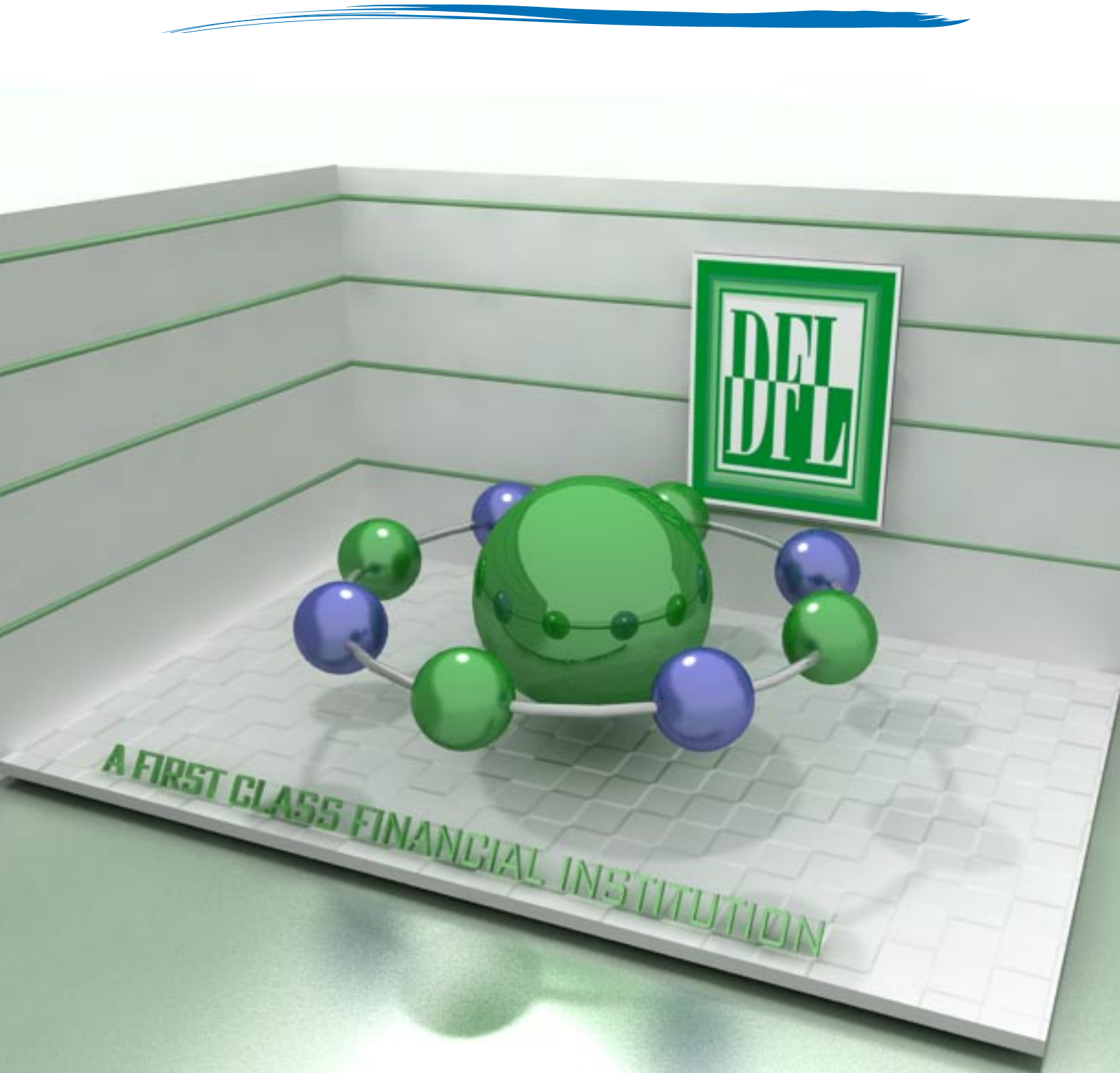


Development Finance Limited

Chairman's Letter to Shareholders 2006



Chairman's Letter to the Shareholders



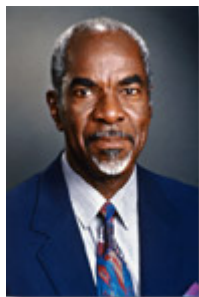
Audley Walker
Chairman



Gaston Aguilera
Deputy Chairman



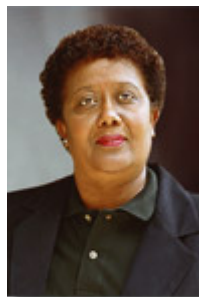
Gerard Pemberton
Managing Director



John Andrews



Lyndon Guiseppi



Wilma Henry



Gary Voss

BOARD OF DIRECTORS

The Directors are pleased to report to the Shareholders of Development Finance Ltd (DFL) that the Company's Net Profit for 2006 was \$ 12.47 Million from which an Ordinary Dividend of \$ 12.00 per share (\$11.00 in 2005) will be paid. Disclosures in the Notes to the Financial Statements provide commentary and explanations concerning risk management and describe the measures approved and monitored by the Board to ensure an appropriate balance among profitability, long term growth and development and the achievement of our Mission. Management's Discussion and Analysis provide a description of results, expectations, performance drivers and the risk the Company will face in carrying out its Mission.

Development Finance Ltd is a subsidiary of DFL Caribbean Holdings Ltd, the parent company of the subsidiaries of the DFL Caribbean Group. These subsidiaries are focused on specialized enterprise development activities in the Caribbean. This will allow the Board and Management of DFL to concentrate on its core activity and to build its own relationships with regional and international partners and capital markets. DFL's role in the Group is that of a long term lender in tourism, agro- industry and services and a provider of various types of financing to small enterprises in the Caribbean. DFL has arranged adequate funding for these purposes for 2007 and will resume capital market borrowings in 2009 based on its international credit rating of BB. The Board has mandated management to organize new systems and approaches to expand the loan portfolio to achieve the target set by the Board.

Each subsidiary prepares its own financial statements. The Group also prepares consolidated financial statements which will be available to the shareholders of DFL Caribbean Holdings Ltd.

I wish to thank my colleagues on the Board for their contribution during the year and I commend the management for producing good results and for improving financial soundness.



Audley Walker
Chairman