

CHAIRMAN'S COMMENTS

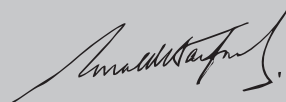
Republic Bank Limited recorded profit attributable to shareholders of \$897.8 million for the nine months ended June 30, 2015, an increase of \$28.7 million or 3.3% over the corresponding period last year. Total assets stood at \$62.3 billion, an increase of \$2.8 billion or 4.8%, of which HFC Bank (Ghana) Limited contributed \$1.9 billion.

Profitability for the period under review benefited from recovery of \$123.4 million after tax on a non-performing facility. This was offset by one-off charges of \$99.9 million representing loan impairment expenses of \$43.2 million (net of minority interest) recorded by HFC Bank (Ghana) Limited to bring its loan provisions in line with the group's policy and impairment expenses of \$56.7 million for loans and goodwill at Republic Bank (Cayman) Limited.

In May 2015, we increased our shareholding in HFC Bank (Ghana) Limited to 57.11% following the mandatory takeover bid. On July 31, 2015 we also acquired a 100% shareholding in RBC Royal Bank (Suriname) N.V. which was renamed Republic Bank (Suriname) N.V. This acquisition will add a further \$3.3 billion to our asset base. These acquisitions increased our geographic footprint in line with our strategic plan.

We are very pleased to welcome the staff of HFC Bank (Ghana) Limited and Republic Bank (Suriname) N.V. to the Republic Bank family.

We expect that the Group's performance will continue to be satisfactory to the end of the financial year.



Ronald F. deC. Harford
Chairman
August 12, 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	June-30-15	June-30-14 (Restated)	Sept-30-14
	\$'000	\$'000	\$'000
ASSETS			
Cash resources	19,238,014	20,463,249	19,649,880
Advances	29,725,944	26,628,749	27,095,407
Investment securities	8,910,426	8,292,765	8,260,382
Premises and equipment	1,740,657	1,588,591	1,573,503
Net pension asset	1,273,545	1,272,089	1,299,725
Other assets	1,448,815	1,261,485	1,492,619
TOTAL ASSETS	62,337,401	59,506,928	59,371,516
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	125,877	126,846	69,957
Customers' deposits and other funding instruments	49,454,914	47,478,322	47,128,593
Debt securities in issue	1,184,179	1,071,134	1,066,802
Other liabilities	2,498,227	2,335,178	2,359,841
TOTAL LIABILITIES	53,263,197	51,011,480	50,625,193
EQUITY			
Stated capital	738,357	698,890	704,871
Statutory reserves	1,205,734	1,201,346	1,202,364
Other reserves	705,557	839,262	744,363
Retained earnings	5,970,665	5,446,926	5,785,296
Attributable to equity holders of the parent	8,620,313	8,186,424	8,436,894
Non-controlling interest	453,891	309,024	309,429
TOTAL EQUITY	9,074,204	8,495,448	8,746,323
TOTAL LIABILITIES AND EQUITY	62,337,401	59,506,928	59,371,516

CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	June-30-15 \$'000	June-30-14 \$'000	June-30-15 \$'000	June-30-14 \$'000	Sept-30-14 \$'000
Net interest income	617,897	568,514	1,791,326	1,699,208	2,218,052
Other income	497,861	311,996	1,104,444	1,104,913	1,486,982
Operating income	1,115,758	880,510	2,895,770	2,804,121	3,705,034
Operating expenses	(554,178)	(454,292)	(1,559,599)	(1,576,337)	(2,065,590)
	561,580	426,218	1,336,171	1,227,784	1,639,444
Net share of profits of associated companies	1,391	6,867	17,385	24,801	49,135
Operating profit	562,971	433,085	1,353,556	1,252,585	1,688,579
Loan impairment expense	(121,838)	(25,838)	(145,015)	(79,242)	(119,883)
Profit before taxation	441,133	407,247	1,208,541	1,173,343	1,568,696
Taxation expense	(128,429)	(88,003)	(305,463)	(271,439)	(338,980)
Net profit after taxation	312,704	319,244	903,078	901,904	1,229,716
Attributable to:					
Equity holders of the parent	325,038	308,312	897,776	869,070	1,193,390
Non-controlling interest	(12,334)	10,932	5,302	32,834	36,326
	312,704	319,244	903,078	901,904	1,229,716
Earnings per share					
Basic			\$5.57	\$5.40	\$7.42
Diluted			\$5.56	\$5.38	\$7.39
Weighted average number of shares ('000)					
Basic			161,288	160,878	160,918
Diluted			161,566	161,432	161,467

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	June-30-15 \$'000	June-30-14 \$'000	June-30-15 \$'000	June-30-14 \$'000	Sept-30-14 \$'000
Net profit after taxation	312,704	319,244	903,078	901,904	1,229,716
<i>Other comprehensive income/(loss) (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	(77,681)	13,843	(158,248)	(91,352)	(118,580)
Translation adjustments	122,534	(74,966)	90,799	(152,118)	(156,558)
	44,853	(61,123)	(67,449)	(243,470)	(275,138)
<i>Other comprehensive income/(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	19	(8,270)	19	(8,270)	(8,270)
Other comprehensive income/(loss) for the period, net of taxation	44,872	(69,393)	(67,430)	(251,739)	(334,661)
Total comprehensive income for the period, net of taxation	357,576	249,851	835,648	650,164	895,055
Attributable to:					
Equity holders of the parent	386,713	241,308	847,302	621,754	866,240
Non-controlling interest	(29,137)	8,543	(11,654)	28,410	28,815
	357,576	249,851	835,648	650,164	895,055



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Statutory Reserves	Other Reserves	Retained Earnings	Total equity attributable to equity holders of the parent	Non-controlling Interest	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Period ended June 30, 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	-	-	(50,474)	897,776	847,302	(11,654)	835,648
Issue of shares	27,374	-	-	-	27,374	-	27,374
Share-based payment	6,112	-	-	-	6,112	-	6,112
Shares purchased for profit sharing scheme	-	-	(60,475)	-	(60,475)	-	(60,475)
Allocation of shares	-	-	49,195	-	49,195	-	49,195
Transfer to general contingency reserves	-	-	22,948	(22,948)	-	-	-
Transfer to statutory reserves	-	3,370	-	(3,370)	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	191,547	191,547
Dividends	-	-	-	(686,089)	(686,089)	-	(686,089)
Dividends paid to non-controlling interest	-	-	-	-	-	(35,431)	(35,431)
Balance at June 30, 2015	738,357	1,205,734	705,557	5,970,665	8,620,313	453,891	9,074,204
Period ended June 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	-	-	(247,316)	869,070	621,754	28,410	650,164
Issue of shares	44,053	-	-	-	44,053	-	44,053
Share-based payment	4,905	-	-	-	4,905	-	4,905
Allocation of shares	-	-	(18,865)	-	(18,865)	-	(18,865)
Transfer to general contingency reserves	-	-	53,261	(53,261)	-	-	-
Transfer to statutory reserves	-	132,638	-	(132,638)	-	-	-
Dividends	-	-	-	(685,254)	(685,254)	-	(685,254)
Dividends paid to non-controlling interest	-	-	-	-	-	(15,589)	(15,589)
Balance at June 30, 2014 (Restated)	698,890	1,201,346	839,262	5,446,926	8,186,424	309,024	8,495,448
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 NINE MONTHS ENDED	UNAUDITED NINE MONTHS ENDED	AUDITED YEAR ENDED
	June-30-15 \$'000	June-30-14 \$'000	Sept-30-14 \$'000
Operating activities			
Profit before taxation	1,208,541	1,173,343	1,568,696
Adjustments for non-cash items	482,323	360,799	303,786
Increase in operating assets	(1,564,304)	(2,008,302)	(2,665,265)
Increase in operating liabilities	750,829	2,081,657	1,681,092
Taxes paid	(242,898)	(346,010)	(444,918)
Cash provided by operating activities	634,491	1,261,487	443,391
Investing activities			
Net increase in investments	(491,668)	(419,794)	(155,627)
Net change in the composition of the group	236,661	-	-
Acquisition of subsidiary, net of cash acquired	(228,486)	-	-
Dividends from associated companies	1,909	9,740	9,740
Additions to fixed assets	(214,586)	(142,376)	(202,825)
Proceeds from sale of fixed assets	2,901	3,256	50,459
Cash used in investing activities	(693,269)	(549,174)	(298,253)
Financing activities			
Increase/(decrease) in balances due to other banks	2,118	53,497	(3,392)
Repayment of debt securities	(18,581)	(157,924)	(162,256)
Net proceeds from share issue	27,374	44,053	46,789
Shares purchased for profit sharing scheme	(60,475)	(71,050)	(71,050)
Allocation of shares from profit sharing plan	49,195	52,185	52,185
Dividends paid to shareholders of the parent	(686,089)	(685,254)	(685,251)
Dividends paid to non-controlling interest	(35,431)	(15,589)	(15,589)
Cash used in financing activities	(721,889)	(780,082)	(838,564)
Net decrease in cash resources	(780,667)	(67,769)	(693,426)
Net foreign exchange difference	(7,140)	18,274	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	13,002,870	14,410,148	13,790,677
Supplemental information:			
Interest received during the period/year	1,985,793	1,908,894	2,560,429
Interest paid during the period/year	(192,131)	(225,982)	(314,469)
Dividends received	584	672	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 fifteen (15) subsidiaries and three (3) 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 Limited 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 June 30, 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.

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 June 30, 2014 were restated to reflect these adjustments.

3 Capital commitments

	UNAUDITED	UNAUDITED	AUDITED
	June-30-15 \$'000	June-30-14 \$'000	Sept-30-14 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	544,509	460,907	437,591
Other capital expenditure authorised by the Directors but not yet contracted for	233,076	73,672	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 June 30, 2015, the balance in the General Contingency Reserve of \$664.6 million is part of Other Reserves which totals \$705.6 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
	June-30-15 \$'000	June-30-14 \$'000	Sept-30-14 \$'000
Outstanding Balances			
Advances, investments and other assets			
Directors and key management personnel	17,345	30,813	14,993
Other related parties	94,773	194,489	234,548
	<u>112,118</u>	<u>225,302</u>	<u>249,541</u>
Deposits and other liabilities			
Directors and key management personnel	75,604	57,547	64,886
Other related parties	72,376	94,754	108,705
	<u>147,980</u>	<u>152,301</u>	<u>173,591</u>
Interest and other income			
Directors and key management personnel	654	863	1,290
Other related parties	3,414	10,126	15,961
	<u>4,068</u>	<u>10,989</u>	<u>17,251</u>
Interest and other expense			
Directors and key management personnel	1,972	1,962	7,136
Other related parties	297	251	3,813
	<u>2,269</u>	<u>2,213</u>	<u>10,949</u>
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.			
Key management compensation			
Short term benefits	28,517	26,335	32,632
Share-based payment	6,112	4,905	8,150
	<u>34,629</u>	<u>31,240</u>	<u>40,782</u>

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	Ghana \$'000	Eliminations \$'000	Total \$'000
Unaudited Nine months ended June 30, 2015						
Operating income	2,394,221	371,968	368,766	44,105	(283,290)	2,895,770
Net profit/(loss) before taxation	1,271,932	114,404	121,895	(55,347)	(244,343)	1,208,541
Total assets	46,364,000	8,506,408	9,574,328	1,910,571	(4,017,906)	62,337,401
Unaudited Nine months ended June 30, 2014						
Operating income	2,192,364	373,656	379,563	-	(141,462)	2,804,121
Net profit before taxation	1,022,109	102,201	182,044	-	(133,011)	1,173,343
Total assets (Restated)	45,728,644	8,544,878	9,448,502	-	(4,215,096)	59,506,928
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 June 30, 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.

8 Business Combinations - Acquisition of HFC Bank (Ghana) Limited

Over the period November 2012 to September 2013, the Group acquired 39.87% of the outstanding ordinary shares of HFC Bank (Ghana) Limited, a company based in Ghana and listed on the Ghana Stock Exchange. In May 2015, the Group acquired 17.25% of the outstanding ordinary shares and obtained control of HFC Bank (Ghana) Limited. The acquisition has been accounted for using the acquisition method. The interim consolidated financial statements include the results of HFC Bank (Ghana) Limited for a one-month period from the acquisition date.

The fair values of the identifiable assets and liabilities of HFC Bank (Ghana) Limited as at the date of acquisition were:

	Fair value recognised on acquisition May-1-2015 TT\$'000
Assets	
Cash resources	466,056
Investment securities	297,560
Advances	1,273,343
Other assets	238,104
	<u>2,275,063</u>
Liabilities	
Customer deposits and due to banks	1,342,916
Debt securities and other fund raising instruments	426,536
Other liabilities	57,994
	<u>1,827,446</u>
Total identifiable net assets at fair value	447,617
Non-controlling interests	(191,970)
Goodwill arising on acquisition (provisional)*	277,560
Purchase consideration transferred	<u>533,207</u>
Purchase Consideration	
Amount Settled in Cash	165,987
Fair Value of previously held investment	367,220
	<u>533,207</u>
Analysis of cash flows on acquisition	
Net cash acquired (included in cash flows from investing activities)	304,721
Consideration transferred	(533,207)
Net cash outflow	<u>(228,486)</u>

*The fair value of net assets is provisional pending receipt of final valuations for those assets and liabilities. These balances are subject to adjustment, with a corresponding adjustment to goodwill up to May 2016 (one year after the transaction).

We have however preliminarily identified increased impairment expenses of \$75.6 million (\$43.2 million after non-controlling interest) which has been accounted for in the Consolidated Statement of Income. This has resulted in a net loss before taxation of \$55.3 million for HFC Bank (Ghana) Limited. (Refer to Note 6).