

Consolidated Financial Highlights

October 31, 2011

completed the phased implementation of RBC as our new

brand across the Dutch Caribbean, formally changing our

voice, look and feel for everything we do, we will continue to

leverage RBC and RBTT's more than 100-year heritage in the

region, to give our clients the benefit from the best of two

companies as we put our strength to work for them - best-in-

class global banking practices and resources combined with

Our focus remains on financing viable projects and providing

consumer loans based on sound risk management principles,

serve to help them achieve long-term financial success. We are

committed to delivering winning solutions to our more than 1.6

the region's leading banking and financial services provider.

in which we operate through programmes geared at developing

our future leaders. In 2011, the Bank continued its support

RBTT will continue to invest in the Curacao Tennis Association

Tournament, the St. Maarten Cricket Association Tournament

We wish to thank our clients, who continue to place their trust in us, and to commend all our employees who are, undoubtedly,

Board of managing directors report

We are pleased to report the results for RBTT Bank N.V. ("the Bank") for the year ended October 31, 2011.

The global downturn contributed to lingering economic challenges in Aruba, Curaçao, St. Maarten and the BES islands (Bonaire, St. Eustatius and Saba). While there was some evidence of recovery in 2011, the economies under review continued to struggle, as a result of poor performance in the key sectors. Weak domestic demand and foreign direct investment also kept the pace of growth down. This led to increased fiscal pressures and a deterioration of external accounts. It also reduced the rate of credit expansion for consumer as the Central Bank attempts to correct the severe deficit on the Rebranding and investment borrowing.

The Bank's performance was consistent with the overall economic climate. Total assets decreased by ANG 177 million at the close of the period ending October 31, 2011 compared to the prior year. This decrease was mainly due to a decline in Loans and advances to customers by ANG 128.3 million to ANG 2,027 million and Cash and balances due from banks by ANG 176.3 million to ANG 1,288 million. This was offset by an increase in Investment securities by ANG 139 million to close on ANG 389.1 million. Total Liabilities decreased mainly as a result of a decline in customers' deposits by ANG 175 million to ANG 3,152 million

The profit for the year increased by ANG 7.8 million (45%) to ANG 25 million when comparing the year to the previous 10-month period. This was a result of the longer reporting period, as well as For St. Maarten, Central Bank statistics indicate a contraction in real the increase in net interest and other income and additional loan GDP of about 1% in 2011, alongside a 4.6% inflation rate. Their while strengthening our relationships with the people we loss provisions, partially offset by higher operating expenses.

What will 2012 bring for the Dutch Caribbean islands?

In line with the overall performance of the global economy, the economies of Aruba, Curaçao, St. Maarten and the BES islands overall recorded very little growth in economic activity in 2011. Lack of jobs in tourism source markets will constrain growth going forward in 2012. as will a tighter fiscal and monetary policy stance, weak real wage growth and unemployment in construction and tourism in the domestic economies.

Aruba

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The Central Bank of Aruba statistics show that in January 2012, total visitors registered a year-on-year decline of 2,603 or 3.5%, this despite Latin American visitors (mostly Venezuelan), Europeans (mostly Netherlands) and "other" showing positive growth. There have successfully converted our operations in these islands to Book Week and the Folklore Festivals, among other initiatives. was also a 2.3% decline in cruise ship passengers from 97,000 to 95.000 despite the number of cruise ship calls being constant at 50.

The Central Bank of Aruba estimates that the economy registered real GDP growth of about 9.6% in 2011, based primarily on the restart of operations at the Valero oil refinery last year. Unemployment is currently estimated at 8%, and the Central Bank has projected real GDP growth at 3.5% in 2012. However, recent reports of a possible shutdown of the Valero refinery and associated layoffs from end-March 2012 would have significant downside implications for the growth and unemployment outlook for the Aruba economy.

A. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these Fiscal year change financial statements are set out below. The notes are an extract of During fiscal 2010, the Group changed its end of reporting period Investment securities are classified into the following catethe detailed notes prepared in our statutory financial statements. to October 31, to align the Group's year-end with that of its ultimate gories: held-to-maturity and available-for-sale. Management The notes detailed below coincide in all material aspects with those parent company, Royal Bank of Canada. Consequently, the determines the appropriate classification of its investment at from which they have been derived. Throughout this report, the word Group refers to RBTT Bank N.V. and its consolidated subsidiaries.

Basis of preparation

The consolidated financial statements are prepared in Antillean Principles of consolidation Guilders (ANG) and in accordance with International Financial The consolidated financial statements include the assets, liabilities intention and the ability to hold to maturity. Held-to-maturity Reporting Standards. The financial statements have been and results of operations of RBTT Bank N.V. (the parent company) investments are carried at amortized cost using the effective prepared under the historical cost convention modified to include and its wholly owned subsidiaries RBTT Bank Aruba N.V., ABC interest method, less any provision for impairment. the revaluation of available-for-sale investment securities and International N.V., RBTT Bank International N.V., Mc Laughlin of freehold land and buildings and other trading liabilities. The International Trust & Management Company N.V., Trade Center St. Securities available-for-sale preparation of the consolidated financial statements in conformity Maarten N.V., Boxscore Enterprises N.V., Omutin Real Estate Holdings Available-for-sale investments are those securities intended with International Financial Reporting Standards requires the use N.V., RBTT Services N.V., RBTT Services International N.V., Aruba to be held for an indefinite period of time, which may be sold of estimates and assumptions that affect the reported amounts of Trustkantoor N.V. and Banco Nacional de Hipotecas N.V. (the Group) in response to needs for liquidity or changes in interest rates, assets and liabilities at the date of the financial statements and after the elimination of intercompany transactions and balances. exchange rates or equity prices. Available-for-sale securities are income and expenses during the reporting period. Although these Subsidiary companies are defined as companies controlled by the initially recognized at cost (which includes transaction costs) estimates are based on management's best knowledge of current Group in which it has an interest of more than 50% of the voting and are subsequently remeasured at fair value based on quoted events and actions, actual results may differ from those estimates. rights and is able to exercise control over the operations.

Curaçao and St.Maarten

The Central Bank of Curacao and St. Maarten released statistics RBTT remains committed to supporting the economic indicating that Curaçao recorded 0.2% real GDP growth in 2011, development of the Dutch Caribbean, drawing on the strengths alongside an inflation rate of 2.3% and unemployment at 9.9%. of our parent company, Royal Bank of Canada. Across the Their forecasts for 2012 indicate a decline in GDP of 0.5%, higher Caribbean, we have made significant progress in the integration inflation at 3.8% and unemployment deteriorating to 10.2%. In of our operations with Canada's leading bank – one of the Curaçao and St. Maarten, a freeze on the extension of commercial bank credit to private entities effective February 29, 2012 will have – which positions us to use our global reach, resources and a significant impact on the Bank's earnings in that jurisdiction. This practices to bring world-class banking services to our clients. action would have implications for economic performance overall. current account of the Balance of Payments and stem the decline in By the end of March 2012, we would have successfully nternational reserves.

RBTT Bank N.V. and its Subsidiaries

In St. Maarten, the tourism sector has been in decline for some consolidated operations in Aruba, Curaçao, St. Maarten and time. According to the Caribbean Tourism Organization, for the the BES islands from RBTT Bank N.V. to RBC Royal Bank N.V. January to September 2011 period, non-resident air arrivals in St. Maarten reached 316,000 representing a 6.1% decline versus As we move toward a repositioned brand with an integrated the same period a year prior. This was driven mainly by a 10% decline in visitors from the USA and 3.5% from Canada. Cruise ship passengers amounted to 1,512,618 in 2010 and 1,656,159 in 2011, representing a 9.5% increase. The increase in cruise ship versus air visitors carries implications, since the former by nature do not traditionally engage in as much spending, as a long-stay visitor in-depth local knowledge of the region. would, indicating a likely decline in revenues.

forecast for 2012 is shows further economic decline of 0.2% with inflation at 2%. Against this backdrop, we expect the operating environment will continue to pose challenges that call for the utmost million clients across the Caribbean on our journey to become diligence in the management and allocation of resources.

In the year ahead, there will also be keen interest in the progress of **Corporate Responsibility** political independence. On October 10, 2010, the dissolution of the RBTT Bank N.V. remains dedicated to building the communities Netherlands Antilles came into effect, making the BES islands public entities of the Dutch Kingdom and granting status aparte to Curaçao and St. Maarten. The Dutch government retained control of defense, of the Little League in Curaçao, Bonaire, St. Maarten and foreign policy, supervision of financial affairs and maintenance of Aruba. Additionally, in Bonaire, Curaçao and St. Maarten, law and order of Curaçao and St. Maarten.

On January 1, 2011, the US dollar became the official currency and the Journey for Education Walk-a-thon. In Aruba, RBTT of the BES islands. RBTT Bank N.V. is pleased to report that we contributed to youth and culture through sponsorship of the the new currency.

The dissolution has also led to debt cancellation and the establishment of separate monetary authorities, which are expected to have the reason for our ongoing success. significant impact on the economies of the Dutch Caribbean islands. March 7, 2012

2010 include the results of operations for ten months from January

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M.A. Robert de Silva RBTT Bank N.V. Managing Director

1, 2010 to October 31, 2010.

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RBTT Bank N.V. Managing Director

Pierre Rafini **RBTT Bank Aruba N.V** Managing Director

Investment securities

consolidated results for the comparative period ended October 31, the time of purchase.

Securities held-to-maturity

Held-to-maturity investments are investment securities with fixed maturity where management has the positive

market prices where available or discounted cash flow models.

A. Significant Accounting Policies (continued)

Fair values for unquoted equity instruments or unlisted securities to originate the loan, and subsequently measured at amortized Individually insignificant loans are included in a group of are estimated using applicable price per earnings or price per cash cost, which is principal outstanding net of any unearned interest loans with similar credit risk characteristics and collectively flow ratios refined to reflect the specific circumstances of the issuer. and of an allowance for impairment losses. These are financial assessed for impairment. Loans that are individually assessed Unrealized gains and losses arising from changes in the fair value of assets with fixed or determinable payments that are not quoted in for impairment and for which an impairment loss is or securities classified as available-for-sale are recognized in equity. an active market. continues to be recognized are not included in a collective When the securities are disposed of, the related accumulated fair assessment of impairment. value adjustments are included in net investment trading income. A loan is classified as impaired when there is objective evidence When securities become impaired, the related accumulated fair value that the Group will not be able to collect all amounts due according If there is objective evidence that an impairment loss on loans adjustments previously recognized in equity are included in the to the original contractual terms of the loan. Objective evidence of has been incurred, the amount of the allowance for impairment income statement as impairment expense on investment securities. impairment includes observable data that comes to the attention of is measured as the difference between the carrying amount the Group such as:

A financial asset reported as investment securities is impaired if its carrying amount is greater than its estimated recoverable amount and there is objective evidence of impairment. The recoverable amount of an investment security instrument measured at fair value is the present value of expected future cash flows discounted at the current market rate of interest for a similar financial asset. For an investment security instrument measured at amortized cost the recoverable amount is the present value of expected future cash flows discounted at the instrument's original effective interest rate. All purchases and sales of investment securities are recognized at settlement date.

Loans and advances to customers

borrowers. They are initially recorded at cost, which is the cash given

Consolidated balance sheet of RBTT Bank N.V. and its subsidiaries

(Expressed in thousands of Antillean Guilders) 31 October

Assets	
Cash and due from banks	1,288,625
Investment securities	389,108
Loans and advances to customers	2,027,016
Bank premises and equipment	54,819
Goodwill and other intangible assets	60,063
Customers' liability under acceptances	36,654
Deferred tax assets	6,701
Other assets	44,833
Total assets	3,907,819
Liabilities and shareholders' equity Liabilities	
Customers' deposits	3,151,695

customers acposits	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Due to other banks	197,081
Acceptances outstanding	36,654
Profit tax payable	8,970
Deferred tax liabilities	32,226
Other liabilities	107,834
Total liabilities	3,534,460
Shareholders' equity	
Issued capital	114,455
Share premium	87,053
General reserve	42,675
Other reserve	7,415
Retained earnings	121,761

Total liabilities and shareholders' equity 3,907,819

Total shareholders' equity

To the Shareholder, Board of Supervisory Directors, and Managing substitute for reading the audited consolidated financial statements in accordance with International Standard on Auditing (ISA) 810, Directors of RBTT Bank N.V. and its subsidiaries Curacao of RBTT Bank N V "Engagements to Report on Summary Financial Statements." The accompanying consolidated financial highlights, which comprise the consolidated balance sheet as at October 31, 2011, the Management's Responsibility for the Consolidated Financial Highlights Opinion consolidated statement of comprehensive income for the year then Management is responsible for the preparation of consolidated In our opinion, the consolidated financial highlights derived ended, and related notes, are derived from the audited consolidated financial highlights of the audited financial statements in accordance from the audited consolidated financial statements of RBTT financial statements of RBTT Bank N.V. for the year ended October with the Provisions for Disclosure of Consolidated Financial Bank N.V. for the year ended October 31, 2011 are consistent, 31, 2011. We expressed an unmodified audit opinion on those Highlights of Domestic Banking Institutions, as set by the Central in all material respects, with those financial statements, in Bank of Curacao and Sint Maarten. financial statements in our report dated March 7, 2012. accordance with Provisions for Disclosure of Consolidated Financial Highlights of Domestic Banking Institutions, as set by The consolidated financial highlights do not contain all the Auditor's Responsibility the Central Bank of Curaçao and Sint Maarten.

disclosures required by International Financial Reporting Standards. Our responsibility is to express an opinion on the consolidated Reading the summary financial statements, therefore, is not a financial highlights based on our procedures, which were conducted Curaçao, March 7, 2012

Pierrot E. Hurtado Managing Director



RBC Royal Bank

RBTT Bank N.V. and its Subsidiaries Consolidated Financial Highlights October 31, 2011

31 October

1,464,881

250,015

57,452

60,063

41,985

5,160

50,033

4,084,889

3.326.607

226,639

41,985

14,515

31,969

61,718

3,703,433

114,455

87,053

44,294

127,966

381,456

4,084,889

7,688

2,155,300

2010

ANG

Interest income

Interest expense

Net interest income

Gains less losses from

investment securities

Other operating income

Operating income

Occupancy expenses

Operating expenses

Other operating expenses

Net result from operations

Income from associates

Income before taxation

Net income after taxation

the period, net of tax

Net value (losses) / gain on

available-for-sale financial assets

Total comprehensive income for

Taxation

Fee and commission income

Net fee and commission income

Salaries and other employee expenses

Net impairment on loans and advances

2011

ANG.

- Significant financial difficulties of the borrower
- Actual delinquencies
- Adverse change in the payment status of a borrower
- Deterioration of credit ratings assigned to the borrower
- Bankruptcy or reorganization by the borrower

(Expressed in thousands of Antillean Guilders)

Management uses estimates based on historical loss experience and objective evidence of impairment when estimating its future cash flows of the loan or group of loans. The methodology and assumptions used for estimating both the amount and timing of cash flows are reviewed regularly to minimize differences between actual loss experience and loss estimates.

Loans and advances are recognized when cash is advanced to Management first assesses whether objective evidence of impairment exists individually for loans that are individually significant.

Consolidated statement of comprehensive in-

Ten month

ended

2010

ANG

172,314

48,180

124,134

40,045

40.045

1.800

11,613

177,592

62.311

10,190

37,576

42,448

152,525

25,067

25,235

7,815

17,420

4,212

21,632

168

year

ended

2011

ANG.

187,528

45,162

142,366

51,031

51.031

13,623

207,543

75.031

12,630

36.120

55,230

179,011

28,532

28,678

3,502

25,176

(668)

24,508

146

523

and the recoverable amount, being the present value of expected future cash flows, including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of loans. The allowance also covers probable losses within the portfolio that have not been specifically identified as impaired.

Statutory and other regulatory loan loss reserve requirements that exceed these amounts are dealt with in the general banking risks' reserve as an appropriation of retained earnings.

The allowance which is made during the year, less amounts released and recoveries of bad debts previously written off, is charged against the income statement. When a loan is deemed uncollectible, it is written off against the related allowance for losses.

come of RBTT Bank N.V. and its subsidiaries **B.** Specification of accounts

	October 31 2011	October 31
	ANG.	ANG.
Investment securities		
Available for sale	359,445	221,357
Held to maturity	26,314	26,131
Total investments	385,759	247,488
Accrued interest receivable	3,349	2,527
	389,108	250,015
Less allowance for losses		
Net investments	389,108	250,01
Loans and advances to customers	; ;	
Retail customers	1,136,237	1,154,363
Corporate customers	962,456	1,075,000
Public sector	1,442	(
Total loans and advances	2,100,135	2,229,37
Accrued interest receivable	3,999	7,988
	2,104,134	2,237,36
Less allowance for loan losses	(77,118)	(82,066
Net loans and advances	2,027,016	2,155,30
II. Liabilities		
Customers' deposits		
Retail customers	1,338,073	1,370,07
Corporate customers	1,710,987	1,801,22
Other	69,930	115,432
	3,118,990	3,286,738
Accrued interest	32,705	39,86
	3,151,695	3,326,60

Report of the independent auditor on the consolidated financial highlights

373,359

Deloitte Dutch Caribbean

