

Price advances won out to declines by a fourteen (14) to seven (7) margin. Capital and Credit Merchant Bank (CCMB) lead the shares on the advance by a large margin moving up 60 cents or 42.86 per cent to close at \$2.00 followed by CCN up 60 cents or 8.16 per cent to \$7.95 and rounding off the top three advances was Grace, Kennedy and Co. moving up 70 cents or 7.95 per cent to \$9.50.

The major declines were LJ Williams (B) down 15 cents or 10.34 per cent to \$1.30, Berger Paints which continued to fall moved down a further 25 cents or 6.33 per cent to close at \$3.70 and Furness Trinidad down 15 cents or 2.70 per cent to \$5.40.

Scotiabank Trinidad and Tobago Limited

Half year results for the period ended April 30, 2004

Scotiabank's half year results for the period ended April 30, 2004 showed continued improvement in the performance of the bank. Net interest and other income increased by 3.97 per cent from \$262.083 million in 2003 to \$272.489 million in 2004. This increase was due to an 18.55 per cent rise in other income to \$83.462 million in 2004 as against \$70.401 million in 2003. Net interest income however fell slightly by 1.39 per cent to \$189.027 million in 2004 from \$191.682 million in 2003.

Non-interest expenses declined by 1.42 per cent to \$122.944 million in 2004 compared to \$124.718 in 2003. This was due to a significant decline in loan loss by 41.07 per cent and other expenses which fell by 15.66 per cent over the half year. Income before taxation increased by 8.87 per cent from \$137.365 million in 2003 to \$149.545 million in 2004. Income after taxation grew by an even healthier margin, up 10.85 per cent to \$109.894 million in 2004 from \$99.141 million in 2003. Earnings per share increased by 10.91 per cent for the half year from 84.3 cents earned in 2003 to 93.5 cents in 2004.

Return on asset improved significantly increasing to 3.02 per cent in 2004 compared with 2.67 per cent in 2003. Return on equity declined slightly to 23.98 per cent in 2004 from 24.08 per cent in 2003. The Chairman in his report indicated that despite the challenges which

have been facing the Banking sector over the past few months that the company continues to aggressively market quality assets, while maximizing its non-interest revenue streams in the areas of foreign exchange and merchant banking activities.

A second interim dividend of 18 cents per share was declared and is payable on June 29, 2004 to shareholders on the register as at June 7, 2004.

We anticipate continued moderate capital appreciation in this share. It is still trading at a relatively attractive price/earnings ratio of 15.79 based on an estimated earnings per share of \$1.90 at the current closing quote of \$30.00.

Sagicor Financial Corporation Limited

Results for the year ended December 31, 2003

All figures expressed in Barbados Dollars

There was a slight improvement in the group's actual performance for the financial year ended 2003 compared to the forecasted figures in the initial public offering prospectus for the similar period. Group earnings per share increased by 175 per cent to 22 cents in 2003 compared to 8 cents earned in 2002, and exceeded the group's expectation of 20.99 cents for 2003.

Income Statement	Actual 2003	Forecast 2003	Forecast 2004
	\$'000	\$'000	\$'000
Total Revenue	722,523	744,975	745,939
Policyholders' Benefits	381,733	464,313	471,754
Expenses	260,572	219,805	208,864
Net Income	55,623	49,324	55,940
Earnings Per Share	22 cents	21 cents	24 cents

Total revenue increased by 15.08 per cent from \$627.825 million in 2002 to \$722.523 million in 2003 as a result of a 32.09 per cent increase in net investment income, a 23.78 per cent increase in fees and other revenue and a 159.95 per cent increase in gains from divestments. During the financial year the company sold its 73 per cent interest in Mutual Bank of the

Caribbean Inc. to Bank of NT Butterfield for a net gain of \$12.5 million.

Total policy benefits increased by 13.72 per cent from \$335.685 million in 2002 to \$381.733 million in 2003. Total expenses climbed slightly over the financial year, up 2.11 per cent to \$260.572 million in 2003 from \$255.197 million in 2002. In 2002 there was a write off of goodwill of \$29.482 million which did not re-occur in 2003. The group however was faced with a \$14.2 million re-organisational cost in relation to a voluntary separation program and a re-branding campaign as the group restructured its operations for the future. The net effect of the non-recurrent income and expenses has had a negative impact on the 2003 financial results of \$1.7 million.

Income from ordinary activities increased significantly, moving up 117.14 per cent to \$80.128 million in 2003 compared with \$36.943 million generated in 2002. The corporation tax rate fell from 19.31 per cent in 2002 to 8.53 per cent in 2003 with tax payable declining to \$6.842 million in 2003 from \$7.135 million in 2003. Net income after taxation and before minority interest therefore rose by an even greater margin of 146.16 per cent to \$73.376 million in 2003 compared to \$29.808 million achieved in 2003.

Net income for the year improved by 311.90 per cent from \$13.504 million in 2002 to \$55.623 million in 2003. Based on these results the Board of Directors has declared a final dividend of 3 cents to be paid on June 7, 2004. This brings the total dividend paid for the financial year to 6 cents.

At the month end price of Bds \$4.15 the share is trading at a price/earnings ratio of 18.86 times which is high compared to similar companies trading in the same sector on the Trinidad market.

Grace, Kennedy & Co. Limited

First quarter ended March 31, 2004

Exchange translation J\$10- TT\$1.

The company continued on its path of solid financial performance with a relatively healthy increase in profits for the first quarter of 2004. Revenue generated by the

group increased by 30.1 per cent to \$733.8 million from \$563.9 million in 2003.

The contribution of the group's operating divisions to revenue were as follows

Group Operating Divisions	% Contribution to Revenue
Food Trading	39.19
Retail and Trading	33.43
Financial Services	20.58
Maritime	1.30
Information	8.68

Group trading profit grew by 40.9 per cent from \$41.4 million in 2003 to \$58.3 million in 2004. Profit from operations increased by 36.8 per cent to \$63.3 million in 2004 from \$46.3 million in 2003. While there was a reduction in finance costs by 45.1 per cent to \$3.53 million in 2004, share of profits from associated companies also fell, declining by 27.2 per cent to \$5.1 million compared to \$7.1 million earned in 2003. This fall in share of profits was a result of the divestment of GKC's shareholdings in Kingston Wharves over the quarter. Profit before taxation increased by 20.4 per cent to \$72.0 million in 2004 from \$59.8 million in 2003. Profit after taxation grew by 20.3 per cent to \$50.4 million in 2004 from \$41.9 million in 2003. Net profit attributable to shareholders moved up by 19.4 per cent from \$40.6 million in 2003 to \$48.5 million in 2004.

All divisions performed well with Financial Services in particular doing 'exceptionally well'. Grace has partnered with a St. Lucian holding company to provide general insurance in that island by the middle of this year. This initiative fits with the strategic intent of GKC of expanding the financial services division. Grace's initial stake in the partnership is 20 per cent.

Earnings per share for the quarter ended March 31, 2004 was 14.7 cents, up 17.6 per cent. We forecast a full year EPS of 72 cents, which gives a P/E ratio of 13.19 based on the current price of \$9.50.

STOCK MARKET QUOTATIONS

AS AT MAY 31, 2004

	Hist EPS ¢	Est EPS ¢	Est Div ¢	Curr Price	Est Yield %	Est P/E Ratio
Shares						
Banks						
First Caribbean	29.1	29.1	15.8	9.00	1.76	30.93
NCB J'ca	12.0	15.0	5.4	2.80	1.93	18.67
RBTT Fin Hold	235.0	235.0	100.0	44.40	2.25	18.89
Republic Bank	367.0	460.0	190.0	70.00	2.71	15.22
Scotiabank	165.6	190.0	80.0	30.00	2.67	15.79
Non-Bank Fin						
ANSA Fin & Merch	98.0	98.0	42.0	15.05	2.79	15.36
Capital & Credit	5.2	14.0	1.1	2.00	0.55	14.29
Guardian Holdings	215.0	215.0	54.0	34.50	1.57	16.05
JMMB	4.7	10.5	1.5	2.00	0.75	19.05
National Enterprises	55.0	60.0	42.0	10.15	4.14	16.92
Conglomerates						
Ansa Mcal Ltd	144.0	144.0	65.0	28.65	2.27	19.90
Bdos Ship & Trad	135.5	140.0	47.5	18.15	2.62	12.96
Grace, Kennedy	63.7	72.0	7.1	9.50	0.75	13.19
Neal and Massy	190.0	230.0	75.0	30.60	2.45	13.30
Trading						
Agostini's Ltd	34.9	20.0	10.0	8.35	1.20	41.75
BWIA	0.0	0.0	0.0	1.80	0.00	0.00
Furness Trinidad	14.0	14.0	0.0	5.40		0.00
L J Williams Ltd - 'A'	0.0	0.0	0.0	0.60		
L J Williams Ltd - 'B'	0.0	0.0	0.0	1.30		
Prestige Holdings	27.4	29.4	20.0	7.30	2.74	24.83
Property						
PLIPDECO	170.0	170.0	21.0	17.45	1.20	10.26
Valpark	47.3	47.3	0.0	5.00		10.57
Manufacturing						
Angostura Holdings	31.0	31.0	12.0	4.95	2.42	15.97
Berger Paints	0.0	0.0	17.0	3.70	4.59	
CCN	54.0	54.0	25.0	7.95	3.14	14.72
Flavorite Foods	24.0	24.0	10.5	4.10	2.56	17.08
Lever Brothers WI	142.0	142.0	155.0	29.00	5.34	20.42
National Flour Mills	23.0	23.0	16.0	3.15	5.08	13.70
Readymix WI	44.0	44.0	15.0	6.65	2.26	15.11
Trinidad Cement	50.0	60.0	20.0	6.15	3.25	10.25
Trinidad Publishing	45.0	45.0	25.0	7.80	3.21	17.33
WITCO	104.5	104.5	103.0	20.50	5.02	19.62

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JUNE 2004

Trading activity picked up in May as the total volume of shares crossing the board reached 26,913,918 compared to 15,921,628 shares traded in the previous month. There was however a slow down in the growth of the market as price increases were marginal and some shares adjusted downward as investors started taking profits where they saw the opportunity in relation to the share valuation. In addition there was some downward adjustment in a number of shares which traded ex-dividend and where disappointing financial results were released.

In May market indices registered their slowest growth for the year thus far with the Composite Index increasing by 12.2820 points or 1.39 per cent to close at 893.5612. The All T&T Index advanced at an even slower pace, moving up by 6.6743 points or 0.59 per cent to 1,137.3728.

The volume leader was National Commercial Bank of Jamaica (NCJB) with a total of 8,878,907 shares traded or 32.99 per cent of total volume. Trading was also heavy in Jamaica Money Market Brokers (JMMB) with a total of 4,307,641 shares traded or 16.01 per cent of total volume followed by Guardian Holdings with 4,227,345 shares traded or 15.71 per cent of all trades.

The Non-Banking Finance sector accounted for most of the shares traded in May followed closely by the Banking sector. The total volume of shares traded in the Non-Banking Finance sector was 12,363,354 or 45.94 per cent of all trades and 11,239,534 shares in the Banking sector or 41.76 per cent of all trades.