



CHAIRMAN'S COMMENTS

GROUP FINANCIAL HIGHLIGHTS FOR THE THIRD QUARTER ENDED JUNE 30, 2008

We are pleased to report on the Group's continued solid performance. Core earnings for the nine months ended June 30, 2008 are up 26%, compared to the corresponding period last year. Total assets of \$41.6 billion at June 30, 2008, represents an 11.4% increase over September 2007.

Profit for the nine months of \$937 million includes a net gain of \$82 million from the allocation of shares in Visa Inc. Similarly, profit of \$1,047 million for the nine months ended June 2007, includes the gain of \$370 million from the disposal of shares in FirstCaribbean International Bank. Core earnings, excluding both of these items, were \$855 million at June 30, 2008 compared with \$677 million at June 30, 2007.

The prevailing worldwide macro economic condition is cause for some concern. In the developed economies the continued contraction of liquidity is leading to a slowdown of economic activity. Although the impact in our markets has not been significant, we continue to be cautious and will adjust our strategies as we consider appropriate.

Ronald F. deC. Harford
Chairman

CONSOLIDATED BALANCE SHEET

	UNAUDITED Jun-30-08 \$'000	RESTATED UNAUDITED Jun-30-07 \$'000	AUDITED Sep-30-07 \$'000
ASSETS			
Cash resources	8,693,588	6,540,876	7,011,769
Investment securities	7,431,763	7,541,603	6,408,698
Advances	21,700,456	19,629,112	19,917,392
Non-current assets held for sale	-	-	586,902
Net pension asset	1,084,765	990,417	1,015,807
Other assets	1,527,270	1,292,479	1,339,735
Premises and equipment	1,193,858	1,078,898	1,081,842
TOTAL ASSETS	41,631,700	37,073,385	37,362,145
LIABILITIES & EQUITY			
LIABILITIES			
Customers' deposits and other funding instruments	32,169,719	29,192,554	28,677,828
Debt securities in issue	1,416,205	770,330	797,975
Non-current liabilities held for sale	-	-	524,158
Due to banks	371,914	565,602	600,570
Other liabilities	1,874,973	1,614,917	1,474,186
	35,832,811	32,143,403	32,074,717
EQUITY			
Stated capital	566,487	549,167	552,486
Statutory reserves	317,070	307,082	308,608
Other reserves	232,678	109,154	187,850
Retained earnings	4,209,526	3,569,778	3,812,929
	5,325,761	4,535,181	4,861,873
Minority interest	473,128	394,801	425,555
TOTAL LIABILITIES & EQUITY	41,631,700	37,073,385	37,362,145

CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED Jun-30-08 \$'000		UNAUDITED NINE MONTHS ENDED Jun-30-07 \$'000		AUDITED YEAR ENDED Sep-30-07 \$'000
Net interest income	478,966	422,548	1,411,385	1,221,185	1,666,451
Other income	285,076	220,969	801,554	701,186	985,238
Operating expenses	(346,590)	(323,096)	(1,027,950)	(964,278)	(1,296,697)
Operating profit	417,452	320,421	1,184,989	958,093	1,354,992
Allocation of Visa Inc. shares	-	-	112,050	-	-
Gain on FirstCaribbean shares	-	-	-	370,187	370,187
Profit before taxation	417,452	320,421	1,297,039	1,328,280	1,725,179
Taxation	(86,940)	(60,334)	(280,625)	(193,012)	(258,185)
Loss on discontinued operations	-	(3,229)	(2,552)	(19,389)	(41,189)
Net profit after taxation	330,512	256,858	1,013,862	1,115,879	1,425,805
Minority interest	(22,823)	(23,578)	(76,522)	(68,711)	(90,116)
Net profit after taxation and minority interest	307,689	233,280	937,340	1,047,168	1,335,689
Earnings per share					
Basic			\$5.85	\$6.54	\$8.34
Diluted			\$5.84	\$6.53	\$8.33
Average number of shares ('000)					
Basic			160,260	160,063	160,090
Diluted			160,496	160,368	160,377

CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED NINE MONTHS ENDED Jun-30-08 \$'000	RESTATED UNAUDITED NINE MONTHS ENDED Jun-30-07 \$'000	AUDITED YEAR ENDED Sep-30-07 \$'000
Operating Activities			
Profit before taxation	1,297,039	1,328,280	1,725,179
Adjustments for non-cash items	17,275	53,317	101,139
Increase in operating assets	(3,104,323)	(2,827,380)	(3,556,218)
Increase in operating liabilities	3,245,337	2,517,743	2,518,552
Corporation taxes paid	(206,989)	(203,306)	(265,127)
Cash provided by operating activities	1,248,339	868,654	523,525
Investing Activities			
Net (decrease)/increase in investments	(420,352)	(25,840)	528,439
Net cash outflow from the purchase of associated company	-	(46,309)	(46,519)
Dividends from associated companies	13,383	5,083	6,475
Additions to fixed assets	(218,140)	(118,344)	(176,762)
Proceeds from sale of fixed assets	10,306	15,598	27,835
Cash (used in)/provided by investing activities	(614,803)	(169,812)	339,468
Financing Activities			
Decrease in balances due to other banks	(228,656)	(653,873)	(618,911)
Repayment of debt securities	(42,183)	(8,547)	(12,138)
Net proceeds from bond issue	657,097	-	-
Net proceeds from share issue	8,462	5,094	6,172
Dividends paid to shareholders of the parent	(504,708)	(427,305)	(427,305)
Dividends paid to minority shareholders of the subsidiaries	(43,181)	(39,058)	(39,058)
Cash used in financing activities	(153,169)	(1,123,689)	(1,091,240)
Net increase/(decrease) in cash resources	480,367	(424,847)	(228,247)
Net foreign exchange difference	17,330	(15,359)	(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	4,846,760	4,157,412	4,349,063
Supplemental Information:			
Interest received during the period/year	2,314,056	2,072,633	2,764,986
Interest paid during the period/year	824,219	797,249	1,042,259
Dividends received	2,409	20,712	21,265





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 June 30, 2008							
Balance at October 1, 2007	552,486	308,608	187,850	3,812,929	4,861,873	425,555	5,287,428
Realized gains transferred to net profit	-	-	(2,735)	-	(2,735)	-	(2,735)
Revaluation of available-for-sale investments	-	-	55,839	-	55,839	21,680	77,519
Translation adjustments	-	-	(26,301)	-	(26,301)	(8,140)	(34,441)
Share of changes recognized directly in associate's equity	-	-	(1,891)	-	(1,891)	-	(1,891)
Total income and expense recognized directly in equity	-	-	24,912	-	24,912	13,540	38,452
Profit for the period	-	-	-	937,340	937,340	76,522	1,013,862
Total income and expense for the period	-	-	24,912	937,340	962,252	90,062	1,052,314
Issue of shares	8,462	-	-	-	8,462	-	8,462
Value of services provided	5,539	-	-	-	5,539	-	5,539
Transfer to general contingency reserves	-	-	30,254	(30,254)	-	-	-
Transfer to statutory reserve	-	8,462	-	(8,462)	-	-	-
Exchange earnings realized from capital reserve	-	-	(10,338)	-	(10,338)	692	(9,646)
Other	-	-	-	2,681	2,681	-	2,681
Equity dividends	-	-	-	(504,708)	(504,708)	-	(504,708)
Dividends of subsidiaries	-	-	-	-	-	(43,181)	(43,181)
Balance at June 30, 2008	566,487	317,070	232,678	4,209,526	5,325,761	473,128	5,798,889
Quarter ended June 30, 2007							
Balance at October 1, 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	-	-	(82,661)	-	(82,661)	(21,893)	(104,554)
Revaluation - derivatives	-	-	1,574	-	1,574	-	1,574
Translation adjustments	-	-	10,888	79	10,967	2,241	13,208
Total income and expense recognized directly in equity	-	-	(486,981)	79	(486,902)	(19,652)	(506,554)
Profit for the period (restated)	-	-	-	1,047,168	1,047,168	68,711	1,115,879
Total income and expense for the period	-	-	(486,981)	1,047,247	560,266	49,059	609,325
Issue of shares	5,094	-	-	-	5,094	-	5,094
Value of services provided	6,969	-	-	-	6,969	-	6,969
Transfer to general contingency reserves	-	-	56	(56)	-	-	-
Transfers to statutory reserves	-	6,445	-	(6,445)	-	-	-
Equity dividends	-	-	-	(427,305)	(427,305)	-	(427,305)
Dividends of subsidiaries	-	-	-	-	-	(39,058)	(39,058)
Balance at June 30, 2007	549,167	307,082	109,154	3,569,778	4,535,181	394,801	4,929,982
Year ended September 30, 2007							
Balance at October 1, 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 September 30, 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 June 30, 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, 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 September 30, 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 September 30, 2008.

IFRS 7 - Financial Instruments: Disclosures

The Group adopted IFRS 7 as of October 1, 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 September 30, 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 September 30, 2007, on October 5, 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 Jun-30-08 \$'000	UNAUDITED Jun-30-07 \$'000	AUDITED Sep-30-07 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	177,088	53,069	237,586
Other capital expenditure authorized by the Directors but not yet contracted for	65,748	229,744	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.

Outstanding balances	UNAUDITED	UNAUDITED	AUDITED
	Jun-30-08	Jun-30-07	Sep-30-07
	\$'000	\$'000	\$'000
Loans, investments and other assets			
CL Financial Group	756,190	524,224	368,467
Associates	3,977	-	2,493
Directors and key management personnel	29,728	24,666	23,888
Other related parties	11,881	17,986	14,471
	<u>801,776</u>	<u>566,876</u>	<u>409,319</u>
Deposits and other liabilities			
CL Financial Group	348,873	316,828	345,181
Associates	5,174	-	4,531
Directors and key management personnel	39,065	51,548	41,218
Other related parties	90,976	32,541	29,262
	<u>484,088</u>	<u>400,917</u>	<u>420,192</u>
Interest and other income			
CL Financial Group	25,408	16,659	22,450
Associates	14	-	181
Directors and key management personnel	1,563	1,659	1,593
Other related parties	1,089	1,425	1,521
	<u>28,074</u>	<u>19,743</u>	<u>25,745</u>
Interest and other expense			
CL Financial Group	5,588	4,348	4,813
Associates	58	-	-
Directors and key management personnel	5,341	2,160	2,289
Other related parties	531	246	213
	<u>11,518</u>	<u>6,754</u>	<u>7,315</u>

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

Key management compensation

Short term benefits	28,504	18,897	35,896
Post employment benefits	1,617	693	1,668
Termination benefits	1,404	1,303	1,303
Long term benefits	-	-	-
Share-based payment	-	-	-
	<u>31,525</u>	<u>20,893</u>	<u>38,867</u>

6 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
Unaudited							
Nine months ended June 30, 2008							
Net interest income	945,276	263,074	203,035	-	1,411,385	123	1,411,508
Other income	838,080	128,171	78,275	(130,922)	913,604	3,461	917,065
Operating income	1,783,356	391,245	281,310	(130,922)	2,324,989	3,584	2,328,573
Operating expenses	(716,965)	(196,356)	(125,932)	11,303	(1,027,950)	(6,136)	(1,034,086)
Profit before taxation	1,066,391	194,889	155,378	(119,619)	1,297,039	(2,552)	1,294,487
Total assets	30,244,784	9,753,511	7,880,776	(6,247,371)	41,631,700	-	41,631,700
Total liabilities	25,683,945	8,756,791	6,469,502	(5,077,427)	35,832,811	-	35,832,811
Depreciation	71,364	9,031	8,411	-	88,806	-	88,806
Capital expenditure on premises and equipment	166,315	9,145	42,680	-	218,140	-	218,140
Unaudited							
Nine months ended June 30, 2007							
Net interest income	817,129	235,574	168,482	-	1,221,185	12,392	1,233,577
Other income	698,249	112,077	460,968	(199,921)	1,071,373	33,020	1,104,393
Operating income	1,515,378	347,651	629,450	(199,921)	2,292,558	45,412	2,337,970
Operating expenses	(657,891)	(176,783)	(129,604)	-	(964,278)	(64,801)	(1,029,079)
Profit before taxation (restated)	857,487	170,868	499,846	(199,921)	1,328,280	(19,389)	1,308,891
Total assets (restated)	26,089,850	9,191,787	7,107,788	(5,992,167)	36,397,258	676,127	37,073,385
Total liabilities	21,903,259	8,394,929	5,784,929	(4,530,288)	31,552,829	590,574	32,143,403
Depreciation	49,006	9,207	7,297	-	65,510	2,984	68,494
Capital expenditure on premises and equipment	83,885	7,233	27,226	-	118,344	-	118,344
Audited							
Year ended September 30, 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 June 30, 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.