



Barbados Banking Industry
2005 Performance Highlights

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Welcome to the 2005 edition of the Barbados Banking Industry Performance Highlights.

Great change continues to characterize the industry and we daresay that this will continue into the foreseeable future. It will no longer be business as usual as banks seek first to respond to the demands of the global market, and second to adapt these demands to the regional market. This year is one where there is truly a different perspective, and we urge you to read our analysis on page 10. 2006 seems set to pose continued competitive and risk and compliance challenges for banks.

This edition includes some new information. We have chosen to provide a 10-year summary of aggregate balance sheet and income statement information for the banks with selected graphical representation. We have also included, for the first time, a comparative numerical analysis of the consolidated results of the four major Caribbean banking groups which all now have operations in Barbados. We have made the latter change to reflect the result of the changes that have taken place in the ownership of Barbados banks in the past years.

We trust that you find this year's edition of the Performance Highlights useful and informative. We would also be happy to speak with you regarding any questions or comments you may have concerning this publication or the banking industry in the Caribbean in general. A listing of our Caribbean Country and Line of Service Leaders is located on page 40.

Sincerely

A handwritten signature in black ink, appearing to be 'MAF', with a long horizontal flourish underneath.

Maurice A. Franklin
Banking Leader
June, 2006

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Basis of Preparation

These Highlights provide a quick reference guide and summary analysis of the financial results of the commercial banks operating in Barbados as well as Caribbean banking groups. The information is derived from publicly available information and does not include the results of offshore banking operations in respect of commercial banks operating in Barbados. Reasons for variances are not commented upon, so readers may draw their own conclusions.

Appendix XII comprises a list of the entities included as part of each bank's results, and Appendix VIII includes the results of entities that are not commercial banks but which are regulated under Part III of the Financial Institutions Act.

All banks are required to follow International Financial Reporting Standards¹, but we have adjusted the balance sheets to show acceptances, guarantees and letters of credit consistently as an on-balance sheet item for ease of comparability. Footnotes are provided throughout the document to assist readers' interpretation.

This publication is not intended to facilitate investment decisions or to conclude on the financial viability of any bank. PricewaterhouseCoopers therefore accepts no responsibility for actions taken on the basis information displayed in this publication.

¹ With the exception of the Consolidated Financial Statements of the Bank of N.T. Butterfield and Son Limited which are prepared in accordance with Generally Accepted Accounting Principals in the United States of America.

Review of the Economy

Overview

In 2005 the economy registered its fourth consecutive year of expansion, showing strong growth of 4.1%, slightly lower than the revised 2004 figure of 4.8%.

The external current account deficit continued to deteriorate in 2005, dropping from 9.9% to 12.6% of GDP. However, this was fully offset by the capital and financial account more than doubling to an estimated \$694.2 million, leading to an increase in the net international reserves (NIR) of \$47.4 million.

Inflation rose steadily in 2005, with the highest price increases being in food, housing and transportation. The 12-month moving average rate at September 30, 2005 was 5.1% (2004 - 0.8%), whilst the point-to-point rate was 7.1% (2004 - 1.9%). The average price for transportation increased by 5.7% as a result of persistent increases in fuel import costs. Unemployment continued to fall in 2005 with the average unemployment rate for the first three quarters falling by 0.8% to 9.1%. Over 1,000 net new jobs were created, mainly in the general services, finance, insurance and the business and other services sectors.

Banking

Liquidity continued to tighten in 2005, as the liquid assets ratio fell by 6.4% to 13.1%. Consequently, the three-month Treasury Bill rate rose from 2.76% at the end of 2004 to 6.26% at the end of 2005. To stem the demand for credit and encourage savings, the Central Bank increased the minimum deposit rate four times during the year, from 2.25% to 4.75%, and also increased the Bank Rate from 7.5% to 10.0%. Due to a longer than expected adjustment lag,

loans to the non-financial private sector expanded by an estimated 22.6%, \$693.4 million, (2004: 16.7%, \$439.2 million). Personal lending increased by around 25.2% (\$376.8 million), due to robust growth in consumer installment credit and demand for mortgages. Loans to private financial institutions rose by 30.5% (\$34.2 million) as a major insurance firm partly financed its acquisition activities, and as loans to the distribution sector grew by 14.5%.

For the fourth consecutive year double-digit growth was reported for domestic deposits, which rose by \$560.2 million or 10.7% (2004: \$484.6 million or 10.2%). This was attributable mainly to a rise of \$240.0 million in private individual savings and \$142.2 million in the deposits of statutory bodies.

International Financial Services

428 new licenses were issued in 2005, 67 more than 2004. 372 licenses were granted to international business companies, 42 for societies with restricted liability, 11 for exempt insurance companies, 3 for exempt management companies, however no new licences were offered to offshore banks.

Tourism

Growth in real tourism value-added declined by an estimated 4.2% in 2005, following two years of exceptional growth, with downturns in



Butterfield Bank



Review of the Economy

both long-stay and cruise ship arrivals. In the first 11 months of the year decreases in arrivals from the United Kingdom (6.5%), Canada (7.3%) and Europe (15.4%) were caused by reduced airlift capacity, increasing oil prices and a weak summer period. This was in contrast to an increase of 9.5% in long-stay visitors from CARICOM, largely from Trinidad and Tobago. Following two years of growth, cruise ship arrivals declined by 22.7% as a result of higher fuel costs, which led to shortened cruise itineraries and competition from ports located on the east coast of the United States.

Agriculture

Sugar production totalled an estimated 38,240 tonnes (3,880 tonnes more than 2004) due to favourable weather conditions, while non-sugar agriculture and fishing fell marginally as a moderate expansion in chicken output was outweighed by contractions in milk production and fish catches.

Construction and Manufacturing

Total manufacturing output increased by 2.8%, marginally above the 2004 growth rate, with beverage production expanding by about 10.0%. This growth in beverage production reflected the continued foreign demand for Barbadian rum. Construction surged by 17.6% in 2005, well above the 1.5% growth in 2004, and the average growth of the last five years. This surge was fuelled by increased investment in the tourism industry, Cricket World Cup 2007, and various private and

public real estate ventures, as well as commercial undertakings.

2006 Update and Outlook

In the first quarter of 2006 the Barbados economy continued to grow by an estimated 4.4%. For the entire year, it is projected to equal its 2005 performance, spurred by continued growth in the non-traded sectors. Cricket World Cup 2007 continues to be a factor in the ongoing construction boom, and on the traded side the current pick-up in tourism and manufacturing activity is expected to continue through the remainder of the year. Cruise ship arrivals fell by a further 15.2% in the first quarter, however long-stay tourism expanded by approximately 4.1%, with the CARICOM market, at 15.5%, continuing to provide the largest increase. Long stay visitors from Canada, US, UK and Continental Europe also rose by 6.2%, 2.8%, 2.6% and 1.3% respectively.

Unemployment remains low, and is expected to remain in the single digits for the remainder of the year, while inflation shows signs of moderating. The moving average inflation rate is estimated to have declined to 5.9% from 6.1% at the end of 2005, and could slow to around 3.5% by the end of the year, provided international oil prices stabilise in line with International Monetary Fund (IMF) predictions.

During the first quarter, the NIR expanded by an estimated \$45.4 million, compared with \$37.4 million and \$36 million in the first quarter of 2004 and 2005 respectively. This increase was the result of substantial gains on the capital and financial account, as well as an improvement in the external current



Review of the Economy

account deficit. For the year, the NIR are expected to decline by around \$100 million, which compares favourably with the underlying reserve position in 2005, excluding borrowing.

The interest rate changes made by the Central Bank in 2005 have started to make an impact. However while credit growth moderated somewhat in the first quarter it continues to outpace deposit accumulation, causing the excess liquidity ratio to fall to 8.2% at March 2006. As a result, Treasury Bill rates rose to 6.22% at the end of March 2006.

Tight liquidity conditions are expected to persist through 2006, despite the fact that relatively high interest rates should encourage a further growth in deposits as individuals save more.

(The above summary is based upon the Central Bank of Barbados' review of the economy for 2005 and the first quarter of 2006)





2005 – A Different Perspective

The year 2005 was fairly predictable and without any major surprises. The low interest rate environment of recent years gave way to rising interest rates in the same way as it did in much of the developed world, and loan growth in the same years also resulted in lower liquidity.

Consequently, the year started with lending rates that tended to be very competitive, but increases in the minimum savings rate over the course of the year tended to reduce spreads for banks as they found it more difficult to pass these increased funding costs on to customers.

The level of competition amongst banks in the Barbados market is perhaps the highest that it has ever been and is arguably the highest of any other Caribbean market. The impact of three new entrants in as many years has been felt with significant competition on price and risk as new banks seek to build market share and presence. Significant emphasis has been placed on the mortgage and commercial loan sectors, given the construction boom. However banks have also been focusing on credit cards, given the potential profitability of this product and the fact that card portfolios have traditionally been low as a percentage of total loan portfolios.

However, fabulous growth of the loan-book can be a double-edged sword as it can come at the expense of poorer credit quality and hence lead to potential loan losses. The availability of easy credit can result in a population that relies heavily on borrowings to maintain living standards, without adequately considering the ability to service this debt in the future. Credit risk departments are generally well aware of this fact.

In an attempt at differentiation, banks are doing different things and it is now not always clear to see trends. As an example, loans-to-deposit-ratios vary, with some banks looking to attract deposits to fund further loan growth, while others simply look to lay off surplus funds in bonds, treasury bills and money market investments. The question then, is whether the level of liquidity is sufficient to facilitate projected demand for capital projects to take the country forward. There are still projects in the tourism and leisure sectors, and the demand for housing continues. Consequently, some bankers believe that there is need for the free flow of funds; for example, from economies with high liquidity to those with lower liquidity.

Some of the old discussion points still remain. Continued regulation of the minimum savings rate and foreign exchange restrictions by the Central Bank are still seen as barriers to the action of true market forces. Moral suasion (also a form of regulation) in the area of fees and commissions charged by banks is also a concern for banks. Some bankers deem the Barbados market to be the most regulated in the Caribbean. Effective regulation is necessary for confidence to be maintained in the banking sector, but a balance must be struck to avoid the perception of over-regulation, as this increases the costs of compliance for banks even without considering Basel II.

These increased costs could potentially result in banks seeing more cost than benefit to certain activities. They may then curtail these activities or not pursue them at all, possibly to the detriment of the country as a whole. Given the trend of increasing bank regulation globally, we see no let up, however, in local regulatory activity. In fact, we expect an increase.

In what is deemed by some to be currently an “over-banked” market, the combination of strong competition, difficulty in increasing market share, declining margins and tight regulation may result in some banks seeking ways to reduce costs to maintain profitability for their shareholders. Whilst salaries and staff benefits may not be the first place to start, it is not unthinkable that reductions in salary increases or head count could be considered as banks employ large numbers of staff and this expense line is significant. We have in the past mentioned that although banks have some social responsibility to be good corporate citizens and give something back to the communities in which they operate, they are, like any other enterprise, in business to make a profit.

Non-bank financial institutions have also had similar challenges more recently with respect to declining liquidity and the difficulty in finding funding. In addition, rising interest rates and oil prices are expected to impact them in 2006, the latter as

2005 – A Different Perspective

a result of their vehicle leasing portfolios.

Outside of corporate and retail banking, activity in the investment banking arena became more distributed as the banks have recognized that capital market products are a growing area, with competition not only coming from the Caribbean but also from US institutions doing business in the Caribbean. Development of this sphere of business is seen not only as an opportunity but also as a necessary defensive mechanism to protect the banks' corporate loan books.

So where are the other opportunities for banks?

We see continued opportunity in the mortgage and credit card market. Retail banking carries high margins and we think that, for this reason, this is where the focus will remain in the next year. There is also the opportunity to vary the mortgage product by introducing flexible payment products and reverse mortgages. The latter may be attractive to persons nearing retirement as a way of unlocking the equity in their homes and receiving a guaranteed annuity immediately upon retirement. This would be a real advantage, especially for those who have not planned effectively for retirement. Generally, home equity products may be more attractive for customers because they could be priced lower (without considering legal fees).

The provision of student loans is an area which has not been actively pursued in the past. We think that there is an opportunity for banks to pursue this, either directly or

preferably through collective funding of, say, the Government's Students' Revolving Loan Fund. This has the added benefit of contributing towards education and, by implication, the further development of the country.

Further liberalization of the foreign exchange sector will have to occur in the context of the CSME, and this will therefore provide more investment opportunities for banks outside of Barbados.

Difficult though it may be to envisage any new entrants in the near future, there is the possibility that the industry could see changes in ownership such as the recent proposed CIBC acquisition of Barclays Bank's share of FirstCaribbean International Bank, or another merger of two institutions. The latter do not necessarily both have to be banks, since financial institutions are becoming larger and more varied. What is clear, however, is that the phrase "Barbados banks" is now a misnomer since they are all subsidiaries or branches of larger institutions and run without specific emphasis on any one jurisdiction. The renewed interest of North American banks in the retail banking business in the Caribbean is another development to be closely watched, given the economic importance of South and Central America.

"Best-in-class" institutions always require "best-in-class" people. Larger banking groups will have access to a wider pool of resources, and transfers of staff will occur throughout a group to deliver expertise where it is required. Changes in business focus require

expertise in new areas, and where it does not currently exist in a group it will be sought in the global market. Consequently, we expect to see skills amongst Barbadian staff increase as they become exposed to this knowledge transfer, and this in turn augurs well for the continued development of our capital markets.



Analysis of 2005 Results

Income Statement

Net Income for the Year

Banks' combined Net Income for 2005 increased 6% from \$132.3 million in 2004 to \$139.7 million. Barbados National Bank showed the highest earnings this year, at \$39.7 million (15% increase), with Royal Bank of Canada and Bank of Nova Scotia close behind with \$36.8 million (71%) and \$34.0 million (19%) respectively.

FirstCaribbean International Bank was the only bank to experience a decline, with a dramatic decrease of 52%, falling from \$41.6 to \$19.8 million, and netting off most of the increases experienced by the other banks. Butterfield Bank turned itself around from its decrease in the prior year, experiencing an increase in 2005 from \$1.5 million to \$3.3 million. Royal Bank of Canada had the highest return on assets in 2005, at 2.69%, followed by Bank of Nova Scotia with 2.52% and Barbados National Bank with 2.26%, whilst FirstCaribbean International Bank had the lowest return at 0.73%.

Interest Income

Total Interest Income increased 19% (2004: 7%) to \$452.9 million, with the greatest increase being the 58% of Butterfield Bank. Royal Bank of Canada (31%), Barbados National Bank (22%), RBTT (32%) and Bank of Nova Scotia (23%) all showed improvements over their 2004 figures, however FirstCaribbean International Bank remained flat at \$123 million. RBTT registered the highest interest yield on average interest bearing assets at 8.1%, followed by Barbados National Bank (7.0%), Bank of Nova Scotia (6.8%), Butterfield Bank (6.5%), Royal Bank of Canada (5.2%) and

FirstCaribbean International Bank (5.2%)

Interest Expense

The industry experienced a 44% increase in Interest Expense in 2005, in stark contrast to 2004 when interest expense had remained flat when compared with 2003. All of the banks showed increases, most of which were above 40%. FirstCaribbean International Bank had the lowest increase at just 26%, whilst Barbados National Bank (43%), RBTT (51%), Bank of Nova Scotia (57%), Royal Bank of Canada (63%) and Butterfield (103%) experienced much higher increases. The industry net interest margin was approximately 4.1%, with each of the banks ranging from 3.06% to 5.46%.

Other Income

Other Income increased marginally by 1%, compared with a 28% increase in 2004. The increases made by Royal Bank of Canada (7%), Barbados National Bank (13%), and Bank of Nova Scotia (16%) were just enough to counterbalance the decreases incurred by FirstCaribbean International Bank (11%) and, to a lesser extent, the decreases of Butterfield Bank (8%) and RBTT (1%).

Provision for Credit Losses

The aggregate provision for credit losses decreased by 77% in 2005, and was fuelled by decreases in all but one of the banks. FirstCaribbean International Bank led with a decrease of 246%. RBTT showed the only increase – 43%. The provision for credit losses on the income statement as a percentage of gross loans for all banks remained at less than 1%

with four banks registering marginal recoveries. The balance sheet allowance for credit losses as a percentage of gross loans ranged from 0.23% for Royal Bank of Canada to 1.99% for FirstCaribbean International Bank.

Other Non-Interest Expenses

Other non-interest expenses (i.e. excluding provision for credit losses) increased 13%, in aggregate, to \$284.5 million. Salaries and staff benefits continued to be the largest component, although down to 44% from 47% in 2004. However, this lagged behind the other components, showing only an 8% increase over the prior year, compared with a 28% increase for premises and equipment expense. Bank of Nova Scotia and Royal Bank of Canada were the only two banks showing reductions in the salary and staff benefits expense of 2% and 4% respectively. RBTT and Butterfield Bank showed the largest increases of 19% and 16% respectively. Productivity ratios were down for all of the banks except FirstCaribbean International Bank, which increased from 63.07% to 81.32%, and Bank of Nova Scotia, which remained the same. Royal Bank of Canada, with 40.81%, continued to have the lowest ratio in the industry.

Taxation

In considering taxation charges, it should always be noted that certain income is taxed at lower rates, and therefore effective rates and absolute amounts may vary based on the nature of income and tax allowable items. Effective tax rates declined from 24% in 2004 to 20% this year, possibly reflecting continued declines in corporate tax rates.

Analysis of 2005 Results

Balance Sheet

Cash resources

Cash Resources increased marginally by 4% in contrast to the 27% decline in 2004. The decreases experienced by most of the banks were counterbalanced by the increases of RBTT and Royal Bank of Canada of 36% and 37% respectively. Royal Bank of Canada with 48% and FirstCaribbean International Bank with 28% continue to account for the majority of the industry's total cash resources.

whilst FirstCaribbean International Bank had the lowest growth at 3%. Despite their slowed growth, FirstCaribbean International Bank continued to dominate the industry, capturing 36% of the total market, with Barbados National Bank and Royal Bank of Canada following closely behind with 21% and 20% respectively. These three banks were, once again, the only ones to each hold over \$1 billion in deposits.

Securities

Total industry holdings of securities increased by 7% to \$1.7 billion, adding to the 25% increase in 2004. Barbados National Bank accounted for most of this, increasing from \$344 million to \$469 million.

Loans

Loans increased by 24% in 2005, moving up from \$3.7 billion to \$4.6 billion, with Bank of Nova Scotia taking the lead with growth of 34%, followed by Butterfield Bank (29%) and Barbados National Bank (27%). FirstCaribbean International Bank, after a 3% decline in the prior year, showed an increase of 16% in 2005. Once again, Bank of Nova Scotia continued to have the highest percentage of total assets in loans, at 73% (2004: 67%).

Deposits

Deposits grew by 13% (2004: 7%), with all of the banks experiencing positive growth. Barbados National Bank and Royal Bank of Canada experienced the strongest growth, with 27% and 24% respectively,



Appendix I

Income Statement Highlights (In thousands of Barbados dollars)

	Bank of Nova Scotia			Barbados National Bank			Butterfield Bank		
	2005	2004	Change	2005	2004	Change	2005	2004	Change
	(Note 1)						(Note 2)		
Interest income									
Loans	75,700	63,428	19%	93,966	73,640	28%	16,869	11,744	44%
Securities	9,471	5,595	69%	22,417	22,044	2%	6,155	2,688	129%
Other	617	456	35%	323	54	498%	419	407	3%
Total interest income	85,788	69,479	23%	116,706	95,738	22%	23,443	14,839	58%
Interest expense									
Deposits	18,009	13,802	30%	27,345	17,151	59%	7,545	3,570	111%
Other	7,795	2,636	196%	7,839	7,480	5%	29	161	-82%
Total interest expense	25,804	16,438	57%	35,184	24,631	43%	7,574	3,731	103%
Net interest income	59,984	53,041	13%	81,522	71,107	15%	15,869	11,108	43%
Other income									
Fees and commissions	15,862	12,560	26%	20,888	18,403	14%	3,723	3,524	6%
Foreign exchange	14,858	12,891	15%	8,483	7,466	14%	3,265	3,091	6%
Other	370	1,299	-72%	6,953	6,197	12%	108	1,061	-90%
Total other income	31,090	26,750	16%	36,324	32,066	13%	7,096	7,676	-8%
Non-interest expenses									
Salaries and staff benefits	20,623	20,980	-2%	26,401	24,994	6%	7,245	6,261	16%
Provision for credit losses	(926)	(1,306)	-29%	2,385	7,515	-68%	1,113	1,442	-23%
Other expenses	10,423	7,587	37%	28,304	20,381	39%	6,461	5,538	17%
Premises and equipment expenses	13,194	10,102	31%	4,467	3,641	23%	1,400	1,399	0%
Depreciation	2,137	2,468	-13%	3,488	3,475	0%	2,325	2,256	3%
Total non-interest expenses	45,451	39,830	14%	65,045	60,006	8%	18,544	16,896	10%
Income before taxation	45,623	39,961	14%	52,801	43,167	22%	4,421	1,888	134%
Taxation	(11,608)	(11,385)	2%	(13,095)	(8,507)	54%	(1,167)	(384)	204%
Net income for the year	34,015	28,576	19%	39,706	34,660	15%	3,254	1,504	116%
Statement of Changes in Retained Earnings*									
Retained earnings, beginning of year (as originally stated)	86,365	101,306	-15%	90,550	68,611	32%	484	4,926	-90%
Prior period adjustment	-	(5,309)	-100%	-	-	-	-	-	-
Retained earnings, beginning of year (as restated)	86,365	95,997	-10%	90,550	68,611	32%	484	4,926	-90%
Net income for the year	34,015	28,576	19%	39,706	34,660	15%	3,254	1,504	116%
Transfer (to) from reserves	(1,424)	1,533	-193%	(7,246)	(6,961)	4%	(169)	(1,020)	-83%
Earnings remitted during the year/dividends	(45,136)	(39,741)	14%	(17,280)	(5,760)	200%	-	(4,926)	-100%
Cancellation of assigned capital	-	-	-	-	-	-	-	-	-
Derecognition of negative goodwill	-	-	-	-	-	-	-	-	-
Retained earnings, end of year	73,820	86,365	-15%	105,730	90,550	17%	3,569	484	637%

* Only a statement of changes in retained earnings has been presented as there are no significant changes in other equity items on the balance sheet except for the transfer (to) from reserves shown above.

	FirstCaribbean International Bank			RBTT Bank			Royal Bank of Canada			Total		
	2005	2004	Change	2005	2004	Change	2005	2004	Change	2005	2004	Change
	(Note 2)			(Notes 1 & 2)								
	84,293	91,418	-8%	28,188	21,713	30%	41,060	35,114	17%	340,076	297,057	14%
	30,318	17,835	70%	6,821	4,733	44%	12,378	9,672	28%	87,560	62,567	40%
	8,959	13,919	-36%	-	-	-	14,988	7,299	105%	25,306	22,135	14%
	123,570	123,172	0%	35,009	26,446	32%	68,426	52,085	31%	452,942	381,759	19%
	49,346	39,404	25%	10,910	7,068	54%	20,183	11,817	71%	133,338	92,812	44%
	1,403	769	82%	324	364	-11%	572	917	-38%	17,962	12,327	46%
	50,749	40,173	26%	11,234	7,432	51%	20,755	12,734	63%	151,300	105,139	44%
	72,821	82,999	-12%	23,775	19,014	25%	47,671	39,351	21%	301,642	276,620	9%
	20,536	26,754	-23%	4,139	3,754	10%	6,649	6,104	9%	71,797	71,099	1%
	30,594	32,524	-6%	2,575	3,013	-15%	13,503	12,307	10%	73,278	71,292	3%
	4,964	3,906	27%	-	-	-	2,909	3,215	-10%	15,304	15,678	-2%
	56,094	63,184	-11%	6,714	6,767	-1%	23,061	21,626	7%	160,379	158,069	1%
	46,779	40,910	14%	10,233	8,594	19%	15,258	15,866	-4%	126,539	117,605	8%
	(1,317)	900	-246%	1,462	1,023	43%	(720)	(869)	-17%	1,997	8,705	-77%
	36,901	31,845	16%	10,667	9,902	8%	11,588	12,611	-8%	104,344	87,864	19%
	15,956	12,320	30%	-	-	-	-	-	-	35,017	27,462	28%
	6,518	6,227	5%	1,428	1,470	-3%	2,740	2,994	-8%	18,636	18,890	-1%
	104,837	92,202	14%	23,790	20,989	13%	28,866	30,602	-6%	286,533	260,525	10%
	24,078	53,981	-55%	6,699	4,792	40%	41,866	30,375	38%	175,488	174,164	1%
	(4,284)	(12,366)	-65%	(553)	(357)	55%	(5,068)	(8,913)	-43%	(35,775)	(41,912)	-15%
	19,794	41,615	-52%	6,146	4,435	39%	36,798	21,462	71%	139,713	132,252	6%
	60,599	45,545	33%	8,046	4,935	63%	26,987	29,506	-9%	273,031	254,829	7%
	-	-	-	-	(215)	-100%	-	-	-	-	(5,524)	-100%
	60,599	45,545	33%	8,046	4,720	70%	26,987	29,506	-9%	273,031	249,305	10%
	19,794	41,615	-52%	6,146	4,435	39%	36,798	21,462	71%	139,713	132,252	6%
	-	-	-	(1,537)	(1,109)	39%	-	-	-	(10,376)	(7,557)	37%
	(5,312)	(50,883)	-90%	(1,497)	-	-	(15,494)	(23,981)	-35%	(84,719)	(125,291)	-32%
	-	4,000	-100%	-	-	-	-	-	-	-	4,000	-100%
	-	20,322	-100%	-	-	-	-	-	-	-	20,322	-100%
	75,081	60,599	24%	11,158	8,046	39%	48,291	26,987	79%	317,649	273,031	16%

Note 1. Balances for 2004 have been restated to reflect a prior period adjustment

Note 2. Certain figures have been restated to conform to the current year's disclosure.



Appendix II

Balance Sheet Highlights (In thousands of Barbados dollars)

	Bank of Nova Scotia			Barbados National Bank			Butterfield Bank	
	2005	2004 (Note 4)	Change	2005	2004	Change	2005	2004 (Note 2)
Assets								
Cash resources	100,241	101,884	-2%	112,063	127,592	-12%	99,019	135,102
Securities	205,805	219,788	-6%	468,753	344,018	36%	68,160	34,306
Loans	1,089,922	812,418	34%	1,268,135	995,301	27%	217,707	168,734
Other assets								
Customer's liability under acceptances, guarantees and LCs	56,179	39,518	42%	18,176	8,271	120%	682	656
Property, plant and equipment	27,766	25,284	10%	65,091	61,885	5%	6,168	5,615
Other	9,622	7,157	34%	28,089	24,195	16%	3,975	4,387
Total assets	1,489,535	1,206,049	24%	1,960,307	1,561,262	26%	395,711	348,800
Liabilities and Equity								
Deposits	950,897	869,305	9%	1,493,872	1,172,396	27%	340,347	300,801
Other liabilities								
Acceptances, guarantees and LCs	56,179	39,518	42%	18,176	8,271	120%	682	656
Other	66,169	42,655	55%	221,005	180,247	23%	10,033	5,948
Total liabilities	1,073,245	951,478	13%	1,733,053	1,360,914	27%	351,062	307,405
Equity/Head Office account								
Share capital	2,108	2,108	0%	48,000	48,000	0%	36,957	36,957
Assigned capital	4,000	4,000	0%	-	-	-	-	-
Due to (from) Head Office	327,179	157,449	108%	-	-	-	-	-
Revaluation surplus (deficit)	7,283	4,174	74%	-	-	-	-	-
Other reserves	1,900	475	300%	73,524	61,798	19%	4,123	3,954
Retained earnings	73,820	86,365	-15%	105,730	90,550	17%	3,569	484
Total equity	416,290	254,571	64%	227,254	200,348	13%	44,649	41,395
	1,489,535	1,206,049	24%	1,960,307	1,561,262	26%	395,711	348,800

Note 1. Balances for 2004 have been restated to reflect a prior period adjustment

Note 2. Certain figures have been restated to conform to the current year's disclosure.

Change	FirstCaribbean International Bank			RBTT Bank			Royal Bank of Canada			Total		
	2005	2004	Change	2005	2004	Change	2005	2004	Change	2005	2004	Change
		(Note 2)			(Notes 1 & 2)							
-27%	454,116	558,862	-19%	67,850	49,943	36%	771,110	563,943	37%	1,604,399	1,537,326	4%
99%	631,295	687,567		112,321	116,137	-3%	228,855	199,072	15%	1,715,189	1,600,888	7%
29%	1,308,197	1,125,682	16%	287,588	236,461	22%	450,261	396,251	14%	4,621,810	3,734,847	24%
-	53,122	57,514	-8%	-	-	-	27,527	14,250	93%	155,686	120,209	30%
10%	51,010	60,269	-15%	15,676	16,595	-6%	35,993	35,296	2%	201,704	204,944	-2%
-9%	232,673	200,652	16%	10,398	4,964	109%	9,571	8,088	18%	294,328	249,443	18%
13%	2,730,413	2,690,546	1%	493,833	424,100	16%	1,523,317	1,216,900	25%	8,593,116	7,447,657	15%
13%	2,551,997	2,483,859	3%	422,413	370,822	14%	1,425,716	1,153,735	24%	7,185,242	6,350,918	13%
4%	53,122	57,514	-8%	-	-	-	27,527	14,250	93%	155,686	120,209	30%
62%	129,118	56,152	130%	26,302	12,564	109%	15,464	15,609	-1%	468,091	313,175	49%
14%	2,734,237	2,597,525	5%	448,715	383,386	17%	1,468,707	1,183,594	24%	7,809,019	6,784,302	15%
0%	4,005	4,005	0%	25,000	25,000	0%	-	-	-	116,070	116,070	0%
-	-	-	-	-	-	-	4,604	4,604	0%	8,604	8,604	0%
-	(219,359)	(108,032)	103%	-	-	-	-	-	-	107,820	49,417	118%
-	-	-	-	(27)	218	-112%	1,715	1,715	0%	8,971	6,107	47%
4%	136,449	136,449	0%	8,987	7,450	21%	-	-	-	224,983	210,126	7%
637%	75,081	60,599	24%	11,158	8,046	39%	48,291	26,987	79%	317,649	273,031	16%
8%	(3,824)	93,021	-104%	45,118	40,714	11%	54,610	33,306	64%	784,097	663,355	18%
13%	2,730,413	2,690,546	1%	493,833	424,100	16%	1,523,317	1,216,900	25%	8,593,116	7,447,657	15%



Appendix III

Ratio Analysis

Note

	Bank of Nova Scotia		Barbados National Bank		Butterfield Bank	
	2005	2004	2005	2004	2005	2004
	(Note 9)					
1. Return on average total assets	2.52%	2.47%	2.26%	2.25%	0.87%	0.46%
2. Interest earned on average interest bearing assets	6.78%	6.46%	7.04%	6.60%	6.48%	4.66%
3. Net interest margin	4.74%	4.93%	4.92%	4.90%	4.38%	3.49%
4. Interest paid on average interest bearing liabilities	2.84%	2.07%	2.64%	2.11%	2.36%	1.35%
5. Interest rate spread	3.94%	4.39%	4.40%	4.49%	4.12%	3.31%
6. Effective tax rate	25.44%	28.49%	24.80%	19.71%	26.40%	20.34%
7. Productivity ratio	49.91%	49.92%	55.19%	58.16%	80.75%	89.95%
Provision/(recovery) for credit losses as a percentage of gross loans	(0.08%)	(0.16%)	0.19%	0.74%	(0.50%)	(0.85%)
Allowance for credit losses as a percentage of gross loans	0.66%	1.03%	1.55%	1.99%	1.13%	0.75%
Loans to deposits ratio	114.62%	93.46%	84.89%	84.89%	63.97%	56.10%
Components of total assets						
Cash resources	6.73%	8.45%	5.72%	8.17%	25.02%	38.73%
Securities	13.82%	18.22%	23.91%	22.03%	17.22%	9.84%
Loans	73.17%	67.36%	64.69%	63.75%	55.02%	48.38%
Other	6.28%	5.97%	5.68%	6.04%	2.74%	3.06%
Components of total interest income						
Loans	88.24%	91.29%	80.52%	76.92%	71.96%	79.14%
Securities	11.04%	8.05%	19.21%	23.03%	26.25%	18.11%
Other	0.72%	0.66%	0.27%	0.05%	1.79%	2.75%

NOTES

- Return on average total assets** represents net income divided by the mean of opening and closing total assets
- Interest earned on average interest bearing assets** represents total interest income divided by average interest bearing assets. Average interest bearing assets comprise the mean of opening and closing cash resources, securities and loan balances
- Net interest margin** represents net interest income expressed as a percentage of average interest bearing assets
- Interest paid on average interest bearing liabilities** represents total interest expense divided by the mean of opening and closing deposit balances. Note that this calculation may not take account of some interest bearing liabilities included in "other liabilities" on the balance sheet.

	FirstCaribbean International Bank		RBTT Bank		Royal Bank of Canada	
	2005	2004	2005	2004	2005	2004
			(Note 9)			
	0.73%	1.58%	1.34%	1.08%	2.69%	1.72%
	5.19%	5.18%	8.05%	6.87%	5.24%	4.36%
	3.06%	3.49%	5.46%	4.94%	3.65%	3.30%
	2.02%	1.69%	2.83%	2.08%	1.61%	1.07%
	3.17%	3.50%	5.22%	4.79%	3.63%	3.29%
	17.79%	22.91%	8.25%	7.44%	12.10%	29.34%
	81.32%	63.07%	78.03%	81.42%	40.81%	50.19%
	(0.10%)	0.08%	0.50%	0.43%	(0.06%)	(0.19%)
	1.99%	3.10%	1.28%	1.57%	0.23%	0.33%
	51.26%	45.32%	68.08%	63.77%	31.58%	34.35%
	16.63%	20.77%	13.74%	11.78%	50.62%	46.34%
	23.12%	25.55%	22.74%	27.38%	15.02%	16.36%
	47.91%	41.84%	58.24%	55.76%	29.56%	32.56%
	12.34%	11.84%	5.28%	5.08%	4.80%	4.74%
	68.21%	74.22%	80.52%	82.10%	60.01%	67.42%
	24.54%	14.48%	19.48%	17.90%	18.09%	18.57%
	7.25%	11.30%	0.00%	0.00%	21.90%	14.01%

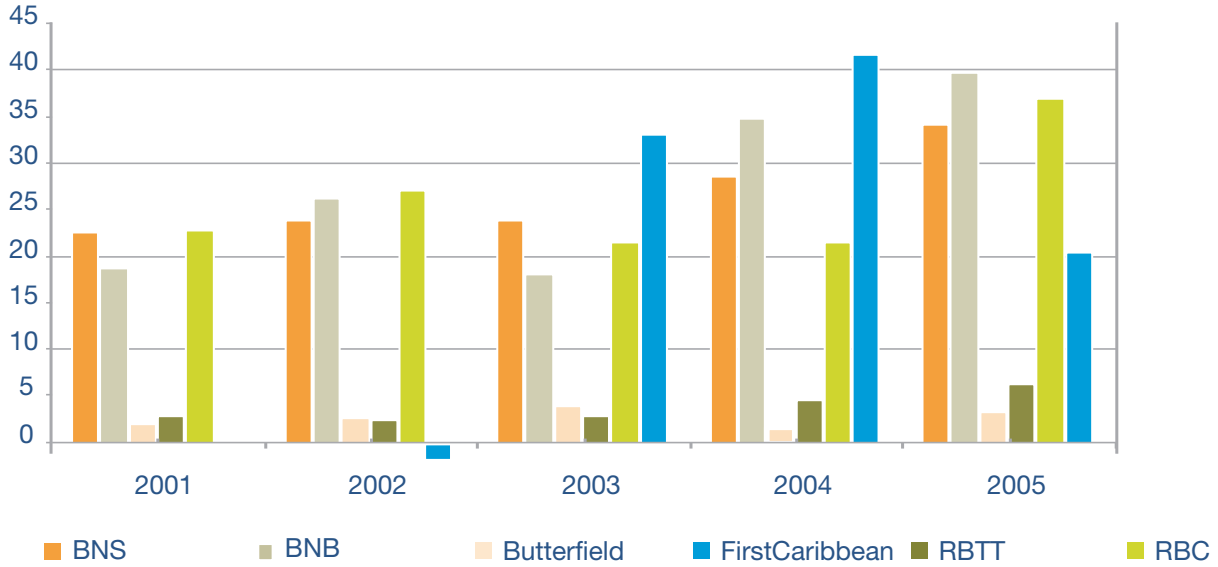
5. **Interest rate spread** represents interest earned on average interest bearing assets less interest paid on average interest bearing liabilities.
6. **Effective tax rate** represents the tax charge for the year divided by income before taxation.
7. **Productivity ratio** represents non interest expenses as a percentage of the sum of net interest income and other income.
8. Loans to deposit ratio represents loans divided by deposits.
9. Restated where applicable to reflect prior period adjustment.



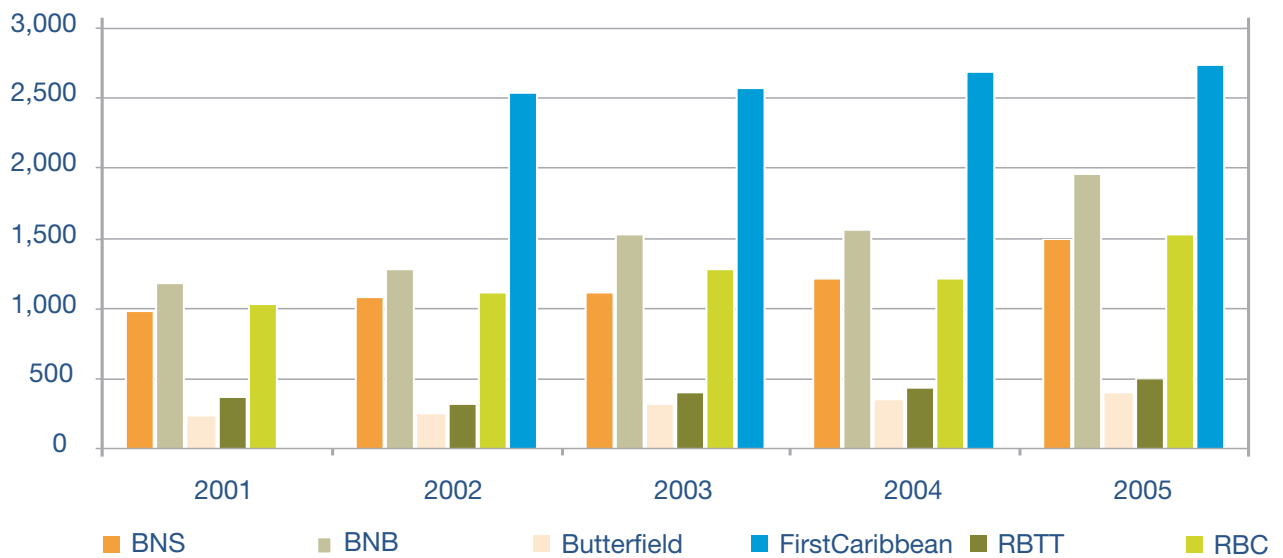
Appendix IV

Performance Charts and Graphs

NET INCOME
\$ Millions

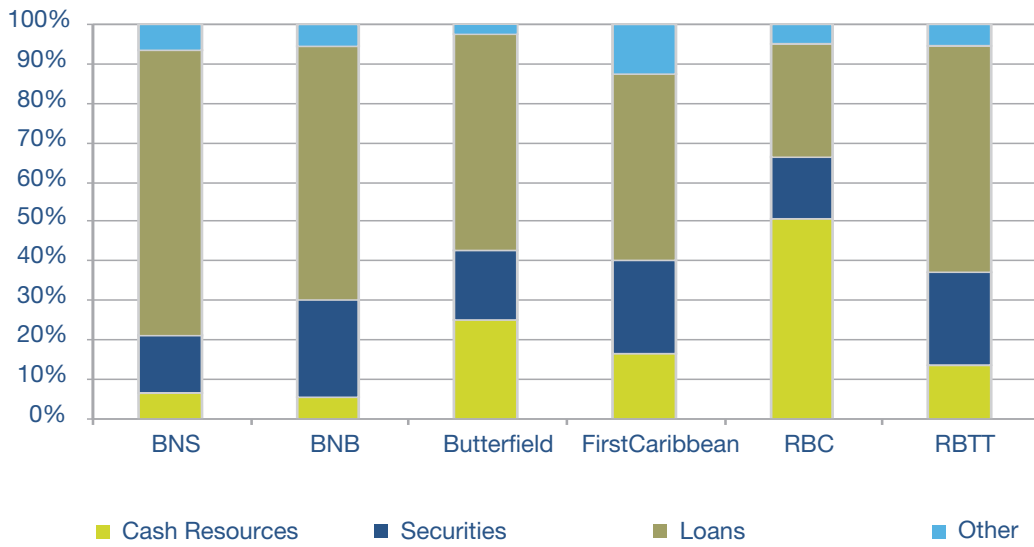


TOTAL ASSETS
\$ Millions





ANALYSIS OF ASSETS

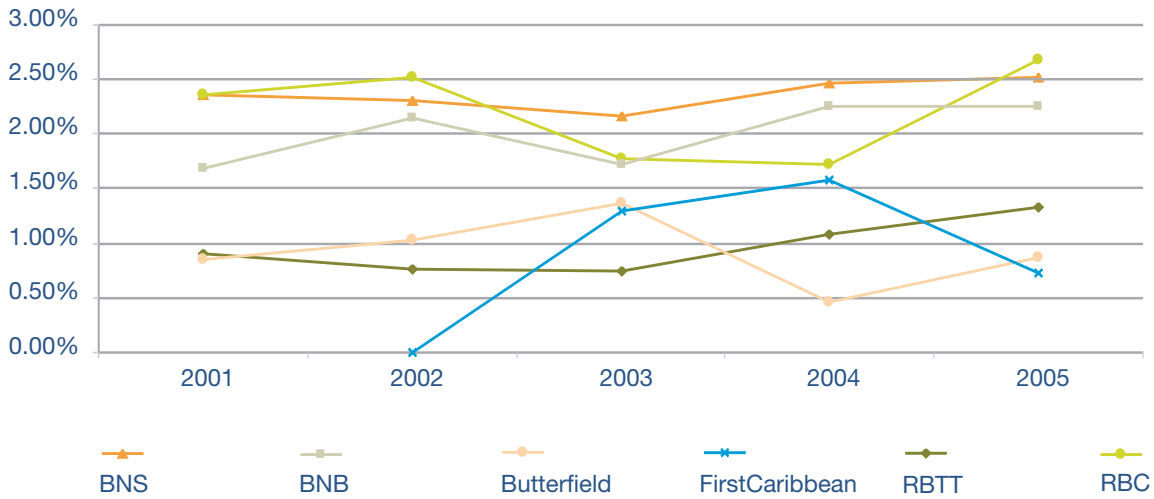




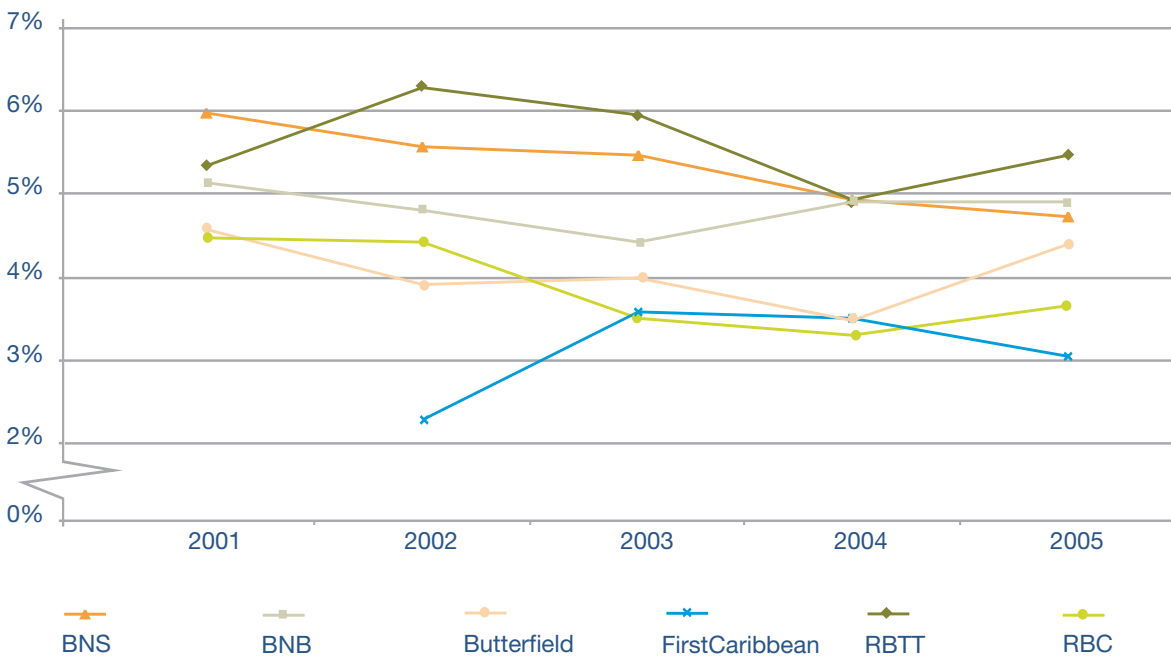
Appendix IV (Cont'd)

Performance Charts and Graphs

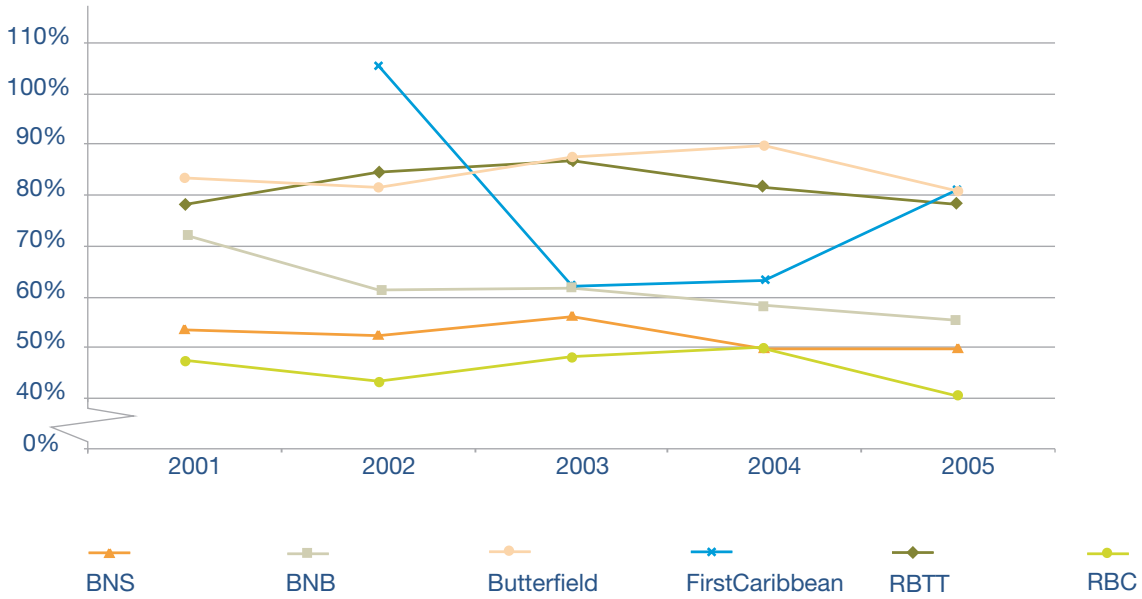
RETURN ON AVERAGE TOTAL ASSETS



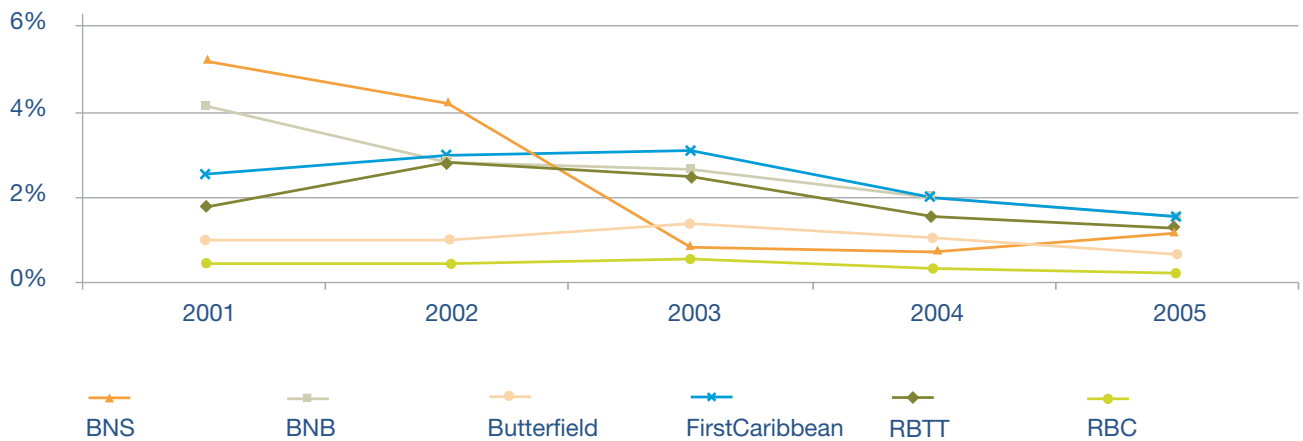
NET INTEREST MARGIN



PRODUCTIVITY RATIO



ALLOWANCE FOR CREDIT LOSSES AS A PERCENTAGE OF GROSS LOANS





Appendix V

Income Statement Highlights – 10 Year Summary (Commercial Banks Only) (in Thousands Of Barbados dollars)

	2005	2004	2003	2002	2001
Interest income					
Loans	340,076	297,057	274,857	260,630	341,123
Securities	87,560	62,567	56,970	52,591	61,188
Other	25,306	22,135	23,977	14,778	27,304
Total interest income	452,942	381,759	355,804	327,999	429,615
Interest expense					
Deposits	133,338	92,812	93,678	90,508	150,672
Other	17,962	12,327	10,776	13,169	20,549
Total interest expense	151,300	105,139	104,454	103,677	171,221
Net interest income	301,642	276,620	251,350	224,322	258,394
Other income					
Fees and commissions	71,797	71,099	57,406	45,039	58,007
Foreign exchange	73,278	71,292	57,953	41,692	53,711
Other	15,304	15,678	8,525	6,275	6,911
Total other income	160,379	158,069	123,884	93,006	118,629
Non-interest expenses					
Salaries and staff benefits	126,539	117,605	98,021	83,819	95,638
Provision for credit losses	1,997	8,705	12,971	9,818	25,277
Other expenses	104,344	87,864	79,699	85,207	72,343
Premises and equipment expenses	35,017	27,462	19,951	19,402	32,333
Depreciation	18,636	18,890	20,350	18,450	24,053
Total non-interest expenses	286,533	260,525	230,992	216,696	249,644
Income before taxation	175,488	174,164	144,242	100,632	127,379
Taxation	(35,775)	(41,912)	(41,714)	(19,159)	(29,594)
Net income for the year	139,713	132,252	102,528	81,473	97,785

	2000	1999	1998	1997	1996
	343,471	311,593	269,911	239,050	220,793
	84,028	80,145	78,114	74,654	68,080
	14,185	12,369	7,821	4,523	15,237
	441,684	404,107	355,846	318,227	304,110
	167,146	147,149	126,739	135,785	140,305
	23,687	13,385	10,067	6,059	5,058
	190,833	160,534	136,806	141,844	145,363
	250,851	243,573	219,040	176,383	158,747
	51,547	45,432	46,373	40,175	41,369
	55,759	52,241	51,709	44,130	33,039
	8,271	3,866	7,028	5,527	8,001
	115,577	101,539	105,110	89,832	82,409
	92,602	95,102	92,758	74,942	68,420
	19,924	18,663	13,601	7,875	17,215
	72,430	76,588	61,842	60,871	55,763
	34,390	23,618	24,080	19,945	18,231
	23,077	24,372	16,799	14,465	13,453
	242,423	238,343	209,080	178,098	173,082
	124,005	106,769	115,070	88,117	68,074
	(25,988)	(20,328)	(25,630)	(25,167)	(23,019)
	98,017	86,441	89,440	62,950	45,055



Appendix VI

Balance Sheet Highlights – 10 Year Summary (Commercial Banks Only) (in Thousands Of Barbados dollars)

	2005	2004	2003	2002	2001
Assets					
Cash resources	1,604,399	1,537,326	2,109,239	1,448,560	1,141,173
Securities	1,715,189	1,600,888	1,299,960	1,178,408	989,430
Loans	4,621,810	3,734,847	3,319,674	3,370,930	3,227,882
Other assets					
Customers' liability under acceptances, guarantees and LCs	155,686	120,209	131,875	154,273	169,264
Property, plant and equipment	201,704	204,944	201,528	201,785	217,051
Other	294,328	249,443	132,844	206,031	225,314
Total assets	8,593,116	7,447,657	7,195,120	6,559,987	5,970,114
Liabilities and Equity					
Deposits	7,185,242	6,350,918	5,966,669	5,276,917	4,780,703
Other liabilities					
Acceptances, guarantees and LCs	155,686	120,209	131,875	154,273	169,264
Other	468,091	313,175	387,396	454,181	369,027
Total liabilities	7,809,019	6,784,302	6,485,940	5,885,371	5,318,994
Equity/Head Office account					
Share capital	116,070	116,070	124,070	101,912	102,709
Assigned capital	8,604	8,604	12,604	12,604	12,604
Due to (from) Head Office	107,820	49,417	105,633	144,137	248,978
Revaluation surplus (deficit)	8,971	6,107	5,581	6,154	4,775
Other reserves	224,983	210,126	206,463	192,490	81,386
Retained earnings	317,649	273,031	254,829	217,319	200,668
Total equity	784,097	663,355	709,180	674,616	651,120
	8,593,116	7,447,657	7,195,120	6,559,987	5,970,114

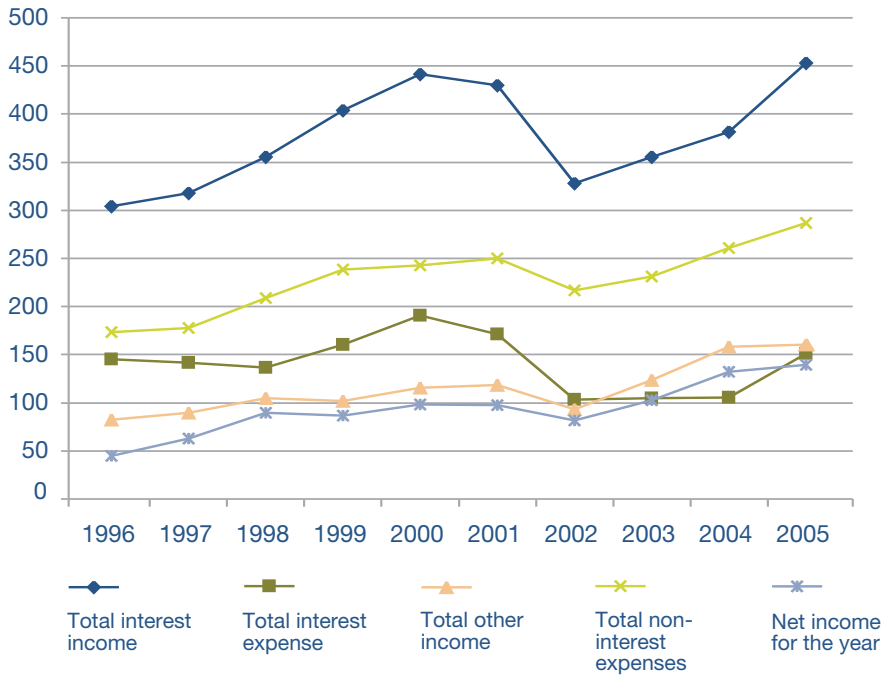
	2000	1999	1998	1997	1996
	852,826	877,553	696,787	692,132	674,678
	983,941	838,101	891,565	1,006,859	877,634
	3,107,612	2,958,293	2,666,793	2,269,789	2,001,585
	164,631	255,029	224,873	166,462	213,343
	202,730	192,766	171,031	144,814	130,028
	211,654	173,745	139,426	105,651	96,713
	5,523,394	5,295,487	4,790,475	4,385,707	3,993,981
	4,402,648	4,282,629	3,869,433	3,540,975	3,322,196
	164,631	255,029	225,066	166,462	213,343
	356,224	225,128	213,041	316,875	188,335
	4,923,503	4,762,786	4,307,540	4,024,312	3,723,874
	102,709	102,177	102,177	100,677	98,508
	12,604	16,604	16,604	16,604	-
	239,463	199,439	208,122	138,142	90,812
	5,039	5,039	865	8,778	5,253
	72,867	62,867	53,175	36,662	27,837
	167,209	146,575	101,992	60,532	47,697
	599,891	532,701	482,935	361,395	270,107
	5,523,394	5,295,487	4,790,475	4,385,707	3,993,981



Appendix VII

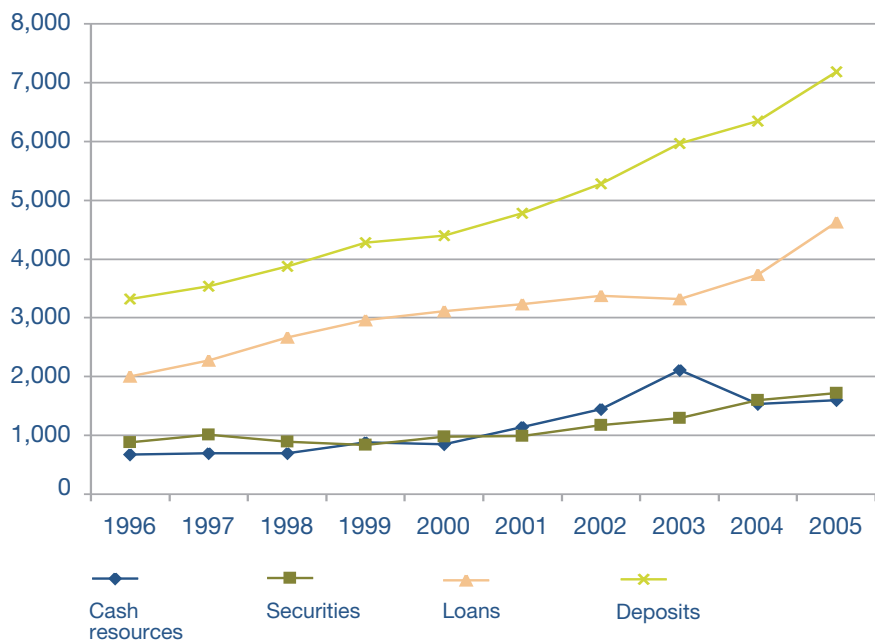
10 Year Summary Performance Graphs Income Statement Highlights

BD \$ Millions



Balance Sheet Highlights

BD \$ Millions





Appendix VIII

Part III Companies (Finance Companies)

Income Statement Highlights (In thousands of Barbados dollars)

	Consolidated Finance Company			GlobE Finance Inc.			
	2005	2004	Change	2005	2004	Change	
Income							
Finance charges	14,269	11,444	25%	7,450	5,587	33%	
Rental income	14,499	13,142	10%	5,050	3,388	49%	
Interest	918	852	8%	230	229	0%	
Other	2,029	1,681	21%	231	102	126%	
Total income	31,715	27,119	17%	12,961	9,306	39%	
Expenditure							
Provisions for losses on loans	1,290	1,225	5%	1,193	591	102%	
Finance costs	7,104	5,896	20%	3,848	3,016	28%	
Depreciation and amortisation	10,980	9,978	10%	4,228	3,074	38%	
General, administration and other expenses	2,733	2,189	25%	895	718	25%	
Salaries and staff benefits	1,290	1,010	28%	1,082	857	26%	
Total expense	23,397	20,298	15%	11,246	8,256	36%	
Income (loss) before taxation	8,318	6,821	22%	1,715	1,050	63%	
Taxation (charge) recovery	(1,779)	58	-3167%	(186)	(435)	-57%	
Net income (loss) for the year	6,539	6,879	-5%	1,529	615	149%	
Statement of Changes in Retained Earnings*							
Retained earnings, beginning of year	7,278	8,299	-12%	1,375	1,960	-30%	
Net income (loss) for the year	6,539	6,879	-5%	1,529	615	149%	
Transfer to reserve fund	(1,900)	(1,100)	73%	(926)	(1,200)	-23%	
Dividends	-	(800)	-100%	-	-	-73%	
Retained earnings capitalized	-	(6,000)	-100%	-	-	-100%	
Retained earnings, end of year	11,917	7,278	64%	1,978	1,375	44%	

*Only a statement of Changes in Retained Earnings has been presented as there are no significant changes in other equity items on the balance sheet except for the transfer to reserves shown above.

	Signia Financial Group Inc.					
	2005	2004	Change	2005	Total 2004	Change
	-	-	-	21,719	17,031	28%
	2,804	823	241%	22,353	17,353	29%
	2,875	768	274%	4,023	1,849	118%
	1,177	912	29%	3,437	2,695	28%
	6,856	2,503	174%	51,532	38,928	32%
	123	46	167%	2,606	1,862	40%
	1,427	548	160%	12,379	9,460	31%
	2,368	802	195%	17,576	13,854	27%
	1,206	992	22%	4,834	3,899	24%
	1,128	673	68%	3,500	2,540	38%
	6,252	3,061	104%	40,895	31,615	29%
	604	(558)	-208%	10,637	7,313	45%
	(175)	262	-167%	(2,140)	(115)	1761%
	429	(296)	-245%	8,497	7,198	18%
	25	321	-92%	8,678	10,580	-18%
	429	(296)	-245%	8,497	7,198	18%
	(64)	-	-	(2,890)	(2,300)	26%
	-	-	-	-	(800)	-100%
	-	-	-	-	(6,000)	100%
	390	25	1460%	14,285	8,678	65%



Appendix VIII, (Cont'd)

Part III Companies, (Finance Companies)

Balance Sheet Highlights (In thousands of Barbados dollars)

	Consolidated Finance Company			GlobE Finance Inc.		
	2005	2004	Change	2005	2004	Change
Assets						
Cash resources	16,731	-	100%	9,197	5,052	82%
Securities	7,008	7,527	-7%	-	-	-
Loans and other receivables	125,482	103,644	21%	72,010	53,309	35%
Other assets						
Property, plant and equipment	50,906	40,043	27%	18,717	14,255	31%
Other	1,014	624	63%	1,974	2,359	-16%
Total assets	201,141	151,838	32%	101,898	74,975	36%
Liabilities and equity						
Deposits	165,139	122,646	35%	90,134	67,139	34%
Other liabilities	7,085	6,814	4%	2,286	1,887	21%
Total liabilities	172,224	129,460	33%	92,420	69,026	34%
Shareholders' Equity						
Share capital	10,000	10,000	0%	5,000	3,000	67%
Capital reserve	7,000	5,100	37%	2,500	1,574	59%
Retained earnings	11,917	7,278	64%	1,978	1,375	44%
Total equity	28,917	22,378	29%	9,478	5,949	59%
Total liabilities and shareholders' equity	201,141	151,838	32%	101,898	74,975	36%

NOTE 1. Certain figures have been restated to conform to the current years disclosure.

	Signia Financial Group Inc.				Total	
	2005	2004	Change	2005	2004	Change
		(Note 1)				
	6,844	1,400	389%	32,772	6,452	408%
	699	1,494	-53%	7,707	9,021	-15%
	31,664	15,689	102%	229,156	172,642	33%
	9,973	6,235	60%	79,596	60,533	31%
	1,709	532	221%	4,697	3,515	34%
	50,889	25,350	101%	353,928	252,163	40%
	45,468	18,448	146%	300,741	208,233	44%
	632	2,542	-75%	10,003	11,243	-11%
	46,100	20,990	120%	310,744	219,476	42%
	4,000	4,000	0%	19,000	17,000	12%
	399	335	19%	9,899	7,009	41%
	390	25	1460%	14,285	8,678	65%
	4,789	4,360	10%	43,185	32,687	32%
	50,889	25,350	101%	353,928	252,163	40%



Appendix VIII, (Cont'd)

Part III Companies (Other Companies)

Balance Sheet Highlights (In thousands of Barbados dollars)

Assets

Cash resources	
Securities	
Loans	
Other assets	
Property, plant and equipment	
Other	

Total assets

Liabilities and Equity

Deposits	
Other liabilities	

Total liabilities

Shareholders' Equity

Share capital	
Reserves	
Retained earnings	

Total equity

Clico Mortgage & Finance Corporation			
	2005	2004	Change
Cash resources	21,241	20,530	3%
Securities	7,304	8,867	-18%
Loans	70,166	61,220	15%
Other assets			
Property, plant and equipment	2,972	2,566	16%
Other	1,716	1,199	43%
Total assets	103,399	94,382	10%
Liabilities and Equity			
Deposits	75,218	66,260	14%
Other liabilities	12,268	13,393	-8%
Total liabilities	87,486	79,653	10%
Shareholders' Equity			
Share capital	2,797	2,797	0%
Reserves	2,147	2,058	4%
Retained earnings	10,969	9,874	11%
Total equity	15,913	14,729	8%
	103,399	94,382	10%

**Part III Companies
(Other Companies)**

**Income Statement Highlights
(In thousands of Barbados dollars)**

Clico Mortgage & Finance Corporation			
	2005	2004	Change
Interest income			
Loans	5,198	5,298	-2%
Securities	1,247	819	52%
Other	219	322	-32%
Total interest income	6,664	6,439	3%
Interest expense			
Deposits	2,622	2,387	10%
Other	518	705	-27%
Total interest expense	3,140	3,092	2%
Net interest income	3,524	3,347	5%
Other income			
Fees and commissions	451	392	15%
Other	655	408	61%
Total other income	1,106	800	38%
Non-interest expenses			
Salaries and staff benefits	680	591	15%
Other expenses	1,466	1,212	21%
Depreciation	144	117	23%
Total non-interest expense	2,290	1,920	19%
Income before taxation	2,340	2,227	5%
Taxation	7	(4)	-275%
Net income for the year	2,347	2,223	6%
Statement of Changes in Retained Earnings*			
Retained earnings beginning of year	9,874	8,850	12%
Net Income for the year	2,347	2,223	6%
Transfer to reserves	(352)	(333)	6%
Dividends paid	(900)	(866)	4%
Retained earnings end of year	10,969	9,874	11%

*Only a statement of Changes in Retained Earnings has been presented as there are no significant changes in other equity items on the balance sheet except for the transfer to reserves shown above.



Appendix IX

Caribbean Banking Groups

Consolidated Income Statement Highlights (In thousands of United States dollars)

Interest income

Loans
Securities
Other

Total interest income

Interest expense

Deposits
Other

Total interest expense

Net interest income

Other income

Fees and commissions
Foreign exchange
Other

Total other income

Non-interest expenses

Salaries and staff benefits
Provision for credit losses
Other expenses
Premises and equipment expenses
Depreciation

Total non-interest expenses

Operating income

Share of profits of associated companies

Income before taxation and minority interest

Taxation

Income before minority interest

Minority interest

Net income for the year

Statement of Changes in Retained Earnings*

Retained earnings, beginning of year (as originally stated)

Prior period adjustment

Retained earnings, beginning of year (as restated)

Net income for the year

Transfer from (to) reserves

Earnings remitted during the year/dividends

Other

Retained earnings, end of year

	Bank of NT Butterfield & Son			FirstCaribbean International Bank	
	2005	2004	Change	2005	2004
	(Note 1)	(Note 1)			
Interest income					
Loans	183,915	133,637	38%	341,232	295,479
Securities	129,092	89,553	44%	61,827	46,213
Other	69,346	46,275	50%	76,356	58,475
Total interest income	382,353	269,465	42%	479,415	400,167
Interest expense					
Deposits	188,493	115,249	64%	157,668	126,816
Other	8,514	3,247	162%	10,996	-
Total interest expense	197,007	118,496	66%	168,664	126,816
Net interest income	185,346	150,969	23%	310,751	273,351
Other income					
Fees and commissions	140,017	128,131	9%	56,783	50,016
Foreign exchange	29,894	25,488	17%	45,536	42,187
Other	3,044	9,471	-68%	133,498	19,836
Total other income	172,955	163,090	6%	235,817	112,039
Non-interest expenses					
Salaries and staff benefits	144,331	127,459	13%	139,956	133,224
Provision for credit losses	3,172	2,894	10%	7,308	14,889
Other expenses	72,518	67,992	7%	78,978	80,840
Premises and equipment expenses	12,970	13,950	-7%	24,913	32,594
Depreciation	14,331	13,020	10%	18,325	15,048
Total non-interest expenses	247,322	225,315	10%	269,480	276,595
Operating income	110,979	88,744	25%	277,088	108,795
Share of profits of associated companies	-	-	-	-	-
Income before taxation and minority interest	110,979	88,744	25%	277,088	108,795
Taxation	(1,628)	1,722	-195%	(13,973)	(16,926)
Income before minority interest	109,351	90,466	21%	263,115	91,869
Minority interest	-	-	-	(5,180)	(3,327)
Net income for the year	109,351	90,466	21%	257,935	88,542
Statement of Changes in Retained Earnings*					
Retained earnings, beginning of year (as originally stated)	88,674	124,002	-28%	195,379	162,418
Prior period adjustment	-	-	-	-	-
Retained earnings, beginning of year (as restated)	88,674	124,002	-28%	195,379	162,418
Net income for the year	109,351	90,466	21%	257,935	88,542
Transfer from (to) reserves	-	-	-	(21,245)	(14,393)
Earnings remitted during the year/dividends	(145,524)	(125,794)	16%	(56,003)	(41,188)
Other	-	-	-	-	-
Retained earnings, end of year	52,501	88,674	-41%	376,066	195,379

* Only a statement of changes in retained earnings has been presented as there are no significant changes in other equity items on the balance sheet except for the transfer (to) from reserves shown above.

Change	RBTT Financial Holdings			Republic Bank			2005	Total 2004	Change
	2006	2005	Change	2005	2004	Change			
	(Note 2)	(Note 2)		(Note 3)	(Note 3)				
15%	312,103	257,608	21%	227,464	237,442	-4%	1,064,714	924,166	15%
34%	177,621	161,858	10%	79,879	75,313	6%	448,419	372,937	20%
31%	14,116	6,137	130%	28,241	20,943	35%	188,059	131,830	43%
20%	503,840	425,602	18%	335,584	333,697	1%	1,701,192	1,428,932	19%
24%	99,267	87,668	13%	91,827	85,011	8%	537,255	414,744	30%
-	114,552	77,119	49%	43,691	53,346	-18%	177,753	133,712	33%
33%	213,819	164,787	30%	135,518	138,356	-2%	715,008	548,456	30%
14%	290,021	260,815	11%	200,066	195,341	2%	986,184	880,476	12%
14%	130,206	114,631	14%	78,680	64,187	23%	405,686	356,965	14%
8%	35,458	31,079	14%	30,271	19,049	59%	141,159	117,803	20%
573%	33,953	41,556	-18%	82,192	45,582	80%	252,687	116,445	117%
110%	199,616	187,266	7%	191,143	128,817	48%	799,531	591,213	35%
5%	159,482	162,004	-2%	81,296	77,974	4%	525,065	500,661	5%
-51%	17,299	8,807	96%	11,256	4,853	132%	39,035	31,443	24%
-2%	92,446	72,247	28%	103,068	68,827	50%	347,010	289,906	20%
-24%	21,748	19,340	12%	18,956	15,480	22%	78,587	81,364	-3%
22%	18,283	17,649	4%	16,037	16,310	-2%	66,976	62,027	8%
-3%	309,258	280,047	10%	230,613	183,444	26%	1,056,673	965,401	9%
155%	180,380	168,034	7%	160,595	140,714	14%	729,043	506,288	44%
-	2,948	10,905	-73%	3,107	2,213	40%	6,055	13,118	-54%
155%	183,327	178,939	2%	163,702	142,927	15%	735,097	519,406	42%
-17%	(35,654)	(29,897)	19%	(23,261)	(28,575)	-19%	(74,516)	(73,676)	1%
186%	147,674	149,042	-1%	140,441	114,352	23%	660,582	445,730	48%
56%	1,146	(1,470)	-178%	(9,145)	(7,468)	22%	(13,179)	(12,265)	7%
191%	148,819	147,571	1%	131,296	106,884	23%	647,402	433,464	49%
20%	375,919	292,656	28%	379,736	326,382	16%	1,039,708	905,458	15%
-	-	2,398	-100%	-	-	-	-	2,398	-100%
0%	375,919	295,055	27%	379,736	326,382	16%	1,039,708	907,857	15%
191%	148,819	147,571	1%	131,296	106,884	23%	647,401	433,463	49%
48%	(18,490)	(11,441)	62%	(2,787)	(3,592)	-22%	(42,522)	(29,426)	45%
36%	(73,079)	(56,347)	30%	(53,056)	(49,938)	6%	(327,662)	(273,267)	20%
-	-	1,082	-100%	-	-	-	-	1,082	-100%
92%	433,170	375,919	15%	455,189	379,737	20%	1,316,926	1,039,709	27%

NOTE 1 - Translated from BM \$ to US \$ at par

NOTE 2 - Translated from TT \$ to US \$ at year end March 31, 2006 at TT \$1 = US \$0.16129

NOTE 3 - Amounts taken from financial statements presented in USD



Appendix X

Caribbean Banking Groups

Consolidated Balance Sheet Highlights (In thousands of United States dollars)

	Bank of NT Butterfield & Son			FirstCaribbean International Bank		
	2005	2004	Change	2005	2004	Change
	(Note 1)	(Note 1)				
Assets						
Cash resources	1,981,232	449,161	341%	2,192,228	1,697,947	29%
Securities	2,916,399	3,266,400	-11%	1,315,493	1,103,995	19%
Loans	3,085,594	2,645,331	17%	4,630,998	3,958,080	17%
Other assets						
Customer's liability under acceptances, guarantees and LCs	603,030	565,059	7%	201,001	144,094	39%
Property, plant and equipment	141,708	126,031	12%	148,956	153,441	-3%
Other	1,072,633	2,143,460	-50%	1,280,258	1,735,257	-26%
Total assets	9,800,596	9,195,442	7%	9,768,934	8,792,814	11%
Liabilities and Equity						
Deposits	8,240,109	7,907,450	4%	7,729,395	7,359,646	5%
Other liabilities						
Acceptances, guarantees and LCs	603,030	565,059	7%	201,001	144,094	39%
Other	462,231	294,903	57%	704,537	63,538	1009%
Total liabilities	9,305,370	8,767,412	6%	8,634,933	7,567,278	14%
Minority Interest	-	-	-	21,334	18,433	16%
Equity						
Share capital				1,117,349	1,297,349	-14%
Other reserves	74,130	85,560	-13%	(380,748)	(285,625)	33%
Retained earnings	52,501	88,674	-41%	376,066	195,379	92%
	495,226	428,030	16%	1,112,667	1,207,103	-8%
Total equity	9,800,596	9,195,442	7%	9,768,934	8,792,814	11%

NOTE 1 - Translated from BM \$ to US \$ at par

NOTE 2 - Translated from TT \$ to US \$ at year end March 31, 2005 at TT \$1 = US \$0.16129

NOTE 3 - Accounts taken from financial statements presented in US \$

	RBTT Financial Holdings			Republic Bank			Total		
	2006	2005	Change	2005	2004	Change	2005	2004	Change
	(Note 2)	(Note 2)		(Note 3)	(Note 3)				
	940,687	847,902	11%	780,723	707,007	10%	5,894,870	3,702,017	59%
	2,129,253	2,035,435	5%	1,362,153	1,196,473	14%	7,723,298	7,602,303	2%
	3,141,866	2,745,843	14%	2,450,481	2,213,547	11%	13,308,939	11,562,801	15%
	255,091	230,892	10%	148,016	118,719	25%	1,207,138	1,058,764	14%
	161,308	152,732	6%	155,761	153,822	1%	607,733	586,026	4%
	195,783	240,831	-19%	338,707	328,002	3%	2,887,381	4,447,549	-35%
	6,823,988	6,253,634	9%	5,235,841	4,717,570	11%	31,629,359	28,959,459	9%
	3,885,313	3,330,337	17%	3,146,906	2,872,322	10%	23,001,723	21,469,755	7%
	255,091	230,892	10%	148,016	118,719	25%	1,207,138	1,058,764	14%
	2,020,630	1,995,729	1%	1,212,344	1,074,218	13%	4,399,742	3,428,388	28%
	6,161,034	5,556,958	11%	4,507,266	4,065,259	10%	28,608,603	25,956,907	10%
	5,768	8,515	-32%	59,071	55,390	7%	86,173	82,338	5%
	139,358	136,391	2%	79,276	77,495	2%	1,704,578	1,765,031	-3%
	84,659	175,851	-52%	135,039	139,688	-3%	(86,920)	115,474	-175%
	433,170	375,919	15%	455,189	379,737	20%	1,316,926	1,039,709	27%
	657,187	688,161	-5%	669,504	596,921	12%	2,934,584	2,920,214	0%
	6,823,988	6,253,634	9%	5,235,841	4,717,570	11%	31,629,359	28,959,459	9%



Appendix XI

Caribbean Banking Groups

Ratio Analysis

NOTES

1. Return on average total assets
2. Interest earned on average interest bearing assets
3. Net interest margin
4. Interest paid on average interest bearing liabilities
5. Interest rate spread
6. Effective tax rate
7. Productivity ratio
8. Loans to deposits ratio

	Bank of NT Butterfield & Son		FirstCaribbean International Bank		RBTT Financial Holdings		Republic Bank	
	2005	2004	2005	2004	2006	2005	2005	2004
1. Return on average total assets	1.15%	1.04%	2.78%	1.01%	2.28%	2.54%	2.64%	2.42%
2. Interest earned on average interest bearing assets	5.33%	4.87%	6.44%	6.01%	8.51%	8.28%	7.71%	8.51%
3. Net interest margin	2.58%	2.73%	4.17%	4.10%	4.90%	5.07%	4.59%	4.98%
4. Interest paid on average interest bearing liabilities	2.44%	1.58%	2.24%	1.74%	5.93%	5.27%	4.50%	5.19%
5. Interest rate spread	2.89%	3.29%	4.20%	4.27%	2.58%	3.01%	3.21%	3.32%
6. Effective tax rate	1.47%	-1.94%	5.04%	15.56%	19.45%	16.71%	14.21%	19.99%
7. Productivity ratio	69.03%	71.74%	49.30%	71.77%	63.16%	62.50%	58.92%	56.59%
8. Loans to deposits ratio	37.45%	33.45%	59.91%	53.78%	80.87%	82.45%	77.87%	77.06%

NOTES

1. **Return on average total assets** represents net income divided by the mean of opening and closing total assets
2. **Interest earned on average interest bearing assets** represents total interest income divided by average interest bearing assets. Average interest bearing assets comprise the mean of opening and closing cash resources, securities and loan balances
3. **Net interest margin** represents net interest income expressed as a percentage of average interest bearing assets
4. **Interest paid on average interest bearing liabilities** represents total interest expense divided by the mean of opening and closing deposit balances. Note that this calculation may not take account of some interest bearing liabilities included in "other liabilities" on the balance sheet.
5. **Interest rate spread** represents interest earned on average interest bearing assets less interest paid on average interest bearing liabilities.
6. **Effective tax rate** represents the tax charge for the year divided by income before taxation.
7. **Productivity ratio** represents non interest expenses as a percentage of the sum of net interest income and other income.
8. **Loans to deposits ratio** represents loans divided by deposits

Appendix XII

Detailed below are the financial year ends for the various institutions whose financial information has been used in this publication:

Banks – Barbados

The Bank of Nova Scotia

The Bank of Nova Scotia, Barbados Branches	October 31, 2005
The Bank of Nova Scotia Trust Company (Caribbean) Limited	October 31, 2005

Barbados National Bank Inc.	September 30, 2005
Barbados Mortgage Finance Company Ltd.	September 30, 2005
BNB Finance & Trust Corporation	September 30, 2005

Butterfield Bank (Barbados) Ltd.	December 31, 2005
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FirstCaribbean International Bank

FirstCaribbean International Bank (Barbados) Limited, Barbados Branches	October 31, 2005
FirstCaribbean International Finance Corporation (Barbados) Limited	October 31, 2005
FirstCaribbean International Trust and Merchant Bank (Barbados) Limited	October 31, 2005

RBTT Bank Barbados Ltd.	December 31, 2005
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Royal Bank of Canada, Barbados Branch Operations	October 31, 2005
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Part III Companies*

Consolidated Finance Company Limited	December 31, 2005
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Signia Financial Group Inc.	September 30, 2005
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Globe Finance Inc.	December 31, 2005
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Clico Mortgage & Finance Corporation	December 31, 2005
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Banks – Caribbean Groups

Bank of NT Butterfield & Son Ltd.	December 31, 2005
FirstCaribbean International Bank Ltd.	October 31, 2005
RBTT Financial Holdings Ltd.	March 31, 2006
Republic Bank Ltd.	September 30, 2005













*Refers to companies registered under Part III of the Financial Institutions' Act.



Appendix XIII

PricewaterhouseCoopers Caribbean Offices

CONNECTING THE CARIBBEAN *

Country	Country Leader	Assurance	Advisory	Tax
Antigua (East Caribbean)	 Charles Walwyn (268) 462-3000 charles.walwyn@ag.pwc.com	Robert Wilkinson (268) 462-3000 robert.j.wilkinson@ag.pwc.com	Charles Walwyn (268) 462-3000 charles.walwyn@ag.pwc.com	Charles Walwyn (268) 462-3000 charles.walwyn@ag.pwc.com
Aruba	 Edsel Lopez (297) 522-1647 edsel.n.lopez@an.pwc.com	Edsel Lopez (297) 522-1647 edsel.n.lopez@an.pwc.com	Edsel Lopez (297) 522-1647 edsel.n.lopez@an.pwc.com	Hans Ruiter (297) 522-1647 hans.ruiter@an.pwc.com
Bahamas	 Thomas Hackett (242) 302-5301 thomas.hackett@bs.pwc.com	Clifford Johnson (242) 302-5307 clifford.johnson@bs.pwc.com	Thomas Hackett (242) 302-5301 thomas.hackett@bs.pwc.com	Thomas Hackett (242) 302-5301 thomas.hackett@bs.pwc.com
Barbados (East Caribbean)	 Andrew Marryshow (246) 467-6807 andrew.marryshow@bb.pwc.com	Marcus Hatch (246) 467-6804 marcus.hatch@bb.pwc.com	Christopher Sambrano (246) 467-6701 christopher.sambrano@bb.pwc.com	Wayne Fields (246) 467-6810 wayne.fields@bb.pwc.com
Bermuda	 Peter Mitchell (441) 299-7101 peter.c.mitchell@bm.pwc.com	George Holmes (441) 299-7109 george.holmes@bm.pwc.com	Peter Mitchell (441) 299-7101 peter.c.mitchell@bm.pwc.com	Rick Irvine (441) 299-7136 richard.e.irvine@bm.pwc.com
Bonaire (Neth. Antilles)	 Cees Rokx (resident in Curacao) [599] (9) 430-0000 cees.f.rokx@an.pwc.com	Cees Rokx (resident in Curacao) [599] (9) 430-0000 cees.f.rokx@an.pwc.com	Ivan de Windt [599] (9) 430-0000 ivan.p.dewindt@an.pwc.com	Steve Vanenburg [599] (9) 430-0000 steve.r.vanenburg@an.pwc.com
Cayman Islands	 Nick Freeland (345) 914-8603 nick.freeland@ky.pwc.com	Paul Anderton (345) 914-8602 paul.anderton@ky.pwc.com	David Walker (345) 949-7000 david.walker@ky.pwc.com	David Walwyn (345) 949-7000 david.walwyn@ky.pwc.com
Curacao (Neth. Antilles)	 Peter Bolwerk [599] (9) 430-0000 peter.j.bolwerk@an.pwc.com	Cees Rokx [599] (9) 430-0000 cees.f.rokx@an.pwc.com	Ivan de Windt [599] (9) 430-0000 ivan.p.dewindt@an.pwc.com	Steve Vanenburg [599] (9) 430-0000 steve.r.vanenburg@an.pwc.com
Grenada (East Caribbean)	 Philip Atkinson (resident in Barbados) (246) 467-6800 philip.atkinson@bb.pwc.com	Marcus Hatch (246) 467-6804 marcus.hatch@bb.pwc.com	Christopher Sambrano (246) 467-6701 christopher.sambrano@bb.pwc.com	Wayne Fields (246) 467-6810 wayne.fields@bb.pwc.com
St. Lucia (East Caribbean)	 Anthony Atkinson (758) 456-2600 anthony.d.atkinson@lc.pwc.com	Anthony Atkinson (758) 456-2600 anthony.d.atkinson@lc.pwc.com	Anthony Atkinson (758) 456-2600 anthony.d.atkinson@lc.pwc.com	Richard Peterkin (758) 456-2600 richard.n.peterkin@lc.pwc.com
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