



Republic Bank
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CHAIRMAN'S COMMENTS

Republic Bank Limited recorded profit attributable to shareholders of \$572.7 million for the six months ended March 2015, an increase of 2.1% over the corresponding period last year. Total assets stood at \$59.7 billion at March 31, 2015, an increase of 1.8% from March 2014.

Despite subdued economic conditions, net interest income grew by \$42.7 million or 3.8%, driven by growth in the loan portfolio of \$1.3 billion. We have also benefited from a reduction in loan impairment expense by 56% when compared with the previous year.

We are pleased to advise that in Ghana we have successfully resolved all legal hurdles. The mandatory takeover bid for HFC Bank (Ghana) Limited has been made and we have every confidence of gaining majority control in the next few weeks.

A share purchase agreement was executed on April 1, 2015 to acquire RBC Royal Bank (Suriname) N.V. at a cost of US\$39.8 million. This transaction is subject to regulatory approvals and is expected to close on June 30, 2015. This acquisition will add a further US\$525 million to our asset base.

Based on these results, the Board of Directors has declared a half-year dividend of \$1.25 (2014:\$1.25) per share payable on May 28, 2015.

Ronald F. deC. Harford
Chairman
April 29, 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Mar-31-15 \$'000	Mar-31-14 (Restated) \$'000	Sept-30-14 \$'000
ASSETS			
Cash resources	18,993,093	20,045,229	19,649,880
Advances	27,587,244	26,302,645	27,095,407
Investment securities	8,856,720	8,139,887	8,260,382
Premises and equipment	1,639,605	1,589,536	1,573,503
Net pension asset	1,282,269	1,279,154	1,299,725
Other assets	1,339,026	1,303,689	1,492,619
TOTAL ASSETS	59,697,957	58,660,140	59,371,516
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	237,274	52,011	69,957
Customers' deposits and other funding instruments	47,293,223	46,742,504	47,128,593
Debt securities in issue	1,060,501	1,073,068	1,066,802
Other liabilities	2,357,797	2,351,241	2,359,841
TOTAL LIABILITIES	50,948,795	50,218,824	50,625,193
EQUITY			
Stated capital	734,472	664,762	704,871
Statutory reserves	1,202,364	1,068,708	1,202,364
Other reserves	642,070	925,784	744,363
Retained earnings	5,853,730	5,476,652	5,785,296
Attributable to equity holders of the parent	8,432,636	8,135,906	8,436,894
Non-controlling interest	316,526	305,410	309,429
TOTAL EQUITY	8,749,162	8,441,316	8,746,323
TOTAL LIABILITIES AND EQUITY	59,697,957	58,660,140	59,371,516

UNAUDITED GROUP FINANCIAL STATEMENTS HALF YEAR ENDED MARCH 31, 2015

CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-15 \$'000	Mar-31-14 \$'000	Mar-31-15 \$'000	Mar-31-14 \$'000	Sept-30-14 \$'000
Net interest income	583,957	566,387	1,173,429	1,130,694	2,218,052
Other income	296,685	497,387	606,583	792,917	1,486,982
Operating income	880,642	1,063,774	1,780,012	1,923,611	3,705,034
Operating expenses	(502,165)	(682,369)	(1,005,421)	(1,125,173)	(2,065,590)
	378,477	381,405	774,591	798,438	1,639,444
Net Share of profits of associated companies	4,255	14,742	15,994	21,062	49,135
Operating profit	382,732	396,147	790,585	819,500	1,688,579
Loan impairment expense	(19,057)	(51,426)	(23,177)	(53,404)	(119,883)
Profit before taxation	363,675	344,721	767,408	766,096	1,568,696
Taxation expense	(80,022)	(64,971)	(177,034)	(183,436)	(338,980)
Net profit after taxation	283,653	279,750	590,374	582,660	1,229,716
Attributable to:					
Equity holders of the parent	275,483	269,575	572,738	560,758	1,193,390
Non-controlling interest	8,170	10,175	17,636	21,902	36,326
	283,653	279,750	590,374	582,660	1,229,716
Earnings per share					
Basic			\$3.55	\$3.49	\$7.42
Diluted			\$3.54	\$3.47	\$7.39
Weighted average number of shares ('000)					
Basic			161,284	160,849	160,918
Diluted			161,719	161,412	161,467

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-15 \$'000	Mar-31-14 \$'000	Mar-31-15 \$'000	Mar-31-14 \$'000	Sept-30-14 \$'000
Net profit after taxation	283,653	279,750	590,374	582,660	1,229,716
<i>Other comprehensive income (net of tax) that may be reclassified to profit and loss in subsequent periods or have been transferred to profit and loss in the current period:</i>					
Net losses on available-for-sale investments	(37,179)	(196,837)	(80,567)	(105,195)	(118,580)
Translation adjustments	(37,881)	(94,196)	(31,735)	(77,152)	(156,558)
	(75,060)	(291,033)	(112,302)	(182,347)	(275,138)
<i>Other comprehensive loss (net of tax) that will not be reclassified to profit and loss in subsequent periods:</i>					
Re-measurement losses on defined benefit plans	-	-	-	-	(51,253)
Share of changes recognised directly in associate's equity	-	-	-	-	(8,270)
Other comprehensive loss for the period, net of taxation	(75,060)	(291,033)	(112,302)	(182,347)	(334,661)
Total comprehensive income/(loss) for the period, net of taxation	208,593	(11,283)	478,072	400,313	895,055
Attributable to:					
Equity holders of the parent	200,559	(17,306)	460,589	380,446	866,240
Non-controlling interest	8,034	6,023	17,483	19,867	28,815
	208,593	(11,283)	478,072	400,313	895,055



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UNAUDITED GROUP FINANCIAL STATEMENTS HALF YEAR ENDED MARCH 31, 2015

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
Period ended March 31, 2015							
Balance at October 1, 2014	704,871	1,202,364	744,363	5,785,296	8,436,894	309,429	8,746,323
Total comprehensive income for the period	—	—	(112,149)	572,738	460,589	17,483	478,072
Issue of shares	25,526	—	—	—	25,526	—	25,526
Share-based payment	4,075	—	—	—	4,075	—	4,075
Shares purchased for profit sharing scheme	—	—	(60,021)	—	(60,021)	—	(60,021)
Allocation of shares	—	—	49,194	—	49,194	—	49,194
Transfer to general contingency reserves	—	—	20,683	(20,683)	—	—	—
Dividends	—	—	—	(483,621)	(483,621)	—	(483,621)
Dividends paid to non-controlling interest	—	—	—	—	—	(10,386)	(10,386)
Balance at March 31, 2015	734,472	1,202,364	642,070	5,853,730	8,432,636	316,526	8,749,162
Period ended March 31, 2014							
Balance at October 1, 2013 (Restated)	649,932	1,068,708	1,052,182	5,449,009	8,219,831	296,203	8,516,034
Total comprehensive income for the period	—	—	(180,312)	560,758	380,446	19,867	400,313
Issue of shares	11,560	—	—	—	11,560	—	11,560
Share-based payment	3,270	—	—	—	3,270	—	3,270
Allocation of shares	—	—	4,175	—	4,175	—	4,175
Transfer to general contingency reserves	—	—	49,739	(49,739)	—	—	—
Dividends	—	—	—	(483,376)	(483,376)	—	(483,376)
Dividends paid to non-controlling interest	—	—	—	—	—	(10,660)	(10,660)
Balance at March 31, 2014 (Restated)	664,762	1,068,708	925,784	5,476,652	8,135,906	305,410	8,441,316
Year ended September 30, 2014							
Balance at October 1, 2013 (Restated)	649,932	1,068,708	1,052,182	5,449,009	8,219,831	296,203	8,516,034
Total comprehensive income for the period	—	—	(276,753)	1,142,993	866,240	28,815	895,055
Issue of shares	46,789	—	—	—	46,789	—	46,789
Share-based payment	8,150	—	—	—	8,150	—	8,150
Shares purchased for profit sharing scheme	—	—	(71,050)	—	(71,050)	—	(71,050)
Allocation of shares	—	—	52,185	—	52,185	—	52,185
Transfer to general contingency reserves	—	—	(12,201)	12,201	—	—	—
Transfer to statutory reserves	—	133,656	—	(133,656)	—	—	—
Dividends	—	—	—	(685,251)	(685,251)	—	(685,251)
Dividends paid to non-controlling interest	—	—	—	—	—	(15,589)	(15,589)
Balance at September 30, 2014	704,871	1,202,364	744,363	5,785,296	8,436,894	309,429	8,746,323

CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-15 \$'000	Mar-31-14 \$'000	Sept-30-14 \$'000
Operating activities			
Profit before taxation	767,408	766,096	1,568,696
Adjustments for non-cash items	150,851	253,721	303,786
Increase in operating assets	(876,765)	(1,433,480)	(2,665,265)
Increase in operating liabilities	116,770	1,346,377	1,681,092
Taxes paid	(147,662)	(233,489)	(444,918)
Cash provided by operating activities	10,602	699,225	443,391
Investing activities			
Net increase in investments	(634,415)	(273,820)	(155,627)
Dividends from associated companies	757	1,323	9,740
Additions to fixed assets	(153,485)	(96,307)	(202,825)
Proceeds from sale of fixed assets	1,586	1,980	50,459
Cash used in investing activities	(785,557)	(366,824)	(298,253)
Financing activities			
Increase / (decrease) in balances due to other banks	167,317	(21,338)	(3,392)
Repayment of debt securities	(6,302)	(155,990)	(162,256)
Net proceeds from share issue	25,526	11,560	46,789
Shares purchased for profit sharing scheme	(60,021)	—	(71,050)
Allocation of shares from profit sharing plan	49,195	4,175	52,185
Dividends paid to shareholders of the parent	(483,621)	(483,376)	(685,251)
Dividends paid to non-controlling interest	(10,386)	(10,660)	(15,589)
Cash used in financing activities	(318,292)	(655,629)	(838,564)
Net decrease in cash resources	(1,093,247)	(323,228)	(693,426)
Net foreign exchange difference	(4,599)	(4,180)	24,460
Cash and cash equivalents at beginning of period/year	13,790,677	14,459,643	14,459,643
Cash and cash equivalents at end of period/year	12,692,831	14,132,235	13,790,677
Supplemental information:			
Interest received during the period/year	1,311,545	1,235,800	2,560,429
Interest paid during the period/year	(147,942)	(138,815)	(314,469)
Dividends received	119	474	681

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 fourteen (14) subsidiaries and four (4) associated companies. The Group is engaged in a wide range of banking, financial and related activities in 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 March 31, 2015 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, 2014.

3 Capital commitments

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, 2014.

The Group adopted IAS 19 - Employee Benefits (Revised) for the year ended September 30, 2014 with retrospective adoption for the year ended September 30, 2013. As such, balances in the Statement of Financial Position and Statement of Changes in Equity for period ended March 31, 2014 were restated to reflect these adjustments.

3 Capital commitments

	UNAUDITED		AUDITED
	Mar-31-15 \$'000	Mar-31-14 \$'000	Sept-30-14 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	401,717	490,868	437,591
Other capital expenditure authorised by the Directors but not yet contracted for	74,820	69,936	93,432

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 March 31, 2015, the balance in the General Contingency Reserve of \$662.3 million is part of Other Reserves which totals \$642.1 million.



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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
	Mar-31-15 \$'000	Mar-31-14 \$'000	Sept-30-14 \$'000
Outstanding Balances			
Advances, investments and other assets			
Directors and key management personnel	15,137	14,194	14,993
Other related parties	65,981	200,512	234,548
	<u>81,118</u>	<u>214,706</u>	<u>249,541</u>
Deposits and other liabilities			
Directors and key management personnel	78,592	65,453	64,886
Other related parties	90,039	115,353	108,705
	<u>168,631</u>	<u>180,806</u>	<u>173,591</u>
Interest and other income			
Directors and key management personnel	581	696	1,290
Other related parties	2,139	6,499	15,961
	<u>2,720</u>	<u>7,195</u>	<u>17,251</u>
Interest and other expense			
Directors and key management personnel	1,392	1,391	7,136
Other related parties	186	172	3,813
	<u>1,578</u>	<u>1,563</u>	<u>10,949</u>
Key management compensation			
Short term benefits	21,235	19,323	32,632
Share-based payment	4,075	3,270	8,150
	<u>25,310</u>	<u>22,593</u>	<u>40,782</u>

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

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 Six months ended March 31, 2015					
Operating income	1,539,568	239,919	242,199	(241,674)	1,780,012
Net profit before taxation	831,736	59,182	113,194	(236,704)	767,408
Total assets	45,996,788	8,607,747	9,366,053	(4,272,631)	59,697,957
Unaudited Six months ended March 31, 2014					
Operating income	1,531,837	258,993	254,316	(121,535)	1,923,611
Net profit before taxation	686,499	73,168	122,077	(115,648)	766,096
Total assets (Restated)	44,710,254	8,680,054	9,402,060	(4,132,228)	58,660,140
Audited Year ended September 30, 2014					
Operating income	2,896,623	455,833	496,661	(144,083)	3,705,034
Net profit before taxation	1,397,072	84,042	220,593	(133,011)	1,568,696
Total assets	46,093,234	8,270,023	9,178,457	(4,170,198)	59,371,516

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 March 31, 2015, 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.