



CHAIRMAN'S COMMENTS

GROUP FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED DECEMBER 31, 2009

The Group has recorded a profit attributable to shareholders of \$236 million for the quarter ended December 31, 2009, a decline of 14.7% from the corresponding period last year.

These results reflect the continuing weakness in the economies in which we operate. In Trinidad and Tobago, credit demand has stagnated and the steep decline in interest rates has negatively impacted our net interest margins. In the rest of the region, there has also been a slow down in economic activity as tourism has contracted and remittances have shrunk.

On the positive side, Central Bank reports suggest some improvement in the Trinidad and Tobago economy during the last quarter of 2009 and the decline in tourism in the rest of the region appears to be slowing.

The Group remains cautiously optimistic about its results for the financial year.

Ronald F. deC. Harford
Chairman

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED Dec-31-09 \$'000	UNAUDITED Dec-31-08 \$'000	AUDITED Sept-30-09 \$'000
ASSETS			
Cash resources	13,374,919	8,590,083	10,924,501
Advances	21,912,461	23,385,395	21,916,562
Investment securities	5,541,657	4,892,540	5,624,200
Premises and equipment	1,520,517	1,336,695	1,495,988
Net pension asset	1,151,907	1,103,768	1,156,697
Other assets	1,364,777	1,545,319	1,328,407
TOTAL ASSETS	44,866,238	40,853,800	42,446,355
LIABILITIES & EQUITY			
LIABILITIES			
Due to banks	563,811	617,563	273,555
Customers' deposits and other funding instruments	34,458,148	31,047,700	32,233,539
Debt securities in issue	1,408,480	1,527,774	1,438,245
Other liabilities	1,779,031	1,734,643	1,745,288
TOTAL LIABILITIES	38,209,470	34,927,680	35,690,627
EQUITY			
Stated capital	585,909	576,209	583,911
Statutory reserves	537,483	431,565	510,784
Other reserves	799,274	137,016	669,083
Retained earnings	4,191,086	4,298,121	4,440,229
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	6,113,752	5,442,911	6,204,007
Non-controlling interest	543,016	483,209	551,721
TOTAL LIABILITIES & EQUITY	44,866,238	40,853,800	42,446,355

CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED Dec-31-09 \$'000	UNAUDITED THREE MONTHS ENDED Dec-31-08 \$'000	AUDITED YEAR ENDED Sept-30-09 \$'000
Net interest income	518,103	551,579	2,100,444
Other income	226,166	227,719	1,053,008
Operating income	744,269	779,298	3,153,452
Operating expenses	(377,258)	(359,503)	(1,393,383)
	367,011	419,795	1,760,069
Loan impairment expense	(23,161)	(26,884)	(446,368)
Profit before taxation	343,850	392,911	1,313,701
Taxation	(84,630)	(94,281)	(274,865)
Net profit after taxation	259,220	298,630	1,038,836
<i>Attributable to:</i>			
Equity holders of the parent	236,007	276,821	948,445
Non-controlling interest	23,213	21,809	90,391
	259,220	298,630	1,038,836
Earnings per share			
Basic	\$1.47	\$1.72	\$5.91
Diluted	\$1.46	\$1.72	\$5.88
Average number of shares ('000)			
Basic	160,595	160,484	160,563
Diluted	161,840	161,200	161,211

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED Dec-31-09 \$'000	UNAUDITED THREE MONTHS ENDED Dec-31-08 \$'000	AUDITED YEAR ENDED Sept-30-09 \$'000
Net profit after taxation	259,220	298,630	1,038,836
Other Comprehensive income:			
Net gains/(losses) on available-for-sale investments	25,770	(53,294)	240,502
Tax (expense)/benefit	(2,361)	7,990	(30,685)
	23,409	(45,304)	209,817
Translation adjustments	2,877	5,668	31,082
Share of changes recognised directly in associate's equity	657	(3,840)	(5,462)
Other Comprehensive income for the period, net of tax	26,943	(43,476)	235,437
Total Comprehensive income for the period, net of tax	286,163	255,154	1,274,273
<i>Attributable to:</i>			
Equity holders of the parent	265,735	234,128	1,171,894
Non-controlling interest	20,428	21,026	102,379
	286,163	255,154	1,274,273

CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED THREE MONTHS ENDED Dec-31-09 \$'000	UNAUDITED THREE MONTHS ENDED Dec-31-08 \$'000	AUDITED YEAR ENDED Sept-30-09 \$'000
Operating Activities			
Profit before taxation	343,850	392,911	1,313,701
Adjustments for non-cash items	79,848	65,176	505,741
(Increase)/decrease in operating assets	(805,187)	(55,865)	1,254,179
Increase/(decrease) in operating liabilities	2,197,283	(728,321)	427,073
Taxes paid	(33,087)	(103,505)	(377,325)
Cash provided by/(used in) operating activities	1,782,707	(429,604)	3,123,369





CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	UNAUDITED THREE MONTHS ENDED Dec-31-09 \$'000	UNAUDITED THREE MONTHS ENDED Dec-31-08 \$'000	AUDITED YEAR ENDED Sept-30-09 \$'000
Investing Activities			
Net decrease/(increase) in investments	319,542	24,077	(596,166)
Dividends from associated companies	9,374	3,252	11,889
Additions to fixed assets	(65,435)	(70,964)	(310,757)
Proceeds from sale of fixed assets	105	135	3,837
Cash provided by/(used in) investing activities	263,586	(43,500)	(891,197)
Financing Activities			
Increase/(decrease) in balances due to other banks	290,256	214,266	(129,742)
Repayment of debt securities	(29,766)	(3,337)	(92,866)
Net proceeds from share issue	-	5,385	7,328
Dividends paid to shareholders of the parent	(358,126)	(357,744)	(542,149)
Dividends paid to non-controlling interest	(29,133)	(30,504)	(43,345)
Cash used in financing activities	(126,769)	(171,934)	(800,774)
Net increase/(decrease) in cash resources	1,919,524	(645,038)	1,431,398
Net foreign exchange difference	(1,278)	(4,639)	(25,094)
Cash and cash equivalents at beginning of period/year	7,040,364	5,634,060	5,634,060
Cash and cash equivalents at end of period/year	8,958,610	4,984,383	7,040,364
Supplemental Information:			
Interest received during the period/year	555,043	2,314,056	3,002,877
Interest paid during the period/year	219,618	824,219	962,349
Dividends received	31	2,409	2,312

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital \$'000	Statutory reserves \$'000	Other reserves \$'000	Retained earnings \$'000	Total equity attributable to equity holders of the parent \$'000	Non- controlling interest \$'000	Total equity \$'000
Quarter ended December 31, 2009							
Balance at October 1, 2009	583,911	510,784	669,083	4,440,229	6,204,007	551,721	6,755,728
Total comprehensive income for the period	-	-	29,727	236,008	265,735	20,428	286,163
Share-based payment	1,998	-	-	-	1,998	-	1,998
Transfer to general contingency reserves	-	-	100,464	(100,464)	-	-	-
Transfer to statutory reserves	-	26,699	-	(26,699)	-	-	-
Other	-	-	-	138	138	-	138
Dividends	-	-	-	(358,126)	(358,126)	-	(358,126)
Dividends paid to non-controlling interest	-	-	-	-	-	(29,133)	(29,133)
Balance at December 31, 2009	585,909	537,483	799,274	4,191,086	6,113,752	543,016	6,656,768
Quarter ended December 31, 2008							
Balance at October 1, 2008	568,747	426,180	185,577	4,378,099	5,558,603	492,687	6,051,290
Total comprehensive income for the period	-	-	(42,693)	276,821	234,128	21,026	255,154
Issue of shares	5,385	5,385	-	(5,385)	5,385	-	5,385
Share-based payment	2,077	-	-	-	2,077	-	2,077
Transfer from general contingency reserves	-	-	(5,867)	5,867	-	-	-
Other	-	-	-	463	463	-	463
Dividends	-	-	-	(357,744)	(357,744)	-	(357,744)
Dividends paid to non-controlling interest	-	-	-	-	-	(30,504)	(30,504)
Balance at December 31, 2008	576,209	431,565	137,017	4,298,121	5,442,912	483,209	5,926,121
Year ended September 30, 2009							
Balance at October 1, 2008	568,747	426,180	185,577	4,378,099	5,558,603	492,687	6,051,290
Total comprehensive income for the period	-	-	223,449	948,445	1,171,894	102,379	1,274,273
Issue of shares	7,328	-	-	-	7,328	-	7,328
Share-based payment	7,836	-	-	-	7,836	-	7,836
Transfer to general contingency reserves	-	-	260,057	(260,057)	-	-	-
Transfer to statutory reserves	-	84,604	-	(84,604)	-	-	-
Other	-	-	-	495	495	-	495
Dividends	-	-	-	(542,149)	(542,149)	-	(542,149)
Dividends paid to non-controlling interest	-	-	-	-	-	(43,345)	(43,345)
Balance at September 30, 2009	583,911	510,784	669,083	4,440,229	6,204,007	551,721	6,755,728

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

Republic Bank Limited (the 'Parent') is incorporated in the Republic of Trinidad and Tobago. It was continued under the provision of the Companies Act, 1995 on March 23, 1998 and its registered office is located at Republic House, 9-17 Park Street, Port of Spain.

The Republic Bank Group (the 'Group') is a financial services group comprising fifteen (15) subsidiaries and three (3) associated companies. The Group is engaged in a wide range of banking, financial and related activities in Trinidad and Tobago and the Caribbean.

The CL Financial Group holds through its various subsidiaries, 52.39% of the shares of Republic Bank Limited.

On January 31, 2009, Central Bank of Trinidad & Tobago issued a Notification pursuant to sections 44D and 44E of the Central Bank Act, Chap. 79:02 that the Central Bank of Trinidad & Tobago assumed control of the affairs of CLICO Investment Bank (CIB). Further, on February 13, 2009, the Central Bank of Trinidad & Tobago issued a Notification pursuant to sections 44D and 44E of the Central Bank Act, Chap. 79:02 that the Central Bank of Trinidad & Tobago assumed control of the affairs of Colonial Life Insurance Company (Trinidad) Limited (CLICO). These two companies are part of the CL Financial Group.

In accordance with the provisions of both Notifications, the Central Bank of Trinidad & Tobago has the power to deal with the shares and assets of the Companies, including the Republic Bank Limited shares. As at December 31, 2009, the combined shareholding of CLICO and CIB is 51.47%. In the interim and for the purpose of these financial statements, the related party note has not been amended to reflect the Central Bank control and has been prepared in a manner consistent with previous publications.

2 Basis of preparation

This interim financial report for the period ended December 31, 2009, has been prepared in accordance with IAS 34, 'Interim Financial Reporting' and should be used in conjunction with the annual financial statements for the year ended September 30, 2009.

3 Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended September 30, 2009, except for the adoption of new Standards and Interpretations, noted below:

IAS 1 Revised - Presentation of Financial Statements (Revised)

The amendment to IAS 1 requires the changes in equity arising from transactions with owners in their capacity as owners to be disclosed separately from non-owner changes in equity. The adoption of this standard had no effect on the financial position or performance of the Group but resulted in the presentation of a new statement called the Consolidated Statement of Comprehensive Income.

IFRS 8 - Operating Segments

This standard requires disclosure and analysis of the Group's internal method of assessing the business. The adoption of this standard had no effect on the financial position or performance of the Group.

4 Capital commitments

	UNAUDITED Dec-31-09 \$'000	UNAUDITED Dec-31-08 \$'000	AUDITED Sept-30-09 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	24,602	103,104	78,169
Other capital expenditure authorised by the Directors but not yet contracted for	169,198	120,635	172,247

5 General Contingency Reserve

Specific provisions are made for non-performing advances based on the difference between the loan balances and the discounted realisable value of collateral held. These provisions are charged through the income statement.

A General Contingency Reserve is created as an appropriation of retained earnings, for the difference between the specific provision and non-performing advances. When the collateral is realised, the reserve is released back to retained earnings. The General Contingency Reserve serves to enhance the Group's non-distributable capital base. As at December 31, 2009, the balance in the General Contingency Reserve of \$578.1 million is part of Other Reserves which totals \$799.3 million.





NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

6 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. A number of banking transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms and conditions, at market rates.

	UNAUDITED Dec-31-09 \$'000	UNAUDITED Dec-31-08 \$'000	AUDITED Sept-30-09 \$'000
Outstanding balances			
Loans, investments and other assets			
CL Financial Group	352,717	941,588	368,742
Associates	2,753	5,520	2,777
Directors and key management personnel	30,568	31,395	30,923
Other related parties	108,391	11,067	110,065
	<u>494,429</u>	<u>989,570</u>	<u>512,507</u>
Provision for amounts due from related parties	<u>210,196</u>	-	<u>199,453</u>
Deposits and other liabilities			
CL Financial Group	367,506	526,559	476,869
Associates	-	36,745	-
Directors and key management personnel	113,631	59,341	112,092
Other related parties	59,723	15,970	38,951
	<u>540,860</u>	<u>638,615</u>	<u>627,912</u>
Interest and other income			
CL Financial Group	6,379	24,402	65,320
Associates	1	14	35
Directors and key management personnel	1,242	686	6,160
Other related parties	1,873	319	7,713
	<u>9,495</u>	<u>25,421</u>	<u>79,228</u>
Interest and other expense			
CL Financial Group	588	2,934	7,173
Associates	-	130	-
Directors and key management personnel	1,536	1,233	9,206
Other related parties	83	735	193
	<u>2,207</u>	<u>5,032</u>	<u>16,572</u>
Key management compensation			
Short term benefits	14,836	14,069	47,492
Post employment benefits	1,235	998	1,338
Termination benefits	1,586	1,504	2,111
Long term benefits	-	35	145
	<u>17,657</u>	<u>16,606</u>	<u>51,086</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

7 Segment reporting

The Group analyses its operations by geographic segments reflecting its management structure as follows:

	Trinidad & Tobago \$'000	Barbados \$'000	Cayman, Guyana & Eastern Caribbean \$'000	Eliminations \$'000	Total \$'000
Unaudited Three months ended December 31, 2009					
Operating income	646,201	117,972	94,056	(113,960)	744,269
Profit before taxation	360,534	48,453	44,006	(109,143)	343,850
Total assets	32,806,270	9,474,575	7,877,750	(5,292,357)	44,866,238
Unaudited Three months ended December 31, 2008					
Operating income	683,428	119,978	89,642	(113,750)	779,298
Profit before taxation	411,082	49,637	40,837	(108,645)	392,911
Total assets	29,544,407	9,805,280	7,596,191	(6,092,078)	40,853,800
Audited Year ended September 30, 2009					
Operating income	2,438,498	492,979	368,579	(146,604)	3,153,452
Profit before taxation	1,061,539	214,537	167,556	(129,931)	1,313,701
Total assets	30,289,274	9,237,060	7,747,569	(4,827,548)	42,446,355

8 Contingent liabilities

As at December 31, 2009, there were certain legal proceedings outstanding against the Group. No provision has been made as professional advice indicates that it is unlikely that any significant loss will arise or that it would be premature at this stage of the action to determine that eventuality.

