

RBTT FINANCIAL HOLDINGS LIMITED

for the quarter ending December 31, 2004

For the Nine Months ended 31 December 2004

Chairman's Report

I am pleased to report the highest quarterly profit ever recorded by the Group in the 3rd Quarter ended December 31, 2004. After tax profits attributable to shareholders were US\$42.7 million, an increase of US\$18.9 million, or 79% higher than the results of Quarter 2, and 14% over the corresponding quarter last year.

You may recall that our earnings in Quarter 2 were affected by the impact of Hurricane Ivan on the economy of Grenada. This necessitated extraordinary charges of US\$16.7 million related to the downgrading of the sovereign credit rating of Grenada and to special provisions for possible future losses in the loans portfolio of our subsidiary. No further charge with respect to these items was required in Quarter 3.

The strong earnings performance in Quarter 3 has brought profits attributable to shareholders to US\$94.9 million for the nine month period, which represents an improvement of 6% over the same period in the previous year. If adjusted to exclude the unusual charges related to the effects of Hurricane Ivan on the Group's own operations, profits attributable to shareholders show an increase of 18% over the corres-

The adjustments to EPS do not take into account similar extraordinary charges related to the effects of four major Hurricane events which have negatively impacted the results of our associate company - Guardian Holdings Limited.

Total assets increased by US\$636 million, or 12% during the nine month period, with loans and advances growing by US\$419 million, or 19% through a combination of organic growth - US\$322 million and the acquisition of RBTT Bank Barbados Limited - US\$97 million. Shareholders' equity has increased by US\$45.5 million to US\$545.9 million.

All our subsidiaries, including our operations in Grenada reported improved results in Quarter 3. The outlook for our larger markets is encouraging, particularly for Trinidad & Tobago and Jamaica as evidenced by reports from the Central Banks in the region, and in the case of Jamaica, the recent improvement in the Moody's rating outlook for Jamaica's foreign currency debt from negative to stable.

The Group expects to maintain the trend of improved earnings in the final quarter.

ponding period and an improvement in earnings per share (EPS) as shown in the table below.

	2004	2003
	US\$	US\$
EPS excluding effect of Hurricane events	0.31	0.26
Effect of Hurricane events	<u>0.03</u>	<u>-</u>
Net EPS for period	0.28	0.26

Peter J. July
Group Chairman

CONSOLIDATED BALANCE SHEET

Expressed in US Dollars	UNAUDITED	UNAUDITED	AUDITED
	As at 31.12.04 (\$'000)	As at 31.12.03 (\$'000)	As at 31.03.04 (\$'000)
ASSETS			
Cash resources	957,420	632,631	847,397
Loans and advances	2,582,144	2,070,892	2,162,986
Originated securities	303,775	46,835	266,991
Investment securities	1,415,364	1,521,482	1,366,148
Investments in associate companies and joint ventures	121,833	91,822	107,827
Due from associate companies	15,932	-	-
Other assets	618,503	626,245	627,576
TOTAL ASSETS	<u>6,014,971</u>	<u>4,989,907</u>	<u>5,378,925</u>
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LIABILITIES			
Due to banks and associate companies	371,422	318,495	256,182
Customers' deposits and Other funding instruments	4,689,194	3,803,359	4,162,135
Other liabilities	400,796	411,020	452,692
TOTAL LIABILITIES	<u>5,461,412</u>	<u>4,532,874</u>	<u>4,871,009</u>
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NET ASSETS	<u>553,559</u>	<u>457,033</u>	<u>507,916</u>
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Minority interest in subsidiary companies	7,664	7,476	7,558
Shareholders' Equity			
Share capital	135,871	131,186	132,847
Statutory reserves	56,782	50,436	52,740
Other reserves	26,048	6,542	22,595
Retained earnings	327,194	261,393	292,176
Total Shareholders' Equity	<u>545,895</u>	<u>449,557</u>	<u>500,368</u>
TOTAL EQUITY	<u>553,559</u>	<u>457,033</u>	<u>507,916</u>
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CONSOLIDATED PROFIT AND LOSS ACCOUNT

Expressed in US Dollars	UNAUDITED	UNAUDITED	AUDITED
	9 Months Ended 31.12.04 (\$'000)	9 Months Ended 31.12.03 (\$'000)	12 Months Ended 31.03.04 (\$'000)
Net interest income	193,968	176,579	235,676
Other income	106,770	117,286	169,887
Total Net Income	<u>300,738</u>	<u>293,865</u>	<u>405,563</u>
Non-interest expenses	184,186	191,382	255,887
Operating Profit	116,552	102,483	149,676
Share of profits of associate companies and joint ventures	1,050	5,821	7,188
Profit before Taxation	<u>117,602</u>	<u>108,304</u>	<u>156,864</u>
Taxation	22,026	17,799	26,149
Profit after Taxation	95,576	90,505	130,715
Minority Interest	643	947	1,389
Profit Attributable to Shareholders	<u>94,933</u>	<u>89,558</u>	<u>129,326</u>
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Expressed in US Dollars	Share Capital (\$'000)	Statutory Reserves (\$'000)	Other Reserves (\$'000)	Retained Earnings (\$'000)	Total Shareholders' Equity (\$'000)
Nine months ended 31 December 2004					
Balance at beginning of year					
- As previously stated	132,847	52,740	22,595	292,176	500,358
- Effect of adopting IFRS 3, IAS 36 (revised) & IAS 38 (revised)				2,401	2,401
- As restated	132,847	52,740	22,595	294,577	502,759
Currency translation differences			2,343	340	2,683
Profit attributable to shareholders				94,933	94,933
Investment securities					
- Gains from changes in fair value			827		827
- Gains transferred to net profit			(1,509)		(1,509)
Transfer to statutory reserves		4,042		(4,042)	-
Transfer to general banking risks reserve			2,647	(2,647)	-
Issue of shares	3,024				3,024
Surplus arising on revaluation of property			(11)		(11)
Other reserve movements			(844)	288	(556)
Dividends				(56,255)	(56,255)
Balance at end of period	135,871	56,782	26,048	327,194	545,895
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Nine months ended 31 December 2003					
Balance at beginning of year	130,646	45,999	15,974	220,437	413,056
Currency translation differences		(2)	(11,533)		(11,535)
Profit attributable to shareholders				89,558	89,558
Investment securities					
- Gains from changes in fair value			9,745		9,745
- Gains transferred to net profit			(1,765)		(1,765)
Disposal of investment in associate company			(5,883)	219	(5,664)
Transfer to statutory reserves		4,439		(4,439)	-
Issue of shares	540				540
Other reserve movements			4	37	41
Dividends				(44,419)	(44,419)
Balance at end of period	131,186	50,436	6,542	261,393	449,557
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Year ended 31 March 2004					

Balance at beginning of year	130,646	45,999	15,974	220,437	413,056
Currency translation differences		(2)	(15,893)	(1,382)	(17,277)
Profit attributable to shareholders				129,326	129,326
Investment securities					
- Gains from changes in fair value			19,457		19,457
- Gains transferred to net profit			(4,837)		(4,837)
Disposal of investment in associate company			(12,548)	219	(12,329)
Transfer to statutory reserves		6,743		(6,743)	-
Transfer from retained earnings			100	(100)	-
Transfer to general banking risks reserve			5,084	(5,084)	-
Reclassification of regulatory loan losses			15,036		15,036
Issue of shares	2,201				2,201
Surplus arising on revaluation of property			122		122
Other reserve movements			100	(78)	22
Dividends				(44,419)	(44,419)
Balance at end of year	132,847	52,740	22,595	292,176	500,358

CONSOLIDATED STATEMENT OF CHANGES IN CASH RESOURCES

Expressed in US Dollars	UNAUDITED	UNAUDITED
	9 Months Ended 31.12.04 (\$'000)	9 Months Ended 31.12.03 (\$'000)
Operating Activities		
Profit before taxation	117,602	108,304
Adjustments for non cash items	40,295	20,137
Operating Profit Before Changes In Operating Assets & Liabilities	157,897	128,441
Increase in operating assets	(439,306)	(339,108)
Increase in operating liabilities	499,039	278,395
Corporation taxes paid	(11,544)	(12,320)
Cash Provided by Operating Activities	206,086	55,408
Investing Activities		
Investment in subsidiary, associate companies and joint ventures	(26,788)	(35,346)
Dividends received from associate companies and joint ventrues	3,660	1,496

Net increase in investments and originated securities	(120,567)	(16,864)
Additions to premises and equipment	(16,712)	(21,487)
Proceeds from sale of premises & equipment	392	826
Cash Used In Investing Activities	(160,015)	(71,375)
Financing Activities		
Dividends paid	(56,255)	(44,419)
Dividends paid to minority interests	(571)	-
Issue of shares	3,024	540
Other borrowed funds	117,754	18,904
Cash Provided by/(Used In) Financing Activities	63,952	(24,975)
Net Increase (Decrease) In Cash Resources	110,023	(40,942)
Cash Resources at Beginning of Year	847,397	673,573
Cash Resources at End of Period	957,420	632,631
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NOTES TO FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES: The accounting policies used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended March 31, 2004 other than for the adoption of the standards outlined below.

2. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS): The Group has adopted IFRS 3 - Business Combinations along with IAS 36 (revised) - Impairment of Assets and IAS 38 (revised) - Intangible Assets. The effect of these adoptions are that goodwill ceases to be amortised effective 01 April, 2004 and is now subjected to an annual impairment test and negative goodwill as at 01 April, 2004 has been transferred to opening retained earnings.

3. SHARE CAPITAL: The share capital increased by US\$3,023,741 as a result of the issue of shares under the Group's Share Option Plan.

4. SEGMENT INFORMATION For the nine months ended	Total Revenue		Operating profit	
	31.12.04	31.12.03	31.12.04	31.12.03
	\$'000	\$'000	\$'000	\$'000
Trinidad and Tobago	201,411	197,623	64,184	58,513
Other Caribbean Territories	224,063	218,082	52,368	43,970
	<u>425,474</u>	<u>415,705</u>	<u>116,552</u>	<u>102,483</u>

The foregoing Consolidated Financial Highlights present an abridged version of the Group's results expressed in US dollars to provide readers with a quick and convenient view of the Group's financial performance referenced against a major international currency. The Group's reporting currency is Trinidad and Tobago dollars.
