



## CHAIRMAN'S COMMENTS

GROUP FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED JUNE 30, 2010

The Group has recorded a profit attributable to shareholders of \$747 million for the nine months ended June 2010, compared to \$741 million for the same period last year. Total assets now stand at \$44.7 billion, up 7.7% on the prior year.

High levels of liquidity and depressed loan demand characterised the period under review. In this environment we have experienced declines in net interest income and other income due to reduced business activity. The levels of loan provisioning in this financial period have been significantly lower than the exceptional provisioning required in the comparable period last year.

On May 24th, the General Elections in Trinidad & Tobago ushered into power a new Government (the People's Partnership) with an overwhelming majority. This was followed two months later by Local Government Elections which saw the People's Partnership winning eleven of the fourteen Regional Corporations. The Government now has a very strong base of national support for its economic and development plans which the business community hopes will stimulate the economy.

We expect the rest of the financial year to follow the trend of the last nine months.

Ronald F. deC. Harford  
Chairman

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED Jun-30-10 \$'000	UNAUDITED Jun-30-09 \$'000	AUDITED Sept-30-09 \$'000
<b>Assets</b>			
Cash resources	13,459,968	10,634,795	10,924,501
Advances	21,327,595	22,144,415	21,916,562
Investment securities	6,056,380	4,846,631	5,624,200
Premises and equipment	1,541,385	1,406,556	1,495,988
Net pension asset	1,143,585	1,133,835	1,156,697
Other assets	1,244,054	1,390,746	1,328,407
<b>Total assets</b>	<b>44,772,967</b>	<b>41,556,978</b>	<b>42,446,355</b>
<b>Liabilities &amp; Equity</b>			
<b>Liabilities</b>			
Due to banks	289,873	318,961	273,555
Customers' deposits and other funding instruments	34,479,251	31,576,761	32,233,539
Debt securities in issue	1,350,813	1,440,557	1,438,245
Other liabilities	1,564,883	1,803,244	1,745,288
<b>Total liabilities</b>	<b>37,684,820</b>	<b>35,139,523</b>	<b>35,690,627</b>
<b>Equity</b>			
Stated capital	589,824	582,306	583,911
Statutory reserves	574,370	495,454	510,784
Other reserves	811,650	753,526	669,083
Retained earnings	4,531,795	4,068,868	4,440,229
<b>Attributable to equity holders of the parent</b>	<b>6,507,639</b>	<b>5,900,154</b>	<b>6,204,007</b>
Non-controlling interest	580,508	517,301	551,721
<b>Total liabilities &amp; equity</b>	<b>44,772,967</b>	<b>41,556,978</b>	<b>42,446,355</b>

## UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS NINE MONTHS ENDED JUNE 30, 2010

### CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-10 \$'000	Jun-30-09 \$'000	Jun-30-10 \$'000	Jun-30-09 \$'000	Sept-30-09 \$'000
Net interest income	503,637	519,989	1,507,128	1,573,394	2,100,444
Other income	218,869	266,975	673,638	739,598	1,025,571
Operating income	722,506	786,964	2,180,766	2,312,992	3,126,015
Operating expenses	(352,931)	(328,850)	(1,118,701)	(1,048,400)	(1,393,383)
	369,575	458,114	1,062,065	1,264,592	1,732,632
Share of profits of associated companies	(4,664)	7,420	9,057	20,456	27,437
	364,911	465,534	1,071,122	1,285,048	1,760,069
Loan impairment expense	(13,370)	(55,719)	(80,318)	(257,439)	(446,368)
<b>Profit before taxation</b>	<b>351,541</b>	<b>409,815</b>	<b>990,804</b>	<b>1,027,609</b>	<b>1,313,701</b>
Taxation	(47,821)	(78,421)	(185,270)	(220,285)	(274,865)
<b>Net profit after taxation</b>	<b>303,720</b>	<b>331,394</b>	<b>805,534</b>	<b>807,324</b>	<b>1,038,836</b>
<b>Attributable to:</b>					
Equity holders of the parent	287,283	309,091	747,425	741,262	948,445
Non-controlling interest	16,437	22,303	58,109	66,062	90,391
	<b>303,720</b>	<b>331,394</b>	<b>805,534</b>	<b>807,324</b>	<b>1,038,836</b>
<b>Earnings per share</b>					
Basic			\$4.65	\$4.62	\$5.91
Diluted			\$4.62	\$4.60	\$5.88
<b>Average number of shares ('000)</b>					
Basic			160,595	160,569	160,563
Diluted			161,852	161,225	161,211

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-10 \$'000	Jun-30-09 \$'000	Jun-30-10 \$'000	Jun-30-09 \$'000	Sept-30-09 \$'000
<b>Net profit after taxation</b>	<b>303,720</b>	<b>331,394</b>	<b>805,534</b>	<b>807,324</b>	<b>1,038,836</b>
<b>Other comprehensive income:</b>					
Net gains on available-for-sale investments	12,490	80,505	88,039	147,540	240,502
Tax expense	(124)	(9,544)	(7,158)	(14,038)	(30,685)
	12,366	70,961	80,881	133,502	209,817
Translation adjustments	(1,977)	(8,515)	23,164	3,886	31,082
Share of changes recognised directly in associate's equity	646	(6,118)	1,390	(6,789)	(5,462)
<b>Other comprehensive income for the period, net of tax</b>	<b>11,035</b>	<b>56,328</b>	<b>105,435</b>	<b>130,599</b>	<b>235,437</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>314,755</b>	<b>387,722</b>	<b>910,969</b>	<b>937,923</b>	<b>1,274,273</b>
<b>Attributable to:</b>					
Equity holders of the parent	294,154	361,835	840,530	869,964	1,171,894
Non-controlling interest	20,601	25,887	70,439	67,959	102,379
	<b>314,755</b>	<b>387,722</b>	<b>910,969</b>	<b>937,923</b>	<b>1,274,273</b>





### CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED NINE MONTHS ENDED Jun-30-10 \$'000	UNAUDITED NINE MONTHS ENDED Jun-30-09 \$'000	AUDITED YEAR ENDED Sept-30-09 \$'000
<b>Operating activities</b>			
Profit before taxation	990,804	1,027,609	1,313,701
Adjustments for non-cash items	219,648	348,576	505,741
Decrease in operating assets	156,699	612,486	1,254,179
Increase/(decrease) in operating liabilities	2,051,059	(155,968)	427,073
Taxes paid	(189,499)	(285,850)	(377,325)
<b>Cash provided by operating activities</b>	<b>3,228,711</b>	<b>1,546,853</b>	<b>3,123,369</b>
<b>Investing activities</b>			
Net increase in investments	(259,575)	(389,927)	(596,166)
Dividends from associated companies	12,132	11,892	11,889
Additions to fixed assets	(153,463)	(210,960)	(310,757)
Proceeds from sale of fixed assets	2,218	3,362	3,837
<b>Cash used in investing activities</b>	<b>(398,688)</b>	<b>(585,633)</b>	<b>(891,197)</b>
<b>Financing activities</b>			
Increase/(decrease) in balances due to other banks	16,318	(84,336)	(129,742)
Repayment of debt securities	(87,432)	(104,456)	(92,866)
Net proceeds from share issue	-	7,328	7,328
Dividends paid to shareholders of the parent	(542,811)	(542,428)	(542,149)
Dividends paid to non-controlling interest	(41,652)	(43,345)	(43,345)
<b>Cash used in financing activities</b>	<b>(655,577)</b>	<b>(767,237)</b>	<b>(800,774)</b>
<b>Net increase in cash resources</b>	<b>2,174,446</b>	<b>193,983</b>	<b>1,431,398</b>
Net foreign exchange difference	(15,977)	(4,267)	(25,094)
Cash and cash equivalents at beginning of period/year	7,040,364	5,634,060	5,634,060
<b>Cash and cash equivalents at end of period/year</b>	<b>9,198,833</b>	<b>5,823,776</b>	<b>7,040,364</b>
<b>Supplemental information:</b>			
Interest received during the period/year	2,066,075	2,334,242	3,002,877
Interest paid during the period/year	534,318	744,789	962,349
Dividends received	316	2,213	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
<b>Quarter ended June 30, 2010</b>							
<b>Balance at October 1, 2009</b>	<b>583,911</b>	<b>510,784</b>	<b>669,083</b>	<b>4,440,229</b>	<b>6,204,007</b>	<b>551,721</b>	<b>6,755,728</b>
Total comprehensive income for the period	-	-	93,106	747,424	840,530	70,439	910,969
Share-based payment	5,913	-	-	-	5,913	-	5,913
Transfer to general contingency reserves	-	-	49,461	(49,461)	-	-	-
Transfer to statutory reserves	-	63,586	-	(63,586)	-	-	-
Dividends	-	-	-	(542,811)	(542,811)	-	(542,811)
Dividends paid to non-controlling interest	-	-	-	-	-	(41,652)	(41,652)
<b>Balance at June 30, 2010</b>	<b>589,824</b>	<b>574,370</b>	<b>811,650</b>	<b>4,531,795</b>	<b>6,507,639</b>	<b>580,508</b>	<b>7,088,147</b>
<b>Quarter ended June 30, 2009</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>
Total comprehensive income for the period	-	-	128,702	741,262	869,964	67,959	937,923
Issue of shares	7,328	-	-	-	7,328	-	7,328
Share-based payment	6,231	-	-	-	6,231	-	6,231
Transfer to general contingency reserves	-	-	439,247	(439,247)	-	-	-
Transfer to statutory reserves	-	69,274	-	(69,274)	-	-	-
Other	-	-	-	456	456	-	456
Dividends	-	-	-	(542,428)	(542,428)	-	(542,428)
Dividends paid to non-controlling interest	-	-	-	-	-	(43,345)	(43,345)
<b>Balance at June 30, 2009</b>	<b>582,306</b>	<b>495,454</b>	<b>753,526</b>	<b>4,068,868</b>	<b>5,900,154</b>	<b>517,301</b>	<b>6,417,455</b>
<b>Year ended September 30, 2009</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>
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)
<b>Balance at September 30, 2009</b>	<b>583,911</b>	<b>510,784</b>	<b>669,083</b>	<b>4,440,229</b>	<b>6,204,007</b>	<b>551,721</b>	<b>6,755,728</b>

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

#### 1 Corporate information

Republic Bank Limited (the 'Parent') is incorporated in the Republic of Trinidad & 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 & 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 June 30, 2010, 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 June 30, 2010 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.

##### IFRS 3 (Revised) - Business Combinations and IAS 27 (Amended) - Consolidated and Separate Financial Statements

The amendment to IFRS 3 permits an entity to have a choice on a transaction by transaction basis whether to measure the non-controlling interest on acquisition of a subsidiary at fair value or at the respective share of the total net assets. The amendment to IAS 27 requires a change in the ownership interest of a subsidiary (without loss of control) to be accounted for as an equity transaction. The Group has had no new acquisitions for the year and as such, the adoption of this standard had no effect on the financial position or performance of the Group.

#### 4 Capital commitments

	UNAUDITED JUN-30-10 \$'000	UNAUDITED JUN-30-09 \$'000	AUDITED Sept-30-09 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	45,573	106,789	78,169
Other capital expenditure authorised by the Directors but not yet contracted for	163,108	111,689	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 statement of income.

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 June 30, 2010, the balance in the General Contingency Reserve of \$527.1 million is part of Other Reserves, which totals \$811.7 million.





NOTES TO THE INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)

**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 Jun-30-10 \$'000	UNAUDITED Jun-30-09 \$'000	AUDITED Sept-30-09 \$'000
<b>Outstanding balances</b>			
<b>Loans, investments and other assets</b>			
CL Financial Group	198,250	767,785	368,742
Associates	8,409	1,396	2,777
Directors and key management personnel	24,771	29,751	30,923
Other related parties	120,430	114,401	110,065
	<u>351,860</u>	<u>913,333</u>	<u>512,507</u>
Provision for amounts due from related parties	227,990	151,000	199,453
<b>Deposits and other liabilities</b>			
CL Financial Group	378,458	448,248	476,869
Associates	-	243,923	-
Directors and key management personnel	115,461	112,013	112,092
Other related parties	34,525	32,904	38,951
	<u>528,444</u>	<u>837,088</u>	<u>627,912</u>
<b>Interest and other income</b>			
CL Financial Group	15,697	58,391	65,320
Associates	7	29	35
Directors and key management personnel	2,021	1,855	6,160
Other related parties	6,456	5,408	7,713
	<u>24,181</u>	<u>65,683</u>	<u>79,228</u>
<b>Interest and other expense</b>			
CL Financial Group	1,510	6,108	7,173
Associates	-	309	-
Directors and key management personnel	4,843	4,702	9,206
Other related parties	471	128	193
	<u>6,824</u>	<u>11,247</u>	<u>16,572</u>

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

<b>Key management compensation</b>			
Short-term benefits	32,843	36,361	47,492
Post-employment benefits	1,053	1,001	1,338
Termination benefits	1,690	1,580	2,111
Long-term benefits	-	32	145
	<u>35,586</u>	<u>38,974</u>	<u>51,086</u>

**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
<b>Unaudited Nine months ended June 30, 2010</b>					
Operating income	1,689,861	349,842	284,168	(143,105)	2,180,766
Profit before taxation	857,903	125,343	142,252	(134,694)	990,804
Total assets	32,492,937	9,094,017	8,105,250	(4,919,237)	44,772,967
<b>Unaudited Nine months ended June 30, 2009</b>					
Operating income	1,834,615	365,886	275,373	(142,426)	2,333,448
Profit before taxation	875,044	156,204	126,070	(129,709)	1,027,609
Total assets	29,738,268	9,258,783	7,647,206	(5,087,279)	41,556,978
<b>Audited Year ended September 30, 2009</b>					
Operating income	2,411,061	492,979	368,579	(146,604)	3,126,015
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 June 30, 2010, 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.