Republic Financial Holdings Limited

UNAUDITED HALF YEAR FINANCIAL STATEMENTS

SIX MONTHS ENDED MARCH 31, 2023

Chairman's Comments

The half year ended March 31, 2023 was a solid period for the Republic Financial Holdings Limited Group (the Group). Throughout the six months, all Group subsidiaries recorded improved growth in their loans and investments portfolios fuelled by increases in customer deposits. As a result of this growth, our subsidiaries recorded increases in net interest income, enhanced, in part, by the impact of the rising interest rate environment on US dollar denominated securities in our Cayman Islands and British Virgin Islands (BVI) operations. Non-interest income has also been boosted by increased activity in our tourism-based subsidiaries, following the ongoing recovery of tourism activity in those islands. Our Ghana subsidiary has stabilized and has not suffered any further impact from the Debt Exchange since the first quarter.

Overall, the Group recorded profits attributable to shareholders of $786.8 million for the half year ended March 31, 2023. This represents an increase of $58.0 million or 7.96% over the profit reported in the corresponding period of the last financial year. Total assets stood at $114.1 billion at March 31, 2023, an increase of $760.2 million or 0.67% over the total assets at March 2022.

Based on these results, the Board of Directors has declared an interim dividend of $1.10 (2022: $1.05) per share payable on May 31, 2023.

I would like to acknowledge the efforts of all staff of the Group for their continued commitment to providing outstanding service to our clients and communities.

Vincent Pereira
Chairman

April 28, 2023

REPUBLIC FINANCIAL HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Mar-31-23	Mar-31-22	Sept-30-22
	$'000	$'000	$'000
ASSETS			
Cash resources	26,959,367	27,775,025	26,492,171
Advances	58,465,263	55,998,144	56,829,415
Investment securities	20,435,515	21,096,020	19,953,780
Premises and equipment	3,262,084	3,274,609	3,255,758
Net pension asset	1,200,869	1,383,466	1,200,717
Other assets	3,778,891	3,814,509	3,245,862
TOTAL ASSETS	**114,101,989**	**113,341,773**	**110,977,703**
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	356,849	491,182	445,410
Customers' deposits and other funding instruments	95,111,787	94,704,321	92,048,120
Debt securities in issue	1,590,932	1,771,868	1,674,719
Other liabilities	3,569,191	3,307,592	3,440,245
TOTAL LIABILITIES	**100,628,759**	**100,274,963**	**97,608,494**
EQUITY			
Stated capital	925,305	901,457	912,693
Statutory reserves	1,947,507	1,839,781	1,887,876
Other reserves	(561,007)	(389,647)	(507,408)
Retained earnings	9,997,450	9,590,547	9,946,081
Attributable to equity holders of the parent	12,309,255	11,942,138	12,239,242
Non-controlling interest	1,163,975	1,124,672	1,129,967
TOTAL EQUITY	**13,473,230**	**13,066,810**	**13,369,209**
TOTAL LIABILITIES AND EQUITY	**114,101,989**	**113,341,773**	**110,977,703**

These unaudited financial statements were approved by the Board of Directors on April 28, 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		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-23 $'000	Mar-31-22 $'000	Mar-31-23 $'000	Mar-31-22 $'000	Sept-30-22 $'000
Net interest income	1,148,116	990,426	2,256,284	2,006,272	4,138,087
Other income	538,700	501,694	1,076,670	980,059	1,965,781
Operating income	1,686,816	1,492,120	3,332,954	2,986,331	6,103,868
Operating expenses	(914,199)	(903,419)	(1,823,592)	(1,786,795)	(3,555,301)
	772,617	588,701	1,509,362	1,199,536	2,548,567
Net share of profits of associated companies	1,353	2,306	2,511	4,043	6,745
Operating profit	773,970	591,007	1,511,873	1,203,579	2,555,312
Credit Loss Expense	(138,855)	(61,835)	(305,873)	(97,629)	(220,215)
Profit before taxation	635,115	529,172	1,206,000	1,105,950	2,335,097
Taxation expense	(177,578)	(160,784)	(341,500)	(305,189)	(651,211)
Net profit after taxation	457,537	368,388	864,500	800,761	1,683,886
Non-controlling interest	(70,988)	(35,518)	(77,724)	(72,024)	(157,992)
Net profit after tax attributable to equity holders of the Parent	**386,549**	**332,870**	**786,776**	**728,737**	**1,525,894**
Earnings per share					
Basic			$4.83	$4.48	$9.37
Diluted			$4.81	$4.46	$9.33
Weighted average number of shares ('000)					
Basic			163,004	162,673	162,928
Diluted			163,499	163,244	163,490
Dividend based on the results of the period			$1.10	$1.05	$4.50

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-23	Mar-31-22	Mar-31-23	Mar-31-22	Sept-30-22
	$'000	$'000	$'000	$'000	$'000
Net profit after taxation	**457,537**	**368,388**	**864,500**	**800,761**	**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	(14)	–	(79)	–	–
Translation adjustments	(89,626)	(148,398)	(155,192)	(163,277)	(408,648)
	(89,640)	(148,398)	(155,271)	(163,277)	(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	–	(325)	–	18,462	(222,021)
Income tax related to above	–	–	–	–	102,921
Other comprehensive income /(loss) for the period, net of taxation	**(89,640)**	**(148,723)**	**(155,271)**	**(144,815)**	**(527,748)**
Total comprehensive income for the period, net of taxation	367,897	219,665	709,229	655,946	1,156,138
Non-controlling interest	(76,615)	2,480	(55,771)	(23,047)	(46,480)
Total comprehensive income for the period, net of taxation attributable to equity holders of the Parent	**291,282**	**222,145**	**653,458**	**632,899**	**1,109,658**

REPUBLIC FINANCIAL HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated Capital S'000	Statutory Reserves S'000	Other Reserves S'000	Retained Earnings S'000	Total equity attributable to equity holders of the parent S'000	Non-controlling Interest S'000	Total Equity S'000
Period ended March 31, 2023							
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	–	–	(133,758)	787,216	653,458	55,771	709,229
Issue of shares	9,402	–	–	–	9,402	–	9,402
Share-based payment	3,210	–	–	–	3,210	–	3,210
Shares purchased for profit sharing scheme	–	–	(84,293)	–	(84,293)	–	(84,293)
Allocation of shares	–	–	52,377	–	52,377	–	52,377
Transfer to other reserves	–	–	112,075	(112,075)	–	–	–
Transfer to statutory reserves	–	59,631	–	(59,631)	–	–	–
Share of changes in equity	–	–	–	–	–	1,298	1,298
Dividends	–	–	–	(564,141)	(564,141)	–	(564,141)
Dividends paid to non-controlling interest	–	–	–	–	–	(23,803)	(23,803)
Other	–	–	–	–	–	742	742
Balance at March 31, 2023	**925,305**	**1,947,507**	**(561,007)**	**9,997,450**	**12,309,255**	**1,163,975**	**13,473,230**
Period ended March 31, 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 period	–	–	(110,655)	743,554	632,899	23,047	655,946
Issue of shares	19,995	–	–	–	19,995	–	19,995
Share-based payment	1,500	–	–	–	1,500	–	1,500
Shares purchased for profit sharing scheme	–	–	(9,222)	–	(9,222)	–	(9,222)
Allocation of shares	–	–	50,204	–	50,204	–	50,204
Transfer to other reserves	–	–	17,595	(17,595)	-	–	-
Transfer to statutory reserves	–	88,229	–	(88,229)	-	–	-
Share of changes in equity	–	–	–	–	-	(574)	(574)
Dividends	–	–	–	(489,885)	(489,885)	–	(489,885)
Dividends paid to non-controlling interest	–	–	–	–	-	(22,098)	(22,098)
Other	–	–	–	4,496	4,496	946	5,442
Balance at March 31, 2022	**901,457**	**1,839,781**	**(389,647)**	**9,590,547**	**11,942,138**	**1,124,672**	**13,066,810**
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 SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-23	Mar-31-22	Sept-30-22
	$'000	$'000	$'000
Operating activities			
Profit before taxation	1,206,000	1,105,950	2,335,097
Adjustments for non-cash items	764,786	546,908	1,093,060
Increase in operating assets	(2,600,641)	(1,770,892)	(2,475,211)
Increase in operating liabilities	3,213,611	3,720,436	1,242,317
Taxes paid	(387,452)	(266,905)	(515,121)
Cash provided by operating activities	**2,196,304**	**3,335,497**	**1,680,142**
Investing activities			
Net increase in investments	(381,718)	(4,432,411)	(3,130,184)
Additions to fixed assets	(212,082)	(233,414)	(407,491)
Proceeds from sale of fixed assets	8,948	3,577	(2,145)
Cash used in investing activities	**(584,852)**	**(4,662,248)**	**(3,539,820)**
Financing activities			
(Decrease) / increase in balances due to other banks	(88,561)	335,197	289,425
Repayment of debt securities	(83,787)	(94,027)	(191,176)
Repayment of lease liabilities	(38,239)	(36,120)	(72,048)
Net proceeds from share issue	9,402	19,995	26,312
Shares purchased for profit sharing scheme	(84,293)	(9,222)	(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	(23,803)	(22,098)	(35,134)
Cash used in financing activities	**(821,045)**	**(245,956)**	**(614,315)**
Net decrease in cash resources	790,407	(1,572,707)	(2,473,993)
Net foreign exchange difference	(236,147)	(24,076)	(240,587)
Cash and cash equivalents at beginning of period/year	13,552,631	16,267,211	16,267,211
Cash and cash equivalents at end of period/year	**14,106,891**	**14,670,428**	**13,552,631**
Supplemental information:			
Interest received during the period/year	2,918,247	2,508,446	5,021,286
Interest paid during the period/year	(360,153)	(308,585)	(618,933)
Dividends received	166	126	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 March 31, 2023, 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
	Mar-31-23	Mar-31-22	Sept-30-22
	$'000	$'000	$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	**121,130**	**117,758**	**135,300**
Other capital expenditure authorised by the Directors but not yet contracted for	**90,260**	**118,467**	**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
	Mar-31-23	Mar-31-22	Sept-30-22
	$'000	$'000	$'000
Outstanding balances			
Advances, investments and other assets			
Directors and key management personnel	344,435	384,266	343,136
Other related parties	207,096	150,483	65,360
	551,531	534,749	408,496
Deposits and other liabilities			
Directors and key management personnel	153,607	108,898	105,588
Other related parties	570,059	575,083	744,185
	723,666	683,981	849,773
Interest and other income			
Directors and key management personnel	13,659	3,765	14,968
Other related parties	11,604	7,188	12,106
	25,263	10,953	27,074
Interest and other expense			
Directors and key management personnel	8,370	9,003	19,043
Other related parties	4,924	1,392	9,304
	13,294	10,395	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	31,627	33,805	51,697
Post employment benefits	117	89	4,163
Share-based payment	3,210	1,500	6,419
	34,954	35,394	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	Total
	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000
Unaudited Six months ended March 31, 2023									
Operating income	1,540,446	234,118	80,598	439,399	266,988	181,505	509,324	83,087	3,335,465
Net profit before taxation	498,607	100,127	48,445	185,819	137,585	(60,609)	250,127	45,899	1,206,000
Total assets	52,408,625	10,107,174	2,729,994	16,414,056	9,065,212	3,499,303	16,211,352	3,666,273	114,101,989
Unaudited Six months ended March 31, 2022									
Operating income	1,436,075	236,698	63,281	371,009	212,831	261,678	331,389	77,413	2,990,374
Net profit before taxation	561,925	73,510	27,267	127,753	99,691	87,379	95,624	32,801	1,105,950
Total assets	52,776,320	10,028,248	2,754,864	15,243,401	8,149,887	3,849,719	17,337,061	3,202,273	113,341,773
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 March 31, 2023, 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.