Republic Financial Holdings Limited

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS

THREE MONTHS ENDED DECEMBER 31, 2022

Chairman's Comments

I am pleased to report that Republic Financial Holdings Limited (RFHL) recorded profit attributable to its equity holders of $400.2 million for the three-months ended December 31, 2022. This represents an increase of $4.4 million or 1.10% over the $395.9 million reported in the corresponding period of the last financial year. Total assets stood at $113.6 billion at December 31, 2022, an increase of $1.6 billion or 1.45% over the total assets at December 2021. This increase was fuelled by growth in customer deposits across our subsidiaries in Trinidad & Tobago, Guyana, Barbados, the Eastern Caribbean, and Suriname.

The Group's first quarter results reflect the strong performance of our US dollar denominated subsidiaries in the Cayman Islands and the British Virgin Islands because of the rising interest rate environment, together with the continued recovery in most of our Caribbean subsidiaries. These gains were offset by a specific credit loss arising out of the Government of Ghana's restructuring of its domestic and international debt, a condition of that country's December 2022 Staff- Level Agreement with the International Monetary Fund for a three-year US$3 billion Extended Credit Facility. This credit loss negated the otherwise strong operating performance of our subsidiary in Ghana. The overall net improvement does highlight the value of the Group's international diversification strategy and the resilience of our operations. We remain confident that the underlying strength of the Group will enable us to continue to manage any challenges ahead.

I would like to express my gratitude and thanks to all the members of the RFHL Team for their commitment as we continue to serve our clients and communities with excellence.

Vincent Pereira
Chairman

February 1, 2023

REPUBLIC FINANCIAL HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Dec-31-22	Dec-31-21	Sept-30-22
	$'000	$'000	$'000
ASSETS			
Cash resources	27,278,752	28,663,241	26,492,171
Advances	58,138,189	55,570,050	56,829,415
Investment securities	19,673,407	19,424,084	19,953,780
Premises and equipment	3,278,581	3,286,743	3,255,758
Net pension asset	1,200,828	1,392,664	1,200,717
Other assets	3,991,594	3,595,975	3,245,862
TOTAL ASSETS	**113,561,351**	**111,932,757**	**110,977,703**
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	378,374	143,657	445,410
Customers' deposits and other funding instruments	94,715,882	93,770,969	92,048,120
Debt securities in issue	1,606,886	1,797,594	1,674,719
Other liabilities	3,696,295	3,369,314	3,440,245
TOTAL LIABILITIES	**100,397,437**	**99,081,534**	**97,608,494**
EQUITY			
Stated capital	916,353	884,590	912,693
Statutory reserves	1,948,088	1,787,575	1,887,876
Other reserves	(451,958)	(285,375)	(507,408)
Retained earnings	9,658,568	9,330,697	9,946,081
Attributable to equity holders of the parent	12,071,051	11,717,487	12,239,242
Non-controlling interest	1,092,863	1,133,736	1,129,967
TOTAL EQUITY	**13,163,914**	**12,851,223**	**13,369,209**
TOTAL LIABILITIES AND EQUITY	**113,561,351**	**111,932,757**	**110,977,703**

These unaudited financial statements were approved by the Board of Directors on February 1, 2023, and signed on its behalf by:

Peter R. Inglefield,
Director

Nigel M. Baptiste,
Group President and Chief Executive Officer

REPUBLIC FINANCIAL HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-22 $'000	Dec-31-21 $'000	Sept-30-22 $'000
Net interest income	1,108,169	1,015,846	4,138,087
Other income	537,970	466,889	1,965,781
Operating income	1,646,139	1,482,735	6,103,868
Operating expenses	(909,393)	(871,899)	(3,555,301)
	736,746	610,836	2,548,567
Net share of profits of associated companies	1,158	1,737	6,745
Operating profit	737,904	612,573	2,555,312
Credit Loss Expense	(167,019)	(35,795)	(220,215)
Profit before taxation	570,885	576,778	2,335,097
Taxation expense	(163,922)	(144,405)	(651,211)
Net profit after taxation	406,963	432,373	1,683,886
Non-controlling interest	(6,736)	(36,506)	(157,992)
Net profit after tax attributable to equity holders of the Parent	**400,227**	**395,867**	**1,525,894**
Earnings per share			
Basic	$2.45	$2.43	$9.37
Diluted	$2.45	$2.43	$9.33
Weighted average number of shares ('000)			
Basic	163,042	162,673	162,928
Diluted	163,537	163,244	163,490

REPUBLIC FINANCIAL HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-22	Dec-31-21	Sept-30-22
	$'000	$'000	$'000
Net profit after taxation	**406,963**	**432,373**	**1,683,886**
Other comprehensive loss (net of tax) that will be reclassified to the consolidated statement of income in subsequent periods :			
Net unrealised loss on available-for-sale financial assets	(65)	-	–
Translation adjustments	(65,567)	(14,879)	(408,648)
	(65,632)	(14,879)	(408,648)
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	(222,021)
Income tax related to above	–	–	102,921
Other comprehensive income /(loss) for the period, net of taxation	**(65,632)**	**3,908**	**(527,748)**
Total comprehensive income for the period, net of taxation	341,331	436,281	1,156,138
Non-controlling interest	20,844	(25,526)	(46,480)
Total comprehensive income for the period, net of taxation attributable to equity holders of the Parent	**362,175**	**410,755**	**1,109,658**

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, 2022							
Balance at October 1, 2022	**912,693**	**1,887,876**	**(507,408)**	**9,946,081**	**12,239,242**	**1,129,967**	**13,369,209**
Total comprehensive income for the period	–	–	(61,359)	423,534	362,175	(20,844)	341,331
Issue of shares	2,055	–	–	–	2,055	–	2,055
Share-based payment	1,605	–	–	–	1,605	–	1,605
Shares purchased for profit sharing scheme	–	–	(22,262)	–	(22,262)	–	(22,262
Allocation of shares	–	–	52,377	–	52,377	–	52,377
Transfer to other reserves	–	–	86,694	(86,694)	–	–	–
Transfer to statutory reserves	–	60,212	–	(60,212)	–	–	–
Share of changes in equity	–	–	–	–	–	1,659	1,659
Dividends	–	–	–	(564,141)	(564,141)	–	(564,141
Dividends paid to non-controlling interest	–	–	–	–	–	(18,270)	(18,270
Other	–	–	–	–	–	351	351
Balance at December 31, 2022	**916,353**	**1,948,088**	**(451,958)**	**9,658,568**	**12,071,051**	**1,092,863**	**13,163,914**
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
Dividends	–	–	–	(489,885)	(489,885)	–	(489,885
Dividends paid to non-controlling interest	–	–	–	–	-	(15,986)	(15,986
Other	–	–	–	9,634	9,634	357	9,991
Balance at December 31, 2021	**884,590**	**1,787,575**	**(285,375)**	**9,330,697**	**11,717,487**	**1,133,736**	**12,851,223**
Year ended September 30, 2022							
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 year	–	–	(293,397)	1,403,055	1,109,658	46,480	1,156,138
Issue of shares	26,312	–	–	–	26,312	–	26,312
Share-based payment	6,419	–	–	–	6,419	–	6,419
Shares purchased for profit sharing scheme	–	–	(20,422)	–	(20,422)	–	(20,422
Allocation of shares	–	–	50,204	–	50,204	–	50,204
Transfer from other reserves	–	–	91,099	(91,099)	–	–	–
Transfer to statutory reserves	–	136,324	–	(136,324)	–	–	–
Share of changes in equity	–	–	–	–	–	(4,260)	(4,260
Dividends	–	–	–	(661,476)	(661,476)	–	(661,476
Dividends paid to non-controlling interest	–	–	–	–	–	(35,134)	(35,134
Other	–	–	2,677	(6,281)	(3,604)	(470)	(4,074
Balance at September 30, 2022	**912,693**	**1,887,876**	**(507,408)**	**9,946,081**	**12,239,242**	**1,129,967**	**13,369,209**

REPUBLIC FINANCIAL HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-22	Dec-31-21	Sept-30-22
	$'000	$'000	$'000
Operating activities			
Profit before taxation	570,885	576,778	2,335,097
Adjustments for non-cash items	327,965	162,120	1,093,060
Increase in operating assets	(2,368,112)	(1,446,412)	(2,475,211)
Increase in operating liabilities	2,903,443	2,858,989	1,242,317
Taxes paid	(206,331)	(136,676)	(515,121)
Cash provided by operating activities	**1,227,850**	**2,014,799**	**1,680,142**
Investing activities			
Net increase in investments	901,814	(785,398)	(3,135,368)
Dividends from associated companies	—	—	—
Additions to fixed assets	(125,772)	(130,861)	(407,491)
Proceeds from sale of fixed assets	6,362	2,344	(2,145)
Cash used in investing activities	**782,404**	**(913,915)**	**(3,545,004)**
Financing activities			
Increase / (decrease) in balances due to other banks	(67,036)	(12,328)	289,425
Repayment of debt securities	(67,833)	(68,301)	(191,176)
Repayment of lease liabilities	(21,950)	(17,384)	(72,048)
Net proceeds from share issue	2,055	3,878	26,312
Shares purchased for profit sharing scheme	(22,262)	—	(20,422)
Allocation of shares from profit sharing plan	52,377	50,204	50,204
Dividends paid to shareholders of the parent	(564,141)	(489,885)	(661,476)
Dividends paid to non-controlling interest	(18,270)	(15,986)	(35,134)
Cash used in financing activities	**(707,060)**	**(549,802)**	**(614,315)**
Net decrease in cash resources	1,303,194	551,082	(2,479,177)
Net foreign exchange difference	(107,439)	(274)	(240,587)
Cash and cash equivalents at beginning of period/year	13,547,447	16,267,211	16,267,211
Cash and cash equivalents at end of period/year	**14,743,202**	**16,818,019**	**13,547,447**
Supplemental information:			
Interest received during the period/year	1,530,034	1,347,339	5,021,286
Interest paid during the period/year	(190,741)	(179,442)	(618,933)
Dividends received	88	79	322

REPUBLIC FINANCIAL HOLDINGS LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

Republic Financial Holdings Limited (the 'Company' or 'RFHL'), the financial holding company for the Republic Group and the ultimate Parent of the 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. RFHL is listed on the Trinidad and Tobago Stock Exchange.

The RFHL 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. It has most recently launched an insurance subsidiary in Trinidad and Tobago.

2 Basis of preparation

This interim financial report for the period ended December 31, 2022, with effect from October 1, 2022, 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, 2022.

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, 2022, except for the adoption of new standards effective as of January 1, 2022. The Group has not early adopted any standards, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

3 Capital commitments

	UNAUDITED		AUDITED
	Dec-31-22	Dec-31-21	Sept-30-22
	$'000	$'000	$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	**117,825**	**80,920**	**135,300**
Other capital expenditure authorised by the Directors but not yet contracted for	**105,253**	**140,319**	**78,498**

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-31-22	Dec-31-21	Sept-30-22
	$'000	$'000	$'000
Outstanding balances			
Advances, investments and other assets			
Directors and key management personnel	343,657	296,737	343,136
Other related parties	210,037	150,092	65,360
	553,694	446,829	408,496
Deposits and other liabilities			
Directors and key management personnel	153,192	110,760	105,588
Other related parties	501,254	634,179	744,185
	654,446	744,939	849,773
Interest and other income			
Directors and key management personnel	6,593	668	14,968
Other related parties	7,409	6,019	12,106
	14,002	6,687	27,074
Interest and other expense			
Directors and key management personnel	4,095	4,677	19,043
Other related parties	4,475	2,529	9,304
	8,570	7,206	28,347

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	16,373	14,304	51,697
Post employment benefits	40	41	4,163
Share-based payment	1,605	750	6,419
	18,018	15,095	62,279

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	Tota
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'00
Unaudited Three months ended December 31, 2022									
Operating income	758,760	115,303	43,648	232,062	129,846	77,822	247,431	42,425	1,647,297
Net profit before taxation	283,437	54,350	24,232	111,822	65,053	(114,182)	122,135	24,038	570,885
Total assets	53,342,866	9,874,726	2,967,838	15,933,657	8,839,075	3,446,999	16,386,926	2,769,264	113,561,351
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	4,768,135	16,447,498	3,285,571	111,932,757
Audited Year ended September 30, 2022									
Operating income	2,905,128	468,908	146,510	768,699	453,586	480,967	729,848	156,967	6,110,613
Net profit before taxation	1,091,256	213,360	63,743	277,855	220,845	138,815	250,209	79,014	2,335,097
Total assets	52,632,793	9,912,493	2,944,755	15,156,293	8,585,397	3,022,329	15,807,593	2,916,050	110,977,703

6 Contingent liabilities

As at December 31, 2022, 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.