

REPORT ON SUBSIDIARIES

EC GLOBAL INSURANCE COMPANY LIMITED

BOARD OF DIRECTORS

Marius St Rose | Hildreth Alexander | Thaddeus Antonie | Andrew Levy | Didicus Jules | Wendell Skeete | Byron Leslie | Esther Browne-Weekes
| Estherlita Cumberbatch – 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

MARKET OVERVIEW

EC Global Insurance continues to demonstrate resilience and operational agility to adapt to the rapid changes in market forces, as well as the heightened expectations of policyholders and by doing so has been able to maintain its competitiveness in a market that has presented unprecedented challenges for insurers.

Revenue growth during the past year was limited by declining insurance rates across the market which directly impacted our major lines of business. This was triggered primarily by the intensity of competition in the market as insurers generally deployed aggressive pricing strategies to increase market share and to safeguard their existing business portfolios.

The challenges faced in the market were compounded by a continued decline in the economic environment and the introduction of VAT. Management's response was to undertake an operational audit focused internally on maximizing operational efficiency, increasing staff productivity and delivering unmatched customer care to our clients.

In gearing for greater market differentiation and creating further niche markets, EC Global also invested time and resources in the development of new product offerings which are set to be rolled out early in the second quarter of 2013. These include the Small Business Package Policy and the Livelihood Protection Policy, a first of its kind Micro-insurance product in the English speaking Caribbean.

FUTURE DIRECTION

Discussions are ongoing with the minority shareholder of EC Global for them to increase their stake in the business to a controlling interest. It is anticipated that this may take place during the 2013 Financial Year. It is management's view that a change of this nature will enhance the Group's efforts to focus more on its core banking business, whilst ensuring that an ECFH branded insurance product remains available to its customer base and the Saint Lucian public in general.