

## **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**

**RBTT FINANCIAL HOLDINGS LIMITED**  
**CONSOLIDATED BALANCE SHEET**

Expressed in US Dollars	AUDITED As at 31.03.06 (\$'000)	AUDITED As at 31.03.05 (\$'000) (Restated)
<b>A S S E T S</b>		
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
<b>TOTAL ASSETS</b>	<b><u>6,525,757</u></b>	<b><u>5,983,187</u></b>
<b>LIABILITIES</b>		
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
<b>TOTAL LIABILITIES</b>	<b><u>5,867,156</u></b>	<b><u>5,291,086</u></b>
<b>NET ASSETS</b>	<b><u>658,601</u></b>	<b><u>692,101</u></b>
<b>Shareholders' Equity</b>		
Share capital	138,443	135,495
Statutory reserves	65,233	58,476
Other reserves	18,870	116,220
Retained earnings	430,325	373,451
<b>Total Shareholders' Equity</b>	<b><u>652,871</u></b>	<b><u>683,642</u></b>
Minority interest	5,730	8,459
<b>TOTAL EQUITY</b>	<b><u>658,601</u></b>	<b><u>692,101</u></b>

**RBTT FINANCIAL HOLDINGS LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

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

**RBTT FINANCIAL HOLDINGS LIMITED**  
**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)
<b>Operating Activities</b>		
Profit before taxation	182,124	177,764
Adjustments for non cash items	1,833	(11,351)
<b>Operating Profit Before Changes In Operating Assets and Liabilities</b>	<u>183,957</u>	<u>166,413</u>
Increase in operating assets	(429,813)	(521,376)
Increase in operating liabilities	504,032	368,531
Corporation taxes paid	(28,498)	(12,740)
<b>Cash Provided by Operating Activities</b>	<u>229,678</u>	<u>828</u>
<b>Investing Activities</b>		
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
<b>Cash Used In Investing Activities</b>	<u>(210,968)</u>	<u>(132,209)</u>
<b>Financing Activities</b>		
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)
<b>Cash Provided by Financing Activities</b>	<u>45,476</u>	<u>98,990</u>
<b>Net Increase/(Decrease) In Cash on Hand and Due from Banks</b>	<b>64,186</b>	<b>(32,391)</b>
<b>Balance at Beginning of Year</b>	585,423	570,999
Cash acquired on acquisition of subsidiary	-	46,815
<b>Balance at End of Year</b>	<u><u>649,609</u></u>	<u><u>585,423</u></u>

**RBTT FINANCIAL HOLDINGS LIMITED**  
**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)
<b>Year ended 31 March 2005</b>							
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)
<b>Balance at end of year</b>	<b>135,495</b>	<b>58,476</b>	<b>116,220</b>	<b>373,451</b>	<b>683,642</b>	<b>8,459</b>	<b>692,101</b>

**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)
Effects 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)
<b>Balance at end of year</b>	<b>138,443</b>	<b>65,233</b>	<b>18,870</b>	<b>430,325</b>	<b>652,871</b>	<b>5,730</b>	<b>658,601</b>