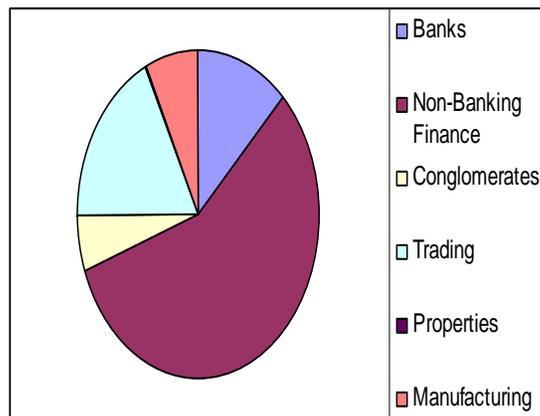

OCTOBER 2004

Stock Market activity slowed in September as a total volume of 19,231,965 shares were traded compared with 34,819,787 shares traded in the previous month, down 35.51 per cent. The total value of shares traded fell to \$126,032,283.37, down 60.04 per cent. A total of sixteen shares advanced, while eight shares declined. The Composite index slipped 0.27 per cent or 2.6155 points to end at 962.7349 points, however, the All T&T index increased by 1.27 per cent or 14.9913 points to close at 1,197.6925 points.

The Non-Banking finance sector showed the largest volume of shares traded, accounting for 56.73 per cent of the total volume. Within this sector, investors favoured Capital & Credit Merchant Bank, which saw 8,780,198 shares being traded, representing 45.65 per cent of the overall volume.

The Trading sector was second with 18.07 per cent of total volume with Agostini's Ltd. being the front runner in that sector with 2,753,795 shares traded. Total shares traded in Agostini's Ltd. represented 14.32 per cent of the overall volume and was the second largest volume traded. The Banking sector rounded off the top three positions with 12.53 per cent of total volume and included National Commercial Bank Jamaica, which is also the third largest overall volume share traded. A total of 1,603,888 NCBJ shares crossed the floor in September for 8.34 per cent of all trades.



Of the sixteen shares advancing, BWIA emerged as the largest percentage mover, gaining 80.77 per cent on its share price to close the month at 47 cents per share, up 21 cents. Agostini's Ltd. followed with an 11.35 per cent increase to reach \$10.30 per share, up \$1.05 and Ansa Mc al Ltd. share price rose 3.75 per cent, up \$1.25 to \$34.55 per share, representing the third highest percentage increase.

On the eight declines, Jamaica Money Market Brokers lost 16.67 per cent off its share price for the month, closing at \$1.50 per share, down 30 cents. National Commercial Bank Jamaica was down 10.71 per cent or 30 cents to reach \$2.50 per share and RBTT Financial holdings slipped 2.19 per cent or 95 cents to \$42.50 per share.

September marks the end of the financial year for several companies, namely, Agostini's Ltd., Barbados Shipping and Trading, National Commercial Bank Jamaica, Neal & Massy Holdings Ltd. and Republic Bank Ltd. We also look forward to half-year results from Jamaica Money Market Brokers, National Enterprises Ltd. and RBTT Financial Holdings Ltd.

FIRST CARIBBEAN INTERNATIONAL BANK LIMITED

3rd Quarter Results ended July 31, 2004.

All prices quoted in USD

First Caribbean International Bank has had a successful nine month period during which FCIB achieved strong growth in loans, particularly in mortgages and consumer loans. In total, loans increased by \$163 million for the third quarter and \$317 million from October 2003. This period also saw increased efficiency and reduction in costs due to their successful technology based integration.

First Caribbean International Bank's net interest income increased 3.88 per cent from \$188.806 million in 2003 to \$196.136 million in 2004. The rise was due to a drop of 11.86 per cent in total interest expenses which fell by \$12.573 million from \$105.924 million in 2003 to \$93.351 million for the likewise period in 2004. Total interest income however, fell by 1.78 per cent from \$294.730 for this period in 2003 to \$289.487 million in 2004. In comparison with first and second quarter results, net interest income increased 8.2 per cent and 4.14 per cent respectively which gives differentials of \$5,166 and \$2,690 for the corresponding quarters.

Non-interest income increased 3.32 per cent thereby facilitating a total increase in income of 3.71 per cent from \$274.407 million for 2003 to \$284.576 million for this corresponding period in 2004.

Non-interest expenses was up 4.88 per cent from \$171.668 in 2003 to \$180.053 in 2004 while, integration/ restructuring costs were down by \$8.577 million decreasing 22.77 per cent from \$15.710 to \$12.133 as the bank is coming to the end of their restructuring since the merger between Barclays Bank PLC and Canadian Imperial Bank of Commerce (CIBC). Provision for credit losses also decreased 49.17 per cent to \$9.533 million in 2004.

Operating profit increased \$14.582 million from \$68.275 million in 2003 to \$82.857 million in 2004.

This was also a 47 per cent increase from their second quarter of 2004.

The group's third quarter results reflect a reversal of goodwill amortization over the two previous quarters due to the adoption of IAS 36 and 38 (Impairment of assets and intangible assets). Taxation increased by 136.15 per cent compared to this period last year.

FCIB reported earnings per share (diluted) of 4.0 cents which was 29 per cent higher than last year's earnings of 3.1 cents for the same period. Based on these results, we are forecasting a full year's earnings of TT35 cents which gives an earnings multiple of 27.14 times.

SAGICOR FINANCIAL CORPORATION

Half Year results to 30 June 2004

Amounts in BDS Dollars

Exchange Rate TT\$3.0258 to Bds\$1

Total Revenue for the half year to 30 June 2004 increased by 11.77 per cent to reach \$388.5 million as Net premiums and contributions rose 13.03 per cent to \$266.57 million and Net investment and other income grew by 9.12 per cent to \$121.93 million. Net policy benefit was 15.69 per cent higher compared with the same period last year and reached \$220.29 million, while Expenses fell 2 per cent to \$124.11 million.

Sagicor's results show a 44.7 per cent growth in income from ordinary activities which reached \$44.11 million. The effective rate of taxation increased from 11.33 per cent in 2003 to 15.63 per cent in 2004, resulting in Net income after tax of \$37.2 million, up 37.7 per cent. Minority interest was down from \$7.22 million to \$6.39 million bringing Net income for the period to \$30.82 million, up 55.6 per cent. Of the \$30.82 million of Net income, \$1.05 million or 3.53 per cent is attributable to participating policyholders, while \$29.77 million or 96.47 per cent is attributable to shareholders. Net income margin improved from 5.69 per cent of Total revenue to 7.93 per cent. Earnings per share of 11.4 cents was posted, up 3.8 cents or 50 per cent from 7.6 cents last year.

On the Balance sheet Total Assets increased by 5.45 per cent to \$2.9 billion and Total liabilities increased by 3.06 per cent to \$2.18 billion resulting in Net Assets of \$720 million. Shareholders' Equity grew by \$13.32 per cent, reaching \$652.02 million as unrealized gains of \$53.65 million on available for sale investments was taken directly to the reserve account and not accounted for in the Income statement.

With a view to strengthening its market position in Jamaica, Sagicor entered an agreement to acquire certain business of the Jamaican company, First Life Insurance Company Ltd. This acquisition is expected to be completed by the end of 2004. Sagicor has operations in Barbados, Jamaica, Trinidad and Tobago and a number of other islands throughout the Caribbean.

Sagicor seems set to achieve or even surpass the forecast of 23.80 cents published in their prospectus for the initial public offering of the shares. If achieved these shares will be trading at an earnings multiple of 18.91 times at the Wednesday 01 September price of \$4.50 in Barbados.

The Group listed on the Trinidad and Tobago Stock Exchange on Tuesday 24 August with an opening price of TT\$12.86 per share and appreciated 89 cents to close the month at \$13.75 per share. The equivalent forecast earnings per share of TT 72.5 cents per share, gives an earnings multiple on the local market of 18.97 times, which is slightly above the average multiples of similar companies in this sector.

However, we expect some further price appreciation in the short term as supply of Sagicor shares on the local market may be quite thin initially. The supply of these shares depends on existing shareholders transferring their shares from the Barbados Central Securities Depository to the Trinidad and Tobago Central Securities Depository before they can be sold on this market. In our opinion, Sagicor is a solid company poised for strong growth which will be reflected in its share price.

WEST INDIES STOCKBROKERS LIMITED STOCK MARKET QUOTATIONS AS AT SEPTEMBER 30, 2004

	Hist EPS	Est EPS	Est Div	Curr Price	Est Yield %	Est P/E Ratio
	¢	¢	¢			
Shares						
Banks						
First Caribbean	29.1	35.0	16.0	9.50	1.68	27.14
NCB J'ca	12.0	16.0	5.4	2.50	2.16	15.63
RBTT Fin Hold	235.0	282.0	120.0	42.50	2.82	15.07
Republic Bank	367.0	460.0	190.0	79.71	2.38	17.33
Scotiabank	165.6	185.0	75.0	31.40	2.39	16.97
Non-Bank Fin						
ANSA Fin & Merch	98.0	100.0	32.0	16.50	1.94	16.50
Capital & Credit	8.4	18.0	1.0	2.60	0.38	14.44
Guardian Holdings	215.0	300.0	54.0	35.10	1.54	11.70
JMMB	11.0	11.0	1.5	1.50	1.00	13.64
National Enterprises	81.0	81.0	41.0	9.45	4.34	11.67
Sagicor Financial Corp	66.4	72.5	24.0	13.75	1.75	18.97
Conglomerates						
Ansa Mcal Ltd	144.0	172.0	65.0	34.55	1.88	20.09
Bdos Ship & Trad	135.5	182.0	47.5	20.30	2.34	11.15
Grace, Kennedy	63.7	72.0	7.1	10.55	0.67	14.65
Neal and Massy	190.0	230.0	80.0	35.15	2.28	15.28
Trading						
Agostini's Ltd	34.9	20.0	10.0	10.30	0.97	51.50
BWIA	0.0	0.0	0.0	0.47	0.00	0.00
Furness Trinidad	25.0	38.0	5.0	5.70	0.88	0.00
L J Williams Ltd - 'A'	0.0	0.0	0.0	0.62		
L J Williams Ltd - 'B'	0.0	0.0	0.0	1.20		
Prestige Holdings	27.4	37.0	20.0	8.65	2.31	23.38
Property						
PLIPDECO	170.0	175.0	21.0	20.55	1.02	11.74
Valpark	47.3	47.3	0.0	5.00		10.57
Manufacturing						
Angostura Holdings	31.0	40.0	12.0	4.75	2.53	11.88
Berger Paints	0.0	0.0	17.0	3.14	5.41	
CCN	54.0	63.0	28.0	10.00	2.80	15.87
Flavorite Foods	24.0	41.0	13.0	4.40	2.95	10.73
Lever Brothers WI	142.0	160.0	150.0	29.00	5.17	18.13
National Flour Mills	23.0	23.0	16.0	2.80	5.71	12.17
Readymix WI	44.0	48.0	15.0	6.80	2.21	14.17
Trinidad Cement	50.0	60.0	19.0	6.82	2.79	11.37
Trinidad Publishing	45.0	56.0	30.0	9.60	3.13	17.14
WITCO	104.5	120.0	110.0	22.40	4.91	18.67

West Indies Stockbrokers Limited is a subsidiary of RBTT Financial Holdings Limited. From time to time West Indies Stockbrokers Limited and/or its staff may take positions in some or all of the shares mentioned in our report. West Indies Stockbrokers Limited welcomes your comments. E-mail: wise@carib-link.net

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