

Trafalgar Development Bank 1998

DIRECTORS' REPORT

The Directors are pleased to submit their report for the year ended 30 September, 1998, together with audited accounts for the year ended on that date.

ACCOUNTS

The Group showed a profit of \$43.4 Million for the year ended 30 September 1998. Highlights of the year and comparative data of the bank's previous four years of operations are as follows:

Financial Highlights (dollars in Thousands)

	1998	1997	1996	1995
1994				
Assets****	2,597,923	2,467,859	2,179,986	1,904,877
1,329,871				
Lease receivable	11,525	20,050	21,778	35,113
50,711				
Loans Portfolio				
(Less provision for Loan Losses)	1,598,777	1,483,800	1,175,119	899,428
602,256				
Share Capital	115,047	115,047	115,047	115,047
57,524				
Due to other				

Financial Institutions	1,412,803	1,397,003	1,189,596	1,102,407	
856,579					
Revenue****	257,150	278,820	243,713	189,952	
162,045					
Expenses****	211,089	217,721	159,736	109,703	
75,557					
Taxation***	-745	-	-169	-	
70					
Minority Interest in Profit	(1,879)	4,110	(3,548)	3,469	-
422					
Net Profit	43,437	65,209	80,260	76,191	
86,840					
Earnings per share (cents)**	38	57	70	66.20	
75.5					

**EPS restated for increased share capital in 1995.

***Taxation relates to the subsidiary company.

****Previous year restated.

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DIVIDENDS

75.50

During the year, interim dividends of \$16,336,718 were paid to shareholders as follows:

March 1998 - 10 cents per unit totalling \$11,504,730

September 1998 - 4.2 cents per stock unit totalling \$4,831,987

The Directors are not recommending a final dividend for the financial year ended

30 September 1998.

DIRECTORS

Directors retiring by rotation in accordance with the Articles of Association are:

Mrs. I. V. Polly Brown, Messrs. Richard Byles, Patrick Lynch and Christopher Roberts, all of whom being eligible, offer themselves for re-election.

AUDITORS

Price Waterhouse have indicated their willingness to continue in office as auditors.
