



EAST CARIBBEAN FINANCIAL HOLDING CO. LTD.

JUNE 2006 HALF-YEAR PERFORMANCE REPORT

*Subsidiary
Companies:*

**Bank of
Saint Lucia Ltd.**

Mortgage
Finance
Company of
Saint Lucia Ltd.

Bank of
Saint Lucia International
Ltd.

EC Global Insurance
Company Ltd.

Property
Holding &
Development
Company of
Saint Lucia Ltd.

Overall, the performance of the East Caribbean Financial Holding Group of Companies (ECFH) has exceeded projections during the first half of the current financial year.

Economic growth in St Lucia has averaged about 4% over the last two years, driven primarily by the tourism and construction sectors. Correspondingly, growth in ECFH assets, deposits and loans have surpassed previous years.

Performance highlights

- Total assets reached \$1.5 billion, an increase of \$311.4 million
- Net profit after tax of \$18 million, surpassed that of last year by 43% or \$5.3 million
- Return on assets and equity moved from 2.34% and 21% in the previous year, to 2.7% and 26.7% respectively for the current half year
- The subsidiary companies of the Group listed below, all showed improvements over last year:
 - Bank of Saint Lucia Ltd.
 - EC Global Insurance Company Ltd.
 - Bank of Saint Lucia International Ltd.
 - Mortgage Finance Company of Saint Lucia Ltd, and
 - Property Holding and Development Company of Saint Lucia Ltd.
- Bank of Saint Lucia Ltd., which remains the largest subsidiary within the Group, both in terms of assets and contribution to total profits, increased its profit by 19.4% over last year
- Deposits of the Group moved from \$861.7 million to \$1.160 billion
- The loan portfolio which totalled \$728 million, reflected an increase of 19%
- Investments rose by 77.8%, bringing the total to \$522 million

With continued growth in the economy expected for the rest of 2006, barring any unforeseen developments, the Group should record improved results for 2006.

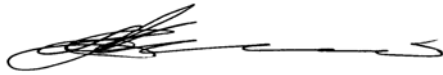
Improved customer relations and high quality convenience banking continue to be the primary objectives of the Group.

To enhance the delivery of services to our customers, the Group has introduced such products and services as TeleBank, Complete Online Banking, a Complaints Management System, as well as automated cheque processing and imaging.

ECFH will be expanding ATM and Point of Sale services shortly, to cater for the anticipated increase in demands for these services, arising from the hosting of the 2007 Cricket World Cup and beyond. In addition, with our soon to be launched International Debit Card, customers will access their accounts from anywhere in the world.

While improving the Group's financial position is critically important, the Group continues to focus on improving the socio-economic environment through our corporate social responsibility policies and programmes. Resources allocated this year, will assist skills development among the youth and in adult literacy programmes.

The Board of Directors is pleased to announce an interim dividend of thirty (30) cents per ordinary share, to shareholders on record at September 10, 2006. This is an increase of 50% over last year, when \$2.7 million was paid. The interim dividend payout of \$4.4 million will be paid on October 10, 2006.



Robert Norstrom
Group Managing Director



Estherlita Cumberbatch
Corporate Secretary

East Caribbean Financial Holding Company Ltd.

Interim Consolidated Balance Sheet As at June 30, 2006

(expressed in Eastern Caribbean dollars)

	(Unaudited) June 2006 \$	(Audited) December 2005 \$	(Unaudited) June 2005 \$	12mths % Change
ASSETS				
Cash and balances with Central Bank	64,581,341	62,348,792	84,375,347	-23%
Due from other banks	66,722,801	1,982,021	79,101,191	-16%
Deposits with non-bank financial institutions	2,780,908	55,045,888	2,008,529	38%
Treasury bills	2,588,575	1,949,946	6,000,000	-57%
Loans & Advances to customers	728,018,876	680,775,504	612,447,845	19%
Investments held to maturity	254,789,831	10,236,095	140,086,669	82%
- available-for-sale	177,380,735	186,371,353	137,339,751	29%
Investment in held for trading	89,553,310	253,357,120	16,000,000	460%
Investment in associated undertaking	4,951,622	4,951,622	4,303,790	15%
Property plant and equipment & intangibles	49,343,576	49,950,218	48,575,757	2%
Other assets	34,835,711	11,418,420	31,654,139	10%
Investment Properties	7,161,747	7,161,747	7,834,673	-9%
Income tax recoverable	1,881,523	1,881,523	3,388,410	-44%
Retirement Benefit Asset	1,993,727	1,993,727	2,096,070	-5%
Total Assets	1,486,584,283	1,329,423,976	1,175,212,171	26%
LIABILITIES				
Due to customers	1,159,870,170	1,014,033,144	861,703,507	35%
Borrowings	133,858,799	141,208,996	150,897,615	-11%
Unearned Insurance Premiums	590,096	980,498	177,906	232%
Other liabilities	30,657,265	24,786,895	26,958,145	14%
Dividends Payable	855,415	1,567,802	297,090	188%
Income Tax Payable	-	-	126,642	-100%
Deferred tax liabilities	839,618	839,128	714,914	17%
Total Liabilities	1,326,671,363	1,183,416,463	1,040,875,819	27%
SHAREHOLDERS EQUITY				
Share capital	65,994,239	62,826,179	61,009,534	8%
Contributed capital	1,900,472	1,900,472	1,900,472	0%
Unrealized gain/loss on investments	-640,072	-331,137	-	
Reserves	62,792,643	62,792,643	47,032,453	34%
Retained earnings	9,309,036	17,718,977	8,829,460	5%
Profit for the period before taxes	19,528,342	-	13,194,899	48%
Parent shareholders' equity	158,884,660	144,907,134	131,966,818	20%
Minority Interest	1,028,260	1,100,379	2,369,534	-57%
Total equity and liabilities	1,486,584,283	1,329,423,976	1,175,212,171	26%

East Caribbean Financial Holding Company Limited
Interim Consolidated Statement of Income
For the period ended June 30, 2006

(expressed in Eastern Caribbean dollars)

	6 months (Unaudited) Jun 2006 \$	12 months (Audited) Dec 2005 \$	6 months (Unaudited) Jun 2005 \$	12 months % Change
Interest income	50,252,538	84,510,249	39,237,103	28%
Interest expense	18,336,145	32,537,468	15,595,145	18%
Net interest income	31,916,393	51,972,781	23,641,958	35%
Other income	10,116,571	18,422,484	7,915,271	28%
Operating income	42,032,964	70,395,265	31,557,229	33%
Provision for loan impairment	364,529	1,315,518	614,954	-41%
Other operating expenses	21,978,564	39,524,147	17,279,728	27%
Income for the period before finance charges	19,689,871	29,555,600	13,662,547	44%
Finance charges	161,529	843,384	467,648	-65%
Profit for the period before minority interest	19,528,342	28,712,216	13,194,899	48%
Provision for Tax	1,655,106	1,202,647	755,732	119%
Income for the period after taxation	17,873,236	27,509,569	12,439,167	44%
Minority interest	72,119	257,685	125,831	-43%
Net profit for the period after taxation	17,945,355	27,767,254	12,564,998	43%