



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.

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.

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 the increase in net interest and other income and additional loan 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

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 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.

Curaçao and St. Maarten

The Central Bank of Curaçao and St. Maarten released statistics indicating that Curaçao recorded 0.2% real GDP growth in 2011, alongside an inflation rate of 2.3% and unemployment at 9.9%. Their forecasts for 2012 indicate a decline in GDP of 0.5%, higher inflation at 3.8% and unemployment deteriorating to 10.2%.

In St. Maarten, the tourism sector has been in decline for some time. According to the Caribbean Tourism Organization, for the January to September 2011 period, non-resident air arrivals in St. Maarten reached 316,000 representing a 6.1% decline versus the same period a year prior. This was driven mainly by a 10% decline in visitors from the USA and 3.5% from Canada.

For St. Maarten, Central Bank statistics indicate a contraction in real GDP of about 1% in 2011, alongside a 4.6% inflation rate. Their 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 diligence in the management and allocation of resources.

In the year ahead, there will also be keen interest in the progress of political independence. On October 10, 2010, the dissolution of the 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, foreign policy, supervision of financial affairs and maintenance of law and order of Curaçao and St. Maarten.

On January 1, 2011, the US dollar became the official currency of the BES islands. RBTT Bank N.V. is pleased to report that we have successfully converted our operations in these islands to the new currency.

The dissolution has also led to debt cancellation and the establishment of separate monetary authorities, which are expected to have significant impact on the economies of the Dutch Caribbean islands.

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

Wayne R. Kowlessar
RBTT Bank N.V.
Managing Director

Pierrot E. Hurtado
RBTT Bank N.V.
Managing Director

Pierre Rafini
RBTT Bank Aruba N.V.
Managing Director

A. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. The notes are an extract of the detailed notes prepared in our statutory financial statements.

Basis of preparation

The consolidated financial statements are prepared in Antillean Guilders (ANG) and in accordance with International Financial Reporting Standards. The financial statements have been prepared under the historical cost convention modified to include the revaluation of available-for-sale investment securities and of freehold land and buildings and other trading liabilities.

Fiscal year change

During fiscal 2010, the Group changed its end of reporting period to October 31, to align the Group's year-end with that of its ultimate parent company, Royal Bank of Canada. Consequently, the consolidated results for the comparative period ended October 31, 2010 include the results of operations for ten months from January 1, 2010 to October 31, 2010.

Principles of consolidation

The consolidated financial statements include the assets, liabilities and results of operations of RBTT Bank N.V. (the parent company) and its wholly owned subsidiaries RBTT Bank Aruba N.V., ABC International N.V., RBTT Bank International N.V., Mc Laughlin International Trust & Management Company N.V., Trade Center St. Maarten N.V., Boxscore Enterprises N.V., Omutin Real Estate Holdings N.V., RBTT Services N.V., RBTT Services International N.V., Aruba Trustkantoor N.V. and Banco Nacional de Hipotecas N.V. (the Group) after the elimination of intercompany transactions and balances.

RBTT remains committed to supporting the economic development of the Dutch Caribbean, drawing on the strengths of our parent company, Royal Bank of Canada. Across the Caribbean, we have made significant progress in the integration of our operations with Canada's leading bank - one of the top 20 largest banks globally based on market capitalization - which positions us to use our global reach, resources and practices to bring world-class banking services to our clients.

Rebranding

By the end of March 2012, we would have successfully completed the phased implementation of RBC as our new brand across the Dutch Caribbean, formally changing our consolidated operations in Aruba, Curaçao, St. Maarten and the BES islands from RBTT Bank N.V. to RBC Royal Bank N.V.

As we move toward a repositioned brand with an integrated 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 in-depth local knowledge of the region.

Our focus remains on financing viable projects and providing consumer loans based on sound risk management principles, while strengthening our relationships with the people we serve to help them achieve long-term financial success. We are committed to delivering winning solutions to our more than 1.6 million clients across the Caribbean on our journey to become the region's leading banking and financial services provider.

Corporate Responsibility

RBTT Bank N.V. remains dedicated to building the communities in which we operate through programmes geared at developing our future leaders. In 2011, the Bank continued its support of the Little League in Curaçao, Bonaire, St. Maarten and Aruba. Additionally, in Bonaire, Curaçao and St. Maarten, RBTT will continue to invest in the Curaçao Tennis Association Tournament, the St. Maarten Cricket Association Tournament and the Journey for Education Walk-a-thon. In Aruba, RBTT contributed to youth and culture through sponsorship of the Book Week and the Folklore Festivals, among other initiatives.

We wish to thank our clients, who continue to place their trust in us, and to commend all our employees who are, undoubtedly, the reason for our ongoing success.

March 7, 2012

A. Significant Accounting Policies (continued)

Fair values for unquoted equity instruments or unlisted securities are estimated using applicable price per earnings or price per cash flow ratios refined to reflect the specific circumstances of the issuer. Unrealized gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognized in equity.

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.

Loans and advances to customers

Loans and advances are recognized when cash is advanced to borrowers. They are initially recorded at cost, which is the cash given

to originate the loan, and subsequently measured at amortized cost, which is principal outstanding net of any unearned interest and of an allowance for impairment losses. These are financial assets with fixed or determinable payments that are not quoted in an active market.

A loan is classified as impaired when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms of the loan. Objective evidence of impairment includes observable data that comes to the attention of the Group such as:

- 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

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.

Management first assesses whether objective evidence of impairment exists individually for loans that are individually significant.

Individually insignificant loans are included in a group of loans with similar credit risk characteristics and collectively assessed for impairment. Loans that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans has been incurred, the amount of the allowance for impairment is measured as the difference between the carrying amount 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.

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

(Expressed in thousands of Antillean Guilders)

Table with columns for 31 October 2011 and 31 October 2010. Rows include Assets (Cash and due from banks, Investment securities, Loans and advances to customers, etc.), Total assets, Liabilities and shareholders' equity, Total liabilities, Shareholders' equity, and Total liabilities and shareholders' equity.

Consolidated statement of comprehensive income of RBTT Bank N.V. and its subsidiaries

(Expressed in thousands of Antillean Guilders)

Table with columns for year ended 2011 and Ten months ended 2010. Rows include Interest income, Net interest income, Net fee and commission income, Operating income, Net result from operations, Income before taxation, Net income after taxation, Total comprehensive income for the period, net of tax.

B. Specification of accounts

Table with columns for October 31 2011 and October 31 2010. Rows include I. Assets (Investment securities, Loans and advances to customers, etc.), II. Liabilities (Customers' deposits, etc.), and C. Events after the reporting period.

Report of the independent auditor on the consolidated financial highlights

To the Shareholder, Board of Supervisory Directors, and Managing Directors of RBTT Bank N.V. and its subsidiaries Curaçao

The accompanying consolidated financial highlights, which comprise the consolidated balance sheet as at October 31, 2011, the consolidated statement of comprehensive income for the year then ended, and related notes, are derived from the audited consolidated financial statements of RBTT Bank N.V. for the year ended October 31, 2011. We expressed an unmodified audit opinion on those financial statements in our report dated March 7, 2012.

The consolidated financial highlights do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a

substitute for reading the audited consolidated financial statements of RBTT Bank N.V.

Management's Responsibility for the Consolidated Financial Highlights

Management is responsible for the preparation of consolidated financial highlights of the audited financial statements in accordance with the Provisions for Disclosure of Consolidated Financial Highlights of Domestic Banking Institutions, as set by the Central Bank of Curaçao and Sint Maarten.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial highlights based on our procedures, which were conducted

in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the consolidated financial highlights derived from the audited consolidated financial statements of RBTT Bank N.V. for the year ended October 31, 2011 are consistent, in all material respects, with those financial statements, in accordance with Provisions for Disclosure of Consolidated Financial Highlights of Domestic Banking Institutions, as set by the Central Bank of Curaçao and Sint Maarten.

Curaçao, March 7, 2012
Deloitte Dutch Caribbean

