



FINANCIAL HOLDINGS LIMITED

CONSOLIDATED FINANCIAL HIGHLIGHTS (Expressed in United States Dollars)

For the Year ended March 31, 2007

Chairman's Report

The Group recorded pre-tax earnings of US\$192.3 million, an increase of 6% over the prior year profit of US\$182.0 million. Profit attributable to shareholders increased by US\$6.1 million or 4% to US\$151.8 million, with earnings per share moving from US\$0.42 as restated to US\$0.44, an increase of 5%. Profit attributable to shareholders for the previous year was restated to include a prior year adjustment of US\$2.1 million for deferred taxation.

While there was good Balance Sheet improvement as reflected by asset growth of 16%, a 14% increase in loans and a 19% increase in deposits, there was only a marginal increase in net income primarily due to a contraction of the interest spread. Our Retail & Commercial Banking Units performed well,

increasing their profit contribution by 26%. Our Investment Banking activities showed a moderately better earnings result this year (up 2%). However, earnings from our Trust and Asset management Units fell off by 30% as compared with the prior year primarily as a result of the decline in stock market activity in Trinidad and Tobago which impacted negatively on fee income.

Over the past year, there has been ongoing speculation about the future of the RBTT Group, fueled by commentary in the media. As a consequence, in the interest of transparency and market stability, we issued two public statements; the first in November 2006 and the second on April 15, 2007. At the time of writing this report, I wish to confirm that there is no change to

the status of the matter as expressed in our latter statement.

I reiterate that we continue to assess and to have discussions on a proposal received for a combination / partnership with another major financial institution. We have not at this time made any decision as to whether or not we will recommend it to our shareholders. We assure you, that as soon as there is any material development in this regard, we will make an announcement.

Peter J. July
Group Chairman

CONSOLIDATED BALANCE SHEET

	AUDITED As at 31.03.07 (\$'000)	AUDITED As at 31.03.06 (\$'000) (Restated)
ASSETS		
Cash on hand and due from banks	968,264	649,068
Balances with central banks	340,358	284,663
Loans and advances to customers	3,549,452	3,118,634
Investment securities	2,273,211	2,126,109
Investments in associate companies and joint venture	22,832	20,189
Due from associate companies	1,741	-
Other assets	382,648	322,338
TOTAL ASSETS	7,538,506	6,521,001
LIABILITIES		
Due to banks and associate companies	187,624	269,174
Customers' deposits and other interest bearing liabilities	6,351,279	5,295,532
Other liabilities	273,920	305,379
TOTAL LIABILITIES	6,812,823	5,870,085
Shareholders' Equity		
Share capital	140,329	138,327
Statutory reserves	76,287	65,179
Other reserves	20,050	18,854
Retained earnings	482,827	422,831
Total Shareholders' Equity	719,493	645,191
Minority interest	6,190	5,725
TOTAL EQUITY	725,683	650,916
TOTAL EQUITY AND LIABILITIES	7,538,506	6,521,001

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	No. of Shares	Share Capital (\$'000)	Statutory Reserves (\$'000)	Other Reserves (\$'000)	Retained Earnings (\$'000)	Total Share- holders' Equity (\$'000)	Minority Interest (\$'000)	Total Equity (\$'000)
Twelve months ended 31 March 2006								
Balance at beginning of year	342,853	135,382	58,428	116,123	373,140	683,073	8,452	691,525
- Correction of prior period error	-	-	-	-	(5,072)	(5,072)	-	(5,072)
- As adjusted	342,853	135,382	58,428	116,123	368,068	678,001	8,452	686,453
Currency translation differences	-	-	54	(8,412)	(2)	(8,360)	2	(8,358)
Effect of change in tax rate	-	-	-	1,526	-	1,526	-	1,526
Profit after taxation	-	-	-	-	145,656	145,656	(1,137)	144,519
Investment securities	-	-	-	-	-	-	-	-
- Losses from changes in fair value	-	-	-	(92,195)	-	(92,195)	(62)	(92,257)
- Gains transferred to net profit	-	-	-	(8,570)	-	(8,570)	-	(8,570)
Transfer to statutory reserves	-	-	6,697	-	(6,697)	-	-	-
Transfer to general banking risks reserve	-	-	-	5,431	(5,431)	-	-	-
Employee share options	-	-	-	-	-	-	-	-
- Value of services provided	-	1,398	-	-	-	1,398	-	1,398
- Proceeds from shares issued	612	1,547	-	-	-	1,547	-	1,547
Other reserve movements	-	-	-	4,951	(6,225)	(1,274)	(921)	(2,195)
Dividends	-	-	-	-	(72,538)	(72,538)	(609)	(73,147)
Balance at end of year	343,465	138,327	65,179	18,854	422,831	645,191	5,725	650,916
Twelve months ended 31 March 2007								
Balance at beginning of year	343,465	138,327	65,179	18,854	422,831	645,191	5,725	650,916
Currency translation differences	-	-	(24)	(4,116)	-	(4,140)	12	(4,128)
Effect of adopting IAS19 amendment by associate company	-	-	-	-	397	397	-	397
Profit after taxation	-	-	-	-	151,782	151,782	453	152,235
Investment securities	-	-	-	-	-	-	-	-
- Losses from changes in fair value	-	-	-	(7,666)	-	(7,666)	-	(7,666)
- Losses transferred to net profit	-	-	-	593	-	593	-	593
Transfer to statutory reserves	-	-	11,132	-	(11,132)	-	-	-
Transfer to general banking risks reserve	-	-	-	6,364	(6,364)	-	-	-
Employee share options	-	-	-	-	-	-	-	-
- Value of services provided	-	1,365	-	-	-	1,365	-	1,365
- Proceeds from shares issued	254	637	-	-	-	637	-	637
Other reserve movements	-	-	-	6,021	(5,929)	92	-	92
Dividends	-	-	-	-	(68,758)	(68,758)	-	(68,758)
Balance at end of year	343,719	140,329	76,287	20,050	482,827	719,493	6,190	725,683

CONSOLIDATED INCOME STATEMENT

	UNAUDITED 3 Mths. Ended 31.3.07 (\$'000)	UNAUDITED 3 Mths. Ended 31.3.06 (\$'000) (Restated)	AUDITED Year Ended 31.3.07 (\$'000)	AUDITED Year Ended 31.3.06 (\$'000) (Restated)
Net interest income	78,108	73,549	295,810	287,877
Other income	56,870	70,183	193,573	198,140
Total Net Income	134,978	143,732	489,383	486,017
Impairment charges	(1,578)	(6,758)	(4,790)	(25,183)
Operating expenses	(80,222)	(85,779)	(294,954)	(281,787)
Operating Profit	53,178	51,195	189,639	179,047
Share of profits of associate companies and joint venture before tax	950	2,022	2,704	2,926
Profit Before Taxation	54,128	53,217	192,343	181,973
Taxation	(10,906)	(12,507)	(40,108)	(37,454)
Profit After Taxation	43,222	40,710	152,235	144,519
Attributable To:				
Shareholders Of The Company	42,908	41,206	151,782	145,656
Minority Interest	314	(496)	453	(1,137)
	43,222	40,710	152,235	144,519

Earnings per share for profit attributable to the shareholders of the parent company during the year (expressed in US\$ per share)

- Basic	\$0.44	\$0.42
- Diluted	\$0.44	\$0.42

CONSOLIDATED FINANCIAL HIGHLIGHTS (Expressed in United States Dollars)

CONTINUED
CONSOLIDATED CASH FLOW STATEMENT

	AUDITED 12 Mths. Ended 31.03.07 (\$'000)	AUDITED 12 Mths. Ended 31.03.06 (\$'000) (Restated)
Operating Activities		
Profit before taxation	192,343	181,973
Adjustments for non-cash items	2,988	3,440
Operating Profit Before Changes	195,331	185,413
In Operating Assets and Liabilities		
Increase in operating assets	(509,081)	(426,867)
Increase in operating liabilities	860,102	501,022
Corporation taxes paid	(29,129)	(28,475)
Cash Provided by Operating Activities	517,223	231,093
Investing Activities		
Investment in subsidiary, associate companies and joint venture	(607)	(4,073)
Net increase in investments	(143,974)	(173,829)
Additions to premises and equipment	(48,438)	(34,440)
Proceeds from sale of premises & equipment	3,339	6,512
Cash Used In Investing Activities	(189,680)	(205,830)
Financing Activities		
Proceeds from issue of shares	637	1,547
Net increase in other borrowed funds	36,805	70,736
Net increase in debt securities in issue	24,523	46,303
Dividends paid	(68,758)	(72,538)
Dividends paid to minority interests	-	(609)
Cash (Used In)/Provided by Financing Activities	(6,793)	45,439
Effect of exchange rate changes on cash resources	(1,554)	(6,570)
Net Increase in Cash Resources	319,196	64,132
Cash Resources at Beginning of Year	649,068	584,936
Cash Resources at End of Year	968,264	649,068

SEGMENTAL INFORMATION BY GEOGRAPHIC SEGMENT

AS AT 31 MARCH 2007	Trinidad & Tobago (\$'000)	Eastern Caribbean Barbados & Suriname (\$'000)	Dutch Caribbean (\$'000)	Jamaica (\$'000)	Intercompany Eliminations (\$'000)	Group (\$'000)
Total income	425,179	111,275	144,453	128,307	(75,418)	733,796
Operating profit	121,434	22,990	30,064	15,151	-	189,639
Share of profits of associate companies and joint venture before tax	2,704	-	-	-	-	2,704
Profit before taxation	124,138	22,990	30,064	15,151	-	192,343
Taxation	(25,289)	(3,539)	(6,968)	(4,312)	-	(40,108)
Profit after taxation	98,849	19,451	23,096	10,839	-	152,235
Minority interest	-	(453)	-	-	-	(453)
Profit attributable to shareholders	98,849	18,998	23,096	10,839	-	151,782
Loans and advances to customers	1,674,386	711,740	1,012,127	379,383	(228,184)	3,549,452
Investment securities	1,391,071	235,361	433,838	450,579	(237,638)	2,273,211
Total assets	4,373,078	1,168,972	1,774,482	960,303	(738,329)	7,538,506
Customers' deposits	1,894,354	873,673	1,487,529	401,800	(68,106)	4,589,250
Total liabilities	3,737,570	1,090,494	1,669,429	873,978	(558,648)	6,812,823
Other segment items:						
Capital expenditure on premises and equipment	27,835	6,845	7,775	5,983	-	48,438
Depreciation expense	12,088	2,210	4,492	2,800	-	21,590
Impairment charges/(credit)						
- Loans and advances to customers	1,792	2,234	2,657	1,121	-	7,804
- Investment securities	(3,953)	856	83	-	-	(3,014)
AS AT 31 MARCH 2006						
Total income	403,708	104,773	137,652	123,831	(71,709)	698,255
Operating profit	111,497	10,187	27,351	30,012	-	179,047
Share of profits of associate companies and joint venture before tax	2,926	-	-	-	-	2,926
Profit before tax	114,423	10,187	27,351	30,012	-	181,973
Taxation	(21,325)	(891)	(10,431)	(4,807)	-	(37,454)
Profit after tax	93,098	9,296	16,920	25,205	-	144,519
Minority interest	(251)	1,388	-	-	-	1,137
Profit attributable to shareholders	92,847	10,684	16,920	25,205	-	145,656
Loans and advances	1,488,246	580,008	898,962	327,650	(176,232)	3,118,634
Investment securities	1,284,363	208,912	358,896	409,139	(135,201)	2,126,109
Total assets	3,812,561	1,055,504	1,567,687	846,170	(760,921)	6,521,001
Customers' deposits	1,547,656	768,463	1,284,062	355,508	(99,106)	3,856,583
Total liabilities	3,210,218	990,189	1,486,871	764,593	(581,786)	5,870,085
Other segment items:						
Capital expenditure on premises and equipment	21,857	2,611	7,027	2,945	-	34,440
Depreciation expense	9,807	2,219	4,243	1,880	-	18,149
Goodwill acquired	1,297	-	-	-	-	1,297
Impairment charges						
- Loans and advances to customers	10,077	4,904	2,041	148	-	17,170
- Investment securities	1,552	6,461	-	-	-	8,013

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.