

CONSOLIDATED FINANCIAL HIGHLIGHTS

For the Year ended March 31, 2006

Chairman's Report

The Group recorded pre-tax earnings of US\$182.2 million, an increase of 2.5% over the prior year's US\$177.7 million. Profit attributable to shareholders increased by US\$1.2 million for the same period. Due to the adoption of IAS 39 (Revised), the results for fiscal 2005 were restated to ensure comparability.

The results in both years were affected by non-recurring transactions, including a significant gain on the sale of Guardian Holdings Limited (GHL) shares in fiscal 2005. Adjusting for these non-recurring and non-core transactions in each year, core pre-tax earnings would have come in at US\$188.9 million, an increase of US\$18.6 million, or 10.9% year over year. Core pre-tax earnings for the 3 months ended March 31st increased by US\$11.4 million or 27.2% from US\$41.8 million in 2005 to US\$53.3 million in 2006.

The fundamental drivers of our business were strong, and total assets grew by US\$542.6 million or 9% with loans and advances increasing by US\$393.4 million or 14% to US\$3.1 billion. Customers' deposits and other interest bearing liabilities also grew by a very healthy US\$720.8 million or 16% from US\$4.6 billion to US\$5.3 billion. Shareholders' equity decreased by US\$30.8 million to US\$652.9 million and reflects an adjustment of US\$73.2 million due to the mark to market revaluation of the Group's shareholding in GHL.

The quality of our earning assets continued to improve as evidenced by the percentage of Non-Performing Assets to Total Assets which declined from 4.2% to 2.7%, while the loan loss reserve coverage ratio increased from 53% to 73%.

Our Trust / Asset Management and Retail / Commercial Banking business performed very well, but our Investment Banking business fell off during the first three quarters and registered a 9% decline in Pre-Tax Profits over the prior year. With the Corporate re-organization behind us, the Merchant Bank moved on to a good fourth quarter result, and with a strong deal pipeline in place, is poised to improve its performance and profit contribution in the current year.


Peter J. July
Group Chairman

CONSOLIDATED BALANCE SHEET

Expressed in US Dollars	AUDITED As at 31.03.06 (\$'000)	AUDITED As at 31.03.05 (\$'000) (Restated)
ASSETS		
Cash on hand and due from banks	649,609	585,423
Balances with central banks	284,900	256,910
Loans and advances to customers	3,121,232	2,727,810
Investment securities	2,115,269	2,022,067
Investments in associate companies and joint venture	32,869	29,466
Due from associate companies	-	2,590
Other assets	321,878	358,921
TOTAL ASSETS	6,525,757	5,983,187
LIABILITIES		
Due to banks and associate companies	269,398	377,023
Customers' deposits and other interest bearing liabilities	5,299,944	4,579,148
Other liabilities	297,814	334,915
TOTAL LIABILITIES	5,867,156	5,291,086
NET ASSETS	658,601	692,101
Shareholders' Equity		
Share capital	138,443	135,495
Statutory reserves	65,233	58,476
Other reserves	18,870	116,220
Retained earnings	430,325	373,451
Total Shareholders' Equity	652,871	683,642
Minority interest	5,730	8,459
TOTAL EQUITY	658,601	692,101

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)	Minority Interest (\$'000)	Total Equity (\$'000)
Year ended 31 March 2005							
Balance at beginning of year	132,191	52,480	22,484	290,734	497,889	7,521	505,410
- Effect of adopting IFRS 3, IAS 36 (revised) & IAS 38 (revised)	-	-	-	2,389	2,389	-	2,389
- Effect of adopting IAS 39 (revised)	-	-	16,274	(7)	16,267	-	16,267
- As adjusted	132,191	52,480	38,758	293,116	516,545	7,521	524,066
Currency translation differences	-	-	3,352	334	3,686	-	3,686
Profit after taxation	-	-	-	146,602	146,602	1,461	148,063
Investment securities							
- Gains from changes in fair value	-	-	85,038	-	85,038	-	85,038
- Gains transferred to net profit	-	-	(1,708)	-	(1,708)	-	(1,708)
Disposal of investment in associate company	-	-	(16,154)	712	(15,442)	-	(15,442)
Transfer to statutory reserves	-	5,996	-	(5,996)	-	-	-
Transfer to general banking risks reserve	-	-	5,703	(5,703)	-	-	-
Issue of shares	3,304	-	-	-	3,304	-	3,304
Other reserve movements	-	-	1,231	363	1,594	45	1,639
Dividends	-	-	-	(55,977)	(55,977)	(568)	(56,545)
Balance at end of year	135,495	58,476	116,220	373,451	683,642	8,459	692,101
Year ended 31 March 2006							
Balance at beginning of year as restated	135,495	58,476	116,220	373,451	683,642	8,459	692,101
Currency translation differences	-	54	(8,419)	-	(8,365)	3	(8,362)
Effect of changes in tax rate	-	-	1,527	-	1,527	-	1,527
Profit after taxation	-	-	-	147,842	147,842	(1,138)	146,704
Investment securities							
- Losses from changes in fair value	-	-	(92,272)	-	(92,272)	(62)	(92,334)
- Gains transferred to net profit	-	-	(8,577)	-	(8,577)	-	(8,577)
Transfer to statutory reserves	-	6,703	-	(6,703)	-	-	-
Transfer to general banking risks reserve	-	-	5,436	(5,436)	-	-	-
Employee share options							
- Value of services provided	1,400	-	-	-	1,400	-	1,400
- Proceeds from shares issued	1,548	-	-	-	1,548	-	1,548
Other reserve movements	-	-	4,955	(6,230)	(1,275)	(922)	(2,197)
Dividends	-	-	-	(72,599)	(72,599)	(610)	(73,209)
Balance at end of year	138,443	65,233	18,870	430,325	652,871	5,730	658,601

CONSOLIDATED PROFIT & LOSS ACCOUNT

Expressed in US Dollars	UNAUDITED 3 Mths. Ended 31.3.06 (\$'000)	UNAUDITED 3 Mths. Ended 31.3.05 (\$'000) (Restated)	AUDITED Year Ended 31.3.06 (\$'000)	AUDITED Year Ended 31.3.05 (\$'000) (Restated)
Net interest income	73,610	66,092	288,116	259,102
Other income	70,241	79,793	198,305	186,036
Total Net Income	143,851	145,885	486,421	445,138
Provision for credit losses net of recoveries	(6,764)	1,017	(25,204)	(9,889)
Non-interest expenses	(85,850)	(95,948)	(282,021)	(268,318)
Operating Profit	51,237	50,954	179,196	166,931
Share of profits of associate companies and joint venture before tax	2,024	9,788	2,928	10,833
Profit before Taxation	53,261	60,742	182,124	177,764
Taxation	(10,451)	(7,784)	(35,420)	(29,701)
Profit after Taxation	42,810	52,958	146,704	148,063
Attributable to:				
Shareholders of the company	43,306	52,138	147,842	146,602
Minority Interest	(496)	820	(1,138)	1,461
	42,810	52,958	146,704	148,063
Earnings per share for the period				
- Basic			\$0.43	\$0.43
- Diluted			\$0.43	\$0.43

**CONSOLIDATED STATEMENT OF
CHANGES IN CASH RESOURCES**

Expressed in US Dollars	AUDITED Year Ended 31.03.06 (\$'000)	AUDITED Year Ended 31.03.05 (\$'000) (Restated)
Operating Activities		
Profit before taxation	182,124	177,764
Adjustments for non cash items	1,833	(11,351)
Operating Profit Before Changes In Operating Assets and Liabilities	183,957	166,413
Increase in operating assets	(429,813)	(521,376)
Increase in operating liabilities	504,032	368,531
Corporation taxes paid	(28,498)	(12,740)
Cash Provided by Operating Activities	229,678	828
Investing Activities		
Investment in subsidiary, associate companies and joint venture	(4,077)	38,220
Net increase in investments	(178,939)	(142,332)
Additions to premises and equipment	(34,469)	(28,753)
Proceeds from sale of premises & equipment	6,517	656
Cash Used In Investing Activities	(210,968)	(132,209)
Financing Activities		
Issue of shares	1,548	3,303
Net increase in other borrowed funds	70,795	104,662
Net increase in debt securities in issue	46,342	47,570
Dividends paid	(72,599)	(55,977)
Dividends paid to minority interests	(610)	(568)
Cash Provided by Financing Activities	45,476	98,990
Net Increase/(Decrease) In Cash on Hand and Due from Banks	64,186	(32,391)
Balance at Beginning of Year	585,423	570,999
Cash acquired on acquisition of subsidiary	-	46,815
Balance at End of Year	649,609	585,423

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