



Republic Bank
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UNAUDITED GROUP FINANCIAL STATEMENTS

FIRST QUARTER ENDED DECEMBER 31, 2014

CHAIRMAN'S COMMENTS

Republic Bank Limited recorded profit attributable to shareholders of \$297.3 million for the three months ended December 2014, an increase of 2.1% over the corresponding period last year. Total assets stood at \$60 billion at December 31, 2014, an increase of 3.7% from December 2013 and 1.1% over the year ended September 2014.

The loans portfolio continues to grow with a year on year increase of \$2.3 billion or 9% and a 3.2% growth for the three months to December 2014 which led to an increase in net interest income of \$25.2 million or 4.5%. Operating expenses were up by \$54 million or 12% from 2013, a major contributing factor being the increased cost of compliance in the current regulatory environment.

While a satisfactory performance was achieved for the first quarter, astute asset management will continue to be crucial given the continued sluggish economic environment in Barbados and the Eastern Caribbean, and the decline in oil prices and its potential impact on government expenditure and economic growth in Trinidad and Tobago.

The Group remains well positioned for the future, being well capitalised, with declining non-performing loans and high liquidity.

Ronald F. deC. Harford

Chairman

January 28, 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Dec-31-14	Dec-31-13 (Restated)	Sept-30-14
	\$'000	\$'000	\$'000
ASSETS			
Cash resources	18,862,277	19,145,853	19,649,880
Advances	27,952,794	25,646,902	27,095,407
Investment securities	8,843,610	8,577,278	8,260,382
Premises and equipment	1,626,412	1,593,129	1,573,503
Net pension asset	1,291,028	1,286,115	1,299,725
Other assets	1,464,002	1,645,803	1,492,619
TOTAL ASSETS	60,040,123	57,895,080	59,371,516
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	89,795	79,152	69,957
Customers' deposits and other funding instruments	47,791,383	45,805,092	47,128,593
Debt securities in issue	1,066,198	1,227,249	1,066,802
Other liabilities	2,524,484	2,313,761	2,359,841
TOTAL LIABILITIES	51,471,860	49,425,254	50,625,193
EQUITY			
Stated capital	730,194	657,143	704,871
Statutory reserves	1,202,364	1,068,708	1,202,364
Other reserves	756,811	1,265,853	744,363
Retained earnings	5,570,402	5,178,735	5,785,296
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	8,259,771	8,170,439	8,436,894
Non-controlling interest	308,492	299,387	309,429
Total equity	8,568,263	8,469,826	8,746,323
TOTAL LIABILITIES AND EQUITY	60,040,123	57,895,080	59,371,516

CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED	AUDITED YEAR ENDED	
	Dec-31-14 \$'000	Dec-31-13 \$'000	Sept-30-14 \$'000
Net interest income	589,472	564,307	2,218,052
Other income	309,898	295,530	1,486,982
Operating income	899,370	859,837	3,705,034
Operating expenses	(503,256)	(449,218)	(2,065,590)
	396,114	410,619	1,639,444
Share of profits of associated companies	11,739	12,734	49,135
Operating profit	407,853	423,353	1,688,579
Loan impairment expense	(4,120)	(1,978)	(119,883)
Profit before taxation	403,733	421,375	1,568,696
Taxation expense	(97,012)	(118,465)	(338,980)
Net profit after taxation	306,721	302,910	1,229,716
Attributable to:			
Equity holders of the parent	297,255	291,183	1,193,390
Non-controlling interest	9,466	11,727	36,326
	306,721	302,910	1,229,716
Earnings per share			
Basic	\$1.84	\$1.81	\$7.42
Diluted	\$1.84	\$1.80	\$7.39
Weighted average number of shares ('000)			
Basic	161,248	160,815	160,918
Diluted	161,719	161,363	161,467

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED	AUDITED YEAR ENDED	
	Dec-31-14 \$'000	Dec-31-13 \$'000	Sept-30-14 \$'000
Net profit after taxation	306,721	302,910	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)/gains on available-for-sale investments	(43,388)	91,642	(118,580)
Translation adjustments	6,146	17,044	(156,558)
	(37,242)	108,686	(275,138)
<i>Other comprehensive income (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)
Total comprehensive income for the period, net of taxation	269,479	411,596	895,055
Attributable to:			
Equity holders of the parent	260,030	397,752	866,240
Non-controlling interest	9,449	13,844	28,815
	269,479	411,596	895,055



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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, 2014							
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	-	-	(37,225)	297,255	260,030	9,449	269,479
Issue of shares	23,286	-	-	-	23,286	-	23,286
Share-based payment	2,037	-	-	-	2,037	-	2,037
Allocation of shares net of shares purchased	-	-	21,145	-	21,145	-	21,145
Transfer to general contingency reserves	-	-	28,528	(28,528)	-	-	-
Dividends	-	-	-	(483,621)	(483,621)	-	(483,621)
Dividends paid to non-controlling interest	-	-	-	-	-	(10,386)	(10,386)
Balance at December 31, 2014	730,194	1,202,364	756,811	5,570,402	8,259,771	308,492	8,568,263
Period ended December 31, 2013							
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	-	-	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)
Balance at December 31, 2013 (Restated)	657,143	1,068,708	1,265,853	5,178,735	8,170,439	299,387	8,469,826
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 THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-14 \$'000	Dec-31-13 \$'000	Sept-30-14 \$'000
Operating activities			
Profit before taxation	403,733	421,375	1,568,696
Adjustments for non-cash items	65,366	27,358	303,786
Increase in operating assets	(1,021,837)	(981,545)	(2,665,265)
Increase in operating liabilities	767,465	283,433	1,681,092
Taxes paid	(49,063)	(129,396)	(444,918)
Cash provided by/(used in) operating activities	165,664	(378,775)	443,391
Investing activities			
Net decrease in investments	(522,410)	(397,642)	(155,627)
Dividends from associated companies	757	1,323	9,740
Additions to fixed assets	(95,992)	(47,540)	(202,825)
Proceeds from sale of fixed assets	894	-	50,459
Cash used in investing activities	(616,751)	(443,859)	(298,253)
Financing activities			
Increase/(decrease) in balances due to other banks	19,838	5,803	(3,392)
Repayment of debt securities	(605)	(1,809)	(162,256)
Net proceeds from share issue	23,286	5,576	46,789
Shares purchased for profit sharing scheme	(28,121)	-	(71,050)
Allocation of shares from profit sharing plan	49,266	29,021	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	(430,343)	(455,445)	(838,564)
Net decrease in cash resources	(881,430)	(1,278,079)	(693,426)
Net foreign exchange difference	(4,893)	(15,447)	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	12,904,354	13,166,117	13,790,677
Supplemental information:			
Interest received during the period/year	654,253	628,060	2,560,429
Interest paid during the period/year	(60,894)	(69,794)	(314,469)
Dividends received	69	111	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 December 31, 2014 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.

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 December 31, 2013 were restated to reflect these adjustments.

3 Capital commitments

	UNAUDITED		AUDITED
	Dec-31-14 \$'000	Dec-31-13 \$'000	Sept-30-14 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	641,968	124,822	437,591
Other capital expenditure authorised by the Directors but not yet contracted for	85,938	120,476	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 December 31, 2014, the balance in the General Contingency Reserve of \$670.2 million is part of Other Reserves which totals \$756.8 million.



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-31-14 \$'000	Dec-31-13 \$'000	Sept-30-14 \$'000
Outstanding Balances			
Advances, investments and other assets			
Directors and key management personnel	15,004	19,969	14,993
Other related parties	66,262	152,074	234,548
	81,266	172,043	249,541
Deposits and other liabilities			
Directors and key management personnel	73,135	95,835	64,886
Other related parties	64,389	83,486	108,705
	137,525	179,321	173,591
Interest and other income			
Directors and key management personnel	244	454	1,290
Other related parties	1,037	3,066	15,961
	1,281	3,520	17,251
Interest and other expense			
Directors and key management personnel	829	972	7,136
Other related parties	100	104	3,813
	929	1,076	10,949
Key management compensation			
Short term benefits	10,540	9,144	32,632
Share-based payment	2,037	1,635	8,150
	12,577	10,779	40,782

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 Three months ended December 31, 2014					
Operating income	798,390	119,402	121,622	(140,044)	899,370
Net profit before taxation	451,886	39,697	48,853	(136,703)	403,733
Total assets	46,625,633	8,335,057	9,394,348	(4,314,915)	60,040,123
Unaudited Three months ended December 31, 2013					
Operating income	740,644	114,356	126,654	(121,817)	859,837
Net profit before taxation	433,983	39,410	63,631	(115,648)	421,375
Total assets (Restated)	43,196,045	8,865,093	9,767,961	(3,934,019)	57,895,080
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 December 31, 2014, there were certain tax and 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.