Republic Financial Holdings Limited

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS

THREE MONTHS ENDED DECEMBER 31, 2021

Chairman's Comments

The quarter ended December 31, 2021, the first quarter of the Group's 2022 financial year, was marked by an upsurge in Covid-19 infections in many territories in which we serve following the emergence of the Omicron variant. The resulting increased uncertainty and reduced productivity due to staff absences and self-imposed lockdowns, coupled with the impact of global supply chain disruptions, dampened expectations for a robust recovery of economic activity during the quarter. In light of these ongoing challenges, the Group redoubled its efforts to work closely with its clients to mitigate the longer-term adverse effects of the pandemic, including the extension of moratoriums on loans for affected customers.

Against this backdrop, Republic Financial Holdings Limited (RFHL) recorded profit attributable to equity holders of the parent of $395.9 million for the quarter ended December 31, 2021, an increase of $4.7 million or 1.2% over the corresponding period last year. Total assets stood at $111.9 billion at December 31, 2021, an increase of $7.3 billion or 6.9% over the total assets at December 2020.

Despite ongoing concerns over the duration and long-term impact of the COVID 19 pandemic, we remain steadfast in supporting our clients, stakeholders and our communities, in continuing to provide a safe working environment for our staff, and in building the Group's resilience through strategic investments in innovation and initiatives to improve efficiency. We do remain optimistic for the future.

I would like to thank our customers, staff and other stakeholders for their continued support.



Vincent Pereira
Chairman
February 2, 2022

REPUBLIC FINANCIAL HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Dec-31-21	Dec-31-20	Sept-30-21
	$'000	$'000	$'000
ASSETS			
Cash resources	28,663,241	26,430,045	26,935,654
Advances	55,570,050	54,669,027	55,515,628
Investment securities	19,424,084	16,967,914	19,259,501
Premises and equipment	3,286,743	3,195,278	3,218,670
Net pension asset	1,392,664	430,924	1,415,216
Other assets	3,595,975	2,971,201	2,824,226
TOTAL ASSETS	**111,932,757**	**104,664,389**	**109,168,895**
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	143,657	434,064	155,985
Customers' deposits and other funding instruments	93,770,969	88,067,032	91,228,188
Debt securities in issue	1,797,594	1,954,204	1,865,895
Other liabilities	3,369,314	2,818,892	3,063,325
TOTAL LIABILITIES	**99,081,534**	**93,274,192**	**96,313,393**
EQUITY			
Stated capital	884,590	866,250	879,962
Statutory reserves	1,787,575	1,599,004	1,751,552
Other reserves	(285,375)	(266,175)	(337,569)
Retained earnings	9,330,697	8,150,170	9,438,206
Attributable to equity holders of the parent	11,717,487	10,349,249	11,732,151
Non-controlling interest	1,133,736	1,040,948	1,123,351
TOTAL EQUITY	**12,851,223**	**11,390,197**	**12,855,502**
TOTAL LIABILITIES AND EQUITY	**111,932,757**	**104,664,389**	**109,168,895**

These unaudited financial statements were approved by the Board of Directors on February 2, 2022, and signed on its behalf by:

Peter R. Inglefield, *Director*

Nigel M. Baptiste, *President and Chief Executive Officer*

REPUBLIC FINANCIAL HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-21 $'000	Dec-31-20 $'000	Sept-30-21 $'000
Net interest income	1,015,846	1,000,267	3,970,096
Other income	466,889	456,495	1,832,426
Operating income	1,482,735	1,456,762	5,802,522
Operating expenses	(871,899)	(849,360)	(3,514,061)
	610,836	607,402	2,288,461
Net share of profits of associated companies	1,737	1,220	4,123
Operating profit	612,573	608,622	2,292,584
Credit Loss Expense	(35,795)	(39,296)	(347,985)
Profit before taxation	576,778	569,326	1,944,599
Taxation expense	(144,405)	(144,939)	(499,878)
Net profit after taxation	**432,373**	**424,387**	**1,444,721**
Attributable to:			
Equity holders of the parent	395,867	391,134	1,308,054
Non-controlling interest	36,506	33,253	136,667
	432,373	**424,387**	**1,444,721**
Earnings per share			
Basic	$2.43	$2.41	$8.05
Diluted	$2.43	$2.40	$8.02
Weighted average number of shares ('000)			
Basic	162,673	162,544	162,528
Diluted	163,231	163,110	163,080

REPUBLIC FINANCIAL HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-21	Dec-31-20	Sept-30-21
	$'000	$'000	$'000
Net profit after taxation	**432,373**	**424,387**	**1,444,721**
Other comprehensive loss (net of tax) that will be reclassified to the consolidated statement of income in subsequent periods :			
Translation adjustments	(14,879)	(17,296)	(81,110)
	(14,879)	(17,296)	(81,110)
Other comprehensive income / (loss) (net of tax) that will not be reclassified to the consolidated statement of income in subsequent periods:			
Re-measurement gains on defined benefit plans	18,787	–	1,057,325
Income tax related to above	–		(375,193)
Other comprehensive income /(loss) for the period, net of taxation	**3,908**	**(17,296)**	**601,022**
Total comprehensive income for the period, net of taxation	**436,281**	**407,091**	**2,045,743**
Attributable to:			
Equity holders of the parent	410,755	379,378	1,920,702
Non-controlling interest	25,526	27,713	125,042
	436,281	**407,091**	**2,045,744**

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 December 31, 2021							
Balance at October 1, 2021	**879,962**	**1,751,552**	**(337,569)**	**9,438,206**	**11,732,151**	**1,123,351**	**12,855,502**
Total comprehensive income for the period	–	–	(190)	410,945	410,755	25,526	436,281
Issue of shares	3,878	–	–	–	3,878	–	3,878
Share-based payment	750	–	–	–	750	–	750
Allocation of shares	–	–	50,204	–	50,204	–	50,204
Transfer to other reserves	–	–	2,180	(2,180)	–	–	–
Transfer to statutory reserves	–	36,023	–	(36,023)	–	–	–
Share of changes in equity	–	–	–	–	–	488	488
Other	–	–	–	9,634	9,634	357	9,991
Dividends	–	–	–	(489,885)	(489,885)	–	(489,885)
Dividends paid to non-controlling interest	–	–	–	–	–	(15,986)	(15,986)
Balance at December 31, 2021	**884,590**	**1,787,575**	**(285,375)**	**9,330,697**	**11,717,487**	**1,133,736**	**12,851,223**
Period ended December 31, 2020							
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	–	–	(11,749)	391,127	379,378	27,713	407,091
Issue of shares	3,385	–	–	–	3,385	–	3,385
Share-based payment	750	–	–	–	750	–	750
Shares purchased for profit sharing scheme	–	–	(4,930)	–	(4,930)	–	(4,930)
Transfer to other reserves	–	–	819	(819)	-	-	-
Transfer to statutory reserves	–	54,146	–	(54,146)	-	–	-
Share of changes in equity	–	–	–	–	-	(1,120)	(1,120)
Dividends	–	–	–	(342,608)	(342,608)	–	(342,608)
Dividends paid to non-controlling interest	–	–	–	–	-	(14,844)	(14,844)
Balance at December 31, 2020	**866,250**	**1,599,004**	**(266,175)**	**8,150,170**	**10,349,249**	**1,040,948**	**11,390,197**
Year ended September 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 year	–	–	(69,513)	1,990,215	1,920,702	125,042	2,045,744
Issue of shares	12,232	–	–	–	12,232	–	12,232
Share-based payment	5,615	–	–	–	5,615	–	5,615
Shares purchased for profit sharing scheme	–	–	(17,627)	–	(17,627)	–	(17,627)
Transfer from other reserves	–	–	1,168	(1,168)	–	–	–
Transfer to statutory reserves	–	206,694	–	(206,694)	–	–	–
Share of changes in equity	–	–	–	–	–	1,382	1,382
Dividends	–	–	–	(505,846)	(505,846)	–	(505,846)
Dividends paid to non-controlling interest	–	–	–	–	–	(29,579)	(29,579)
Other	–	–	(1,282)	5,083	3,801	(2,693)	1,108
Balance at September 30, 2021	**879,962**	**1,751,552**	**(337,569)**	**9,438,206**	**11,732,151**	**1,123,351**	**12,855,502**

REPUBLIC FINANCIAL HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-21	Dec-31-20	Sept-30-21
	$'000	$'000	$'000
Operating activities			
Profit before taxation	576,778	569,326	1,944,599
Adjustments for non-cash items	162,120	178,010	1,085,660
Increase in operating assets	(1,446,412)	(1,225,959)	(830,994)
Increase in operating liabilities	2,858,989	725,820	3,875,811
Taxes paid	(136,676)	(67,921)	(449,210)
Cash provided by operating activities	**2,014,799**	**179,276**	**5,625,866**
Investing activities			
Net increase in investments	(785,398)	(261,147)	(4,148,474)
Dividends from associated companies	–	–	4,900
Additions to fixed assets	(130,861)	(144,598)	(421,204)
Proceeds from sale of fixed assets	2,344	400	93,882
Cash used in investing activities	**(913,915)**	**(405,345)**	**(4,470,896)**
Financing activities			
Decrease in balances due to other banks	(12,328)	(373,128)	(651,207)
Repayment of debt securities	(68,301)	(70,186)	(158,495)
Repayment of lease liabilities	(17,384)	(22,502)	(75,839)
Net proceeds from share issue	3,878	3,385	12,232
Shares purchased for profit sharing scheme	–	(4,930)	(17,627)
Allocation of shares from profit sharing plan	50,204	–	-
Dividends paid to shareholders of the parent	(489,885)	(342,608)	(505,846)
Dividends paid to non-controlling interest	(15,986)	(14,846)	(29,579)
Cash used in financing activities	**(549,802)**	**(824,815)**	**(1,426,361)**
Net increase / (decrease) in cash resources	551,082	(1,050,884)	(271,391)
Net foreign exchange difference	(274)	(16,535)	(234,081)
Cash and cash equivalents at beginning of period/year	16,267,211	16,772,683	16,772,683
Cash and cash equivalents at end of period/year	**16,818,019**	**15,705,264**	**16,267,211**
Supplemental information:			
Interest received during the period/year	1,347,339	1,263,008	4,762,178
Interest paid during the period/year	(179,442)	(209,466)	(696,144)
Dividends received	79	72	721

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 December 31, 2021, with effect from October 1, 2021, 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, 2021.

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, 2021.

3 Capital commitments

	UNAUDITED		AUDITED
	Dec-31-21	Dec-31-20	Sept-30-21
	$'000	$'000	$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	**80,920**	**68,195**	**50,083**
Other capital expenditure authorised by the Directors but not yet contracted for	**140,319**	**77,512**	**59,722**

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
	Dec-31-21	Dec-31-20	Sept-30-21
	$'000	$'000	$'000
Outstanding balances			
Advances, investments and other assets			
Directors and key management personnel	296,737	270,551	306,976
Other related parties	150,092	245,623	138,083
	446,829	516,174	445,059
Deposits and other liabilities			
Directors and key management personnel	110,760	114,958	165,182
Other related parties	634,179	726,224	617,604
	744,939	841,182	782,786
Interest and other income			
Directors and key management personnel	668	2,249	3,604
Other related parties	6,019	9,937	17,976
	6,687	12,186	21,580
Interest and other expense			
Directors and key management personnel	4,677	5,457	17,359
Other related parties	2,529	2,404	7,137
	7,206	7,861	24,496

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

Key management compensation			
Short term benefits	14,304	14,847	47,235
Post employment benefits	41	40	(8,404)
Share-based payment	750	750	5,615
	15,095	15,637	44,446

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									
Three months ended December 31, 2021									
Operating income	717,171	118,345	30,383	178,508	108,385	127,629	162,885	41,166	1,484,472
Net profit before taxation	298,472	39,014	10,546	64,569	49,768	40,528	53,044	20,837	576,778
Total assets	52,278,644	9,679,058	2,721,289	14,721,659	8,030,903	4,708,135	16,447,498	3,285,571	111,932,757
Unaudited									
Three months ended December 31, 2020									
Operating income	749,451	76,788	32,627	178,583	99,793	121,858	160,266	38,616	1,457,982
Net profit before taxation	341,099	2,537	22,457	47,797	46,324	38,791	54,167	16,154	569,326
Total assets	49,351,532	9,935,476	2,788,707	13,730,201	7,063,038	4,287,602	14,628,729	2,879,104	104,664,389
Audited									
Year ended September 30, 2021									
Operating income	2,828,336	493,079	139,751	683,898	400,928	473,267	641,428	145,958	5,806,645
Net profit before taxation	999,564	133,565	33,004	169,082	197,383	152,249	219,840	39,912	1,944,599
Total assets	51,204,653	10,088,508	2,667,969	13,892,800	7,797,275	4,411,889	15,900,515	3,205,286	109,168,895

6 Contingent liabilities

As at December 31, 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.