



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

**UNAUDITED HALF-YEAR  
FINANCIAL STATEMENTS**  
SIX MONTHS ENDED MARCH 31, 2011

**CHAIRMAN'S COMMENTS**

GROUP FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MARCH 31, 2011

Over the six-month period October 2010 to March 2011, the business environment continued to be characterised by high levels of liquidity, low interest rates and lacklustre loan demand.

Against this backdrop, the Group has achieved a very satisfactory profit attributable to shareholders of \$525.3 million for the half-year ended March 2011. This represents a 14% increase over the corresponding period last year. Total assets now stand at \$46.3 billion, up 5% on the prior year.

The main drivers for our improved performance have been our effective treasury management, our focused approach to the control of operating expenses, and the quality of our loan and investment portfolios.

The Board of Directors has declared a half-year dividend of \$1.25 (2010:\$1.15) payable on May 27, 2011.

Given our results to date, we expect a creditable year-end performance.

Ronald F. deC. Harford  
Chairman

**CONSOLIDATED STATEMENT OF INCOME**

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-11 \$'000	Mar-31-10 \$'000	Mar-31-11 \$'000	Mar-31-10 \$'000	Sept-30-10 \$'000
Net interest income	519,794	485,388	1,056,895	1,003,491	2,065,937
Other income	243,416	230,940	483,298	454,769	948,144
Operating income	763,210	716,328	1,540,193	1,458,260	3,014,081
Operating expenses	(388,409)	(388,512)	(775,278)	(765,770)	(1,490,910)
	374,801	327,816	764,915	692,490	1,523,171
Share of profits of associated companies	1,677	11,384	8,862	13,721	15,605
Operating profit	376,478	339,200	773,777	706,211	1,538,776
Loan impairment expense	(24,366)	(43,787)	(45,363)	(66,948)	(147,246)
<b>Profit before taxation</b>	<b>352,112</b>	<b>295,413</b>	<b>728,414</b>	<b>639,263</b>	<b>1,391,530</b>
Taxation expense	(74,063)	(52,819)	(168,270)	(137,449)	(317,145)
<b>Net profit after taxation</b>	<b>278,049</b>	<b>242,594</b>	<b>560,144</b>	<b>501,814</b>	<b>1,074,385</b>
<b>Attributable to:</b>					
Equity holders of the parent	260,107	224,135	525,332	460,142	993,874
Non-controlling interest	17,942	18,459	34,812	41,672	80,511
	<b>278,049</b>	<b>242,594</b>	<b>560,144</b>	<b>501,814</b>	<b>1,074,385</b>
<b>Earnings per share</b>					
Basic			\$3.27	\$2.87	\$6.19
Diluted			\$3.27	\$2.85	\$6.14
<b>Weighted average number of shares ('000)</b>					
Basic			160,595	160,595	160,595
Diluted			160,610	161,627	161,852
<b>Dividend based on the results of the period</b>			\$1.25	\$1.15	\$3.38

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	UNAUDITED		AUDITED
	Mar-31-11 \$'000	Mar-31-10 \$'000	Sept-30-10 \$'000
<b>ASSETS</b>			
Cash resources	13,797,297	13,050,939	13,900,103
Advances	21,844,888	21,404,931	21,847,038
Investment securities	6,731,055	5,813,612	6,216,335
Premises and equipment	1,558,674	1,523,577	1,569,708
Net pension asset	1,140,672	1,147,991	1,141,497
Other assets	1,197,632	1,314,246	1,227,420
<b>TOTAL ASSETS</b>	<b>46,270,218</b>	<b>44,255,296</b>	<b>45,902,101</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Due to banks	204,963	562,829	283,736
Customers' deposits and other funding instruments	35,465,571	33,711,785	35,190,868
Debt securities in issue	1,268,763	1,405,614	1,346,809
Other liabilities	1,776,419	1,606,431	1,687,965
<b>TOTAL LIABILITIES</b>	<b>38,715,716</b>	<b>37,286,659</b>	<b>38,509,378</b>
<b>EQUITY</b>			
Stated capital	593,653	587,866	590,406
Statutory reserves	647,137	551,714	598,369
Other reserves	763,361	818,517	742,858
Retained earnings	4,941,784	4,438,114	4,859,403
<b>ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>6,945,935</b>	<b>6,396,211</b>	<b>6,791,036</b>
Non-controlling interest	608,567	572,426	601,687
Total equity	7,554,503	6,968,637	7,392,723
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>46,270,218</b>	<b>44,255,296</b>	<b>45,902,101</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-11 \$'000	Mar-31-10 \$'000	Mar-31-11 \$'000	Mar-31-10 \$'000	Sept-30-10 \$'000
<b>Net profit after taxation</b>	<b>278,049</b>	<b>242,594</b>	<b>560,144</b>	<b>501,814</b>	<b>1,074,385</b>
<b>Other comprehensive income:</b>					
Net (losses)/gains on available-for-sale investments	(19,343)	49,779	(313)	75,549	127,725
Taxation impact	10,057	(4,673)	2,554	(7,034)	(8,037)
	(9,286)	45,106	2,241	68,515	119,688
Translation adjustments	(15,945)	22,264	5,769	25,141	18,129
Share of changes recognised directly in associate's equity	(533)	87	(128)	744	2,240
<b>Other comprehensive (expense)/income for the period, net of taxation</b>	<b>(25,764)</b>	<b>67,457</b>	<b>7,882</b>	<b>94,400</b>	<b>140,057</b>
<b>Total comprehensive income for the period, net of taxation</b>	<b>252,285</b>	<b>310,051</b>	<b>568,026</b>	<b>596,214</b>	<b>1,214,442</b>
<b>Attributable to:</b>					
Equity holders of the parent	249,213	280,641	537,080	546,376	1,122,824
Non-controlling interest	3,072	29,410	30,946	49,838	91,618
	<b>252,285</b>	<b>310,051</b>	<b>568,026</b>	<b>596,214</b>	<b>1,214,442</b>



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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated Capital \$'000	Statutory Reserves \$'000	Other Reserves \$'000	Retained Earnings \$'000	Total equity attributable to of the parent \$'000	Non- controlling Interest \$'000	Total Equity \$'000
<b>Period ended March 31, 2011</b>							
<b>Balance at October 1, 2010</b>	<b>590,406</b>	<b>598,369</b>	<b>742,858</b>	<b>4,859,403</b>	<b>6,791,036</b>	<b>601,687</b>	<b>7,392,723</b>
Total comprehensive income for the period	-	-	11,748	525,332	537,080	30,946	568,026
Share-based payment	3,247	-	-	-	3,247	-	3,247
Transfer to general contingency reserves	-	-	8,755	(8,755)	-	-	-
Transfer to statutory reserves	-	48,768	-	(48,768)	-	-	-
Dividends	-	-	-	(385,428)	(385,428)	-	(385,428)
Dividends paid to non-controlling interest	-	-	-	-	-	(24,066)	(24,066)
<b>Balance at March 31, 2011</b>	<b>593,653</b>	<b>647,137</b>	<b>763,361</b>	<b>4,941,784</b>	<b>6,945,935</b>	<b>608,567</b>	<b>7,554,502</b>
<b>Period ended March 31, 2010</b>							
<b>Balance at October 1, 2009</b>	<b>583,911</b>	<b>510,784</b>	<b>669,083</b>	<b>4,440,229</b>	<b>6,204,007</b>	<b>551,721</b>	<b>6,755,728</b>
Total comprehensive income for the period	-	-	86,234	460,142	546,376	49,838	596,214
Share-based payment	3,955	-	-	-	3,955	-	3,955
Transfer to general contingency reserves	-	-	63,200	(63,200)	-	-	-
Transfer to statutory reserves	-	40,930	-	(40,930)	-	-	-
Dividends	-	-	-	(358,127)	(358,127)	-	(358,127)
Dividends paid to non-controlling interest	-	-	-	-	-	(29,133)	(29,133)
<b>Balance at March 31, 2010</b>	<b>587,866</b>	<b>551,714</b>	<b>818,517</b>	<b>4,438,114</b>	<b>6,396,211</b>	<b>572,426</b>	<b>6,968,637</b>
<b>Year ended September 30, 2010</b>							
<b>Balance at October 1, 2009</b>	<b>583,911</b>	<b>510,784</b>	<b>669,083</b>	<b>4,440,229</b>	<b>6,204,007</b>	<b>551,721</b>	<b>6,755,728</b>
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)
<b>Balance at September 30, 2010</b>	<b>590,406</b>	<b>598,369</b>	<b>742,858</b>	<b>4,859,403</b>	<b>6,791,036</b>	<b>601,687</b>	<b>7,392,723</b>

CONSOLIDATED STATEMENT OF CASH FLOWS

	Mar-31-11 \$'000	UNAUDITED SIX MONTHS ENDED Mar-31-10 \$'000	AUDITED YEAR ENDED Sept-30-10 \$'000
<b>Operating activities</b>			
Profit before taxation	728,414	639,263	1,391,530
Adjustments for non-cash items	143,000	153,436	306,148
Decrease/(increase) in operating assets	147,172	34,309	(715,790)
Increase in operating liabilities	298,423	1,300,157	2,859,659
Taxes paid	(112,358)	(115,768)	(262,128)
<b>Cash provided by operating activities</b>	<b>1,204,651</b>	<b>2,011,397</b>	<b>3,579,419</b>
<b>Investing activities</b>			
Net increase in investments	(651,503)	(2,150)	(286,245)
Dividends from associated companies	1,655	9,375	13,209
Additions to fixed assets	(71,659)	(103,872)	(296,884)
Proceeds from sale of fixed assets	4,350	1,209	91,767
<b>Cash used in investing activities</b>	<b>(717,157)</b>	<b>(95,438)</b>	<b>(478,153)</b>
<b>Financing activities</b>			
(Decrease)/increase in balances due to other banks	(78,773)	289,274	10,181
Repayment of debt securities	(78,046)	(32,631)	(91,436)
Dividends paid to shareholders of the parent	(385,428)	(358,127)	(542,811)
Dividends paid to non-controlling interest	(24,066)	(29,133)	(41,652)
<b>Cash used in financing activities</b>	<b>(566,313)</b>	<b>(130,617)</b>	<b>(665,718)</b>
<b>Net (decrease)/increase in cash resources</b>	<b>(78,819)</b>	<b>1,785,342</b>	<b>2,435,548</b>
Net foreign exchange difference	1,407	(17,120)	(14,726)
Cash and cash equivalents at beginning of period/year	9,461,186	7,040,364	7,040,364
<b>Cash and cash equivalents at end of period/year</b>	<b>9,383,774</b>	<b>8,808,586</b>	<b>9,461,186</b>
<b>Supplemental information:</b>			
Interest received during the period/year	1,281,620	1,041,716	2,750,535
Interest paid during the period/year	256,718	487,790	689,824
Dividends received	920	118	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 52.44% 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 March 31, 2011, the combined shareholding of Republic Bank Limited for CLICO and CIB is 52.16%.

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 March 31, 2011 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 Mar-31-11 \$'000	Mar-31-10 \$'000	AUDITED Sept-30-10 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	141,079	46,893	34,648
Other capital expenditure authorised by the Directors but not yet contracted for	148,851	171,948	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 March 31, 2011, the balance in the General Contingency Reserve of \$431.2 million is part of Other Reserves, which totals \$763.4 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-31-11 \$'000	Mar-31-10 \$'000	Sept-30-10 \$'000
<b>Advances, investments and other assets (net of provisions)</b>			
CL Financial Group	118,488	276,751	139,536
Associates	-	3,552	7,068
Directors and key management personnel	23,725	30,078	24,830
Other related parties	156,733	110,161	180,393
	<u>298,946</u>	<u>420,542</u>	<u>351,827</u>
<b>Provision for amounts due from related parties</b>	-	227,996	310,418
<b>Deposits and other liabilities</b>			
CL Financial Group	316,150	392,974	237,324
Directors and key management personnel	100,183	119,567	102,995
Other related parties	103,878	33,601	59,048
	<u>520,211</u>	<u>546,142</u>	<u>399,367</u>
<b>Interest and other income</b>			
CL Financial Group	5,868	11,177	16,036
Directors and key management personnel	833	1,395	2,339
Other related parties	4,870	4,228	12,750
	<u>11,571</u>	<u>16,800</u>	<u>31,125</u>
<b>Interest and other expense</b>			
CL Financial Group	262	1,149	1,666
Directors and key management personnel	3,847	2,286	6,236
Other related parties	246	118	370
	<u>4,355</u>	<u>3,553</u>	<u>8,272</u>
<b>Key management compensation</b>			
Short term benefits	27,934	24,474	39,217
Share-based payment	3,247	3,955	6,495
	<u>31,181</u>	<u>28,429</u>	<u>45,712</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 & Tobago \$'000	Barbados \$'000	Cayman, Guyana & Eastern Caribbean \$'000	Eliminations \$'000	Total \$'000
	<b>Unaudited Six months ended March 31, 2011</b>				
Operating income	1,225,905	236,402	198,491	(120,605)	1,540,193
Net profit before taxation	681,320	66,385	99,256	(118,547)	728,414
Total assets	32,922,395	8,922,918	8,247,111	(3,822,206)	46,270,218
<b>Unaudited Six months ended March 31, 2010</b>					
Operating income	1,152,082	234,962	189,751	(118,535)	1,458,260
Net profit before taxation	570,652	85,392	91,497	(108,278)	639,263
Total assets	31,971,809	9,216,850	8,083,814	(5,017,177)	44,255,296
<b>Audited Year ended September 30, 2010</b>					
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

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, 2011, 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.

