

# RBTT FINANCIAL GROUP

## CONSOLIDATED FINANCIAL HIGHLIGHTS

For The 12 Months Ended March 31, 2005

---

### CHAIRMAN'S REPORT

I am pleased to report that the RBTT Group had another successful year. For the fiscal year ended March 31, 2005, the Group reported Profit attributable to shareholders of US\$148 million an increase of 15% over the prior year. These results include the following:

- A gain of US\$37 million realised on sale of part of the Group's shareholding in Guardian Holdings Limited.
- An unrealised mark to market loss of US\$1.4 million before tax related to the downgrading of sovereign credit rating of Grenada as a result of Hurricane Ivan, and
- The recognition of an actuarially determined post retirement medical benefit expense of US\$1.1 million before tax for employees in accordance with IAS 19.

If these items were excluded the Group's growth in profits would have been 4.4%.

Total assets increased by US\$845 million or 16% due principally to strong growth in Loans and Advances. Customer deposits also grew significantly by US\$404 million or 14%. Shareholders' equity increased by US\$173 million to US\$674 million, of which US\$91 million was due to a mark to market revaluation of the Group's residual shareholding in GHL.

The year ended March 31, 2005 presented challenging market conditions for the Group, the most significant of which was the impact of hurricanes on several territories in the Caribbean. Notwithstanding these challenges, our operations across the Group, including our most recently acquired subsidiary in Barbados, turned in stellar performances. RBTT MERCHANT BANK LIMITED, despite having to adjust for the sovereign downgrade, reported a solid pre-tax profit of US\$51 million.

Peter J. July  
Group Chairman

---

## CONSOLIDATED BALANCE SHEET

<u>Expressed in US Dollars</u>	<b>AUDITED</b> as at <b>31.03.05</b> (\$'000)	<b>AUDITED</b> as at <b>31.03.04</b> (\$'000)
<b>ASSETS</b>		
Cash resources on hand and due from banks	588,326	573,831
Balances with central banks	258,184	273,567
Loans and advances to customers	2,728,948	2,162,986
Originated securities	320,686	271,500
Investment securities	1,673,666	1,361,639
Investments in associate companies and joint venture	29,267	107,827
Due from associate companies	2,603	-
Other assets	621,832	627,615
<b>TOTAL ASSETS</b>	<b>6,223,512</b> =====	<b>5,378,965</b> =====
<b>LIABILITIES</b>		
Due to banks and associate companies	378,893	256,182
Customers' deposits and other interest bearing liabilities	4,601,858	4,162,135

Other liabilities	560,741	452,732
<b>TOTAL LIABILITIES</b>	<b>5,541,492</b>	<b>4,871,049</b>
	=====	=====
<b>NET ASSETS</b>	<b>682,020</b>	<b>507,916</b>
	=====	=====
Minority interest	8,501	7,558
<b>Shareholders' Equity</b>		
Share capital	136,167	132,847
Statutory reserves	58,767	52,740
Other reserves	102,160	22,595
Retained earnings	376,425	292,176
<b>Total Shareholders' Equity</b>	<b>673,519</b>	<b>500,358</b>
<b>TOTAL EQUITY</b>	<b>682,020</b>	<b>507,916</b>
	=====	=====

---

## CONSOLIDATED PROFIT & LOSS ACCOUNT

	AUDITED	AUDITED
	Year Ended	Year Ended
	31.03.05	31.03.04
	(\$'000)	(\$'000)
<b>Expressed in US Dollars</b>		
Net interest income	260,387	235,676
Other income,	188,075	169,887
<b>Total Net Income</b>	<b>448,462</b>	<b>405,563</b>
Non-interest expenses	(279,588)	(255,887)
<b>Operating Profit</b>	<b>168,874</b>	<b>149,676</b>
Share of profits associate companies and joint venture beldire tax	10,887	7,188
<b>Profit before Taxation</b>	<b>179,761</b>	<b>156,864</b>

Taxation	(29,848)	(26,149)
<b>Profit after Taxation</b>	<b>149,913</b>	<b>130,715</b>
Minority Interest	(1,468)	(1,389)
<b>Total</b>	<b>148,445</b>	<b>129,326</b>
	=====	=====

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<u>Expressed in US Dollars</u>	Share	Statutory	Other	Retained	Total
<u>Year ended 31 March 2005</u>	Capital	Reserves	Reserves	Earnings	Shareholders'
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	Equity
					(\$'000)
Balance at beginning of year	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 adjusted	132,847	52,740	22,595	294,577	502,759
Currency translation differences		1	3,370	336	3,707
Profit attributable to shareholders				148,445	148,445
Investment securities					
- Gains from changes in fair value			87,526		87,526
- Gains transferred to net profit			(2,065)		(2,065)
Disposal of investment in associate company			(16,234)	715	(15,519)
Transfer to statutory reserves		6,026		(6,026)	-
Transfer to general banking risks reserve			5,731	(5,731)	-
issue of shares	3,320				3,320
Surplus arising on revaluation of property			1,164		1,164
Other reserve movements			73	364	437
Dividends				(56,255)	(56,255)
<b>Balance at and of year</b>	<b>136,167</b>	<b>58,767</b>	<b>102,160</b>	<b>376,425</b>	<b>673,519</b>
	=====	=====	=====	=====	=====

<b>Year ended 31 March 2004</b>	130,646	45,999	15,974	220,437	413,056
Balance at beginning of year		(2)	(15,893)	(1,382)	(17,277)
Currency translation differences				129,326	129,326
Profit attributable to shareholders					
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 to retained earnings			100	(100)	-
Transfer to general banking risks reserve			5,084	(5,084)	-
Reclassification of regulatory allowance for loan losses			15,036		15,036
Issue of shares	2,201				2,201
Surplus arising on revaluation of property			122		
Other reserve movements			100	(78)	22
Dividends				(44,419)	(44,419)
<b>Balance at and of year</b>	<b>132,847</b>	<b>52,740</b>	<b>22,595</b>	<b>292,176</b>	<b>500,358</b>

---

## CONSOLIDATED STATEMENT OF CHANGES IN CASH RESOURCES

	AUDITED Year Ended 31.03.05 (\$'000)	AUDITED Year Ended 31.03.04 (\$'000)
<b>Expressed in US Dollars</b>		
<b>Operating Activities</b>		
Profit before taxation	179,761	156,864
Adjustments for non cash items	<u>(12,871)</u>	<u>6,037</u>
<b>Operating Profit Before Changes in Operating Assets and Liabilities</b>	<b>166,890</b>	<b>162,901</b>
Increase in operating assets	(511,997)	(432,338)
Increase in operating liabilities	365,208	596,962
Corporation taxes paid	<u>(12,803)</u>	<u>(18,730)</u>
<b>Cash Provided by Operating Activities</b>	<b><u>7,298</u></b>	<b><u>308,795</u></b>
<b>Investing Activities</b>		
Investment in subsidiary, associate companies and joint venture	38,410	(34,145)
Net increase in investments and originated securities	(149,505)	(90,358)
Additions to premises and equipment	(28,895)	(25,293)
Proceeds from sale of premises & equipment	659	842
<b>Cash Used In Investing Activities</b>	<b><u>(139,331)</u></b>	<b><u>(148,954)</u></b>
<b>Financing Activities</b>		
Issue of shares	3,320	2,201
Other borrowed funds	105,181	29,999
Debt securities in issue	47,806	-
Dividends paid	56,255	(44,419)
Dividends paid to minority interests	<u>(571)</u>	<u>(414)</u>

<b>Cash Provided by / (Used In) Financing Activities</b>	<u>99,481</u>	<u>(12,633)</u>
<b>Net (Decrease)/ Increase In Cash Resources</b>	<u>(32,452)</u>	<u>147,208</u>
<b>Cash Resources at Beginning of Year</b>	573,831	426,623
Cash acquired on acquisition of subsidiary	47,047	-
<b>Cash Resources at End of Year</b>	<u>588,326</u>	<u>573,831</u>
	=====	=====

---