

### CHAIRMAN'S COMMENTS

GROUP FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED JUNE 30, 2013

Republic Bank Limited has recorded Profit attributable to shareholders of \$857.6 million for the nine months ended June 2013, an increase of 1.4% over the corresponding period last year. Total assets stand at \$56.1 billion, an increase of 8.7% over the year ended September 2012.

During this third quarter, the Group recorded on our investment in East Caribbean Financial Holding Limited, the parent company of the Bank of St Lucia, a loss of \$75.7 million. This resulted from significant loan loss provisioning due to deterioration in the credit quality of its loan portfolio, as the St. Lucia tourism sector continues to be challenged.

Despite this, the Group achieved a satisfactory performance for the period, bolstered by encouraging loan growth and improvements in non-interest income in Trinidad and Guyana. We are also pleased to advise that on June 17, 2013 we increased our stake in HFC Bank Ghana Limited to 32%. This acquisition has much potential for the Group going forward.

We expect that the Group's performance will be on target for the financial year end.



Ronald F. deC. Harford  
Chairman

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Jun-30-13 \$'000	Jun-30-12 \$'000	Sept-30-12 \$'000
<b>Assets</b>			
Cash resources	19,714,990	16,799,371	16,490,404
Advances	24,550,077	23,082,068	23,317,199
Investment securities	7,585,602	7,437,247	7,788,049
Premises and equipment	1,583,109	1,563,670	1,558,285
Net pension asset	1,271,066	1,237,504	1,254,584
Other assets	1,397,316	1,223,222	1,187,900
<b>Total Assets</b>	<b>56,102,160</b>	<b>51,343,082</b>	<b>51,596,421</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Due to banks	117,758	84,984	84,506
Customers' deposits and other funding instruments	44,474,668	40,015,991	39,781,901
Debt securities in issue	1,233,109	1,244,373	1,240,547
Other liabilities	2,005,882	1,843,498	1,934,280
<b>Total Liabilities</b>	<b>47,831,417</b>	<b>43,188,846</b>	<b>43,041,234</b>
<b>Equity</b>			
Stated capital	643,250	623,772	628,150
Statutory reserves	1,067,652	745,490	892,652
Other reserves	1,035,260	836,172	783,805
Retained earnings	5,264,024	5,301,934	5,586,968
<b>Attributable to equity holders of the parent</b>	<b>8,010,186</b>	<b>7,507,368</b>	<b>7,891,575</b>
Non-controlling interest	260,557	646,868	663,612
Total equity	8,270,743	8,154,236	8,555,187
<b>Total Liabilities and Equity</b>	<b>56,102,160</b>	<b>51,343,082</b>	<b>51,596,421</b>

### CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-13 \$'000	Jun-30-12 \$'000	Jun-30-13 \$'000	Jun-30-12 \$'000	Sept-30-12 \$'000
Net interest income	535,067	523,645	1,615,575	1,563,025	2,139,785
Other income	337,932	270,859	927,670	802,862	1,103,671
Operating income	872,999	794,504	2,543,245	2,365,887	3,243,456
Operating expenses	(383,993)	(381,086)	(1,274,037)	(1,175,022)	(1,617,936)
Share of (loss)/profits of associated companies	489,006	413,418	1,269,208	1,190,865	1,625,520
Operating profit	(74,259)	(4,127)	(70,403)	6,784	12,220
Loan impairment expense	414,747	409,291	1,198,805	1,197,649	1,637,740
Profit before taxation	(26,800)	(20,825)	(71,852)	(64,797)	(103,601)
Taxation expense	387,947	388,466	1,126,953	1,132,852	1,534,139
<b>Net profit after taxation</b>	<b>309,853</b>	<b>312,274</b>	<b>870,605</b>	<b>894,167</b>	<b>1,226,605</b>
<b>Attributable to:</b>					
Equity holders of the parent	305,138	295,342	857,608	845,459	1,158,968
Non-controlling interest	4,715	16,932	12,997	48,708	67,637
	<b>309,853</b>	<b>312,274</b>	<b>870,605</b>	<b>894,167</b>	<b>1,226,605</b>
<b>Earnings per share</b>					
Basic			\$5.35	\$5.30	\$7.27
Diluted			\$5.34	\$5.29	\$7.25
<b>Weighted average number of shares ('000)</b>					
Basic			160,249	159,521	159,470
Diluted			160,722	159,808	159,776

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-13 \$'000	Jun-30-12 \$'000	Jun-30-13 \$'000	Jun-30-12 \$'000	Sept-30-12 \$'000
<b>Net profit after taxation</b>	<b>309,853</b>	<b>312,274</b>	<b>870,605</b>	<b>894,167</b>	<b>1,226,605</b>
<b>Other comprehensive income:</b>					
Net gains on available-for-sale investments	(51,746)	16,269	34,157	147,625	226,458
Taxation impact	1,019	(1,433)	(19,101)	(13,084)	(25,779)
Translation adjustments	(50,727)	14,836	15,056	134,541	200,679
Share of changes recognised directly in associate's equity	(291)	(29)	2,673	15,908	10,578
Other comprehensive income for the period, net of taxation	1,817	642	4,077	16	2,518
<b>Total comprehensive income for the period, net of taxation</b>	<b>(49,201)</b>	<b>15,449</b>	<b>21,806</b>	<b>150,465</b>	<b>213,775</b>
<b>Attributable to:</b>					
Equity holders of the parent	259,738	312,347	886,399	993,441	1,372,446
Non-controlling interest	914	15,376	6,012	51,191	67,934
	<b>260,652</b>	<b>327,723</b>	<b>892,411</b>	<b>1,044,632</b>	<b>1,440,380</b>

**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>Period ended June 30, 2013</b>							
<b>Balance at October 1, 2012</b>	<b>628,150</b>	<b>892,652</b>	<b>783,805</b>	<b>5,586,968</b>	<b>7,891,575</b>	<b>663,612</b>	<b>8,555,187</b>
Total comprehensive income for the period	-	-	28,791	857,608	886,399	6,012	892,411
Issue of shares	9,991	-	-	-	9,991	-	9,991
Share-based payment	5,109	-	-	-	5,109	-	5,109
Allocation of shares	-	-	47,754	-	47,754	-	47,754
Transfer to general contingency reserves	-	-	174,910	(174,910)	-	-	-
Transfer to statutory reserves	-	175,000	-	(175,000)	-	-	-
Acquisition of non-controlling interests	-	-	-	(146,610)	(146,610)	(383,035)	(529,645)
Dividends	-	-	-	(684,032)	(684,032)	-	(684,032)
Dividends paid to non-controlling interest	-	-	-	-	-	(26,032)	(26,032)
<b>Balance at June 30, 2013</b>	<b>643,250</b>	<b>1,067,652</b>	<b>1,035,260</b>	<b>5,264,024</b>	<b>8,010,186</b>	<b>260,557</b>	<b>8,270,743</b>
<b>Period ended June 30, 2012</b>							
<b>Balance at October 1, 2011</b>	<b>596,492</b>	<b>697,775</b>	<b>526,988</b>	<b>5,263,110</b>	<b>7,084,365</b>	<b>620,715</b>	<b>7,705,080</b>
Total comprehensive income for the period	-	-	147,982	845,459	993,441	51,191	1,044,632
Issue of shares	22,409	-	-	-	22,409	-	22,409
Share-based payment	4,871	-	-	-	4,871	-	4,871
Allocation of shares	-	-	45,214	-	45,214	-	45,214
Transfer to general contingency reserves	-	-	115,988	(115,988)	-	-	-
Transfer to statutory reserves	-	47,715	-	(47,715)	-	-	-
Other	-	-	-	(113)	(113)	-	(113)
Dividends	-	-	-	(642,819)	(642,819)	-	(642,819)
Dividends paid to non-controlling interest	-	-	-	-	-	(25,037)	(25,037)
<b>Balance at June 30, 2012</b>	<b>623,772</b>	<b>745,490</b>	<b>836,172</b>	<b>5,301,934</b>	<b>7,507,368</b>	<b>646,868</b>	<b>8,154,236</b>
<b>Year ended September 30, 2012</b>							
<b>Balance at October 1, 2011</b>	<b>596,492</b>	<b>697,775</b>	<b>526,988</b>	<b>5,263,110</b>	<b>7,084,365</b>	<b>620,715</b>	<b>7,705,080</b>
Total comprehensive income for the period	-	-	213,478	1,158,968	1,372,446	67,934	1,440,380
Issue of shares	24,837	-	-	-	24,837	-	24,837
Share-based payment	6,821	-	-	-	6,821	-	6,821
Allocation of shares	-	-	45,214	-	45,214	-	45,214
Transfer from general contingency reserves	-	-	(1,875)	1,875	-	-	-
Transfer to statutory reserves	-	194,877	-	(194,877)	-	-	-
Other	-	-	-	711	711	-	711
Dividends	-	-	-	(642,819)	(642,819)	-	(642,819)
Dividends paid to non-controlling interest	-	-	-	-	-	(25,037)	(25,037)
<b>Balance at September 30, 2012</b>	<b>628,150</b>	<b>892,652</b>	<b>783,805</b>	<b>5,586,968</b>	<b>7,891,575</b>	<b>663,612</b>	<b>8,555,187</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	UNAUDITED		AUDITED
	NINE MONTHS ENDED Jun-30-13 \$'000	NINE MONTHS ENDED Jun-30-12 \$'000	YEAR ENDED Sept-30-12 \$'000
<b>Operating activities</b>			
Profit before taxation	1,126,953	1,132,852	1,534,139
Adjustments for non-cash items	303,956	149,849	218,464
Increase in operating assets	(1,774,767)	(1,641,882)	(2,161,554)
Increase in operating liabilities	4,715,907	3,863,321	3,711,554
Taxes paid	(237,623)	(271,445)	(351,033)
<b>Cash provided by operating activities</b>	<b>4,134,426</b>	<b>3,232,695</b>	<b>2,951,570</b>
<b>Investing activities</b>			
Net decrease in investments	(176,082)	(499,734)	(847,266)
Dividends from associated companies	2,381	2,444	3,004
Additions to fixed assets	(148,722)	(101,870)	(154,184)
Proceeds from sale of fixed assets	2,907	1,811	6,717
<b>Cash used in investing activities</b>	<b>(319,516)</b>	<b>(597,349)</b>	<b>(991,729)</b>
<b>Financing activities</b>			
Increase/(decrease) in balances due to other banks	33,252	(103,063)	(103,541)
Repayment of debt securities	(7,438)	(6,908)	(10,734)
Acquisition of non-controlling interest	(529,645)	-	-
Net proceeds from share issue	9,991	22,409	24,837
Allocation of shares from profit sharing plan	47,754	45,214	45,214
Dividends paid to shareholders of the parent	(684,032)	(642,819)	(642,819)
Dividends paid to non-controlling interest	(26,032)	(25,037)	(25,037)
<b>Cash used in financing activities</b>	<b>(1,156,150)</b>	<b>(710,205)</b>	<b>(712,080)</b>
<b>Net increase in cash resources</b>	<b>2,658,759</b>	<b>1,925,141</b>	<b>1,247,761</b>
Net foreign exchange difference	(931)	(9,022)	(4,077)
Cash and cash equivalents at beginning of period/year	11,509,304	10,265,620	10,265,620
<b>Cash and cash equivalents at end of period/year</b>	<b>14,167,133</b>	<b>12,181,739</b>	<b>11,509,304</b>
<b>Supplemental information:</b>			
Interest received during the period/year	1,870,161	1,786,345	2,464,027
Interest paid during the period/year	(249,604)	(267,693)	(362,925)
Dividends received	402	279	607

**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 thirteen (13) subsidiaries and four (4) associated companies. The Group is engaged in a wide range of banking, financial and related activities in Trinidad and Tobago and the Caribbean. Republic Bank Limited is the ultimate parent of the Group. This company is listed on the Trinidad and Tobago Stock Exchange.

For the last financial year ending September 30, 2012, the CL Financial Group held through its various subsidiaries, 51.4% of the shares of Republic Bank Limited. 51.1% of these shares were held by CLICO Investment Bank Limited (CIB) and Colonial Life Insurance Company (Trinidad) Limited (CLICO), two companies within the CL Financial Group whose affairs have been under the control of the Central Bank of Trinidad and Tobago (CBTT) since 2009.

By order of the High Court dated October 17, 2011, CLICO Investment Bank Limited (CIB) was ordered to be wound up and the Deposit Insurance Corporation was appointed liquidator.

On November 1, 2012, the CLICO Investment Fund (the 'Fund') was launched by the Government of the Republic of Trinidad and Tobago. The Fund assets are comprised in part of 40,072,299 Republic Bank Limited shares representing 24.80% of the total share capital of Republic Bank Limited. These shares were transferred from Colonial Life Insurance Company (Trinidad) Limited to the Trustee, CLICO Trust Corporation Limited, free from encumbrances. This transaction had the effect of reducing the total CL Financial Group shareholding from 51.4% to 26.5%.

Effective November 1, 2012, the CL Financial Group is no longer considered a related party of Republic Bank Limited.

**2 Basis of preparation**

This interim financial report for the period ended June 30, 2013 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, 2012.

**3 Capital commitments**

	UNAUDITED Jun-30-13 \$'000	UNAUDITED Jun-30-12 \$'000	AUDITED Sept-30-12 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	119,226	141,283	172,907
Other capital expenditure authorised by the Directors but not yet contracted for	49,900	47,670	37,681

**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 June 30, 2013, the balance in the General Contingency Reserve of \$628.3 million is part of Other Reserves which totals \$1,035.3 million.

**NOTES TO THE INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)**
**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		AUDITED
	Jun-30-13 \$'000	Jun-30-12 \$'000	Sept-30-12 \$'000
<b>Outstanding balances</b>			
<b>Advances, investments and other assets (net of provisions)</b>			
CL Financial Group	-	129,226	155,580
Directors and key management personnel	21,227	39,910	27,200
Other related parties	165,967	190,592	182,742
	<u>187,194</u>	<u>359,728</u>	<u>365,522</u>
<b>Provision for amounts due from related parties</b>	-	4,988	4,963
<b>Deposits and other liabilities</b>			
CL Financial Group	-	375,250	284,262
Directors and key management personnel	95,080	87,816	88,065
Other related parties	104,199	140,242	155,653
	<u>199,279</u>	<u>603,308</u>	<u>527,980</u>
<b>Interest and other income</b>			
CL Financial Group	-	10,897	14,005
Directors and key management personnel	1,052	1,712	1,734
Other related parties	9,351	8,643	12,306
	<u>10,403</u>	<u>21,252</u>	<u>28,045</u>
<b>Interest and other expense</b>			
CL Financial Group	-	89	231
Directors and key management personnel	2,483	5,000	7,012
Other related parties	319	238	297
	<u>2,802</u>	<u>5,327</u>	<u>7,540</u>
<b>Key management compensation</b>			
Short term benefits	35,689	33,800	41,203
Share-based payment	5,109	4,871	6,821
	<u>40,798</u>	<u>38,671</u>	<u>48,024</u>

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

As stated in Note 1 (Corporate information), the CL Financial Group is no longer considered a related party of Republic Bank Limited as at November 1, 2012. As such, while the CL Financial Group still maintains balances with Republic Bank Limited and its subsidiaries, these balances have not been included in the related party note for the quarter ended June 2013. Prior period balances have, however, been maintained in the related party note.

**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
<b>Unaudited Nine months ended June 30, 2013</b>					
Operating income	1,984,048	347,896	366,102	(154,801)	2,543,245
Net profit before taxation	1,014,507	85,335	163,997	(136,886)	1,126,953
Total assets	42,101,944	8,863,117	9,612,048	(4,474,949)	56,102,160
<b>Unaudited Nine months ended June 30, 2012</b>					
Operating income	1,804,452	351,177	346,195	(135,937)	2,365,887
Net profit before taxation	979,634	97,758	183,674	(128,214)	1,132,852
Total assets	37,229,355	8,931,902	9,013,886	(3,832,061)	51,343,082
<b>Audited Year ended September 30, 2012</b>					
Operating income	2,451,770	469,491	460,486	(138,291)	3,243,456
Net profit before taxation	1,291,746	137,893	232,713	(128,213)	1,534,139
Total assets	37,336,417	8,745,627	9,077,743	(3,563,366)	51,596,421

Eliminations represent outstanding balances with other entities within the Group which are required to be eliminated in the preparation of consolidated financial statements.

**7 Acquisition of additional interest in Republic Bank (Barbados) Limited**

On December 5, 2012, Republic Bank Limited (RBL) made an offer to acquire the 34.9% non-controlling interest in Republic Bank (Barbados) Limited with the intention of increasing its ownership interest to 100%. As at June 30, 2013, all of the non-controlling interest was traded, bringing RBL's ownership interest to 100%. The details of the transaction are as follows:

	TT\$'000's
- Consideration paid (US\$83.7M)	529,645
- Less Carrying value of additional shareholding acquired	383,035
<b>- Difference - recognised in retained earnings within equity</b>	<u>146,610</u>

**8 Contingent liabilities**

As at June 30, 2013, 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.