


**UNAUDITED GROUP  
FINANCIAL STATEMENTS**  
FIRST QUARTER ENDED DECEMBER 31, 2013

**CHAIRMAN'S COMMENTS**

Republic Bank Limited recorded profit attributable to shareholders of \$291.2 million for the three-month period ended December 31, 2013, an increase of 2.2% over the corresponding period last year. Total assets stood at \$57.9 billion at December 31, 2013, an increase of 6.7% from December 2012 and 0.5% over the year ended September 2013.

We are encouraged by the growth and stability of our loan portfolio, reflected in a year on year increase of 7.3% and a reduction in loan impairment expense of over \$15 million from the corresponding period in 2012. However, we continue to be challenged by high liquidity which is leading to declining margins. The results of this quarter also include a contribution of \$10 million from our 40% investment in HFC Bank Ghana Limited.

We expect this good performance to continue for the remainder of the year as we focus on growing the loan portfolio, maintaining its quality and growth in non-interest income. We continue to closely monitor our investments in Barbados and the East Caribbean in which difficult economic conditions persist.



Ronald F. deC. Harford  
Chairman

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	UNAUDITED		AUDITED
	Dec-31-13 \$'000	Dec-31-12 \$'000	Sept-30-13 \$'000
<b>ASSETS</b>			
Cash resources	19,145,853	18,316,893	19,819,135
Advances	25,646,902	23,897,163	25,235,517
Investment securities	8,577,278	7,801,043	8,131,047
Premises and equipment	1,593,129	1,580,792	1,584,014
Net pension asset	1,268,205	1,260,079	1,275,093
Other assets	1,614,348	1,364,905	1,518,209
<b>TOTAL ASSETS</b>	<b>57,845,715</b>	<b>54,220,875</b>	<b>57,563,015</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Due to banks	79,152	91,389	73,349
Customers' deposits and other funding instruments	45,805,092	43,009,219	45,503,284
Debt securities in issue	1,227,249	1,238,819	1,229,058
Other liabilities	2,183,863	1,964,880	2,160,757
<b>TOTAL LIABILITIES</b>	<b>49,295,356</b>	<b>46,304,307</b>	<b>48,966,448</b>
<b>EQUITY</b>			
Stated capital	657,143	631,152	649,932
Statutory reserves	1,068,708	967,652	1,068,708
Other reserves	1,265,853	902,031	1,052,182
Retained earnings	5,263,053	5,140,241	5,533,327
<b>ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>8,254,757</b>	<b>7,641,076</b>	<b>8,304,149</b>
Non-controlling interest	295,602	275,492	292,418
Total equity	8,550,359	7,916,568	8,596,567
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>57,845,715</b>	<b>54,220,875</b>	<b>57,563,015</b>

**CONSOLIDATED STATEMENT OF INCOME**

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-13 \$'000	Dec-31-12 \$'000	Sept-30-13 \$'000
Net interest income	564,307	554,536	2,180,666
Other income	295,530	285,419	1,256,599
Operating income	859,837	839,955	3,437,265
Operating expenses	(449,218)	(420,754)	(1,739,324)
	410,619	419,201	1,697,941
Share of profits/(loss) of associated companies	12,734	44	(60,324)
Operating profit	423,353	419,245	1,637,617
Loan impairment expense	(1,978)	(17,203)	(57,052)
Profit before taxation	421,375	402,042	1,580,565
Taxation expense	(118,465)	(106,232)	(383,440)
<b>Net profit after taxation</b>	<b>302,910</b>	<b>295,810</b>	<b>1,197,125</b>
<b>Attributable to:</b>			
Equity holders of the parent	291,183	285,002	1,169,991
Non-controlling interest	11,727	10,808	27,134
	<b>302,910</b>	<b>295,810</b>	<b>1,197,125</b>
<b>Earnings per share</b>			
Basic	\$1.81	\$1.78	\$7.30
Diluted	\$1.80	\$1.78	\$7.28
<b>Weighted average number of shares ('000)</b>			
Basic	160,815	160,102	160,294
Diluted	161,363	160,557	160,768

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-13 \$'000	Dec-31-12 \$'000	Sept-30-13 \$'000
<b>Net profit after taxation</b>	<b>302,910</b>	<b>295,810</b>	<b>1,197,125</b>
<b>Other comprehensive income:</b>			
Net gains on available-for-sale investments	124,225	25,354	39,124
Taxation impact	(32,583)	(1,074)	(21,482)
	91,642	24,280	17,642
Translation adjustments	17,044	(170)	(8,295)
Share of changes recognised directly in associate's equity	-	3,967	4,077
Other comprehensive income for the period, net of taxation	108,686	28,077	13,424
<b>Total comprehensive income for the period, net of taxation</b>	<b>411,596</b>	<b>323,887</b>	<b>1,210,549</b>
<b>Attributable to:</b>			
Equity holders of the parent	397,752	322,473	1,190,189
Non-controlling interest	13,844	1,414	20,360
	<b>411,596</b>	<b>323,887</b>	<b>1,210,549</b>



**Republic Bank**  
We're the One for you!

## UNAUDITED GROUP FINANCIAL STATEMENTS FIRST QUARTER ENDED DECEMBER 31, 2013

### 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 December 31, 2013</b>							
<b>Balance at October 1, 2013</b>	<b>649,932</b>	<b>1,068,708</b>	<b>1,052,182</b>	<b>5,533,327</b>	<b>8,304,149</b>	<b>292,418</b>	<b>8,596,567</b>
Total comprehensive income for the period	-	-	106,570	291,182	397,752	13,844	411,596
Issue of shares	5,576	-	-	-	5,576	-	5,576
Share-based payment	1,635	-	-	-	1,635	-	1,635
Allocation of shares	-	-	29,021	-	29,021	-	29,021
Transfer to general contingency reserves	-	-	78,080	(78,080)	-	-	-
Dividends	-	-	-	(483,376)	(483,376)	-	(483,376)
Dividends paid to non-controlling interest	-	-	-	-	-	(10,660)	(10,660)
<b>Balance at December 31, 2013</b>	<b>657,143</b>	<b>1,068,708</b>	<b>1,265,853</b>	<b>5,263,053</b>	<b>8,254,757</b>	<b>295,602</b>	<b>8,550,359</b>
<b>Period ended December 31, 2012</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	-	-	37,470	285,003	322,473	1,414	323,887
Issue of shares	1,318	-	-	-	1,318	-	1,318
Share-based payment	1,684	-	-	-	1,684	-	1,684
Allocation of shares	-	-	47,754	-	47,754	-	47,754
Transfer to general contingency reserves	-	-	33,002	(33,002)	-	-	-
Transfer to statutory reserves	-	75,000	-	(75,000)	-	-	-
Acquisition of non-controlling interests	-	-	-	(140,894)	(140,894)	(368,100)	(508,994)
Dividends	-	-	-	(482,834)	(482,834)	-	(482,834)
Dividends paid to non-controlling interest	-	-	-	-	-	(21,434)	(21,434)
<b>Balance at December 31, 2012</b>	<b>631,152</b>	<b>967,652</b>	<b>902,031</b>	<b>5,140,241</b>	<b>7,641,076</b>	<b>275,492</b>	<b>7,916,568</b>
<b>Year ended September 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	-	-	20,198	1,169,991	1,190,189	20,360	1,210,549
Issue of shares	15,244	-	-	-	15,244	-	15,244
Share-based payment	6,538	-	-	-	6,538	-	6,538
Allocation of shares	-	-	47,754	-	47,754	-	47,754
Transfer to general contingency reserves	-	-	200,425	(200,425)	-	-	-
Transfer to statutory reserves	-	176,056	-	(176,056)	-	-	-
Acquisition of non-controlling interest	-	-	-	(164,123)	(164,123)	(365,522)	(529,645)
Dividends	-	-	-	(683,028)	(683,028)	-	(683,028)
Dividends paid to non-controlling interest	-	-	-	-	-	(26,032)	(26,032)
<b>Balance at September 30, 2013</b>	<b>649,932</b>	<b>1,068,708</b>	<b>1,052,182</b>	<b>5,533,327</b>	<b>8,304,149</b>	<b>292,418</b>	<b>8,596,567</b>

### CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-13 \$'000	Dec-31-12 \$'000	Sept-30-13 \$'000
<b>Operating activities</b>			
Profit before taxation	421,375	402,042	1,580,565
Adjustments for non-cash items	27,358	54,462	323,900
Increase in operating assets	(981,545)	(1,216,399)	(2,429,950)
Increase in operating liabilities	283,433	3,214,326	5,851,967
Taxes paid	(129,396)	(72,219)	(324,992)
<b>Cash (used in)/provided by operating activities</b>	<b>(378,775)</b>	<b>2,382,212</b>	<b>5,001,490</b>
<b>Investing activities</b>			
Net increase in investments	(397,642)	(66,736)	(367,008)
Net cash outflow from the purchase of associated company	-	-	(297,767)
Acquisition of non-controlling interest	-	(508,994)	(529,645)
Dividends from associated companies	1,323	2,381	3,305
Additions to fixed assets	(47,540)	(62,747)	(201,686)
Proceeds from sale of fixed assets	-	706	4,760
<b>Cash used in investing activities</b>	<b>(443,859)</b>	<b>(635,390)</b>	<b>(1,388,041)</b>
<b>Financing activities</b>			
Increase/(decrease) in balances due to other banks	5,803	6,883	(11,157)
Repayment of debt securities	(1,809)	(1,728)	(11,489)
Net proceeds from share issue	5,576	1,318	15,244
Allocation of shares from profit sharing plan	29,021	47,754	47,754
Dividends paid to shareholders of the parent	(483,376)	(482,834)	(683,028)
Dividends paid to non-controlling interest	(10,660)	(21,434)	(26,032)
<b>Cash used in financing activities</b>	<b>(455,445)</b>	<b>(450,041)</b>	<b>(668,708)</b>
<b>Net (decrease)/increase in cash resources</b>	<b>(1,278,079)</b>	<b>1,296,781</b>	<b>2,944,741</b>
Net foreign exchange difference	(15,447)	(300)	5,598
Cash and cash equivalents at beginning of period/year	14,459,643	11,509,304	11,509,304
<b>Cash and cash equivalents at end of period/year</b>	<b>13,166,117</b>	<b>12,805,785</b>	<b>14,459,643</b>
<b>Supplemental information:</b>			
Interest received during the period/year	628,060	640,668	2,543,873
Interest paid during the period/year	(69,794)	(77,234)	(347,427)
Dividends received	111	4	464

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

#### 1 Corporate information

Republic Bank Limited (the 'Parent') is incorporated in the Republic of Trinidad and Tobago and was continued under the provision of the Companies Act, 1995 on March 23, 1998. 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 14 subsidiaries and four associated companies. The Group is engaged in a wide range of banking, financial and related activities in Trinidad and Tobago, the Caribbean and from November 2012, in Ghana. Republic Bank Limited is the ultimate Parent of the Group and is listed on the Trinidad and Tobago Stock Exchange.

Until October 31, 2012, the CL Financial Group held through its various subsidiaries, 51.4% of the shares of Republic Bank Limited, of which Colonial Life Insurance Company (Trinidad) Limited (CLICO) and CLICO Investment Bank Limited (CIB) combined, held 51.1%.

CLICO Investment Bank Limited (CIB) which owned together with its subsidiary First Company Limited, 18.3% of the shareholding of Republic Bank Limited was on October 17, 2011 ordered by the High Court to be wound up and the Deposit Insurance Company appointed liquidator. Accordingly, this 18.3% shareholding is under the control of the Deposit Insurance Company.

On November 1, 2012, 24.8% of Republic Bank formerly owned by Colonial Life Insurance Company (Trinidad) Limited (CLICO) was transferred into an investment fund launched by the Government of the Republic of Trinidad and Tobago and called the CLICO Investment Fund (the 'Fund'). The Trustee of the Fund is the CLICO Trust Corporation Limited, which holds the 24.8% shareholding in Republic Bank Limited in trust solely for the benefit of subscribing Unit holders of the Fund. The Fund is as a consequence, the largest shareholder in Republic Bank Limited.

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 December 31, 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, 2013.

#### New standards, interpretations and amendments adopted by the Group

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 consolidated financial statements for the year ended September 30, 2013, except for the adoption of IFRS 10 'Consolidated Financial Statements' effective October 1, 2013. The adoption of this standard resulted in the consolidation of the US\$ Fixed Income Fund which has a total asset base of TT\$30.3 million as at December 31, 2013.

#### 3 Capital commitments

	UNAUDITED		AUDITED
	Dec-31-13 \$'000	Dec-31-12 \$'000	Sept-30-13 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	<b>124,822</b>	<b>63,745</b>	<b>119,448</b>
Other capital expenditure authorised by the Directors but not yet contracted for	<b>120,476</b>	<b>197,023</b>	<b>23,736</b>

#### 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, 2013, the balance in the General Contingency Reserve of \$731.9 million is part of Other Reserves which totals \$1.3 billion.



**Republic Bank**  
We're the One for you!



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
	Dec-31-13 \$'000	Dec-31-12 \$'000	Sept-30-13 \$'000
<b>Outstanding Balances</b>			
<b>Advances, investments and other assets (net of provisions)</b>			
Directors and key management personnel	19,969	26,623	21,364
Other related parties	152,074	185,184	157,704
	<u>172,043</u>	<u>211,807</u>	<u>179,068</u>
<b>Deposits and other liabilities</b>			
Directors and key management personnel	95,835	77,979	89,566
Other related parties	83,486	138,693	65,358
	<u>179,321</u>	<u>216,672</u>	<u>154,924</u>
<b>Interest and other income</b>			
Directors and key management personnel	454	389	1,609
Other related parties	3,066	3,211	12,561
	<u>3,520</u>	<u>3,600</u>	<u>14,170</u>
<b>Interest and other expense</b>			
Directors and key management personnel	972	1,035	3,157
Other related parties	104	114	246
	<u>1,076</u>	<u>1,149</u>	<u>3,403</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	14,916	14,525	47,788
Post employment benefits	-	-	20,445
Share-based payment	1,635	1,684	6,538
	<u>16,551</u>	<u>16,209</u>	<u>54,326</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
<b>Unaudited Three months ended December 31, 2013</b>					
Operating income	740,644	114,356	126,654	(121,817)	859,837
Net profit before taxation	433,982	39,410	63,631	(115,648)	421,375
Total assets	43,164,652	8,853,384	9,761,698	(3,934,019)	57,845,715
<b>Unaudited Three months ended December 31, 2012</b>					
Operating income	740,160	115,770	120,876	(136,851)	839,955
Net profit before taxation	431,139	39,799	63,204	(132,100)	402,042
Total assets	39,818,679	9,037,739	9,455,965	(4,091,508)	54,220,875
<b>Audited Year ended September 30, 2013</b>					
Operating income	2,980,544	467,651	485,772	(496,702)	3,437,265
Net profit before taxation	1,706,152	112,016	239,838	(477,441)	1,580,565
Total assets	43,216,845	8,816,929	9,522,826	(3,993,585)	57,563,015

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

**7 Contingent liabilities**

As at December 31, 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.

