



Republic Bank
We're the One for you!

**UNAUDITED
FINANCIAL STATEMENTS**
FIRST QUARTER ENDED DECEMBER 31, 2011

CHAIRMAN'S COMMENTS

I am pleased to report that Republic Bank Limited has recorded Profit attributable to shareholders of \$272.0 million for the quarter ended December 31, 2011, an increase of 2.6% over the corresponding period last year. Republic Bank's total assets are now \$49.2 billion, reflecting an increase of 8.3% from December 2010. The market continues to be characterised by increased liquidity and narrowing interest margins. In this environment, we continue to focus on asset quality, productivity and risk management.

The IMF, Standard and Poor's and the Central Bank of Trinidad and Tobago, all predict GDP growth in 2012, based on the energy sector prospects and the public sector investment programme. We share this optimism.

Ronald F. deC. Harford
Chairman

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Dec-31-11 \$'000	Dec-31-10 \$'000	Sept-30-11 \$'000
ASSETS			
Cash resources	15,564,878	13,183,835	14,723,273
Advances	22,777,185	22,020,364	21,866,285
Investment securities	6,697,245	6,266,313	6,662,473
Premises and equipment	1,558,484	1,574,985	1,564,540
Net pension asset	1,194,430	1,139,511	1,183,302
Other assets	1,420,735	1,230,699	1,267,913
TOTAL ASSETS	49,212,957	45,415,707	47,267,786
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	160,801	539,153	188,047
Customers' deposits and other funding instruments	38,176,103	34,604,104	36,143,855
Debt securities in issue	1,249,760	1,301,834	1,251,281
Other liabilities	1,892,368	1,666,639	1,833,286
TOTAL LIABILITIES	41,479,032	38,111,730	39,416,469
EQUITY			
Stated capital	598,979	592,029	596,492
Statutory reserves	728,279	629,381	697,775
Other reserves	809,266	781,653	673,225
Retained earnings	4,972,942	4,692,035	5,263,110
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	7,109,466	6,695,098	7,230,602
Non-controlling interest	624,459	608,879	620,715
Total equity	7,733,925	7,303,977	7,851,317
TOTAL LIABILITIES AND EQUITY	49,212,957	45,415,707	47,267,786

CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-11 \$'000	Dec-31-10 \$'000	Sept-30-11 \$'000
Net interest income	522,726	537,101	2,134,542
Other income	256,216	239,882	1,176,753
Operating income	778,942	776,983	3,311,295
Operating expenses	(399,646)	(386,869)	(1,548,856)
Share of profits of associated companies	379,296	390,114	1,762,439
Operating profit	6,718	7,185	8,795
Loan impairment expense	(598)	(20,997)	(288,627)
Profit before taxation	385,416	376,302	1,482,607
Taxation expense	(96,560)	(94,207)	(311,355)
Net profit after taxation	288,856	282,095	1,171,252
Attributable to:			
Equity holders of the parent	272,005	265,225	1,121,527
Non-controlling interest	16,851	16,870	49,725
	288,856	282,095	1,171,252
Earnings per share			
Basic	\$1.69	\$1.65	\$6.98
Diluted	\$1.69	\$1.63	\$6.98
Weighted average number of shares ('000)			
Basic	160,613	160,595	160,597
Diluted	161,152	162,235	160,642

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-11 \$'000	Dec-31-10 \$'000	Sept-30-11 \$'000
Net profit after taxation	288,856	282,095	1,171,252
Other comprehensive income/(expense):			
Net gains/(losses) on available-for-sale investments	45,168	19,030	(107,267)
Taxation impact	(7,348)	(7,503)	(1,421)
	37,820	11,527	(108,688)
Translation adjustments	13,445	21,714	5,625
Share of changes recognised directly in associate's equity	(2,208)	405	(767)
Other comprehensive income/(expense) for the period, net of taxation	49,057	33,646	(103,830)
Total comprehensive income for the period, net of taxation	337,913	315,741	1,067,422
Attributable to:			
Equity holders of the parent	318,072	287,867	1,019,030
Non-controlling interest	19,841	27,874	48,392
	337,913	315,741	1,067,422



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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 equity holders of the parent \$'000	Non- controlling Interest \$'000	Total Equity \$'000
Period ended December 31, 2011							
Balance at October 1, 2011	596,492	697,775	673,225	5,263,110	7,230,602	620,715	7,851,317
Total comprehensive income for the period	-	-	46,069	272,003	318,072	19,841	337,913
Issue of shares	864	-	-	-	864	-	864
Share-based payment	1,623	-	-	-	1,623	-	1,623
Transfer to general contingency reserves	-	-	89,972	(89,972)	-	-	-
Transfer to statutory reserves	-	30,504	-	(30,504)	-	-	-
Dividends	-	-	-	(441,695)	(441,695)	-	(441,695)
Dividends paid to non-controlling interest	-	-	-	-	-	(16,097)	(16,097)
Balance at December 31, 2011	598,979	728,279	809,266	4,972,942	7,109,466	624,459	7,733,925
Period 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
Year ended September 30, 2011							
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	-	-	(102,497)	1,121,527	1,019,030	48,392	1,067,422
Issue of shares	811	-	-	-	811	-	811
Share-based payment	5,275	-	-	-	5,275	-	5,275
Transfer to general contingency reserves	-	-	32,864	(32,864)	-	-	-
Transfer to statutory reserves	-	99,406	-	(99,406)	-	-	-
Other	-	-	-	622	622	-	622
Dividends	-	-	-	(586,172)	(586,172)	-	(586,172)
Dividends paid to non-controlling interest	-	-	-	-	-	(29,364)	(29,364)
Balance at September 30, 2011	596,492	697,775	673,225	5,263,110	7,230,602	620,715	7,851,317

CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-11 \$'000	Dec-31-10 \$'000	Sept-30-11 \$'000
Operating activities			
Profit before taxation	385,416	376,302	1,482,607
Adjustments for non-cash items	20,926	67,399	425,045
(Increase)/decrease in operating assets	(1,072,719)	142,362	(236,955)
Increase/(decrease) in operating liabilities	2,037,183	(667,104)	1,023,005
Taxes paid	(56,864)	(41,877)	(273,658)
Cash provided by/(used in) operating activities	1,313,942	(122,918)	2,420,044
Investing activities			
Net decrease/(increase) in investments	102,470	66,588	(674,744)
Dividends from associated companies	2,444	1,655	3,325
Additions to fixed assets	(27,922)	(39,344)	(222,483)
Proceeds from sale of fixed assets	78	31	84,149
Cash provided by/(used in) investing activities	77,070	28,930	(809,753)
Financing activities			
(Decrease)/increase in balances due to other banks	(27,246)	255,417	(95,689)
Repayment of debt securities	(1,521)	(44,975)	(95,528)
Net proceeds from share issue	864	-	811
Dividends paid to shareholders of the parent	(441,695)	(385,428)	(586,172)
Dividends paid to non-controlling interest	(16,097)	(20,682)	(29,364)
Cash used in financing activities	(485,695)	(195,668)	(805,942)
Net increase/(decrease) in cash resources	905,317	(289,656)	804,349
Net foreign exchange difference	(7,827)	(7,176)	85
Cash and cash equivalents at beginning of period/year	10,265,620	9,461,186	9,461,186
Cash and cash equivalents at end of period/year	11,163,110	9,164,354	10,265,620
Supplemental information:			
Interest received during the period/year	571,936	687,553	2,675,436
Interest paid during the period/year	80,826	124,000	456,473
Dividends received	86	716	1,020

**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. Republic Bank Limited is the ultimate parent of the Group. This company is listed on the Trinidad and Tobago Stock Exchange.

The CL Financial Group holds through its various subsidiaries 51.5% 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, 2011, the combined shareholding of Republic Bank Limited for CLICO and CIB is 51.2%.

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, 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, 2011.

3 Capital commitments

	UNAUDITED		AUDITED
	Dec-31-11 \$'000	Dec-31-10 \$'000	Sept-30-11 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	132,061	25,475	127,648
Other capital expenditure authorised by the Directors but not yet contracted for	56,065	249,736	133,941

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, 2011, the balance in the General Contingency Reserve of \$545.3 million is part of Other Reserves, which totals \$809.3 million.



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NOTES TO THE INTERIM CONSOLIDATED
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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-31-11 \$'000	Dec-31-10 \$'000	Sept-30-11 \$'000
Advances, investments and other assets (net of provisions)			
CL Financial Group	130,945	124,878	133,816
Directors and key management personnel	38,619	22,815	36,994
Other related parties	190,630	150,565	193,413
	<u>360,194</u>	<u>298,258</u>	<u>364,223</u>
Provision for amounts due from related parties	4,986	-	-
Deposits and other liabilities			
CL Financial Group	261,603	276,861	322,304
Directors and key management personnel	83,768	107,029	89,542
Other related parties	119,818	112,903	67,211
	<u>465,189</u>	<u>496,793</u>	<u>479,057</u>
Interest and other income			
CL Financial Group	5,890	3,091	10,990
Directors and key management personnel	1,302	394	2,035
Other related parties	9,951	2,352	9,794
	<u>17,143</u>	<u>5,837</u>	<u>22,819</u>
Interest and other expense			
CL Financial Group	40	184	2,465
Directors and key management personnel	1,782	1,912	7,077
Other related parties	8	6	383
	<u>1,830</u>	<u>2,102</u>	<u>9,925</u>
Key management compensation			
Short term benefits	12,375	12,420	43,303
Share-based payment	1,623	1,623	5,275
	<u>13,998</u>	<u>14,043</u>	<u>48,578</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
Unaudited Three months ended December 31, 2011					
Operating income	666,516	115,902	113,932	(117,408)	778,942
Net profit before taxation	405,852	37,417	58,403	(116,256)	385,416
Total assets	35,661,864	8,813,824	8,618,253	(3,880,984)	49,212,957
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
Audited Year ended September 30, 2011					
Operating income	2,568,908	465,263	405,268	(128,144)	3,311,295
Net profit before taxation	1,321,188	100,990	184,436	(124,007)	1,482,607
Total assets	33,846,758	8,921,936	8,016,242	(3,517,150)	47,267,786

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, 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.