



### CHAIRMAN'S COMMENTS

GROUP FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED DECEMBER 31, 2008

We are pleased to advise that the Group has achieved a profit attributable to shareholders of \$276.8 million for the first quarter ended December 31, 2008. Against the backdrop of the global economic environment, this reflects a commendable growth of 4% over the corresponding period last year. Total assets at December 31, 2008 remained stable at \$40.9 billion when compared with September 30, 2008.

The Caribbean economies in which we operate are beginning to experience the effects of the international slowdown and this is being vigilantly monitored. The Group has strong capital and liquidity ratios and we believe it is well poised to face the challenges ahead.

Ronald F. deC. Harford  
Chairman

### CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED Dec-31-08 \$'000	UNAUDITED THREE MONTHS ENDED Dec-31-07 \$'000	AUDITED YEAR ENDED Sept-30-08 \$'000
Net interest income	538,053	466,156	1,983,835
Other income	241,245	256,891	1,034,894
	<u>779,298</u>	<u>723,047</u>	<u>3,018,729</u>
Loan impairment expense	(26,884)	(5,428)	(34,390)
Operating expenses	(359,503)	(336,486)	(1,435,349)
<b>Operating profit</b>	<b>392,911</b>	<b>381,133</b>	<b>1,548,990</b>
Allocation of Visa Inc. shares	-	-	112,050
<b>Profit before taxation</b>	<b>392,911</b>	<b>381,133</b>	<b>1,661,040</b>
Taxation	(94,281)	(87,530)	(354,352)
Loss on discontinued operations	-	(2,552)	(2,552)
<b>Net profit after taxation</b>	<b>298,630</b>	<b>291,051</b>	<b>1,304,136</b>
<i>Attributable to:</i>			
Equity holders of the parent	276,821	266,833	1,203,890
Minority interest	21,809	24,218	100,246
	<u>298,630</u>	<u>291,051</u>	<u>1,304,136</u>
<b>Earnings per share</b>			
Basic	\$1.72	\$1.67	\$7.51
Diluted	\$1.72	\$1.66	\$7.50
<b>Average number of shares ('000)</b>			
Basic	160,484	160,172	160,295
Diluted	161,200	160,408	160,538

### CONSOLIDATED BALANCE SHEET

	UNAUDITED Dec-31-08 \$'000	UNAUDITED Dec-31-07 \$'000	AUDITED Sept-30-08 \$'000
<b>ASSETS</b>			
Cash resources	9,398,330	8,285,714	9,841,967
Advances	22,633,826	20,537,468	22,841,399
Investment securities	4,892,540	5,868,257	5,058,584
Premises and equipment	1,336,695	1,121,563	1,300,274
Net pension asset	1,103,768	1,039,845	1,090,852
Other assets	1,545,320	1,380,120	1,433,624
<b>TOTAL ASSETS</b>	<b>40,910,479</b>	<b>38,232,967</b>	<b>41,566,700</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>LIABILITIES</b>			
Due to banks	617,563	793,299	403,297
Customers' deposits and other funding instruments	31,047,700	29,796,497	31,693,823
Debt securities in issue	1,527,774	795,103	1,531,111
Other liabilities	1,791,321	1,602,878	1,887,179
	<u>34,984,358</u>	<u>32,987,777</u>	<u>35,515,410</u>
<b>EQUITY</b>			
Stated capital	576,209	554,563	568,747
Statutory reserves	431,565	310,339	426,180
Other reserves	137,017	190,389	185,577
Retained earnings	4,298,121	3,757,790	4,378,099
	<u>5,442,912</u>	<u>4,813,081</u>	<u>5,558,603</u>
Minority interest	483,209	432,109	492,687
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>40,910,479</b>	<b>38,232,967</b>	<b>41,566,700</b>

### CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED THREE MONTHS ENDED Dec-31-08 \$'000	UNAUDITED THREE MONTHS ENDED Dec-31-07 \$'000	AUDITED YEAR ENDED Sept-30-08 \$'000
<b>Operating activities</b>			
Profit before taxation	392,911	381,133	1,661,040
Adjustments for non-cash items	65,177	33,786	(13,353)
Increase in operating assets	(13,362)	(443,711)	(3,760,154)
(Decrease)/increase in operating liabilities	(728,323)	716,396	2,808,695
Corporation taxes paid	(103,505)	(74,874)	(279,954)
<b>Cash (used in)/provided by operating activities</b>	<b>(387,102)</b>	<b>612,730</b>	<b>416,274</b>
<b>Investing activities</b>			
Net increase in investments	24,077	63,201	913,586
Net change in the composition of the Group	-	-	(6,101)
Dividends from associated companies	3,252	3,274	21,063
Additions to fixed assets	(70,964)	(62,972)	(395,810)
Proceeds from sale of fixed assets	135	-	73,396
<b>Cash (used in)/provided by investing activities</b>	<b>(43,500)</b>	<b>3,503</b>	<b>606,134</b>
<b>Financing activities</b>			
Decrease/(increase) in balances due to other banks	214,266	192,729	(197,273)
Repayment of debt securities	(3,337)	(2,872)	(43,399)
Net proceeds from bond issue	-	-	776,535
Net proceeds from share issue	5,385	-	9,157
Dividends paid to shareholders of the parent	(357,744)	(320,344)	(504,708)
Dividends paid to minority shareholders of the subsidiaries	(30,504)	(28,850)	(43,181)
<b>Cash used in financing activities</b>	<b>(171,934)</b>	<b>(159,337)</b>	<b>(2,869)</b>
<b>Net (decrease)/increase in cash resources</b>	<b>(602,536)</b>	<b>456,897</b>	<b>1,019,539</b>
Net foreign exchange difference	(4,639)	(3,571)	10,791
Cash and cash equivalents at beginning of period/year	6,399,805	5,369,475	5,369,475
<b>Cash and cash equivalents at end of period/year</b>	<b>5,792,630</b>	<b>5,822,801</b>	<b>6,399,805</b>
<b>Supplemental information:</b>			
Interest received during the period/year	840,145	792,315	3,141,777
Interest paid during the period/year	261,554	289,356	1,116,333
Dividends received	414	441	2,711





### 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
<b>Quarter ended December 31, 2008</b>							
<b>Balance at October 1, 2008</b>	<b>568,747</b>	<b>426,180</b>	<b>185,577</b>	<b>4,378,099</b>	<b>5,558,603</b>	<b>492,687</b>	<b>6,051,290</b>
Revaluation of available-for-sale investments	-	-	(43,415)	-	(43,415)	(1,889)	(45,304)
Translation adjustments	-	-	4,562	-	4,562	1,106	5,668
Share of changes recognized directly in associate's equity	-	-	(3,840)	-	(3,840)	-	(3,840)
Total income and expense recognized directly in equity	-	-	(42,693)	-	(42,693)	(783)	(43,476)
Profit for the period	-	-	-	276,821	276,821	21,809	298,630
Total income and expense 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 to general contingency reserves	-	-	(5,867)	5,867	-	-	-
Other	-	-	-	463	463	-	463
Dividends	-	-	-	(357,744)	(357,744)	-	(357,744)
Dividends paid to minorities	-	-	-	-	-	(30,504)	(30,504)
<b>Balance at December 31, 2008</b>	<b>576,209</b>	<b>431,565</b>	<b>137,017</b>	<b>4,298,121</b>	<b>5,442,912</b>	<b>483,209</b>	<b>5,926,121</b>
<b>Quarter ended December 31, 2007</b>							
<b>Balance at October 1, 2007</b>	<b>552,486</b>	<b>308,608</b>	<b>187,850</b>	<b>3,812,929</b>	<b>4,861,873</b>	<b>425,555</b>	<b>5,287,428</b>
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
Share-based payment	2,077	-	-	-	2,077	-	2,077
Transfer to general contingency reserves	-	-	(103)	103	-	-	-
Transfer to statutory reserves	-	1,731	-	(1,731)	-	-	-
Other	-	-	(10,338)	-	(10,338)	695	(9,643)
Dividends	-	-	-	(320,344)	(320,344)	-	(320,344)
Dividends paid to minorities	-	-	-	-	-	(28,850)	(28,850)
<b>Balance at December 31, 2007</b>	<b>554,563</b>	<b>310,339</b>	<b>190,389</b>	<b>3,757,790</b>	<b>4,813,081</b>	<b>432,109</b>	<b>5,245,190</b>
<b>Year ended September 30, 2008</b>							
<b>Balance at October 1, 2007</b>	<b>552,486</b>	<b>308,608</b>	<b>187,850</b>	<b>3,812,929</b>	<b>4,861,873</b>	<b>425,555</b>	<b>5,287,428</b>
Realized gains transferred to net profit	-	-	(3,823)	-	(3,823)	690	(3,133)
Revaluation of available-for-sale investments	-	-	6,743	-	6,743	15,059	21,802
Translation adjustments	-	-	(16,803)	-	(16,803)	(5,682)	(22,485)
Share of changes recognized directly in associate's equity	-	-	(136)	-	(136)	-	(136)
Total income and expense recognized directly in equity	-	-	(14,019)	-	(14,019)	10,067	(3,952)
Profit for the year	-	-	-	1,203,890	1,203,890	100,246	1,304,136
Total income and expense for the year	-	-	(14,019)	1,203,890	1,189,871	110,313	1,300,184
Issue of shares	9,157	-	-	-	9,157	-	9,157
Share-based payment	7,104	-	-	-	7,104	-	7,104
Transfer to general contingency reserves	-	-	22,084	(22,084)	-	-	-
Transfer to statutory reserves	-	117,572	-	(117,572)	-	-	-
Other	-	-	(10,338)	5,644	(4,694)	-	(4,694)
Dividends	-	-	-	(504,708)	(504,708)	-	(504,708)
Dividends paid to minorities	-	-	-	-	-	(43,181)	(43,181)
<b>Balance at September 30, 2008</b>	<b>568,747</b>	<b>426,180</b>	<b>185,577</b>	<b>4,378,099</b>	<b>5,558,603</b>	<b>492,687</b>	<b>6,051,290</b>

### NOTES TO THE FINANCIAL STATEMENTS

#### 1 Basis of preparation

This interim financial report for the quarter ended December 31, 2008 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, 2008.

#### 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 September 30, 2008.

#### 3 Capital commitments

	UNAUDITED Dec-31-08 \$'000	UNAUDITED Dec-31-07 \$'000	AUDITED Sept-30-08 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	103,104	145,249	225,394
Other capital expenditure authorized by the Directors but not yet contracted for	120,635	46,977	13,843

#### 4 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-31-08 \$'000	UNAUDITED Dec-31-07 \$'000	AUDITED Sept-30-08 \$'000
<b>Outstanding balances</b>			
<b>Loans, investments and other assets</b>			
CL Financial Group	941,588	220,787	885,478
Associates	5,520	2,415	3,758
Directors and key management personnel	31,395	29,953	33,843
Other related parties	11,067	11,485	11,132
	989,570	264,640	934,211
<b>Deposits and other liabilities</b>			
CL Financial Group	526,559	345,738	1,076,995
Associates	36,745	3,905	81
Directors and key management personnel	59,341	40,310	45,522
Other related parties	15,970	41,093	11,580
	638,615	431,046	1,134,178
<b>Interest and other income</b>			
CL Financial Group	24,402	10,940	73,804
Associates	14	-	25
Directors and key management personnel	686	552	2,304
Other related parties	319	514	1,418
	25,421	12,006	77,551
<b>Interest and other expense</b>			
CL Financial Group	2,934	2,148	18,329
Associates	130	25	57
Directors and key management personnel	1,233	718	4,152
Other related parties	735	132	230
	5,032	3,023	22,768

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

#### Key management compensation

	2008	2007	2008
Short term benefits	10,238	9,515	45,788
Post employment benefits	998	113	1,343
Termination benefits	1,504	1,191	2,301
Long term benefits	35	16	179
Share-based payment	-	-	-
	12,775	10,835	49,611

### NOTES TO THE FINANCIAL STATEMENTS

#### 5 Segment reporting

The Group analyzes 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
<b>Unaudited</b>							
<b>Three months ended December 31, 2008</b>							
Net interest income	380,815	89,563	67,675	-	538,053	-	538,053
Other income	302,613	30,415	21,967	(113,750)	241,245	-	241,245
Operating income	683,428	119,978	89,642	(113,750)	779,298	-	779,298
Operating expenses and loan impairment expense	(272,346)	(70,341)	(48,805)	5,105	(386,387)	-	(386,387)
<b>Profit before taxation</b>	<b>411,082</b>	<b>49,637</b>	<b>40,837</b>	<b>(108,645)</b>	<b>392,911</b>	<b>-</b>	<b>392,911</b>

Total assets	29,601,086	9,805,280	7,596,191	(6,092,078)	40,910,479	-	40,910,479
Total liabilities	24,852,838	8,821,811	6,219,566	(4,909,857)	34,984,358	-	34,984,358
Depreciation	28,683	2,983	3,996	-	35,662	-	35,662
Capital expenditure on premises and equipment	53,516	12,781	4,667	-	70,964	-	70,964

#### **Unaudited** **Three months ended December 31, 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	726,631
Operating expenses and loan impairment expense	(238,520)	(60,286)	(43,108)	-	(341,914)	(6,136)	(348,050)
<b>Profit before taxation</b>	<b>355,663</b>	<b>66,226</b>	<b>49,984</b>	<b>(90,740)</b>	<b>381,133</b>	<b>(2,552)</b>	<b>378,581</b>

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

#### **Audited** **Year ended September 30, 2008**

Net interest income	1,359,943	349,189	274,703	-	1,983,835	123	1,983,958
Other income	1,011,868	164,204	110,572	(139,700)	1,146,944	3,461	1,150,405
Operating income	2,371,811	513,393	385,275	(139,700)	3,130,779	3,584	3,134,363
Operating expenses and loan impairment expense	(966,525)	(277,759)	(241,791)	16,336	(1,469,739)	(6,136)	(1,475,875)
<b>Profit before taxation</b>	<b>1,405,286</b>	<b>235,634</b>	<b>143,484</b>	<b>(123,364)</b>	<b>1,661,040</b>	<b>(2,552)</b>	<b>1,658,488</b>

Total assets	29,983,345	9,818,254	7,615,652	(5,850,551)	41,566,700	-	41,566,700
Total liabilities	25,166,903	8,810,727	6,211,810	(4,674,030)	35,515,410	-	35,515,410
Depreciation	80,210	12,039	11,768	-	104,017	-	104,017
Capital expenditure on premises and equipment	216,951	60,333	118,526	-	395,810	-	395,810

#### 6 Contingent liabilities

As at December 31, 2008, 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.