

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 6,368,070 | <u>323,156</u> 6,551,686 |
| 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 | * 2.45 | 2 0 40 | AA 4 A |
| - Basic - Diluted | \$0.10 \$0.10 | \$0.10 \$0.09 | \$0.43 \$0.43 |
| | φ0.10 | φ0.09 | φ 0.4 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) |
|---|---|---|
| Operating Activities 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) |
| Financing Activities 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 | 0 4 4 4 | 01 | B () 1 | 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 | |