



Republic Bank
We're the One for you!

**UNAUDITED
FINANCIAL STATEMENTS
HALF YEAR ENDED MARCH 31, 2012**

CHAIRMAN'S COMMENTS

Republic Bank's total assets exceeded the \$50 billion mark, reflecting a creditable growth of 7.4% for the six months ended March 31, 2012. Profit attributable to shareholders of \$550.1 million represents a 4.7% improvement over the comparable 2011 period. These hallmark achievements are noteworthy especially as we celebrate our 175th anniversary on May 15, this year. No other financial institution has had such an illustrious history in Trinidad and Tobago and we are proud of this achievement as it reflects the Bank's enduring strength and prudent management over the long term.

The prevailing economic conditions across our major markets were mainly characterised by soft interest rates and tightening margins. We therefore continue to focus on cost containment and treasury management, strategies which continue to serve us well. A notable 5.4% growth in our advances portfolio has helped to negate the impact of the market challenges.

The Board of Directors has declared a half-year dividend of \$1.25 (2011: \$1.25) payable on May 29, 2012.

We are confident that this performance will be sustained for the fiscal year.

Ronald F. deC. Harford
Chairman

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Mar-31-12 \$'000	Mar-31-11 \$'000	Sept-30-11 \$'000
ASSETS			
Cash resources	16,639,260	13,797,297	14,723,273
Advances	23,031,682	21,844,888	21,866,285
Investment securities	6,998,420	6,731,055	6,662,473
Premises and equipment	1,577,213	1,558,674	1,564,540
Net pension asset	1,214,505	1,140,672	1,183,302
Other assets	1,305,866	1,197,632	1,267,913
TOTAL ASSETS	50,766,946	46,270,218	47,267,786
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	171,996	204,963	188,047
Customers' deposits and other funding instruments	39,312,188	35,465,571	36,143,855
Debt securities in issue	1,245,979	1,268,763	1,251,281
Other liabilities	1,901,229	1,776,419	1,833,286
TOTAL LIABILITIES	42,631,392	38,715,716	39,416,469
EQUITY			
Stated capital	622,148	593,653	596,492
Statutory reserves	746,719	647,137	697,775
Other reserves	906,546	763,361	673,225
Retained earnings	5,220,131	4,941,784	5,263,110
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	7,495,544	6,945,935	7,230,602
Non-controlling interest	640,010	608,567	620,715
Total equity	8,135,554	7,554,502	7,851,317
TOTAL LIABILITIES AND EQUITY	50,766,946	46,270,218	47,267,786

CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-12 \$'000	Mar-31-11 \$'000	Mar-31-12 \$'000	Mar-31-11 \$'000	Sept-30-11 \$'000
Net interest income	516,654	519,794	1,039,380	1,056,895	2,134,542
Other income	275,787	243,416	532,003	483,298	1,176,753
Operating income	792,441	763,210	1,571,383	1,540,193	3,311,295
Operating expenses	(394,290)	(388,409)	(793,936)	(775,278)	(1,548,856)
	398,151	374,801	777,447	764,915	1,762,439
Share of profits of associated companies	4,193	1,677	10,911	8,862	8,795
Operating profit	402,344	376,478	788,358	773,777	1,771,234
Loan impairment expense	(43,374)	(24,366)	(43,972)	(45,363)	(288,627)
Profit before taxation	358,970	352,112	744,386	728,414	1,482,607
Taxation expense	(65,933)	(74,063)	(162,493)	(168,270)	(311,355)
Net profit after taxation	293,037	278,049	581,893	560,144	1,171,252
Attributable to:					
Equity holders of the parent	278,112	260,107	550,117	525,332	1,121,527
Non-controlling interest	14,925	17,942	31,776	34,812	49,725
	293,037	278,049	581,893	560,144	1,171,252
Earnings per share					
Basic			\$3.42	\$3.27	\$6.98
Diluted			\$3.42	\$3.27	\$6.98
Weighted average number of shares ('000)					
Basic			160,676	160,595	160,597
Diluted			160,976	160,610	160,642
Dividend based on the results of the period			\$1.25	\$1.25	\$4.00

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-12 \$'000	Mar-31-11 \$'000	Mar-31-12 \$'000	Mar-31-11 \$'000	Sept-30-11 \$'000
Net profit after taxation	293,037	278,049	581,893	560,144	1,171,252
Other comprehensive income/(expense):					
Net gains/(losses) on available-for-sale investments	86,188	(19,343)	131,356	(313)	(107,267)
Taxation impact	(4,303)	10,057	(11,651)	2,554	(1,421)
	81,885	(9,286)	119,705	2,241	(108,688)
Translation adjustments	2,492	(15,945)	15,937	5,769	5,625
Share of changes recognised directly in associate's equity	1,582	(533)	(626)	(128)	(767)
Other comprehensive income/(expense) for the period, net of taxation	85,959	(25,764)	135,016	7,882	(103,830)
Total comprehensive income for the period, net of taxation	378,996	252,285	716,909	568,026	1,067,422
Attributable to:					
Equity holders of the parent	363,022	249,213	681,094	537,080	1,019,030
Non-controlling interest	15,974	3,072	35,815	30,946	48,392
	378,996	252,285	716,909	568,026	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 March 31, 2012							
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	-	-	130,977	550,117	681,094	35,815	716,909
Issue of shares	22,409	-	-	-	22,409	-	22,409
Share-based payment	3,247	-	-	-	3,247	-	3,247
Transfer to general contingency reserves	-	-	102,344	(102,344)	-	-	-
Transfer to statutory reserves	-	48,944	-	(48,944)	-	-	-
Other	-	-	-	(113)	(113)	-	(113)
Dividends	-	-	-	(441,695)	(441,695)	-	(441,695)
Dividends paid to non-controlling interest	-	-	-	-	-	(16,520)	(16,520)
Balance at March 31, 2012	622,148	746,719	906,546	5,220,131	7,495,544	640,010	8,135,554
Period ended March 31, 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	-	-	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)
Balance at March 31, 2011	593,653	647,137	763,361	4,941,784	6,945,935	608,567	7,554,502
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 SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-12 \$'000	Mar-31-11 \$'000	Sept-30-11 \$'000
Operating activities			
Profit before taxation	744,386	728,414	1,482,607
Adjustments for non-cash items	88,194	143,000	425,045
(Increase)/decrease in operating assets	(1,512,735)	147,172	(236,955)
Increase in operating liabilities	3,179,365	298,423	1,023,005
Taxes paid	(139,546)	(112,358)	(273,658)
Cash provided by operating activities	2,359,664	1,204,651	2,420,044
Investing activities			
Net increase in investments	(114,052)	(651,503)	(674,744)
Dividends from associated companies	2,444	1,655	3,325
Additions to fixed assets	(82,191)	(71,659)	(222,483)
Proceeds from sale of fixed assets	98	4,350	84,149
Cash used in investing activities	(193,701)	(717,157)	(809,753)
Financing activities			
Decrease in balances due to other banks	(16,051)	(78,773)	(95,689)
Repayment of debt securities	(5,302)	(78,046)	(95,528)
Net proceeds from share issue	22,409	-	811
Dividends paid to shareholders of the parent	(441,695)	(385,428)	(586,172)
Dividends paid to non-controlling interest	(16,520)	(24,066)	(29,364)
Cash used in financing activities	(457,159)	(566,313)	(805,942)
Net increase/(decrease) in cash resources	1,708,804	(78,819)	804,349
Net foreign exchange difference	(9,022)	1,407	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	11,965,402	9,383,774	10,265,620
Supplemental information:			
Interest received during the period/year	1,178,612	1,281,620	2,675,436
Interest paid during the period/year	191,257	256,718	456,473
Dividends received	166	920	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 fourteen (14) 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 51.4% 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, 2012, the combined shareholding of Republic Bank Limited for CLICO and CIB is 51.1%.

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, 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, 2011.

3 Capital commitments

	UNAUDITED		AUDITED
	Mar-31-12 \$'000	Mar-31-11 \$'000	Sept-30-11 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	102,054	141,079	127,648
Other capital expenditure authorised by the Directors but not yet contracted for	48,787	148,851	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 March 31, 2012, the balance in the General Contingency Reserve of \$557.7 million is part of Other Reserves which totals \$906.5 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-31-12 \$'000	Mar-31-11 \$'000	Sept-30-11 \$'000
Advances, investments and other assets (net of provisions)			
CL Financial Group	130,343	118,488	133,816
Directors and key management personnel	40,342	23,725	36,994
Other related parties	189,643	156,733	193,413
	<u>360,328</u>	<u>298,946</u>	<u>364,223</u>
Provision for amounts due from related parties	4,988	-	-
Deposits and other liabilities			
CL Financial Group	350,197	316,150	322,304
Directors and key management personnel	93,140	100,183	89,542
Other related parties	126,925	103,878	67,211
	<u>570,262</u>	<u>520,211</u>	<u>479,057</u>
Interest and other income			
CL Financial Group	7,090	5,868	10,990
Directors and key management personnel	1,201	833	2,035
Other related parties	5,893	4,870	9,794
	<u>14,184</u>	<u>11,571</u>	<u>22,819</u>
Interest and other expense			
CL Financial Group	1,278	262	2,465
Directors and key management personnel	3,440	3,847	7,077
Other related parties	173	246	383
	<u>4,891</u>	<u>4,355</u>	<u>9,925</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	26,376	27,934	43,303
Share-based payment	3,247	3,247	5,275
	<u>29,623</u>	<u>31,181</u>	<u>48,578</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	Eliminations \$'000	Total \$'000
Unaudited Six months ended March 31, 2012					
Operating income	1,222,987	238,680	231,458	(121,742)	1,571,383
Net profit before taxation	674,446	67,727	118,907	(116,694)	744,386
Total assets	36,684,719	9,045,030	8,732,070	(3,694,873)	50,766,946
Unaudited Six months ended March 31, 2011					
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
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 March 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.