



BOARD OF DIRECTORS:
 Marius St. Rose – Chairman
 Robert Norstrom – Director
 Vern Gill – Director
 Theda Deterville – Director
 George Lewis – Director
 James Wadham – Director

Nestor Alfred – Director
 Estherlita Cumberbatch –
 Corporate Secretary

PRINCIPAL OFFICERS:
 Ryan Devaux – Chartered Accountant, Chief Executive Officer
 David Sookwa – AICB Bachelor of Commerce & Financial
 Services – Manager, Operations
 Gwyneth Taitt – ACIS, LLB –
 Product Development /Legal Manager
 Kim Vigier – ACCA Financial Controller



2011 has been an excellent year for BOSLIL. Despite the continued depressed global environment the Bank has performed well increasing its profitability and continued with the roll-out of numerous strategic initiatives, some started in the prior year, all of which will continue to advantageously position the Bank in the years ahead.

From a jurisdictional perspective, the legislative agenda was a busy one with the introduction of the Financial Sector Regulatory Authority as the single regulatory authority now responsible for all aspects of the financial services industry (with the exception of domestic banks) in St. Lucia. Enhancements were made to anti-money laundering legislation as well as the Proceeds of Crime Act. The concept of the Eligible Introducer was introduced into the legislation which enhances the Bank's ability to attract regulated intermediaries as clients – an important market segment for the Bank. All of these changes continue to be in line with global recommendations and best practices and ensure St. Lucia's long term

viability within the international financial services sector.

Financial Highlights 2011

Total assets at December 31, 2011 of US \$204.1 million (EC \$554.5 million) decreased by US \$69.3 million (EC \$188.4 million) relative to US \$273.4 million (EC \$742.9 million) at December 31, 2010. Similarly customer deposits decreased in line with the change in assets from US \$255.8 million (EC \$694.9 million) to US \$184.8 million (EC \$502.1 million). This decrease in assets and deposits is consistent with one large deposit noted in last year's commentary which was not scheduled to be a long term deposit and which left BOSLIL in December 2011. This type of deposit activity while it causes the balance sheet to fluctuate, does represent good earning potential and in that regard BOSLIL continues its effort to grow this aspect of the business. Adjusting for this non-routine transaction, the core assets of the bank increased from US \$153 million (EC \$415.7 million) to US \$204.1 million (EC \$554.5 million) through 2011.

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Net profit for the year ended December 31, 2011 was US \$1.92 million (EC \$5.22 million) as compared to US \$554.5 thousand (EC \$1.51 million) for the year ended December 31, 2010. Profitability was positively impacted by the fact that the average balance sheet for the year was approximately US \$279 million (EC \$759 million), higher than any previous year. The bank continued to maintain a conservative investment profile for its bond portfolios with amounts invested in bonds increasing from US \$34 million (EC \$93 million) to US \$45 million (EC \$122 million) during 2011. Consistent with prior years and the importance placed on protecting clients' deposits, 65.7% (2010 – 79%) of total assets were held as cash and cash equivalents as at December 31, 2011. Operating expenses increased during the year from US \$2.6 million (EC \$7.1 million) to US \$3.1 million (EC \$8.4 million). This increase was due primarily to increases in amounts paid to ECFH for central services, travel and entertainment and professional fees. These increases are in line with strategic decisions to continue investing in business development initiatives, including personnel, and the expansion efforts into Panama.

The decision was taken during the year to establish a bank with an international license in Panama. BOSLIL on behalf of the ECFH Group successfully presented the business case to the Superintendency of Banks of Panama in November 2011 and the process for establishment continues. It is anticipated that the new bank will be fully operational in 2012. This initiative is in line with the continued strategic initiative to

build out the South American market which represents an area of significant opportunity. BOSLIL continues to build a solid reputation in the market and differentiate its offering on the quality of service delivery.

Strategic initiatives to diversify the revenue base of the bank continue with the corporate management business being very well received by the market and beginning to contribute to the income of the Group and the launch of the BOSLIL Equity Fund and the BOSLIL Bond Fund in early 2012 now a reality. Further product initiatives include the introduction of fiduciary deposits and the enhancement of the card services solution.

Corporate governance and risk management remained robust through 2011 with improvements in the latter being made to enhance processes as necessary. Relationships with important stakeholders remain very good.

During 2011 BOSLIL experienced significant growth in business volumes and new clients, including intermediary clients, a very important segment for the Bank. Going forward investments in new technology will be required to ensure that the inevitable growth is managed and that excellent service standards, one of the main reasons for BOSLIL's success, are maintained. Continued investments in our people and hiring the best talent remain important for ensuring BOSLIL will continue to achieve its growth targets and contribute positively to the ECFH Group.

| Financial Statement Highlights | 2011 US \$000 | 2010 US \$000 |
|--|--------------------------|--------------------------|
| Assets | | |
| Cash, Investments & Loans | 203,674 | 273,098 |
| Other | 428 | 348 |
| Total Assets | 204,102 | 273,446 |
| Liabilities and Equity | | |
| Customer deposits | 195,359 | 266,055 |
| Other liabilities | 320 | 433 |
| Equity | 8,423 | 6,958 |
| Total Assets/Liabilities & Shareholder's Equity | 204,102 | 273,446 |
| Statement of Income | | |
| Net Operating Income | 5,010 | 3,176 |
| Total Expenses | 3,089 | 2,621 |
| Net income after tax | 1,921 | 555 |