Republic Financial Holdings Limited

UNAUDITED GROUP FINANCIAL STATEMENTS
THREE MONTHS ENDED DECEMBER 31, 2023

CHAIRMAN'S COMMENTS

I am pleased to report that Republic Financial Holdings Limited (RFHL) recorded profit attributable to its equity holders of $503 million for the three-month period ended December 31, 2023. Excluding one-off losses reported in the prior period, core profits after tax and non-controlling interest increased by $33 million or 6.9 percent, while reported profits increased by $103 million or 26 percent over the $400 million reported in the corresponding period of the last financial year.

Total assets stood at $115.2 billion at December 31, 2023, an increase of $1.7 billion or 1.46 percent over the total assets at December 2022. This increase was fuelled by growth in the loans and investments portfolios across all subsidiaries.

The Group's first quarter results reflect the impact of this strong growth in loans and investments, combined with the continued strong interest rate environment for our US$ denominated subsidiaries. All subsidiaries recorded strong performances despite the ongoing economic challenges in some environments. The overall performance continues to highlight the value of the Group's international diversification strategy and the resilience of our operations.

Based on these results, the Board of Directors has declared its first ever quarterly interim dividend of $0.55 per share payable on February 29, 2024, to all shareholders on record at February 15, 2024.

The Group continues to work on improving its employee engagement, customer focus and digital strategy to continue adding value to our customers, staff and stakeholders. While challenges persist, we believe that we are well positioned to navigate the continued global economic uncertainties.

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

Vincent A. Pereira
Chairman
January 31, 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Dec-31-23 $Mn	Dec-31-22 $Mn	Sept-30-23 $Mn
ASSETS			
Cash resources	23,672	27,279	24,634
Advances	62,668	58,138	60,656
Investment securities	20,869	19,673	20,216
Premises and equipment	3,363	3,279	3,323
Net pension asset	940	1,201	946
Other assets	3,694	3,992	3,153
TOTAL ASSETS	**115,206**	**113,562**	**112,928**
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	485	378	298
Customers' deposits and other funding instruments	95,471	94,716	93,563
Debt securities in issue	1,444	1,607	1,518
Other liabilities	3,592	3,696	3,281
TOTAL LIABILITIES	**100,992**	**100,397**	**98,660**
EQUITY			
Stated capital	937	917	932
Statutory reserves	2,157	1,948	2,093
Other reserves	(357)	(452)	(506)
Retained earnings	10,189	9,659	10,498
Attributable to equity holders of the Parent	12,926	12,072	13,017
Non-controlling interest	1,288	1,093	1,251
TOTAL EQUITY	**14,214**	**13,165**	**14,268**
TOTAL LIABILITIES AND EQUITY	**115,206**	**113,562**	**112,928**

These unaudited financial statements were approved by the Board of Directors on January 31, 2024, and signed on its behalf by:

Colin A. Soo Ping Chow,
Director

Nigel M. Baptiste,
Group President and Chief Executive Officer

CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-23 $Mn	Dec-31-22 $Mn	Sept-30-23 $Mn
Net interest income	1,240	1,108	4,664
Other income	524	538	2,143
Operating income	1,764	1,646	6,807
Operating expenses	(955)	(909)	(3,965)
	809	737	2,842
Net share of profits of associated companies	2	1	6
Operating profit	811	738	2,848
Credit loss expense on financial assets	(84)	(167)	(181)
Net monetary loss in hyperinflationary economies	(13)	–	(68)
Profit before taxation	714	571	2,599
Taxation expense	(145)	(164)	(667)
Net profit after taxation	**569**	**407**	**1,932**
Attributable to:			
Equity holders of the Parent	503	400	1,750
Non-controlling interest	66	7	182
	569	**407**	**1,932**
Earnings per share			
Basic	$3.09	$2.45	$10.69
Diluted	$3.08	$2.45	$10.71
Weighted average number of shares ('000)			
Basic	162,841	163,042	162,906
Diluted	163,071	163,537	163,328
Dividend based on the results of the period	$0.55	$0.00	$4.10

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-23 $Mn	Dec-31-22 $Mn	Sept-30-23 $Mn
Net profit after taxation	**569**	**407**	**1,932**
Other comprehensive income/(loss) that will be reclassified to the consolidated statement of income in subsequent periods (net of tax):			
Net gain on investment securities fair value through other comprehensive income securities	5	–	–
Translation adjustments	16	(66)	(54)
	21	(66)	(54)
Other comprehensive income/(loss) that will not be reclassified to the consolidated statement of income in subsequent periods (net of tax):			
Re-measurement losses on defined benefit plans	–	–	(248)
Income tax related to above	–	–	73
Other comprehensive income/(loss) for the period, net of taxation	**21**	**(66)**	**(229)**
Total comprehensive income for the period, net of taxation	**590**	**341**	**1,703**
Attributable to:			
Equity holders of the Parent	530	362	1,545
Non-controlling interest	60	(21)	158
	590	**341**	**1,703**

Republic Financial Holdings

Republic Financial Holdings Limited

UNAUDITED GROUP FINANCIAL STATEMENTS

THREE MONTHS ENDED DECEMBER 31, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Statutory Reserves	Other Reserves	Retained Earnings	Total Equity Attributable to Equity Holders of the Parent	Non-controlling Interest	Total Equity
	$Mn	$Mn	$Mn	$Mn	$Mn	$Mn	$Mn
Period ended December 31, 2023							
Balance at October 1, 2023 as previously reported	**932**	**2,093**	**(506)**	**10,498**	**13,017**	**1,251**	**14,268**
Impact of initial application of IFRS 17	–	–	(1)	10	9	–	9
Impact of initial application of IFRS 9	–	–	–	5	5	–	5
Restated opening balance under IFRS 17	**932**	**2,093**	**(507)**	**10,513**	**13,031**	**1,251**	**14,282**
Total comprehensive income for the period	–	–	21	504	525	60	585
Issue of shares	4	–	–	–	4	–	4
Share-based payment	1	–	–	–	1	–	1
Shares purchased for profit sharing scheme	–	–	(20)	–	(20)	–	(20)
Allocation of shares	–	–	57	–	57	–	57
Transfer to other reserves	–	–	92	(92)	–	–	–
Transfer to statutory reserves	–	65	–	(65)	–	–	–
Share of changes in equity	–	–	–	–	–	3	3
Dividends	–	–	–	(671)	(671)	–	(671)
Dividends paid to non-controlling interest	–	–	–	–	–	(26)	(26)
Other	–	(1)	–	–	(1)	–	(1)
Balance at December 31, 2023	**937**	**2,157**	**(357)**	**10,189**	**12,926**	**1,288**	**14,214**
Period ended December 31, 2022							
Balance at October 1, 2022	**913**	**1,888**	**(507)**	**9,946**	**12,240**	**1,130**	**13,370**
Total comprehensive income for the period	–	–	(62)	424	362	(21)	341
Issue of shares	2	–	–	–	2	–	2
Share-based payment	2	–	–	–	2	–	2
Shares purchased for profit sharing scheme	–	–	(22)	–	(22)	–	(22)
Allocation of shares	–	–	52	–	52	–	52
Transfer to other reserves	–	–	87	(87)	–	–	–
Transfer to statutory reserves	–	60	–	(60)	–	–	–
Share of changes in equity	–	–	–	–	–	2	2
Dividends	–	–	–	(564)	(564)	–	(564)
Dividends paid to non-controlling interest	–	–	–	–	–	(18)	(18)
Balance at December 31, 2022	**917**	**1,948**	**(452)**	**9,659**	**12,072**	**1,093**	**13,165**
Year ended September 30, 2023							
Balance at October 1, 2022	**913**	**1,888**	**(507)**	**9,946**	**12,240**	**1,130**	**13,370**
Total comprehensive income for the year	–	–	(60)	1,605	1,545	158	1,703
Issue of shares	13	–	–	–	13	–	13
Share-based payment	6	–	–	–	6	–	6
Shares purchased for profit sharing scheme	–	–	(100)	–	(100)	–	(100)
Allocation of shares	–	–	52	–	52	–	52
Transfer to other reserves	–	–	124	(124)	–	–	–
Transfer to statutory reserves	–	205	–	(205)	–	–	–
Transfer from contingency reserves	–	–	(12)	12	–	–	–
Share of changes in equity	–	–	–	–	–	1	1
Dividends	–	–	–	(744)	(744)	–	(744)
Dividends paid to non-controlling interest	–	–	–	–	–	(38)	(38)
Other	–	–	(3)	8	5	–	5
Balance at September 30, 2023	**932**	**2,093**	**(506)**	**10,498**	**13,017**	**1,251**	**14,268**

CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-23	Dec-31-22	Sept-30-23
	$Mn	$Mn	$Mn
Operating activities			
Profit before taxation	714	571	2,599
Adjustments for non-cash items	191	328	886
Increase in operating assets	(2,942)	(2,368)	(4,389)
Increase in operating liabilities	2,275	2,903	1,384
Taxes paid	(195)	(206)	(669)
Cash provided by/(used in) operating activities	**43**	**1,228**	**(190)**
Investing activities			
Net increase/(decrease) in investments	15	902	(546)
Additions to fixed assets	(130)	(126)	(394)
Proceeds from sale of fixed assets	1	6	16
Cash (used in)/provided by investing activities	**(114)**	**782**	**(924)**
Financing activities			
Increase/(decrease) in balances due to other banks	186	(67)	(147)
Repayment of debt securities	(74)	(68)	(157)
Repayment of lease liabilities	(18)	(22)	(85)
Net proceeds from share issue	4	2	13
Shares purchased for profit sharing scheme	(20)	(22)	(100)
Allocation of shares from profit sharing plan	57	52	52
Dividends paid to shareholders of the Parent	(671)	(564)	(744)
Dividends paid to non-controlling interest	(26)	(18)	(38)
Cash used in financing activities	**(562)**	**(707)**	**(1,206)**
Net (decrease)/increase in cash resources	(633)	1,303	(2,320)
Net foreign exchange difference	32	(107)	(263)
Cash and cash equivalents at beginning of period/year	10,964	13,546	13,546
Cash and cash equivalents at end of period/year	**10,363**	**14,742**	**10,964**
Supplemental information:			
Interest received during the period/year	1,415	1,530	5,450
Interest paid during the period/year	(267)	(191)	(781)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

Republic Financial Holdings Limited (RFHL), 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. 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.

2 Basis of preparation

This interim financial report for the period ended December 31, 2023, with effect from October 1, 2023, 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, 2023.

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, 2023, except for changes introduced by the adoption of IFRS 17 'Insurance Contracts', as this standard became effective for financial period starting after January 1, 2023.

The Group has initially applied IFRS 17, including any consequential amendments to other standards, from October 1, 2023, for the first time. The standard has brought significant changes to the accounting for insurance and reinsurance contracts.

3 Capital commitments

	UNAUDITED		AUDITED
	Dec-31-23	Dec-31-22	Sept-30-23
	$Mn	$Mn	$Mn
Contracts for outstanding capital expenditure not provided for in the financial statements	**127**	**118**	**115**
Other capital expenditure authorised by the Directors but not yet contracted for	**103**	**105**	**82**

Republic Financial Holdings

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-31-23 $Mn	Dec-31-22 $Mn	Sept-30-23 $Mn
Outstanding Balances			
Advances, investments and other assets			
Associates	7	–	2
Directors and key management personnel	432	344	412
Other related parties	180	210	178
	619	554	592
Deposits and other liabilities			
Directors and key management personnel	160	153	156
Other related parties	265	501	147
	425	654	303
Interest and other income			
Associates	7	–	12
Directors and key management personnel	9	7	32
Other related parties	10	7	17
	26	14	61
Interest and other expense			
Directors and key management personnel	3	4	20
Other related parties	23	4	14
	26	8	34

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	21	16	66
Post employment benefits	–	–	11
Share-based payment	1	2	6
	22	18	83

5 Segment reporting

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

	Trinidad and Tobago $Mn	Barbados $Mn	Suriname $Mn	Eastern Caribbean $Mn	Guyana $Mn	Ghana $Mn	Cayman Islands $Mn	British Virgin Islands $Mn	Eliminations and other adjustments $Mn	Total $Mn
Unaudited Three months ended December 31, 2023										
Operating income	1,668	118	45	227	158	109	253	43	(855)	1,766
Net profit before taxation	1,142	28	20	61	84	36	123	20	(800)	714
Total assets	52,307	9,657	2,913	16,612	10,260	3,858	15,611	3,422	566	115,206
Unaudited Three months ended December 31, 2022										
Operating income	1,576	136	44	232	130	78	247	42	(838)	1,647
Net profit/(loss) before taxation	1,101	75	24	90	61	(114)	127	22	(815)	571
Total assets	53,265	9,903	2,961	16,024	8,846	3,317	15,915	2,561	770	113,562
Audited Year ended September 30, 2023										
Operating income	4,752	977	191	876	551	395	1,005	175	(2,109)	6,813
Net profit/(loss) before taxation	2,437	1,020	74	239	290	(8)	476	64	(1,993)	2,599
Total assets	51,307	9,890	2,773	16,428	9,690	3,569	15,364	3,433	474	112,928

6 Contingent liabilities

As at December 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.