



CHAIRMAN'S COMMENTS

GROUP FINANCIAL HIGHLIGHTS FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2007

Group profit attributable to shareholders for the first quarter ended December 2007 is \$266.8 million, an 18% increase over the corresponding period to December 2006. This represents a very satisfactory and solid start to our financial year.

The quarter under review has been characterised by volatile world financial markets which have been reported extensively in the media. This has to date not affected the markets in which we operate which continue to perform well.

The Group is on track to meet its performance targets for the year.

Ronald F. deC. Harford
Chairman

CONSOLIDATED BALANCE SHEET

	UNAUDITED 31-Dec-07 \$'000	RESTATED UNAUDITED 31-Dec-06 \$'000	AUDITED 30-Sep-07 \$'000
ASSETS			
Cash resources	8,285,715	6,476,346	7,011,769
Investment securities	5,868,257	7,363,162	6,408,698
Advances	20,537,468	18,372,860	19,917,392
Non-current assets held for sale	—	—	586,902
Net pension asset	1,039,845	959,502	1,015,807
Other assets	1,380,119	1,498,438	1,339,735
Premises and equipment	1,121,563	1,026,833	1,081,842
TOTAL ASSETS	38,232,967	35,697,141	37,362,145
LIABILITIES & SHAREHOLDERS' EQUITY			
LIABILITIES			
Customers' deposits and other funding instruments	29,796,497	27,763,652	28,677,828
Debt securities in issue	795,103	776,264	797,975
Non-current liabilities held for sale	—	—	524,158
Due to banks	793,299	738,050	600,570
Other liabilities	1,602,878	1,724,750	1,474,186
	32,987,777	31,002,716	32,074,717
SHAREHOLDERS' EQUITY			
Stated capital	554,563	540,104	552,486
Statutory reserves	310,339	301,491	308,608
Other reserves	190,389	564,111	187,850
Retained earnings	3,757,790	2,903,785	3,812,929
	4,813,081	4,309,491	4,861,873
Minority interest	432,109	384,934	425,555
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	38,232,967	35,697,141	37,362,145

CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED QUARTER ENDED 31-Dec-07 \$'000	RESTATED UNAUDITED QUARTER ENDED 31-Dec-06 \$'000	AUDITED YEAR ENDED 30-Sep-07 \$'000
Net interest income	466,156	388,438	1,666,451
Other income	256,891	220,738	985,238
	723,047	609,176	2,651,689
Net gain on FCIB shareholding	—	29,691	370,187
Operating expenses	(341,914)	(291,869)	(1,296,697)
Profit before taxation	381,133	346,998	1,725,179
Taxation	(87,530)	(79,365)	(258,185)
Loss on discontinued operations	(2,552)	(19,247)	(41,189)
Net profit after taxation	291,051	248,386	1,425,805
Minority interest	(24,218)	(22,265)	(90,116)
Net profit after taxation and minority interest	266,833	226,121	1,335,689
Earnings per share			
Basic	\$1.67	\$1.41	\$8.34
Diluted	\$1.66	\$1.41	\$8.33
Average number of shares ('000)			
Basic	160,172	159,994	160,090
Diluted	160,408	160,359	160,377

CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED QUARTER ENDED 31-Dec-07 \$'000	UNAUDITED QUARTER ENDED 31-Dec-06 \$'000	AUDITED YEAR ENDED 30-Sep-07 \$'000
Operating Activities			
Profit before taxation	381,133	346,998	1,725,179
Adjustments for non-cash items	33,786	(42,939)	101,139
Increase in operating assets	(443,711)	(1,063,032)	(3,556,218)
Increase in operating liabilities	716,396	1,173,349	2,518,552
Corporation taxes paid	(74,874)	(71,088)	(265,127)
Cash provided by operating activities	612,730	343,288	523,525
Investing Activities			
Net decrease in investments	1,083,814	646,185	528,439
Net cash outflow from the purchase of associated company	—	—	(46,519)
Dividends from associated companies	3,274	292	6,475
Additions to fixed assets	(62,972)	(14,521)	(176,762)
Proceeds from sale of fixed assets	—	325	27,835
Cash provided by investing activities	1,024,116	632,281	339,468
Financing Activities			
Increase/(decrease) in balances due to other banks	192,729	(481,425)	(618,911)
Repayment of debt securities	(2,872)	(2,612)	(12,138)
Net proceeds from share issue	—	—	6,172
Dividends paid to shareholders of the parent	(320,344)	(276,789)	(427,305)
Dividends paid to minority shareholders of the subsidiaries	(28,850)	(25,647)	(39,058)
Cash used in financing activities	(159,337)	(786,473)	(1,091,240)
Net increase/(decrease) in cash resources	1,477,509	189,096	(228,247)
Net foreign exchange difference	(3,771)	9,807	(20,308)
Cash and cash equivalents at beginning of period/year	4,349,063	4,597,618	4,597,618
Cash and cash equivalents at end of period/year	5,822,801	4,796,521	4,349,063
Supplemental Information:			
Interest received during the period/year	792,315	661,524	2,764,986
Interest paid during the period/year	289,356	260,380	1,042,259
Dividends received	441	1,122	21,265





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	Minority Interest \$'000	Total Equity \$'000
Quarter ended 31st December, 2007							
Balance at 1st October, 2007	552,486	308,608	187,850	3,812,929	4,861,873	425,555	5,287,428
Realized gains transferred to net profit	—	—	(497)	—	(497)	—	(497)
Revaluation of available-for-sale investments	—	—	13,768	—	13,768	9,789	23,557
Revaluation — derivatives	—	—	(1,446)	—	(1,446)	—	(1,446)
Translation adjustments	—	—	1,155	—	1,155	702	1,857
Total income and expense recognized							
directly in equity	—	—	12,980	—	12,980	10,491	23,471
Profit for the period	—	—	—	266,833	266,833	24,218	291,051
Total income and expense for the period	—	—	12,980	266,833	279,813	34,709	314,522
Value of services provided	2,077	—	—	—	2,077	—	2,077
Transfer to general contingency reserves	—	—	(103)	103	—	—	—
Transfers to statutory reserves	—	1,731	—	(1,731)	—	—	—
Exchange earnings realized from capital reserve	—	—	(10,338)	—	(10,338)	695	(9,643)
Equity dividends	—	—	—	(320,344)	(320,344)	—	(320,344)
Dividends of subsidiaries	—	—	—	—	—	(28,850)	(28,850)
Balance at 31st December, 2007	554,563	310,339	190,389	3,757,790	4,813,081	432,109	5,245,190
Quarter ended 31st December, 2006							
Balance at 1st October, 2006	537,104	300,637	596,079	2,956,338	4,390,158	384,800	4,774,958
Revaluation of available-for-sale investments	—	—	(43,034)	—	(43,034)	1,956	(41,078)
Translation adjustments	—	—	8,415	—	8,415	1,560	9,975
Total income and expense recognized							
directly in equity	—	—	(34,619)	—	(34,619)	3,516	(31,103)
Profit for the period	—	—	—	226,121	226,121	22,265	248,386
Total income and expense for the period	—	—	(34,619)	226,121	191,502	25,781	217,283
Value of services provided	3,000	—	—	—	3,000	—	3,000
Transfer of general provision for loan losses	—	—	1,621	—	1,621	—	1,621
Transfer to general contingency reserves	—	—	1,030	(1,030)	—	—	—
Transfers to statutory reserves	—	854	—	(854)	—	—	—
Equity dividends	—	—	—	(276,790)	(276,790)	—	(276,790)
Dividends of subsidiaries	—	—	—	—	—	(25,647)	(25,647)
Balance at 31st December, 2006	540,104	301,491	564,111	2,903,785	4,309,491	384,934	4,694,425
Year ended 30th September, 2007							
Balance at 1st October, 2006	537,104	300,637	596,079	2,956,338	4,390,158	384,800	4,774,958
Realized gains transferred to net profit	—	—	(416,782)	—	(416,782)	—	(416,782)
Revaluation of available-for-sale investments	—	—	(57,135)	—	(57,135)	(14,360)	(71,495)
Revaluation — derivatives	—	—	(2,380)	—	(2,380)	—	(2,380)
Translation adjustments	—	—	12,969	—	12,969	4,057	17,026
Share of changes recognized							
directly in associate's equity	—	—	9,639	—	9,639	—	9,639
Total income and expense recognized							
directly in equity	—	—	(453,689)	—	(453,689)	(10,303)	(463,992)
Profit for the year	—	—	—	1,335,689	1,335,689	90,116	1,425,805
Total income and expense for the year	—	—	(453,689)	1,335,689	882,000	79,813	961,813
Issue of shares	6,172	—	—	—	6,172	—	6,172
Value of services provided	9,210	—	—	—	9,210	—	9,210
Transfer to general contingency reserves	—	—	43,822	(43,822)	—	—	—
Transfers to statutory reserves	—	7,971	—	(7,971)	—	—	—
Other	—	—	1,638	—	1,638	—	1,638
Equity dividends	—	—	—	(427,305)	(427,305)	—	(427,305)
Dividends of subsidiaries	—	—	—	—	—	(39,058)	(39,058)
Balance at 30th September, 2007	552,486	308,608	187,850	3,812,929	4,861,873	425,555	5,287,428

NOTES TO THE FINANCIAL STATEMENTS

1 Basis of preparation

This interim financial report for the quarter ended 31st December, 2007 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 30th September, 2007.

2 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 30th September, 2007 except for the adoption of new Standards and Interpretations, noted below:

IAS 1 Presentation of Financial Statements

The amendment to IAS 1 requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. These disclosures will be detailed in the Group's annual financial statements for the year ended 30th September, 2008.

IFRS 7 Financial Instruments: Disclosures

The Group adopted IFRS 7 as of 1st October, 2007 which requires disclosures that enable users to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. It replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and the disclosure requirements in IAS 32, Financial Instruments: Disclosure and Presentation. These disclosures will be detailed in the Group's annual financial statements for the year ended 30th September, 2008.

IFRIC 11 and IFRS 2 – Group and Treasury Share Transactions

This interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme, even if the entity buys the instruments from another party, or the shareholders provide the equity instruments needed. The adoption of this Interpretation did not have any effect on the financial position or performance of the Group.

3 Non-current assets and liabilities held for sale

As disclosed in Note 35 of the Group's financial statements for the year ended 30th September, 2007, on 5th October, 2007, the Group transferred the banking assets and liabilities of Republic Bank (DR) S.A. to the purchaser Banco BHD.

The remaining non-banking assets of Republic Bank (DR) S.A. have been included in other assets while the Group continues to dispose of these items.

4 Capital commitments

	UNAUDITED 31-Dec-07 \$'000	UNAUDITED 31-Dec-06 \$'000	AUDITED 30-Sep-07 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	145,249	193,292	237,586
Other capital expenditure authorized by the Directors but not yet contracted for	46,977	87,533	119,698



NOTES TO THE FINANCIAL STATEMENTS

5 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 31-Dec-07 \$'000	UNAUDITED 31-Dec-06 \$'000	AUDITED 30-Sep-07 \$'000
Outstanding balances			
Loans, investments and other assets			
CL Financial Group	220,787	298,934	368,467
Associates	2,415	13,068	2,493
Directors and key management personnel	29,953	13,450	23,888
Other related parties	11,485	19,331	14,471
	264,640	344,783	409,319
Deposits and other liabilities			
CL Financial Group	345,738	137,191	345,181
Associates	3,905	4,160	4,531
Directors and key management personnel	40,310	29,779	41,218
Other related parties	41,093	10,006	29,262
	431,046	181,136	420,192
Interest and other income			
CL Financial Group	10,940	7,094	22,450
Associates	—	2	181
Directors and key management personnel	552	316	1,593
Other related parties	514	602	1,521
	12,006	8,014	25,745
Interest and other expense			
CL Financial Group	2,148	234	4,813
Associates	25	—	—
Directors and key management personnel	718	559	2,289
Other related parties	132	37	213
	3,023	830	7,315
Key management compensation			
Short term benefits	6,751	7,065	30,493
Post employment benefits	113	403	1,668
Termination benefits	1,191	1,425	1,303
Long term benefits	16	—	—
Share-based payment	—	—	—
	8,071	8,893	33,464

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

6 Segment reporting

The Group analyses its operations by both geographic and business segments. The primary format is geographic reflecting its management structure as follows:

	Trinidad & Tobago \$'000	Barbados \$'000	Cayman, Guyana & Eastern Caribbean \$'000	Eliminations \$'000	Total — Continuing Operations \$'000	Dominican Republic — Discontinued Operations \$'000	Total \$'000
Unaudited							
Quarter ended 31st December, 2007							
Net interest income	307,751	89,705	68,700	—	466,156	123	466,279
Other income	286,432	36,807	24,392	(90,740)	256,891	3,461	260,352
Operating income	594,183	126,512	93,092	(90,740)	723,047	3,584	726,630
Operating expenses	(238,520)	(60,286)	(43,108)	—	(341,914)	(6,136)	(348,050)
Profit before taxation	355,663	66,226	49,984	(90,740)	381,133	(2,552)	378,581
Total assets	25,955,758	9,500,457	7,637,405	(4,860,653)	38,232,967	—	38,232,967
Total liabilities	21,808,181	8,591,706	6,276,860	(3,688,970)	32,987,777	—	32,987,777
Depreciation	23,784	3,033	2,724	—	29,541	—	29,541
Capital expenditure on premises and equipment	52,861	2,158	7,953	—	62,972	—	62,972
Unaudited							
Quarter ended 31st December, 2006							
Net interest income	259,251	79,625	49,562	—	388,438	5,826	394,264
Other income	310,014	33,678	51,941	(145,204)	250,429	7,425	257,854
Operating income	569,265	113,303	101,503	(145,204)	638,867	13,251	652,118
Operating expenses	(195,277)	(56,400)	(40,192)	—	(291,869)	(32,498)	(324,367)
Profit before taxation	373,988	56,903	61,311	(145,204)	346,998	(19,247)	327,751
Total assets (restated)	24,634,147	8,029,756	6,631,759	(4,367,729)	34,927,933	769,208	35,697,141
Total liabilities	20,852,293	7,269,074	5,290,997	(3,090,913)	30,321,451	681,265	31,002,716
Depreciation	19,260	3,228	2,377	—	24,865	1,173	26,038
Capital expenditure on premises and equipment	11,650	2,319	552	—	14,521	—	14,521
Audited							
Year ended 30th September, 2007							
Net interest income	1,107,288	324,348	234,815	—	1,666,451	15,092	1,681,543
Other income	916,932	154,754	484,337	(200,598)	1,355,425	52,352	1,407,777
Operating income	2,024,220	479,102	719,152	(200,598)	3,021,876	67,444	3,089,320
Operating expenses	(874,720)	(242,151)	(179,826)	—	(1,296,697)	(108,633)	(1,405,330)
Profit before taxation	1,149,500	236,951	539,326	(200,598)	1,725,179	(41,189)	1,683,990
Total assets	25,583,294	9,392,977	7,241,679	(5,442,707)	36,775,243	586,902	37,362,145
Total liabilities	21,140,655	8,480,600	5,898,853	(3,969,549)	31,550,559	524,158	32,074,717
Depreciation	64,259	12,177	11,016	—	87,452	—	87,452
Capital expenditure on premises and equipment	118,791	11,077	46,894	—	176,762	—	176,762

7 Contingent liabilities

As at 31st December, 2007, 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.