Republic Financial Holdings Limited

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS

NINE MONTHS ENDED JUNE 30, 2021

Chairman's Comments

The uncertainty of the COVID-19 pandemic continues to impact the economies in which the Republic Financial Holdings Limited Group operate. Vaccination programmes commenced in many countries, but re-openings and recovery of tourist arrivals remained gradual and at times interrupted by rising COVID-19 cases. The Group continues to support its customers, communities and staff, through concessions on loan payments, interest rates and fees, increased business support, donations of medical and educational supplies and the rollout of a staff vaccination programme.

Against this backdrop, Republic Financial Holdings Limited (RFHL) recorded profit attributable to its equity holders of $1.036 billion for the nine months ended June 30, 2021. This represents an increase of $261.6 million or 33.8% over the $774.3 million reported in the corresponding period of the last financial year. The improved results reflect the impact of the Group's acquisition of the British Virgin Islands (BVI) operations in June 2020, lower provisions for loan losses and general improvement in operating profitability in Ghana and Cayman National Corporation.

These positive developments were partially offset by a reduction in net interest margins, fees and commission income across the Group. Lower interest rates, fees and commissions reflect the Group's decision to maintain many of the concessions granted to our customers at the inception of the pandemic.

Total assets stood at $108.3 billion at June 30, 2021, an increase of $2.9 billion or 2.8% over the total assets at June 2020, representing 3.7% growth in loans and advances and 9.9% growth in investments funded by the growth in customer deposits across most subsidiaries.

Despite uncertainty over the duration of the COVID 19 pandemic, we are confident that the Group is well positioned to continue supporting the recovery efforts of the economies in which we operate. We also remain committed to assisting with the vaccination drive across the Group's territories. With collective creativity and hard work, I am confident our economies can emerge more resilient.

Finally, I would like to acknowledge the efforts of staff within the Group for their continued commitment to serving our clients and our communities.

Vincent Pereira
Chairman
July 30, 2021

REPUBLIC FINANCIAL HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Jun-30-21	Jun-30-20	Sept-30-20
	$'000	$'000	$'000
ASSETS			
Cash resources	27,254,980	27,662,925	26,974,060
Advances	55,229,504	53,239,583	53,300,181
Investment securities	19,251,794	17,525,364	17,535,686
Premises and equipment	3,177,279	3,077,051	3,106,952
Net pension asset	378,289	569,637	454,573
Other assets	2,971,081	3,264,446	2,905,162
TOTAL ASSETS	**108,262,927**	**105,339,006**	**104,276,614**
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	123,958	742,981	807,192
Customers' deposits and other funding instruments	91,653,772	88,206,405	87,346,226
Debt securities in issue	1,873,644	2,041,565	2,024,390
Other liabilities	2,786,346	2,990,653	2,756,333
TOTAL LIABILITIES	**96,437,720**	**93,981,604**	**92,934,141**
EQUITY			
Stated capital	875,175	826,284	862,115
Statutory reserves	1,690,623	1,461,923	1,544,858
Other reserves	(379,498)	(115,256)	(250,315)
Retained earnings	8,545,738	8,176,454	8,156,616
Attributable to equity holders of the parent	10,732,038	10,349,405	10,313,274
Non-controlling interest	1,093,169	1,007,997	1,029,199
TOTAL EQUITY	**11,825,207**	**11,357,402**	**11,342,473**
TOTAL LIABILITIES AND EQUITY	**108,262,927**	**105,339,006**	**104,276,614**

These unaudited financial statements were approved by the Board of Directors on July 30, 2021, and signed on its behalf by:

Peter R. Inglefield, *Director*

Nigel M. Baptiste, *President*

REPUBLIC FINANCIAL HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-21 $'000	Jun-30-20 $'000	Jun-30-21 $'000	Jun-30-20 $'000	Sept-30-20 $'000
Net interest income	951,281	936,237	2,935,974	2,969,368	3,994,970
Other income	479,199	311,960	1,377,182	1,256,907	1,705,250
Operating income	1,430,480	1,248,197	4,313,156	4,226,275	5,700,220
Operating expenses	(837,276)	(820,307)	(2,559,549)	(2,574,651)	(3,480,025)
Goodwill impairment expense			-	-	(143,367)
	593,204	427,890	1,753,607	1,651,624	2,076,828
Net share of profits of associated companies	1,358	1,133	4,197	4,291	4,911
Operating profit	594,562	429,023	1,757,804	1,655,915	2,081,739
Credit Loss Expense	(106,855)	(73,991)	(242,547)	(456,809)	(621,164)
Profit before taxation	487,707	355,032	1,515,257	1,199,106	1,460,575
Taxation expense	(109,619)	(110,160)	(381,526)	(345,525)	(457,516)
Net profit after taxation	**378,088**	**244,872**	**1,133,731**	**853,581**	**1,003,059**
Attributable to:					
Equity holders of the parent	348,675	230,978	1,036,008	774,317	904,056
Non-controlling interest	29,413	13,894	97,723	79,264	99,003
	378,088	**244,872**	**1,133,731**	**853,581**	**1,003,059**
Earnings per share					
Basic			$6.37	$4.77	$5.57
Diluted			$6.35	$4.75	$5.54
Weighted average number of shares ('000)					
Basic			162,529	162,277	162,443
Diluted			163,083	162,938	163,107

REPUBLIC FINANCIAL HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-21	Jun-30-20	Jun-30-21	Jun-30-20	Sept-30-20
	$'000	$'000	$'000	$'000	$'000
Net profit after taxation	**378,088**	**244,872**	**1,133,731**	**853,581**	**1,003,059**
Other comprehensive (loss) / income (net of tax) that will be reclassified to the consolidated statement of income in subsequent periods :					
Translation adjustments	(85,940)	17,287	(120,054)	(73,123)	(211,636)
	(85,940)	17,287	(120,054)	(73,123)	(211,636)
Other comprehensive (loss) / income (net of tax) that will not be reclassified to the consolidated statement of income in subsequent periods:					
Re-measurement losses on defined benefit plans	–	–	–	–	(99,049)
Income tax related to above	–	–	–	–	34,109
Other comprehensive (loss) / income for the period, net of taxation	**(85,940)**	**17,287**	**(120,054)**	**(73,123)**	**(276,576)**
Total comprehensive income for the period, net of taxation	**292,148**	**262,159**	**1,013,677**	**780,458**	**726,483**
Attributable to:					
Equity holders of the parent	263,785	249,796	923,819	722,040	646,913
Non-controlling interest	28,363	12,363	89,858	58,418	79,570
	292,148	**262,159**	**1,013,677**	**780,458**	**726,483**

REPUBLIC FINANCIAL HOLDINGS LIMITED
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 June 30, 2021							
Balance at October 1, 2020	**862,115**	**1,544,858**	**(250,315)**	**8,156,616**	**10,313,274**	**1,029,199**	**11,342,473**
Total comprehensive income for the period	–	–	(112,191)	1,036,010	923,819	89,858	1,013,677
Issue of shares	10,810	–	–	–	10,810	–	10,810
Share-based payment	2,250	–	–	–	2,250	–	2,250
Shares purchased for profit sharing scheme	–	–	(17,627)	–	(17,627)	–	(17,627)
Transfer to other reserves	–	–	635	(1,189)	(554)	–	(554)
Transfer to statutory reserves	–	145,765	–	(145,765)	–	–	–
Other	–	–	–	5,912	5,912	(1,392)	4,520
Dividends	–	–	–	(505,846)	(505,846)	–	(505,846)
Dividends paid to non-controlling interest	–	–	–	–	–	(24,496)	(24,496)
Balance at June 30, 2021	**875,175**	**1,690,623**	**(379,498)**	**8,545,738**	**10,732,038**	**1,093,169**	**11,825,207**
Period ended June 30, 2020							
Balance at October 1, 2019	**803,064**	**1,346,858**	**15,131**	**8,103,694**	**10,268,747**	**963,013**	**11,231,760**
Total comprehensive income for the period	–	–	(52,277)	774,317	722,040	58,418	780,458
Issue of shares	21,322	–	–	–	21,322	–	21,322
Share-based payment	1,898	–	–	–	1,898	–	1,898
Shares purchased for profit sharing scheme	–	–	(92,075)	–	(92,075)	–	(92,075)
Allocation of shares	–	–	53,860	–	53,860	–	53,860
Transfer from other reserves	–	–	(34,389)	34,389	-	–	-
Transfer to statutory reserves	–	115,065	–	(115,065)	-	–	-
Share of changes in equity	–	–	–	–	-	(686)	(686)
NCI share of rights issue	–	–	–	–	-	19,504	19,504
Other	–	–	(5,506)	5,506	-	–	-
Dividends	–	–	–	(626,387)	(626,387)	–	(626,387)
Dividends paid to non-controlling interest	–	–	–	–	-	(32,252)	(32,252)
Balance at June 30, 2020	**826,284**	**1,461,923**	**(115,256)**	**8,176,454**	**10,349,405**	**1,007,997**	**11,357,402**
Year ended September 30, 2020							
Balance at October 1, 2019	**803,064**	**1,346,858**	**15,131**	**8,103,694**	**10,268,747**	**963,013**	**11,231,760**
Total comprehensive income for the year	–	–	(192,205)	839,118	646,913	79,570	726,483
Issue of shares	50,506	–	–	–	50,506	–	50,506
Share-based payment	8,545	–	–	–	8,545	–	8,545
Shares purchased for profit sharing scheme	–	–	(92,075)	–	(92,075)	–	(92,075)
Allocation of shares	–	–	53,860	–	53,860	–	53,860
Transfer from other reserves	–	–	(35,026)	35,026	–	–	–
Transfer to statutory reserves	–	198,000	–	(198,000)	–	–	–
Share of changes in equity	–	–	–	–	–	(636)	(636)
Non-controlling interests' share of rights issue	–	–	–	–	–	19,504	19,504
Dividends	–	–	–	(626,387)	(626,387)	–	(626,387)
Dividends paid to non-controlling interest	–	–	–	–	–	(32,252)	(32,252)
Other	–	–	–	3,165	3,165	–	3,165
Balance at September 30, 2020	**862,115**	**1,544,858**	**(250,315)**	**8,156,616**	**10,313,274**	**1,029,199**	**11,342,473**

REPUBLIC FINANCIAL HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-21	Jun-30-20	Sept-30-20
	$'000	$'000	$'000
Operating activities			
Profit before taxation	1,515,257	1,199,106	1,460,575
Adjustments for non-cash items	759,907	820,371	1,502,614
Increase in operating assets	(1,105,147)	(1,350,821)	(1,535,241)
Increase in operating liabilities	4,347,600	5,456,431	4,436,649
Taxes paid	(326,910)	(492,252)	(610,453)
Cash provided by operating activities	**5,190,707**	**5,632,835**	**5,254,144**
Investing activities			
Net increase in investments	(2,687,084)	(996,391)	(1,078,116)
Acquisition of subsidiary, net of cash acquired	–	4,322,703	4,243,892
Non-controlling interests' share of rights issue	–	19,504	19,504
Dividends from associated companies	4,900	–	–
Additions to fixed assets	(325,009)	(298,924)	(425,046)
Proceeds from sale of fixed assets	84,629	21,688	8,298
Cash (used in) / provided by investing activities	**(2,922,564)**	**3,068,580**	**2,768,532**
Financing activities			
Decrease in balances due to other banks	(683,233)	(2,406,573)	(2,336,350)
Repayment of debt securities	(150,747)	(80,709)	(97,884)
Repayment of lease liabilities	(52,043)	(55,036)	(67,141)
Net proceeds from share issue	10,810	21,322	50,506
Shares purchased for profit sharing scheme	(17,627)	(92,075)	(92,075)
Allocation of shares from profit sharing plan	–	53,860	53,860
Dividends paid to shareholders of the parent	(505,846)	(626,387)	(626,387)
Dividends paid to non-controlling interest	(24,496)	(32,252)	(32,252)
Cash used in financing activities	**(1,423,182)**	**(3,217,850)**	**(3,147,723)**
Net increase in cash resources	844,961	5,483,565	4,874,953
Net foreign exchange difference	(227,715)	(20,658)	(439,956)
Cash and cash equivalents at beginning of period/year	17,165,929	12,730,932	12,730,932
Cash and cash equivalents at end of period/year	**17,783,175**	**18,193,839**	**17,165,929**
Supplemental information:			
Interest received during the period/year	3,544,485	3,288,857	4,552,675
Interest paid during the period/year	(554,200)	(664,635)	(833,880)
Dividends received	766	694	751

REPUBLIC FINANCIAL HOLDINGS LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

Republic Financial Holdings Limited, the financial holding company for the Republic Group, is incorporated in the Republic of Trinidad and Tobago and its registered office is located at Republic House, 9-17 Park Street, Port of Spain. Republic Financial Holdings Limited is listed on the Trinidad and Tobago Stock Exchange.

The Republic Group (the 'Group') is a financial services group comprising several subsidiaries and associated companies. The Group is engaged in a wide range of banking, financial and related activities mainly in the Caribbean Community (CARICOM) region, Cayman Islands, Ghana, St. Maarten, Anguilla and the British Virgin Islands.

2 Basis of preparation

This interim financial report for the period ended June 30, 2021, with effect from October 1, 2020, 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, 2020.

Reclassifications may be made to the prior period's financial statements to conform to the current period's presentation.

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, 2020.

3 Capital commitments

	UNAUDITED		AUDITED
	Jun-30-21	Jun-30-20	Sept-30-20
	$'000	$'000	$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	**34,688**	**92,940**	**107,181**
Other capital expenditure authorised by the Directors but not yet contracted for	**120,195**	**103,836**	**130,442**

REPUBLIC FINANCIAL HOLDINGS LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

4 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
	Jun-30-21	Jun-30-20	Sept-30-20
	$'000	$'000	$'000
Outstanding balances			
Advances, investments and other assets			
Directors and key management personnel	312,246	260,723	284,315
Other related parties	139,900	139,567	236,126
	452,146	400,290	520,441
Deposits and other liabilities			
Directors and key management personnel	113,808	144,477	168,080
Other related parties	620,833	542,534	606,176
	734,641	687,011	774,256
Interest and other income			
Directors and key management personnel	6,971	7,184	10,233
Other related parties	15,998	16,049	16,938
	22,969	23,233	27,171
Interest and other expense			
Directors and key management personnel	7,592	5,673	25,140
Other related parties	5,877	6,914	10,621
	13,469	12,587	35,761

Key management personnel are those persons having authority and responsibility for planning, directing and

Key management compensation			
Short term benefits	34,544	41,454	53,324
Post employment benefits	137	249	7,363
Share-based payment	2,250	1,898	8,545
	36,931	43,600	69,232

REPUBLIC FINANCIAL HOLDINGS LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

5 Segment reporting

The Group analyses its operations by geographic segments, reflecting its management structure as follows:

	Trinidad and Tobago	Barbados	Suriname	Eastern Caribbean	Guyana	Ghana	Cayman Islands	British Virgin Islands	Total
	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000
Unaudited									
Nine months ended June 30, 2021									
Operating income	2,040,535	421,197	122,456	500,872	281,954	355,712	484,744	109,883	4,317,353
Net profit before taxation	738,695	178,400	16,649	145,084	123,851	118,296	165,597	28,685	1,515,257
Total assets	50,585,905	10,041,549	2,712,653	13,794,575	7,437,426	4,399,632	15,995,995	3,295,192	108,262,927
Unaudited									
Nine months ended June 30, 2020									
Operating income	2,088,617	402,634	154,755	487,546	296,193	318,109	482,712	-	4,230,566
Net profit before taxation	516,181	139,334	45,501	177,473	143,313	77,080	100,224	-	1,199,106
Total assets	47,817,197	9,734,668	3,197,421	17,774,632	6,576,992	4,050,355	16,187,741	-	105,339,006
Audited									
Year ended September 30, 2020									
Operating income	2,774,629	529,393	259,652	644,248	393,010	422,180	634,442	47,577	5,705,131
Net profit before taxation	595,959	137,766	112,156	191,624	178,437	90,262	129,093	25,278	1,460,575
Total assets	48,514,006	10,333,695	2,677,336	14,302,887	6,845,840	4,266,398	14,587,851	2,748,601	104,276,614

6 Contingent liabilities

As at June 30, 2021, 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.