

TRAFALGAR DEVELOPMENT BANK LIMITED

and its subsidiaries

Unaudited Financial Results for the

Second Quarter ended 30 June 2002

TDB's performance for the first half of the financial year reflects improvement in the performance over 2001. Net income was \$106.4 million or \$0.42 per share versus \$71.3 million or \$0.28 for the prior period.

Revenues grew 12% with fee income and exchange gains contributing largely to the increase. Included in the current period results are additional credit provisions of \$31.5 million.

In 2001, TDB absorbed \$28.7 million in one-time restructuring expenses associated with the re-organisation of the Group. The benefits of the restructuring are reflected in a decline in administrative costs for the current period.

The consolidated balance sheet continues to strengthen with our equity at \$920 million.

Richard O. Byles
Chairman

Donovan H. Perkins
Chief Executive Officer

Unaudited Consolidated Profit and Loss Account

Six Months ended June 30, 2002

	June 2002 \$' 000	June 2001 \$' 000
REVENUE		
Interest Income	139,362	151,472
Fee & Other Income	<u>125,457</u>	<u>84,174</u>
TOTAL REVENUE	<u>264,819</u>	<u>235,646</u>
EXPENSE		
Interest	66,677	73,689
Administrative Costs	60,272	65,886
Loss Provisions	<u>31,500</u>	<u>(3,905)</u>
TOTAL EXPENSE	<u>158,449</u>	<u>135,670</u>
OPERATING PROFIT	106,370	99,976
Restructuring Charges	<u>-</u>	<u>(28,704)</u>
PRE-TAX PROFIT	106,370	71,272
Taxation	<u>-</u>	<u>-</u>
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	106,370 =====	71,272 =====
EARNINGS PER SHARE		
Earnings per average Stock Unit	\$0.42	\$0.28

Unaudited Summary of Consolidated Balance Sheet

As at June 30, 2002

	June 2002 \$' 000	December 2001 \$' 000
ASSETS		
Cash Resources	105,462	85,689
Investments	1,260,131	1,147,135
Loans and Leases	1,053,196	1,247,698
Other Assets	<u>474,327</u>	<u>401,625</u>
	<u>2,893,116</u>	<u>2,882,147</u>
	=====	=====
LIABILITIES		
Customers' Deposits	351,012	317,338
Due to Financial and Other Institutions	1,278,690	1,355,825
Other Liabilities	<u>343,497</u>	<u>395,437</u>
	<u>1,973,199</u>	<u>2,068,600</u>
STOCKHOLDERS' EQUITY		
Share Capital	255,660	255,660
Reserves	186,397	186,397
Retained Earnings	371,490	371,490
Current Year Results	<u>106,370</u>	<u>-</u>
	<u>919,917</u>	<u>813,547</u>
TOTAL LIABILITIES & EQUITY	<u>2,893,116</u>	<u>2,882,147</u>
	=====	=====

Unaudited Statement of

Changes in Shareholders' Equity

Six Months Ended June 30, 2002

	June 2002 \$' 000	June 2001 \$' 000
Equity at beginning of the period	813,547	486,290
Net profit for the period	106,370	71,272
Elimination on disposal of subsidiary	-	(37,996)
Reserves on acquisition of subsidiary	-	111,397
Shares issued	-	140,614
Increase in reserves	-	479
Equity at the end of the period	<u>919,917</u> =====	<u>772,056</u> =====

Unaudited Consolidated Cash Flow

Six Months ended June 30, 2002

	June 2002 \$' 000	June 2001 \$' 000
Net Profit	106,370	71,272
Items not affecting cash	33,405	5,377
Changes in non-cash working capital components	<u>(1,965)</u>	<u>-</u>

Cash flow from operating activities	137,810	76,649
Cash flow used in investing activities	(74,576)	140,885
Cash flow from Financing Activities	<u>(43,461)</u>	<u>329,643</u>
Increase in cash resources	19,773	547,177
Cash & cash equivalents at beginning of period	<u>85,689</u>	<u>118,515</u>
Cash & cash equivalents at end of period	<u>105,462</u> =====	<u>665,692</u> =====
