

REPUBLIC BANK (GRENADA) LIMITED

CHAIRMAN'S STATEMENT

Dear Shareholder

For the first quarter ended December 31st, 2011, the Bank recorded Profit After Tax of \$1.666 million, a 12% increase over the corresponding period last year. The increase is attributable to expense management and an improvement in foreign exchange earnings.

There are faint signs on the horizon of an easing of the global financial crisis. However, a sustained and robust recovery is still some way off. Although the rest of the year is expected to remain challenging, the Bank is on track to achieve its targets.



Ronald F. de.C Harford

CHAIRMAN

January 12, 2012

REPUBLIC BANK (GRENADA) LIMITED
FINANCIAL HIGHLIGHTS

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-11 \$'000	Dec-31-10 \$'000	Sept-30-11 \$'000
Profit before taxation	1,912	1,570	2,075
Profit after taxation	1,666	1,483	1,896
Profit attributable to shareholders	1,666	1,483	1,896
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Assets	716,231	734,383	708,777
Advances	500,810	481,855	497,173
Investment securities	93,258	108,185	95,147
Deposits and other funding instruments	601,488	609,702	597,055
Stated capital	15,000	15,000	15,000
Total equity	93,341	94,171	92,644
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Information per share			
Earnings per share	\$1.11	\$0.99	\$1.26
Number of shares - average ('000)	1,500	1,500	1,500

REPUBLIC BANK (GRENADA) LIMITED
STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Dec-31-11	Dec-31-10	Sept-30-11
	\$'000	\$'000	\$'000
Assets			
Cash resources	73,793	94,931	67,672
Advances	500,810	481,855	497,173
Investment securities	93,258	108,185	95,147
Premises and equipment	39,649	41,142	40,426
Net pension asset	2,530	1,982	2,530
Other assets	6,191	6,288	5,829
Total Assets	716,231	734,383	708,777
Liabilities and Equity			
Liabilities			
Due to banks	6,526	15,612	4,290
Customers' deposits and other funding instruments	601,488	609,702	597,055
Other liabilities	14,876	14,898	14,788
Total Liabilities	622,890	640,212	616,133
Equity			
Stated capital	15,000	15,000	15,000
Statutory reserves	15,000	15,000	15,000
Other reserves	2,737	4,296	3,331
Retained earnings	60,604	59,875	59,313
Total equity	93,341	94,171	92,644
Non-controlling interest			
Total Liabilities and Equity	716,231	734,383	708,777

REPUBLIC BANK (GRENADA) LIMITED
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	7,957	7,994	32,178
Other income	2,423	2,083	8,582
Operating income	10,380	10,077	40,760
Operating expenses	(8,219)	(8,425)	(34,192)
Operating profit	2,161	1,652	6,568
Loan impairment expense	(249)	(82)	(4,493)
Profit before taxation	1,912	1,570	2,075
Taxation expense	(246)	(87)	(179)
Net profit after taxation	1,666	1,483	1,896
Earnings per share			
Basic	\$1.11	\$0.99	\$1.26
Weighted average number of shares ('000)			
Basic	1,500	1,500	1,500

REPUBLIC BANK (GRENADA) LIMITED
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	1,666	1,483	1,896
Other comprehensive income:			
Net gains on available-for-sale investments	(849)	(145)	(1,523)
Taxation impact	255	44	457
Other comprehensive income for the period, net of taxation	(594)	(101)	(1,066)
Total comprehensive income for the period, net of taxation	1,072	1,382	830
Attributable to:			
Equity holders of the parent			
Non-controlling interest			

REPUBLIC BANK (GRENADA) LIMITED
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	15,000	15,000	3,331	59,313	92,644		
Total comprehensive income for the period			(594)	1,666	1,072		
Share-based payment					-		
Transfer to general contingency reserves					-		
Transfer to statutory reserves					-		
Dividends					-		
Dividends paid to non-controlling interest				(375)	(375)		
Balance at December 31, 2011	15,000	15,000	2,737	60,604	93,341		
Period ended December 31, 2010							
Balance at October 1, 2010	15,000	15,000	4,397	61,392	95,789		
Total comprehensive income for the period			(101)	1,483	1,382		
Share-based payment							
Transfer to general contingency reserves							
Transfer to statutory reserves							
Dividends				(3,000)	(3,000)		
Dividends paid to non-controlling interest							
Balance at December 31, 2010	15,000	15,000	4,296	59,875	94,171		
Year ended September 30, 2011							
Balance at October 1, 2010	15,000	15,000	4,397	61,392	95,789		
Total comprehensive income for the period			(1,066)	1,896	830		
Issue of shares							
Share-based payment							
Transfer to general contingency reserves							
Transfer to statutory reserves							
Other							
Dividends				(3,975)	(3,975)		
Dividends paid to non-controlling interest							
Balance at September 30, 2011	15,000	15,000	3,331	59,313	92,644		

REPUBLIC BANK (GRENADA) LIMITED
STATEMENT OF CASH FLOWS

	UNAUDITED		AUDITED
	THREE MONTHS		YEAR
	ENDED		ENDED
	Dec-31-11	Dec-31-10	Sept-30-11
	\$'000	\$'000	\$'000
Operating activities			
Profit before taxation	1,912	1,570	2,075
Adjustments for non-cash items	1,247	1,920	8,489
(Increase) in operating assets	(3,745)	(8,714)	(27,821)
Increase/(Decrease) in operating liabilities	4,521	(13,306)	(25,705)
Cash provided by / (used in) operating activities	3,935	(18,530)	(42,962)
Investing activities			
Net decrease in investments	883	10,365	27,256
Additions to fixed assets	(325)	(827)	(3,020)
Proceeds from sale of fixed assets	21	63	133
Cash provided by investing activities	579	9,601	24,369
Financing activities			
Increase/(Decrease) in balances due to other banks	2,236	(24)	(11,346)
Dividends paid to shareholders of the parent	(191)	(1,530)	(2,027)
Dividends paid to non-controlling interest	(184)	(1,470)	(1,948)
Cash provided by / (used in) financing activities	1,861	(3,024)	(15,321)
Net increase / (decrease) in cash resources	6,375	(11,953)	(33,914)
Cash and cash equivalents at beginning of period/year	25,677	59,591	59,591
Cash and cash equivalents at end of period/year	32,052	47,638	25,677

Supplemental information:

Interest received during the period/year
Interest paid during the period/year
Dividends received

REPUBLIC BANK (GRENADA) LIMITED
NOTES TO THE INTERIM 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.

The CL Financial Group holds through its various subsidiaries **51.51%** of the shares of Republic Bank Limited.

On 31 January 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 13 February 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 **51.23%**.

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 Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended September 30, 2011.

4 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	<u>1,207</u>	<u>2,418</u>	<u>194</u>
Other capital expenditure authorised by the Directors but not yet contracted for	<u>4,133</u>	<u>3,300</u>	<u>339</u>