

# **CHAIRMAN'S REPORT**

I am pleased to report that the Group has achieved another quarter of profitable growth. For the first quarter of the current financial year the Group recorded after-tax profits attributable to shareholders of US\$35 million, an increase of 6.5% over the comparable quarter of the previous year. Diluted earnings per share for the period increased by 6.8% to US 10 cents.

Total assets increased by US\$67 million over the quarter, with loans and advances increasing by US\$84 million, partially offset by a decline in the investment securities portfolio of US\$18 million. Credit quality remained solid, with non-performing assets as a percentage of total assets improving from 2.2% to 1.9%.

The Group continues to reposition its balance sheet to take advantage of the shifting interest rate environment, and our earnings momentum is expected to increase in the ensuing quarters as a result of a healthy investment banking deal pipeline, and the consistent growth in loans and advances evident in the current and previous two quarters.

Peter J. July Group Chairman

# RBTT FINANCIAL HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET

Expressed in US Dollars	UNAUDITED As at 30.06.06 (\$'000)	UNAUDITED As at 30.06.05 (\$'000)	AUDITED As at 31.03.06 (\$'000)
ASSETS			
Cash on hand and due from banks	623,585	751,174	652,190
Balances with central banks	293,490	251,316	286,032
Loans and advances to customers	3,217,716	2,889,379	3,133,634
Investment securities	2,105,386	2,134,093	2,123,674
Investments in associate companies and joint venture	34,350	30,781	33,000
Due from associate companies	4,156	-	-
Other assets TOTAL ASSETS	340,053 6,618,736	311,327 <b>6,368,070</b>	<u>323,156</u> <b>6,551,686</b>
LIABILITIES			
Due to banks and associate companies	248,770	270,465	270,468
Customers' deposits and other interest bearing liabilities	5,479,547	5,050,116	5,321,003
Other liabilities	228,689	376,814	298,997
TOTAL LIABILITIES	5,957,006	5,697,395	5,890,468
NET ASSETS	661,730	670,675	661,218
Shareholders' Equity			
Share capital Statutory reserves	139,445 67,016	137,153 60,120	138,993 65,492
Other reserves	20,021	104,331	18,945
Retained earnings	429,538	360,783	432,035
Total Shareholders' Equity	656,020	662,387	655,465
Minority interest	5,710	8,288	5,753
TOTAL EQUITY	661,730	670,675	661,218

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

	UNAUDITED 3 Months Ended 30.06.06	UNAUDITED 3 Months Ended 30.06.05	AUDITED Year Ended 31.03.06
Expressed in US Dollars	(\$'000)	(\$'000)	(\$'000)
Net interest income	71,042	69,199	289,261
Other income	38,844	43,260	199,093
Total Net Income	109,886	112,459	488,354
Provision for credit losses net of recoveries	2,876	(4,165)	(25,304)
Non-interest expenses	(68,746)	(66,502)	(283,143)
Operating Profit	44,016	41,792	179,907
Share of profits of associate companies and joint venture before tax	497	254	2,940
Profit before Taxation	44,513	42,046	182,847
Taxation	(9,576)	(8,781)	(35,560)
Profit after Taxation	34,937	33,265	147,287
Attributable to:			
Shareholders of the company	35,005	32,880	148,430
Minority Interest	(68)	385	(1,143)
	34,937	33,265	147,287
Earnings per share for the period	<b>*</b> 2.45	<b>2</b> 0 40	<b>AA</b> 4 <b>A</b>
- Basic - Diluted	\$0.10 \$0.10	\$0.10 \$0.09	\$0.43 \$0.43
	φ0.10	φ0.09	φ <b>0.4</b> 3

# RBTT FINANCIAL HOLDINGS LIMITED CONSOLIDATED STATEMENT OF CHANGES IN CASH RESOURCES

Expressed in US Dollars	UNAUDITED 3 Months Ended 30.06.06 (\$'000)	UNAUDITED 3 Months Ended 30.06.05 (\$'000)
<b>Operating Activities</b> Profit before taxation Adjustments for non-cash items	44,513 6,086	42,046 (3,682)
Operating Profit Before Changes In Operating Assets and Liabilities	50,599	38,364
Increase in operating assets Increase in operating liabilities Corporation taxes paid	(115,311) 58,789 (7,323)	(109,193) 304,612 (9,094)
Cash (Used in) / Provided by Operating Activities	(13,246)	224,689
Investing Activities Investment in subsidiary, associate companies and joint venture Dividends received from associate companies and joint venture Net decrease / (increase) in investments Additions to premises and equipment Proceeds from sale of premises & equipment	(906) 12 20,061 (10,605) 537	(1,304) - (104,838) (4,934) 776
Cash Provided by / (Used In) Investing Activities	9,099	(110,300)
<b>Financing Activities</b> Issue of shares Net increase in other borrowed funds Net increase in debt securities in issue Dividends paid Dividends paid to minority interests	131 7,610 3,721 (35,920)	729 61,292 30,128 (42,499) (614)
Cash (Used in) / Provided by Financing Activities	(24,458)	49,036
Net (Decrease) / Increase In Cash on Hand and Due from Banks	(28,605)	163,425
Balance at Beginning of Year	652,190	587,749
Balance at End of Period	623,585	751,174

### **RBTT FINANCIAL HOLDINGS LIMITED** CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Share         Statutory         Other         Retained Shareholders         Minority         Total           Expressed in US Dollars         C(\$000)         \$		0	<b>0</b> 4 4 4	01	<b>B</b> ( ) <b>1</b>	Total		
Expressed in US Dolars         (\$'000)<		Share Capital	Statutory Reserves	Other Reserves			Minority	Total Equity
Balance at brock of the second seco	Expressed in US Dollars	•			0			
Currency translation differences         -         (1)         (27)         (1)         (273)         -         (273)           Profit after taxation         -         -         32,880         32,880         332,880         332,880           Investment securities         -         -         (109)         (109)         24         (85)           - Classes / Casins from changes in fair value         -         -         (1,590)         -         (1,590)           - Transfer to statutory reserves         -         1,412         -         (1,412)         -         -           - Transfer to statutory reserves         -         4,241         (4,241)         -         -         729           - Value of services provided         391         -         -         729         -         729           Dividends         -         -         -         729         -         729           Dividends         -         -         -         729         -         729           Dividends         -         -         -         723         5         266,387         8,268         670,675           Three months ended 30 June 2006         -         -         -         310,053	Three months ended 30 June 2005							
Profit after traxation       -       -       32,880       322,880       385       33,265         Investment securities       -       -       (109)       -       (109)       24       (85)         - Gains francerd to net profit       -       -       (1,590)       -       (1,590)       -       (1,590)         Transfer to granup risk reserves       -       1,412       -       (1,412)       -       <	Balance at beginning of year	136,033	58,709	102,060	376,056	672,858	8,493	681,351
Investment securities         International securities <thinternational securities<="" th=""> <thinternationa< td=""><td>•</td><td>-</td><td>(1)</td><td>(271)</td><td></td><td>( )</td><td>-</td><td>( )</td></thinternationa<></thinternational>	•	-	(1)	(271)		( )	-	( )
- (Losse) / Gains from changes in fair value       -       -       (109)       -       (1590)       -       (1590)         - Gains from changes in fair value       -       -       (1412)       -       -       -       1,412       -		-	-	-	32,880	32,880	385	33,265
- Gains transferred to net profit       -       -       (1,590)       -       (1,590)       -       (1,590)       -       (1,590)       -       (1,590)       -       (1,590)       -       (1,590)       -       (1,590)       -       (1,590)       -       -       -       1       -				(100)		(100)	24	(05)
Transfer to statutory reserves       -       1,412       -       -       1,412       -		-	-	· · ·	-	· · ·	24	( )
Transfer to general banking risks reserve       -       -       4,241       (4,241)       -	•	-	- 1 412	(1,590)	(1 412)	(1,590)	-	(1,590)
Employee share options		-	-	4,241	( , ,	-	-	-
- Proceeds from shares issued       729       -       -       729       -       729         Dividends       -       -       -       (42,499)       (614)       (43,113)         Balance at end of period       138,993       65,492       18,945       432,035       652,367       8,288       670,675         Balance at beginning of year       138,993       65,492       18,945       432,035       655,465       5,753       661,218         Currency translation differences       -       (24)       (270)       1       (223)       25       (268)         Protit after taxation       -       -       -       35,005       35,005       (618)       34,937         Investiment securities       -       -       1,464       -       1,464       -       1,464       -       1,464       -       1,464       -								
Dividends         -	•	391	-	-	-	391	-	391
Balance at end of period         137,153         60,120         104,331         360,783         662,387         8,288         670,675           Three months ended 30 June 2006         Balance at beginning of year         138,993         65,492         18,945         432,035         655,465         5,753         661,218           Currency translation differences         -         (24)         (270)         1         (293)         25         (268)           Investment securities         -         -         35,005         35,005         (68)         34,937           Investment securities         -         -         1,464         -         1,463         1,513         1,513 <td></td> <td>729</td> <td>-</td> <td>-</td> <td>-</td> <td></td> <td>-</td> <td></td>		729	-	-	-		-	
Three months ended 30 June 2006           Balance at beginning of year         138,993         65,492         18,945         432,035         655,465         5,753         661,218           Currency translation differences         -         (24)         (270)         1         (293)         25         (288)           Profit after taxation         -         -         35,005         (58,005)         (68)         34,937           Investment securities         -         -         1,464         -         1,464         -         1,464           - Gains from changes in fair value         -         -         (153)         -         (153)           Transfer to general banking risks reserve         -         1,548         -         (1,548)         -         -           - Value of services provided         321         -         -         321         -         -         321         -         -         131         -         131         -         131         -         -         1321         -         -         1321         -         -         1321         -         -         1321         -         321         -         321         -         321         -         321					· · /		<u> </u>	· · /
Balance at beginning of year       138,993       65,492       18,945       432,035       655,465       5,753       661,218         Currency translation differences       -       (24)       (270)       1       (293)       25       (268)         Profit after taxation       -       -       35,005       35,005       (68)       34,937         Investment securities       -       -       1,464       -       1,464       -       1,464         - Gains from changes in fair value       -       -       (153)       -       (153)       -       (153)         Transfer to general banking risks reserve       -       -       35       (35)       -       -       -       -       -       -       -       131       - <t< td=""><td>Balance at end of period</td><td>137,153</td><td>60,120</td><td>104,331</td><td>360,783</td><td>662,387</td><td>8,288</td><td>670,675</td></t<>	Balance at end of period	137,153	60,120	104,331	360,783	662,387	8,288	670,675
Currency translation differences       -       (24)       (270)       1       (293)       25       (268)         Profit after taxation       -       -       35,005       35,005       (68)       34,937         Investment securities       -       -       1,464       -       1,464       -       1,464         - Gains transferred to net profit       -       -       (153)       -       (153)       -       (153)         Transfer to statutory reserves       -       1,548       -       (1,548)       -       -       -         Transfer to general banking risks reserve       -       -       35       (35)       -	Three months ended 30 June 2006							
Currency translation differences       -       (24)       (270)       1       (293)       25       (268)         Profit after taxation       -       -       35,005       35,005       (68)       34,937         Investment securities       -       -       1,464       -       1,464       -       1,464         - Gains transferred to net profit       -       -       (153)       -       (153)       -       (153)         Transfer to statutory reserves       -       1,548       -       (1,548)       -       -       -         Transfer to general banking risks reserve       -       -       35       (35)       -	Balance at beginning of year	138,993	65,492	18,945	432,035	655,465	5,753	661,218
Profit after taxation       -       -       35,005       35,005       (68)       34,937         Investment securities       -       -       1,464       -       1,464       -       1,464         - Gains transferred to net profit       -       -       (153)       -       (153)       -       (153)         Transfer to statutory reserves       -       1,548       -       (1,548)       -       -       -         Transfer to general banking risks reserve       -       -       35       (35)       -		-	(24)		-	(293)	25	(268)
- Gains from changes in fair value       -       -       1,464       -       1,464       -       1,464         - Gains transferred to net profit       -       -       (153)       -       (153)       -       (153)         Transfer to general banking risks reserve       -       -       35       (35)       -       -       -         Value of services provided       321       -       -       321       -       -       321       -       -       -       321       -       -       -       321       -       -       -       321       -       -       -       321       -       -       -       321       -       -       -       321       -       -       -       321       -       -       -       321       -       -       -       -       321       -       -       -       321       -       -       -       321       -       321       -       -       -       -       -       -       321       -       321       -       321       -       321       -       321       -       321       -       321       -       321       -       -       -       - </td <td>Profit after taxation</td> <td>-</td> <td></td> <td>-</td> <td>35,005</td> <td>35,005</td> <td>(68)</td> <td>34,937</td>	Profit after taxation	-		-	35,005	35,005	(68)	34,937
- Gains transferred to net profit       -       -       (153)       -       (153)       -       (153)         Transfer to statutory reserves       -       1,548       -       (1,548)       -       -       -         Transfer to statutory reserves       -       1,548       -       (1,548)       -<								
Transfer to statutory reserves       -       1,548       -       (1,548)       -       -       -         Transfer to general banking risks reserve       -       -       35       (35)       -       -       -         Employee share options       -       -       321       -       -       321       -       321         - Yalue of services provided       321       -       -       -       131       -       131         - Proceeds from shares issued       131       -       -       -       325,920)       (35,920)       -       (35,920)         Balance at end of period       139,445       67,016       20,021       429,538       656,020       5,710       661,730         Year ended 31 March 2006	-	-			-	,	-	
Transfer to general banking risks reserve       -       -       35       (35)       -       -       -         Employee share options       321       -       -       321       -       321       -       321       -       321       -       -       321       -       331       -       331       -       331       -       331       -       331       -       1,533	•	-		( )	-	. ,	-	(153)
Employee share options       321       -       -       321       <		-	-		( , ,		-	-
- Value of services provided       321       -       -       321       -       331       -       331       -       331       -       331       -       331       -       331       -       331	5	-	-	30	(35)	-	-	-
- Proceeds from shares issued       131       -       -       131		321	-	-	-	321	-	321
Balance at end of period         139,445         67,016         20,021         429,538         656,020         5,710         661,730           Year ended 31 March 2006           Balance at beginning of year as restated Currency translation differences         136,034         58,709         116,681         374,934         686,358         8,492         694,850           Effects of changes in tax rate         -         53         (8,451)         -         (8,398)         3         (8,395)           Profit after taxation         -         -         1,533         -         1,533         -         1,533           Investment securities         -         -         (92,639)         (62)         (92,701)           - Gains transferred to net profit         -         -         (8,611)         -         (8,611)           Transfer to statutory reserves         -         6,730         -         (6,730)         -         -           Transfer to general banking risks reserve         -         -         5,457         (5,457)         -         -           Value of services provided         1,405         -         -         1,405         -         1,405           - Value of services provided         1,405         -         <	•		-	-	-		-	
Year ended 31 March 2006           Balance at beginning of year as restated         136,034         58,709         116,681         374,934         686,358         8,492         694,850           Currency translation differences         -         53         (8,451)         -         (8,398)         3         (8,395)           Effects of changes in tax rate         -         -         1,533         -         1,533         -         1,533           Profit after taxation         -         -         -         148,430         148,430         (1,143)         147,287           Investment securities         -         -         -         148,430         (1,143)         147,287           Investment securities         -         -         -         148,430         (1,143)         147,287           Investment securities         -         -         -         148,611)         -         (8,611)           - Losses from changes in fair value         -         -         (92,639)         (62)         (92,701)           - Gains transferred to net profit         -         -         -         (8,611)         -         (8,611)           Transfer to general banking risks reserve         -         -         5,457	Dividends	-	-	-	(35,920)	(35,920)	-	(35,920)
Balance at beginning of year as restated       136,034       58,709       116,681       374,934       686,358       8,492       694,850         Currency translation differences       -       53       (8,451)       -       (8,398)       3       (8,395)         Effects of changes in tax rate       -       -       1,533       -       1,533       -       1,533         Profit after taxation       -       -       -       148,430       148,430       (1,143)       147,287         Investment securities       -       -       (8,611)       -       (8,611)       -       (8,611)         - Cosses from changes in fair value       -       -       (8,611)       -       (8,611)       -       (8,611)         - Gains transferred to net profit       -       -       (8,611)       -       (8,611)       -       (8,611)         Transfer to general banking risks reserve       -       -       5,457       (5,457)       -       -       -         - Value of services provided       1,405       -       -       1,405       -       1,554       -       1,554         - Proceeds from shares issued       1,554       -       -       1,554       -       1,554 <td>Balance at end of period</td> <td>139,445</td> <td>67,016</td> <td>20,021</td> <td>429,538</td> <td>656,020</td> <td>5,710</td> <td>661,730</td>	Balance at end of period	139,445	67,016	20,021	429,538	656,020	5,710	661,730
Currency translation differences       -       53       (8,451)       -       (8,398)       3       (8,395)         Effects of changes in tax rate       -       -       1,533       -       1,533       -       1,533         Profit after taxation       -       -       -       148,430       148,430       (1,143)       147,287         Investment securities       -       -       (92,639)       -       (92,639)       (62)       (92,701)         - Gains transferred to net profit       -       -       (8,611)       -       (8,611)       -       (8,611)         Transfer to statutory reserves       -       6,730       -       (6,730)       -       -       -         Transfer to general banking risks reserve       -       -       5,457       (5,457)       -       -       -         Employee share options       -       -       -       1,405       -       -       1,405         - Proceeds from shares issued       1,554       -       -       -       1,554       -       1,554         Other reserve movements       -       -       4,975       (6,255)       (1,280)       (925)       (2,205)         Dividends       - <th>Year ended 31 March 2006</th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th>	Year ended 31 March 2006							
Effects of changes in tax rate       -       -       1,533       -       1,533       -       1,533         Profit after taxation       -       -       -       148,430       148,430       (1,143)       147,287         Investment securities       -       -       (92,639)       -       (92,639)       (62)       (92,701)         - Gains transferred to net profit       -       -       (8,611)       -       (8,611)       -       (8,611)         Transfer to statutory reserves       -       6,730       -       (6,730)       -       -       -         Transfer to general banking risks reserve       -       -       5,457       (5,457)       -       -       -         Employee share options       -       -       -       -       1,554       -       -       -         - Value of services provided       1,405       -       -       -       1,405       -       1,405         - Proceeds from shares issued       1,554       -       -       -       1,554       -       1,554         Other reserve movements       -       -       -       (72,887)       (612)       (73,499)		136,034			374,934			
Profit after taxation       -       -       -       148,430       148,430       (1,143)       147,287         Investment securities       -       -       (92,639)       -       (92,639)       (62)       (92,701)         - Gains transferred to net profit       -       (8,611)       -       (8,611)       -       (8,611)         Transfer to statutory reserves       -       6,730       -       (6,730)       -       -         Transfer to general banking risks reserve       -       -       5,457       (5,457)       -       -       -         Employee share options       -       -       -       -       1,405       -       1,405       -       -         - Value of services provided       1,554       -       -       -       1,405       -       1,405         - Proceeds from shares issued       1,554       -       -       -       1,554       -       1,554       -       1,554         Other reserve movements       -       -       -       (72,887)       (612)       (73,499)		-	53		-		3	,
Investment securities       -       -       (92,639)       -       (92,639)       (62)       (92,701)         - Gains transferred to net profit       -       -       (8,611)       -       (8,611)       -       (8,611)         Transfer to statutory reserves       -       6,730       -       (6,730)       -       -       -         Transfer to general banking risks reserve       -       -       5,457       (5,457)       -       -       -         Employee share options       -       -       -       -       1,405       -       1,405       -       1,405         - Value of services provided       1,554       -       -       -       1,554       -	-	-	-	1,533	- 149.430		- (1 1/2)	
- Losses from changes in fair value       -       -       (92,639)       -       (92,639)       (62)       (92,701)         - Gains transferred to net profit       -       -       (8,611)       -       (8,611)       -       (8,611)         Transfer to statutory reserves       -       6,730       -       (6,730)       -       -       -         Transfer to general banking risks reserve       -       -       5,457       (5,457)       -       -       -         Employee share options       -       -       -       5,457       (5,457)       -       -       1,405         - Value of services provided       1,405       -       -       -       1,405       -       1,405         - Proceeds from shares issued       1,554       -       -       -       1,554       -       1,554         Other reserve movements       -       -       4,975       (6,255)       (1,280)       (925)       (2,205)         Dividends       -       -       -       (72,887)       (612)       (73,499)		-	-	-	140,430	140,430	(1,143)	147,207
- Gains transferred to net profit       -       -       (8,611)       -       (8,611)       -       (8,611)         Transfer to statutory reserves       -       6,730       -       (6,730)       -       -       -         Transfer to general banking risks reserve       -       -       5,457       (5,457)       -       -       -         Employee share options       -       -       5,457       (5,457)       -       -       -         Value of services provided       1,405       -       -       -       1,405       -       1,405         - Proceeds from shares issued       1,554       -       -       -       1,554       -       1,554         Other reserve movements       -       -       4,975       (6,255)       (1,280)       (925)       (2,205)         Dividends       -       -       -       (72,887)       (612)       (73,499)		-	-	(92.639)	-	(92.639)	(62)	(92,701)
Transfer to statutory reserves       -       6,730       -       (6,730)       -       -       -         Transfer to general banking risks reserve       -       -       5,457       (5,457)       -       -       -         Employee share options       -       -       5,457       (5,457)       -       -       -         · Value of services provided       1,405       -       -       -       1,405       -       1,405         · Proceeds from shares issued       1,554       -       -       -       1,554       -       1,554         Other reserve movements       -       -       4,975       (6,255)       (1,280)       (925)       (2,205)         Dividends       -       -       -       (72,887)       (612)       (73,499)	-	-			-		-	
Employee share options       1,405       -       -       1,405       -       1,405         - Value of services provided       1,554       -       -       1,554       -       1,554         - Proceeds from shares issued       1,554       -       -       1,554       -       1,554         Other reserve movements       -       -       4,975       (6,255)       (1,280)       (925)       (2,205)         Dividends       -       -       -       (72,887)       (612)       (73,499)	•	-	6,730	-	(6,730)	-	-	-
- Value of services provided       1,405       -       -       1,405       -       1,405         - Proceeds from shares issued       1,554       -       -       1,554       -       1,554         Other reserve movements       -       -       4,975       (6,255)       (1,280)       (925)       (2,205)         Dividends       -       -       -       (72,887)       (612)       (73,499)		-	-	5,457	(5,457)	-	-	-
- Proceeds from shares issued       1,554       -       -       1,554       -       1,554         Other reserve movements       -       -       4,975       (6,255)       (1,280)       (925)       (2,205)         Dividends       -       -       (72,887)       (612)       (73,499)								
Other reserve movements         -         -         4,975         (6,255)         (1,280)         (925)         (2,205)           Dividends         -         -         -         (72,887)         (72,887)         (612)         (73,499)	•		-	-	-		-	
Dividends (72,887) (72,887) (612) (73,499)		1,554	-	-	- (6 055)		-	
		-		4,975				
	-			18,945				

# 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 audited financial statements for the year ended 31 March 2006.

### 2. SHARE CAPITAL

The share capital increased by USD \$ 452,000 as a result of cash received on the issue of 54,928 shares and the recognition of the fair value of options granted under the Group's Share Option Plan.

Consequently the total number of shares issued and outstanding increased to 343,519,519 as at 30 June 2006.

### **3. SEGMENT INFORMATION**

#### **Expressed in US Dollars**

	Total Net Income		Operating Profit		
For the three months ended	30.6.06 \$'000	30.6.05 \$'000	30.6.06 \$'000	30.6.05 \$'000	
Trinidad and Tobago	53,292	61,858	25,651	24,658	
Other Caribbean Territories	56,594	50,601	18,365	17,134	
	109,886	112,459	44,016	41,792	