

RBTT FINANCIAL GROUP

YEAR ENDING MARCH 31, 2003

CHAIRMAN'S REPORT

I am pleased to report another very successful year for the RBTT Group. After Tax Earnings attributable to shareholders increased by \$93 million or 19.3% to a new milestone of \$576 million, representing earnings per share of \$1.69 in comparison to \$1.42 the previous year.

Group assets grew by \$1.6 billion or 5.7%, underpinned mainly by an increase in the Loans and Advances portfolio. The main driver of the improved profitability was net interest revenues which grew by 24%, or \$240 million, consistent with our thrust to improve returns through focused treasury management across the Group.

It is gratifying that our overall financial objectives were achieved despite very challenging market conditions across the region. Contributions from our Dutch Caribbean and Eastern Caribbean operations were lower than expected, being adversely impacted by weak economic fundamentals and the resultant need to increase provisions to counter the increased potential for losses in the loan portfolio. We nevertheless anticipate a stronger performance from these subsidiaries in the current year.

The Directors have declared a final dividend of 42 cents per share, bringing the full year dividend to 70 cents, an increase of 17% over the previous year. This dividend will be paid on June 12, 2003 to shareholders on record as at May 15, 2003.

Peter J. July
Group Chairman

CONSOLIDATED BALANCE SHEET

	AUDITED As at 31.03.03 (\$'000)	AUDITED As at 31.03.02 (\$'000)
ASSETS		
Cash Resources	4,183,026	4,930,672
Loans and advances	11,007,590	9,438,963
Originated Securities	282,492	373,076
Investments	9,453,217	9,267,650
Investments in associate companies and joint-ventures	525,031	317,955
Other assets	3,879,969	3,410,868
TOTAL ASSETS	<u>29,331,325</u> =====	<u>27,739,184</u> =====
LIABILITIES		
Due to banks and associate companies	1,263,906	812,761

Customers' deposits and other funding instru.	22,783,896	22,291,545
Other liabilities	<u>2,677,863</u>	<u>2,422,255</u>
TOTAL LIABILITIES	<u>26,725,665</u>	<u>25,526,561</u>
	=====	=====
NET ASSETS	<u>2,605,660</u>	<u>2,212,623</u>
	=====	=====
Minority interest in subsidiary companies	40,499	41,824
Shareholders Equity		
Share capital	811,338	808,981
Statutory reserves	285,660	256,198
Other reserves	99,204	180,780
Retained earnings	<u>1,368,959</u>	<u>924,840</u>
Total Shareholders' equity	<u>2,565,161</u>	<u>2,170,799</u>
	=====	=====
TOTAL EQUITY	<u>2,605,660</u>	<u>2,212,623</u>
	=====	=====

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	AUDITED 12 Months Ended 31.03.03 (\$'000)	AUDITED 12 Months Ended 31.03.02 (\$'000)
Net Interest Income	1,243,413	1,003,805
Other income	<u>792,742</u>	<u>658,190</u>
TOTAL NET INCOME	<u>2,036,155</u>	<u>1,661,995</u>

Non-interest expenses	<u>1,372,600</u>	<u>1,136,453</u>
OPERATING PROFIT	663,555	525,542
Share of profits of associate companies and joint ventures	<u>29,056</u>	<u>40,992</u>
Profit before Taxation	692,611	566,534
Taxation	<u>107,421</u>	<u>75,367</u>
Profit after Taxation	585,190	491,167
Minority Interest	8,865	8,127
Profit Attributable to Shareholders	<u>576,325</u>	<u>483,040</u>
EARNINGS PER SHARE	<u>\$1.69</u>	<u>\$1.42</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital (\$'000)	Statutory Reserves (\$'000)	Other Reserves (\$'000)	Retained Earnings (\$'000)	Total Shareholders Equity (\$'000)
Twelve months ended March 31, 2003					
Balance at beginning of year	808,981	256,198	180,780	924,840	2,170,799
Effect of change in tax rate			7,774		7,774
Currency translation differences		(285)	(113,070)	(3,106)	(116,461)
Profit attributable to shareholders				576,325	576,325

Gains from changes in fair value			74,058		74,058
Gains transferred to net profit			(56,990)		(56,990)
Surplus arising on revaluation of property			646		646
Transfer to statutory reserves	29,747			(29,747)	-
Transfer to general banking risk reserve			934	(934)	-
Other reserve movements			5,072	(3,116)	1,956
Dividends				(95,303)	(95,303)
Issue of shares	2,357				2,357
Balance at end of period	811,338	285,660	99,204	1,368,959	2,565,161

Twelve months ended March 31, 2003

Balance at beginning of year					
- As previously stated	808,775	223,413	68,963	686,777	1,787,928
- Effect of adopting IAS 39			114,766		114,766
- As restated	808,775	223,413	183,729	686,777	1,902,694
Currency translation differences		182	(25,285)	(415)	(25,518)
Profit attributable to shareholders				483,040	483,040
Gains from changes in fair value			69,223		69,223
Gains transferred to net profit			(60,189)		(60,189)
Transfer to statutory reserves		32,603		(32,603)	-
Transfer to general banking risk reserve			11,509	(7,472)	4,037
Issue of shares	206				206
Other reserve movements			1,793	(341)	1,452
Dividends				(204,146)	(204,146)
Balance at end of year	808,981	256,198	180,780	924,840	2,170,799