to look good despite the market outlook for the global sector. BOSLIL remains committed to contributing significantly to the continued success of the ECFH Group and the achievement of its goals and objectives.

Bank of Saint Lucia International Limited
Financial Highlights at December 31, 2007

	2007 US \$000	2006 US \$000
Investments	143,623	100,324
Other	13,789	758
Liabilities and Equity		
Customer deposits	138,351	97,078
Other liabilities	14,166	666
Equity	4,895	3,338
Total Assets/Liabilities & Shareholder's Equity		
	157,412	101,082
Statement of Income		
Net Operating Income	3,386	1,987
Total Expenses	1,829	1,548
Net income after tax	1,557	439



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