



Republic Bank
We're the One for you!

**UNAUDITED
GROUP FINANCIAL STATEMENTS
FIRST QUARTER ENDED DECEMBER 31, 2012**

CHAIRMAN'S COMMENTS

Republic Bank Limited has recorded profit attributable to shareholders of \$285.0 million for the quarter ended December 31, 2012, an increase of 5% over the corresponding period last year. Total assets stand at \$54.2 billion, an increase of 10% over December 2011 and 5% over the year ended September 2012.

While we continue to be challenged locally by high liquidity, falling interest rates and minimal investment opportunities, we are encouraged by the upswing in credit demand, reflected in the 5% increase in our Advances portfolio year-on-year. During the quarter we were successful in our bid to purchase the non-controlling interest in Republic Bank (Barbados) Limited, resulting in a 98.6% shareholding as at December 31, 2012, with the remaining 1.4% shareholding to be transferred in the second quarter.

The year has started off with the promise of increased economic activity which bodes well for the future.

Ronald F. deC. Harford
Chairman

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Dec-31-12 \$'000	Dec-31-11 \$'000	Sept-30-12 \$'000
ASSETS			
Cash resources	18,316,893	15,564,878	16,490,404
Advances	23,897,163	22,777,185	23,317,199
Investment securities	7,801,043	6,697,245	7,788,049
Premises and equipment	1,580,792	1,558,484	1,558,285
Net pension asset	1,260,079	1,220,834	1,254,584
Other assets	1,364,905	1,319,712	1,187,900
TOTAL ASSETS	54,220,875	49,138,338	51,596,421
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	91,389	160,801	84,506
Customers' deposits and other funding instruments	43,009,219	38,176,103	39,781,901
Debt securities in issue	1,238,819	1,249,760	1,240,547
Other liabilities	1,964,880	1,918,772	1,934,280
TOTAL LIABILITIES	46,304,307	41,505,436	43,041,234
EQUITY			
Stated capital	631,152	598,979	628,150
Statutory reserves	967,652	728,279	892,652
Other reserves	902,031	708,243	783,805
Retained earnings	5,140,241	4,972,942	5,586,968
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	7,641,076	7,008,443	7,891,575
Non-controlling interest	275,492	624,459	663,612
TOTAL EQUITY	7,916,568	7,632,902	8,555,187
TOTAL LIABILITIES AND EQUITY	54,220,875	49,138,338	51,596,421

CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-12 \$'000	Dec-31-11 \$'000	Sept-30-12 \$'000
Net interest income	554,536	522,726	2,139,785
Other income	285,419	256,216	1,103,671
Operating income	839,955	778,942	3,243,456
Operating expenses	(420,754)	(399,646)	(1,617,936)
	419,201	379,296	1,625,520
Share of profits of associated companies	44	6,718	12,220
Operating profit	419,245	386,014	1,637,740
Loan impairment expense	(17,203)	(598)	(103,601)
Profit before taxation	402,042	385,416	1,534,139
Taxation expense	(106,232)	(96,560)	(307,534)
Net profit after taxation	295,810	288,856	1,226,605
Attributable to:			
Equity holders of the parent	285,002	272,005	1,158,968
Non-controlling interest	10,808	16,851	67,637
	295,810	288,856	1,226,605
Earnings per share			
Basic	\$1.78	\$1.71	\$7.27
Diluted	\$1.78	\$1.70	\$7.25
Weighted average number of shares ('000)			
Basic	160,102	159,384	159,470
Diluted	160,557	159,923	159,776

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-12 \$'000	Dec-31-11 \$'000	Sept-30-12 \$'000
Net profit after taxation	295,810	288,856	1,226,605
Other comprehensive income:			
Net gains on available-for-sale investments	25,354	45,168	226,458
Taxation impact	(1,074)	(7,348)	(25,779)
	24,280	37,820	200,679
Translation adjustments	(170)	13,445	10,578
Share of changes recognised directly in associate's equity	3,967	(2,208)	2,518
Other comprehensive income for the period, net of taxation	28,077	49,057	213,775
Total comprehensive income for the period, net of taxation	323,887	337,913	1,440,380
Attributable to:			
Equity holders of the parent	322,473	318,072	1,372,446
Non-controlling interest	1,414	19,841	67,934
	323,887	337,913	1,440,380



Republic Bank
We're the One for you!



Republic Bank
We're the One for you!

**UNAUDITED
GROUP FINANCIAL STATEMENTS
FIRST QUARTER ENDED DECEMBER 31, 2012**

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, 2012							
Balance at October 1, 2012	628,150	892,652	783,805	5,586,968	7,891,575	663,612	8,555,187
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)
Balance at December 31, 2012	631,152	967,652	902,031	5,140,241	7,641,076	275,492	7,916,568
Period ended December 31, 2011							
Balance at October 1, 2011	596,492	697,775	526,988	5,263,110	7,084,365	620,715	7,705,080
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
Allocation of shares	-	-	45,214	-	45,214	-	45,214
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	708,243	4,972,942	7,008,443	624,459	7,632,902
Year ended September 30, 2012							
Balance at October 1, 2011	596,492	697,775	526,988	5,263,110	7,084,365	620,715	7,705,080
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)
Balance at September 30, 2012	628,150	892,652	783,805	5,586,968	7,891,575	663,612	8,555,187

**CONSOLIDATED STATEMENT OF
CASH FLOWS (CONTINUED)**

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-12 \$'000	Dec-31-11 \$'000	Sept-30-12 \$'000
Net increase in cash resources	1,296,781	905,317	1,247,761
Net foreign exchange difference	(300)	(7,827)	(4,077)
Cash and cash equivalents at beginning of period/year	11,509,304	10,265,620	10,265,620
Cash and cash equivalents at end of period/year	12,805,785	11,163,110	11,509,304
Supplemental information:			
Interest received during the period/year	640,668	571,936	2,464,027
Interest paid during the period/year	(77,234)	(80,826)	(362,925)
Dividends received	4	86	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 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.

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%.

As at December 31, 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, 2012 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		AUDITED
	Dec-31-12 \$'000	Dec-31-11 \$'000	Sept-30-12 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	63,745	132,061	172,907
Other capital expenditure authorised by the Directors but not yet contracted for	197,023	56,065	37,681

CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-12 \$'000	Dec-31-11 \$'000	Sept-30-12 \$'000
Operating activities			
Profit before taxation	402,042	385,416	1,534,139
Adjustments for non-cash items	54,462	20,926	218,464
Increase in operating assets	(1,216,399)	(1,117,933)	(2,161,554)
Increase in operating liabilities	3,214,326	2,037,183	3,711,554
Taxes paid	(72,219)	(56,864)	(351,033)
Cash provided by operating activities	2,382,212	1,268,728	2,951,570
Investing activities			
Net (increase)/decrease in investments	(66,736)	102,470	(847,266)
Dividends from associated companies	2,381	2,444	3,004
Additions to fixed assets	(62,747)	(27,922)	(154,184)
Proceeds from sale of fixed assets	706	78	6,717
Cash (used in)/provided by investing activities	(126,396)	77,070	(991,729)
Financing activities			
Increase/(decrease) in balances due to other banks	6,883	(27,246)	(103,541)
Repayment of debt securities	(1,728)	(1,521)	(10,734)
Acquisition of non-controlling interest	(508,994)	-	-
Net proceeds from share issue	1,318	864	24,837
Allocation of shares to profit sharing plan	47,754	45,214	45,214
Dividends paid to shareholders of the parent	(482,834)	(441,695)	(642,819)
Dividends paid to non-controlling interest	(21,434)	(16,097)	(25,037)
Cash used in financing activities	(959,035)	(440,481)	(712,080)



Republic Bank
We're the One for you!



Republic Bank
We're the One for you!

**UNAUDITED
GROUP FINANCIAL STATEMENTS
FIRST QUARTER ENDED DECEMBER 31, 2012**

**NOTES TO THE INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)**

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, 2012, the balance in the General Contingency Reserve of \$486.4 million is part of Other Reserves which totals \$902 million.

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-31-12 \$'000	Dec-31-11 \$'000	Sept-30-12 \$'000
Outstanding balances			
Advances, investments and other assets (net of provisions)			
CL Financial Group	-	130,945	155,580
Directors and key management personnel	26,623	38,619	27,200
Other related parties	185,184	190,630	182,742
	<u>211,807</u>	<u>360,194</u>	<u>365,522</u>
Provision for amounts due from related parties	-	4,986	4,963
Deposits and other liabilities			
CL Financial Group	-	261,603	284,262
Directors and key management personnel	77,979	83,768	88,065
Other related parties	138,693	119,818	155,653
	<u>216,672</u>	<u>465,189</u>	<u>527,980</u>
Interest and other income			
CL Financial Group	-	5,890	14,005
Directors and key management personnel	389	1,302	1,734
Other related parties	3,211	9,951	12,306
	<u>3,600</u>	<u>17,143</u>	<u>28,045</u>
Interest and other expense			
CL Financial Group	-	40	231
Directors and key management personnel	1,035	1,782	7,012
Other related parties	114	8	297
	<u>1,149</u>	<u>1,830</u>	<u>7,540</u>
Key management compensation			
Short term benefits	14,525	12,375	41,203
Share-based payment	1,684	1,623	6,821
	<u>16,209</u>	<u>13,998</u>	<u>48,024</u>

As stated in Note 1 (Corporate information), the CL Financial Group is no longer considered a related party of Republic Bank Limited as at December 31, 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 December 2012. Prior period balances have however been maintained in the related party note.

Website: republictt.com Email: email@republictt.com

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					
Three months ended December 31, 2012					
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
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	35,560,841	8,832,257	8,626,224	(3,880,984)	49,138,338
Audited					
Year ended September 30, 2012					
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 December 31, 2012, 96.1% of the non-controlling interest was traded, bringing RBL's ownership interest to 98.6%. The details of the transaction are as follows:

	TT \$'000
- Consideration paid (US\$80.5M)	508,994
- Carrying value of additional shareholding acquired	368,100
- Difference - recognised in retained earnings within equity	140,894

8 Contingent liabilities

As at December 31, 2012, 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.



Republic Bank
We're the One for you!