

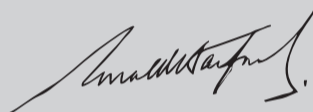
CHAIRMAN'S COMMENTS

GROUP FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED DECEMBER 31, 2010

The Group recorded a profit attributable to shareholders of \$265 million for the quarter ended December 31, 2010, an increase of 12.4% over the corresponding period last year. Total assets now stand at \$45.4 billion.

The economic environment is characterised by slow local and global growth, increasingly high levels of liquidity, steadily declining interest rates and weak loan demand. Going forward, we expect reduced yields, which may adversely affect profit growth. We continue to focus on the containment of operating expenses and the application of sound risk management practices, both of which provided the basis for the commendable results in the first quarter.

We note with quiet optimism that the local economy is beginning to show modest growth and are hopeful that this will help energise commercial activity during the course of the year.



Ronald F. deC. Harford
Chairman

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED Dec-31-10 \$'000	UNAUDITED Dec-31-09 \$'000	AUDITED Sept-30-10 \$'000
Assets			
Cash resources	13,183,835	13,374,919	13,900,103
Advances	22,020,364	21,912,461	21,847,038
Investment securities	6,266,313	5,541,657	6,216,335
Premises and equipment	1,574,985	1,520,517	1,569,708
Net pension asset	1,139,511	1,151,907	1,141,497
Other assets	1,230,699	1,364,777	1,227,420
Total Assets	45,415,707	44,866,238	45,902,101
Liabilities and Equity			
Liabilities			
Due to banks	539,153	563,811	283,736
Customers' deposits and other funding instruments	34,604,104	34,458,148	35,190,868
Debt securities in issue	1,301,834	1,408,480	1,346,809
Other liabilities	1,666,639	1,779,031	1,687,965
Total Liabilities	38,111,730	38,209,470	38,509,378
Equity			
Stated capital	592,029	585,909	590,406
Statutory reserves	629,381	537,483	598,369
Other reserves	781,653	799,275	742,858
Retained earnings	4,692,035	4,191,085	4,859,403
Attributable to equity holders of the parent	6,695,098	6,113,752	6,791,036
Non-controlling interest	608,879	543,016	601,687
Total Liabilities and Equity	45,415,707	44,866,238	45,902,101

CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED Dec-31-10 \$'000	UNAUDITED THREE MONTHS ENDED Dec-31-09 \$'000	AUDITED YEAR ENDED Sept-30-10 \$'000
Net interest income	537,101	518,103	2,065,937
Other income	239,882	223,829	948,144
Operating income	776,983	741,932	3,014,081
Operating expenses	(386,869)	(377,258)	(1,490,910)
	390,114	364,674	1,523,171
Share of profits of associated companies	7,185	2,337	15,605
Operating profit	397,299	367,011	1,538,776
Loan impairment expense, net of recoveries	(20,997)	(23,161)	(147,246)
Net profit before taxation	376,302	343,850	1,391,530
Taxation expense	(94,207)	(84,630)	(317,145)
Net profit after taxation	282,095	259,220	1,074,385
Attributable to:			
Equity holders of the parent	265,225	236,007	993,874
Non-controlling interest	16,870	23,213	80,511
	282,095	259,220	1,074,385
Earnings per share			
Basic	\$1.65	\$1.47	\$6.19
Diluted	\$1.63	\$1.46	\$6.14
Weighted average number of shares ('000)			
Basic	160,595	160,595	160,595
Diluted	162,235	161,840	161,852

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED Dec-31-10 \$'000	UNAUDITED THREE MONTHS ENDED Dec-31-09 \$'000	AUDITED YEAR ENDED Sept-30-10 \$'000
Net profit after taxation	282,095	259,220	1,074,385
Other comprehensive income:			
Net gains on available-for-sale investments	19,030	25,770	127,725
Taxation expense	(7,503)	(2,361)	(8,037)
	11,527	23,409	119,688
Translation adjustments	21,714	2,877	18,129
Share of changes recognised directly in associate's equity	405	657	2,240
Other comprehensive income for the period, net of taxation	33,646	26,943	140,057
Total comprehensive income for the period, net of taxation	315,741	286,163	1,214,442
Attributable to:			
Equity holders of the parent	287,867	265,735	1,122,824
Non-controlling interest	27,874	20,428	91,618
	315,741	286,163	1,214,442



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, 2010							
Balance at October 1, 2010	590,406	598,369	742,858	4,859,403	6,791,036	601,687	7,392,723
Total comprehensive income for the period	-	-	22,642	265,225	287,867	27,874	315,741
Share-based payment	1,623	-	-	-	1,623	-	1,623
Transfer to general contingency reserves	-	-	16,153	(16,153)	-	-	-
Transfer to statutory reserves	-	31,012	-	(31,012)	-	-	-
Dividends	-	-	-	(385,428)	(385,428)	-	(385,428)
Dividends paid to non-controlling interest	-	-	-	-	-	(20,682)	(20,682)
Balance at December 31, 2010	592,029	629,381	781,653	4,692,035	6,695,098	608,879	7,303,977
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	-	-	29,728	236,007	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	799,275	4,191,085	6,113,752	543,016	6,656,768
Year ended September 30, 2010							
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	-	-	128,950	993,874	1,122,824	91,618	1,214,442
Share-based payment	6,495	-	-	-	6,495	-	6,495
Transfer from general contingency reserves	-	-	(55,175)	55,175	-	-	-
Transfer to statutory reserves	-	87,585	-	(87,585)	-	-	-
Other	-	-	-	521	521	-	521
Dividends	-	-	-	(542,811)	(542,811)	-	(542,811)
Dividends paid to non-controlling interest	-	-	-	-	-	(41,652)	(41,652)
Balance at September 30, 2010	590,406	598,369	742,858	4,859,403	6,791,036	601,687	7,392,723

CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-10 \$'000	Dec-31-09 \$'000	Sept-30-10 \$'000
Operating activities			
Profit before taxation	376,302	343,850	1,391,530
Adjustments for non-cash items	67,399	79,848	306,148
Decrease/(increase) in operating assets	142,362	(805,187)	(715,790)
(Decrease)/increase in operating liabilities	(667,104)	2,197,283	2,859,659
Taxes paid	(41,877)	(33,087)	(262,128)
Cash (used in)/provided by operating activities	(122,918)	1,782,707	3,579,419
Investing activities			
Net increase/(decrease) in investments	66,588	319,542	(286,245)
Dividends from associated companies	1,655	9,374	13,209
Additions to fixed assets	(39,344)	(65,435)	(296,884)
Proceeds from sale of fixed assets	31	105	91,767
Cash provided by/(used in) investing activities	28,930	263,586	(478,153)
Financing activities			
Increase in balances due to other banks	255,417	290,256	10,181
Repayment of debt securities	(44,975)	(29,766)	(91,436)
Dividends paid to shareholders of the parent	(385,428)	(358,126)	(542,811)
Dividends paid to non-controlling interest	(20,682)	(29,133)	(41,652)
Cash used in financing activities	(195,668)	(126,769)	(665,718)
Net (decrease)/increase in cash resources	(289,656)	1,919,524	2,435,548
Net foreign exchange difference	(7,176)	(1,278)	(14,726)
Cash and cash equivalents at beginning of period/year	9,461,186	7,040,364	7,040,364
Cash and cash equivalents at end of period/year	9,164,354	8,958,610	9,461,186
Supplemental information:			
Interest received during the period/year	687,553	555,043	2,750,535
Interest paid during the period/year	124,000	219,618	689,824
Dividends received	716	31	415

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, the Central Bank of Trinidad and Tobago (CBTT) issued a Notification pursuant to sections 44D and 44E of the Central Bank Act, Chap. 79:02 that the CBTT assumed control of the affairs of CLICO Investment Bank Limited (CIB). On February 13, 2009, the CBTT issued a Notification pursuant to sections 44D and 44E of the Central Bank Act, Chap. 79:02 that the CBTT 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 CBTT has the power to deal with the assets of the Companies, including the Republic Bank Limited shares. The CBTT will not receive any benefit financial or otherwise from the exercise of its powers under the Central Bank Act. As at December 31, 2010, the combined shareholding of Republic Bank Limited for CLICO and CIB is 52.11%.

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, 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, 2010.

3. Capital commitments

	UNAUDITED Dec-31-10 \$'000	UNAUDITED Dec-31-09 \$'000	AUDITED Sept-30-10 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	25,475	24,602	34,648
Other capital expenditure authorised by the Directors but not yet contracted for	249,736	169,198	122,253

4. 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 December 31, 2010, the balance in the General Contingency Reserve of \$438.6 million is part of Other Reserves, which totals \$781.7 million.



NOTES TO THE INTERIM CONSOLIDATED 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 Dec-31-10 \$'000	UNAUDITED Dec-31-09 \$'000	AUDITED Sept-30-10 \$'000
Advances, investments and other assets (net of provisions)			
CL Financial Group	124,878	352,717	139,536
Associates	-	2,753	7,068
Directors and key management personnel	22,815	30,568	24,830
Other related parties	150,565	108,391	180,393
	<u>298,258</u>	<u>494,429</u>	<u>351,827</u>
Provision for amounts due from related parties	<u>-</u>	<u>210,196</u>	<u>310,418</u>
Deposits and other liabilities			
CL Financial Group	276,861	367,506	237,324
Directors and key management personnel	107,029	113,631	102,995
Other related parties	112,903	59,723	59,048
	<u>496,793</u>	<u>540,860</u>	<u>399,367</u>
Interest and other income			
CL Financial Group	3,091	6,379	16,036
Associates	-	1	7
Directors and key management personnel	394	1,242	2,339
Other related parties	2,352	1,873	12,750
	<u>5,837</u>	<u>9,495</u>	<u>31,132</u>
Interest and other expense			
CL Financial Group	184	588	1,666
Directors and key management personnel	1,912	2,028	6,236
Other related parties	6	83	370
	<u>2,102</u>	<u>2,699</u>	<u>8,272</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	12,420	14,836	39,217
Share-based payment	1,623	1,998	6,495
	<u>14,043</u>	<u>16,834</u>	<u>45,712</u>

6. Segment reporting

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

	Trinidad and Tobago \$'000	Barbados \$'000	Cayman, Guyana and Eastern Caribbean \$'000	Eliminations \$'000	Total \$'000
Unaudited					
Three months ended December 31, 2010					
Operating income	677,207	116,849	98,884	(115,957)	776,983
Net profit before taxation	408,578	34,199	48,425	(114,900)	376,302
Total assets	32,946,879	8,887,908	8,283,380	(4,702,460)	45,415,707
Unaudited					
Three months ended December 31, 2009					
Operating income	643,864	117,972	94,056	(113,960)	741,932
Net 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
Audited					
Year ended September 30, 2010					
Operating income	2,294,253	486,009	394,479	(160,660)	3,014,081
Net profit before taxation	1,166,805	174,346	197,781	(147,402)	1,391,530
Total assets	33,440,086	9,097,619	8,099,264	(4,734,868)	45,902,101

7. Contingent liabilities

As at December 31, 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.