

TRAFALGAR DEVELOPMENT BANK LIMITED 1999

UNAUDITED SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS

FOR NINE MONTHS TO JUNE 30, 1999

NOTES

The Group's results for the year-to-date have been adversely affected by an increase of \$35.6 million (1998 - \$20.3 million) in the provisions for bad debts. This was in recognition by the Directors of the sharp decline in market values of real estate and other assets pledged as security for our loan portfolio.

In light of the above, the Directors at the meeting held on July 30, 1999, deemed it prudent not to declare a second interim dividend for the financial year ending September 1999, and instead recommended that the interim dividend paid in March 1999 be declared the final dividend.

TRAFALGAR DEVELOPMENT BANK LIMITED

UNAUDITED SUMMARY OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR NINE MONTHS TO JUNE 31, 1999.

	1999	1998
	\$	\$
	000's	000's
REVENUE		
Interest	248,312	276,072
Other	<u>36,852</u>	<u>23,481</u>
	<u>285,164</u>	<u>299,553</u>
EXPENSES		
Interest	121,553	121,129
**Other	<u>153,946</u>	<u>136,750</u>
	<u>275,499</u>	<u>257,879</u>
PROFIT ON OPERATIONS	9,665	41,674
Exchange Gains	<u>22,813</u>	<u>7,998</u>
PROFIT BEFORE TAXATION	<u>32,478</u>	<u>49,672</u>
* Taxation	-	(133)
PROFIT AFTER TAXATION	<u>32,478</u>	<u>49,539</u>
Minority Interest in Results Of Subsidiary	1,340	1,602
NET PROFIT ATTRIBUTABLE TO STOCKHOLDERS OF HOLDING COMPANY	<u>33,818</u>	<u>51,141</u>
Earnings per stock unit - in units	0.29	0.44

* The profits of Trafalgar Development Bank are not subject to company profits tax until December 5, 2000 when its venture capital status expires. Dividends paid to stockholders are nonetheless liable to taxation, as are the profits of its subsidiary, Trafalgar Commercial Bank Limited.

** Includes provisions for bad debt of \$35.6 million (1998 - \$20.3 million)
