

# DIRECTORS REPORT

Your Directors have pleasure in submitting their Report for the Financial Year ended December 31, 2007.

<b>CONSOLIDATED FINANCIAL RESULTS AND DIVIDENDS</b>		<b>2007</b>
		<b>\$mil</b>
Profit attributed to Shareholders		44.3
Transfer to Statutory Reserve		(9.9)
Transfers to General & Other Reserves		(9.8)
Transfer to East Caribbean Student Loan Guarantee Fund		(0.2)
<b>Dividends</b>		<b>24.4</b>
Ordinary Interim – 30 cents per share	7.4	
Preference	0.5	
Minority Interest	(.02)	
Ordinary Final - cents per share	16.5	
Transfer to Retained Earnings		0.1
	<b>2007</b>	<b>2006</b>
<b>Share Capital</b>		
Ordinary	166.1	58.3
Preference	7.9	9.2
Contributed Capital/Other General Reserves	59.9	38.0
Statutory Reserves	56.0	46.1
Adjusted retained Earnings	9.7	9.6

## DIRECTORS

In accordance with Section 4.4 of the Bye Laws, George L. Lewis and Jacqueline Quamina retire from the Board by rotation and being eligible offer themselves for re-appointment by the Republic Bank Limited.

Following the Additional Public Share Offer in June 2007, the OECS Bank Group's ownership reduced from 20% to 15%. As a result the OECS Banks Group was eligible for only one Director on the Board and this has created a vacancy on the Board. The existing OECS Banks' Directors E. Valentine Banks and Lennox Timm were appointed by the

Board in midterm in accordance with section 75 (1) of the Companies Act Cap 13.01, Revised Laws of Saint Lucia, to serve until the next Annual Meeting, when a Director would be elected by the ordinary shareholders to fill in the vacancy.

## DIRECTORS' INTEREST

The interests of the Directors holding office at the end of the Company's financial year in the Ordinary Shares of the Company were as follows:-

<b>Director</b>	<b>Beneficial Interest</b>
Victor Eudoxie	1,610
Hildreth Alexander	200
Emma Hippolyte	36,608
Henry Mangal	2,000
Isaac Anthony	4,739
Cadie Albertini	845
E. Valentine Banks	Nil
Jacqueline Quamina	2,500
Lennox Timm	Nil
George L. Lewis	3,186
Robert Norstrom	10,500

There has been no change in these interests occurring between the end of the Group's financial year and one month prior to the date of the Notice convening the Annual Meeting.

At no time during or at the end of the financial year has any Director had any material interests in any contract or arrangement in relation to the business of the Company or any of its subsidiaries.

## Additional Public Share Offer

In June 2007, ECFH offered 8,000,000 shares at a price of \$12.50 per share to the market through an Additional Public Offer, which was oversubscribed.

## Substantial Interests In Share Capital as at December 31, 2007

### Ordinary Shares:

Government of Saint Lucia	20%
Republic Bank Limited	20%
National Insurance Corporation – Saint Lucia	15%

### Preference Shares:

National Insurance Corporation – Saint Lucia – 100% of the issued and outstanding shares totaling 1,580,000.



## SHAREHOLDER RELATIONS

Shareholder Relations is an important function of the Corporate Secretariat. The shares of the East Caribbean Financial Holding Company Limited (ECFH) have been listed on the Eastern Caribbean Securities Exchange (ECSE) from October 19, 2001. As a result all shares are traded on the exchange, and records maintained by them in accordance with the regulations of the Exchange. A total number of 21,679 shares were traded at an average price of \$12.05 per share during the 2007 financial year.

As the issuer of the shares, ECFH has the responsibility to ensure that all necessary information is communicated to shareholders on a timely basis and that dividends are paid in accordance with the dividend policy approved by the Board of Directors.

During the year Directors approved and granted two new secondary school scholarships to children of shareholders residing in Saint Lucia, bringing the total number of scholarships granted to date, to four. The scholarships are awarded annually on the basis of the students obtaining highest scores at the Common Entrance examinations.

ECFH in conjunction with the St. Lucia Electricity Services Limited held a shareholders seminar on "Understanding Financial Statements" on September 22, 2007. The attendance was overwhelming, and was indicative of the desire by shareholders to acquire knowledge in that area.

## AUDITORS

The Auditors, PriceWaterhouseCoopers, retire and being eligible, offer themselves for re-appointment and the Directors have agreed to recommend their re-appointment as Auditors of the Company. In accordance with Section 162 (i) of the Companies Act, Cap.13.01, the term of the appointment will extend from the close of the Annual Meeting until the next Annual Meeting of the Company.