

CHAIRMAN'S COMMENTS

I am pleased to report that Republic Financial Holdings Limited (RFHL) recorded profit attributable to its equity holders of \$687.3 million for the half-year ended March 31, 2021. This represents an increase of \$144.0 million or 26.5% over the \$543.3 million reported in corresponding period of the last financial year. The improved results reflect the positive impact of the Group's acquisition of the British Virgin Islands (BVI) operations in June 2020, and the stabilisation of the credit portfolio resulting in lower provisions for loan losses. 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 \$107.2 billion at March 31, 2021, an increase of \$8.7 billion or 8.8% over the total assets at March 2020. This increase was mainly due to the BVI acquisition and the growth in customer deposits across most subsidiaries.

The Board of Directors has declared an interim dividend of \$1.00 (2020: \$0.60) per share payable on May 31, 2021.

While there continues to be uncertainty over the direction and duration of the COVID-19 pandemic, we are confident that the Group is well positioned to continue to generate positive results while supporting the recovery efforts of the economies in which we operate.

I would like to acknowledge our staff, customers and communities in St. Vincent and the Grenadines who continue to work tirelessly in dealing with the effects of the recent volcanic eruption. We want to assure them that the Republic Group is fully committed to assisting in their recovery efforts. I am confident that, as in 1979, they and the economy will emerge stronger. I would like to also acknowledge the efforts of all staff of the Group for their continued commitment to serving our clients and communities with excellence.

In closing, I express the Board's heartfelt gratitude to Mr. Shazan Ali who served with distinction on the Boards of Republic Bank Limited and Republic Financial Holdings Limited for a total of 11 years and was one of the founding Directors of the Republic Bank (Suriname) N.V. Board after that entity was acquired in 2015. Mr. Ali resigned from the Boards with effect from April 21, 2021 for personal reasons. We wish him all of the very best going forward.



Vincent Pereira
Chairman
April 30, 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Mar-31-21 \$'000	Mar-31-20 \$'000	Sept-30-20 \$'000
ASSETS			
Cash resources	27,238,492	25,072,724	26,974,060
Advances	55,241,716	51,496,949	53,300,181
Investment securities	18,100,019	15,396,708	17,535,686
Premises and equipment	3,209,548	3,032,517	3,106,952
Net pension asset	404,585	591,345	454,573
Other assets	2,956,380	2,852,807	2,905,162
TOTAL ASSETS	107,150,740	98,443,050	104,276,614
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	129,286	813,055	807,192
Customers' deposits and other funding instruments	90,582,685	81,585,989	87,346,226
Debt securities in issue	1,944,887	2,086,287	2,024,390
Other liabilities	2,797,541	2,687,809	2,756,333
TOTAL LIABILITIES	95,454,399	87,173,140	92,934,141
EQUITY			
Stated capital	872,969	816,901	862,115
Statutory reserves	1,647,101	1,397,738	1,544,858
Other reserves	(292,885)	(53,009)	(250,315)
Retained earnings	8,397,905	8,102,307	8,156,616
Attributable to equity holders of the Parent	10,625,090	10,263,937	10,313,274
Non-controlling interest	1,071,251	1,005,973	1,029,199
TOTAL EQUITY	11,696,341	11,269,910	11,342,473
TOTAL LIABILITIES AND EQUITY	107,150,740	98,443,050	104,276,614

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



Peter R. Inglefield
Director



Nigel M. Baptiste
President

CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-21 \$'000	Mar-31-20 \$'000	Mar-31-21 \$'000	Mar-31-20 \$'000	Sept-30-20 \$'000
Net interest income	984,425	1,024,883	1,984,692	2,033,131	3,994,970
Other income	441,488	468,172	897,983	944,947	1,705,250
Operating income	1,425,913	1,493,055	2,882,675	2,978,078	5,700,220
Operating expenses	(872,912)	(900,128)	(1,722,272)	(1,754,344)	(3,480,025)
Goodwill impairment expense	-	-	-	-	(143,367)
	553,001	592,927	1,160,403	1,223,734	2,076,828
Net share of profits of associated companies	1,618	1,664	2,838	3,158	4,911
Operating profit	554,619	594,591	1,163,241	1,226,892	2,081,739
Credit loss expense	(96,396)	(343,924)	(135,692)	(382,818)	(621,164)
Profit before taxation	458,223	250,667	1,027,549	844,074	1,460,575
Taxation expense	(126,968)	(54,895)	(271,907)	(235,365)	(457,516)
Net profit after taxation	331,255	195,772	755,642	608,709	1,003,059
Attributable to:					
Equity holders of the Parent	296,198	169,471	687,332	543,339	904,056
Non-controlling interest	35,057	26,301	68,310	65,370	99,003
	331,255	195,772	755,642	608,709	1,003,059
Earnings per share					
Basic			\$4.23	\$3.34	\$5.57
Diluted			\$4.21	\$3.33	\$5.54
Weighted average number of shares ('000)					
Basic			162,537	162,712	162,443
Diluted			163,092	163,392	163,107
Dividend based on the results for the period			\$1.00	\$0.60	\$2.70

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-21 \$'000	Mar-31-20 \$'000	Mar-31-21 \$'000	Mar-31-20 \$'000	Sept-30-20 \$'000
Net profit after taxation	331,255	195,772	755,642	608,709	1,003,059
<i>Other comprehensive loss (net of tax) that will be reclassified to the consolidated statement of income in subsequent periods:</i>					
Translation adjustments	(16,818)	(56,717)	(34,114)	(90,410)	(211,636)
	(16,818)	(56,717)	(34,114)	(90,410)	(211,636)
<i>Other comprehensive loss (net of tax) that will not be reclassified to the consolidated statement of income in subsequent periods:</i>					
Re-measurement losses on defined benefit plans	-	-	-	-	(99,049)
Income tax related to above	-	-	-	-	34,109
Other comprehensive loss for the period, net of taxation	(16,818)	(56,717)	(34,114)	(90,410)	(276,576)
Total comprehensive income for the period, net of taxation	314,437	139,055	721,528	518,299	726,483
Attributable to:					
Equity holders of the Parent	280,655	118,506	660,033	472,245	646,913
Non-controlling interest	33,782	20,549	61,495	46,054	79,570
	314,437	139,055	721,528	518,299	726,483

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 March 31, 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	—	—	(27,299)	687,332	660,033	61,495	721,528
Issue of shares	9,354	—	—	—	9,354	—	9,354
Share-based payment	1,500	—	—	—	1,500	—	1,500
Shares purchased for profit sharing scheme	—	—	(16,460)	—	(16,460)	—	(16,460)
Transfer to other reserves	—	—	1,189	(1,189)	—	—	—
Transfer to statutory reserves	—	102,243	—	(102,243)	—	—	—
Share of changes in equity	—	—	—	—	—	473	473
Dividends	—	—	—	(342,611)	(342,611)	—	(342,611)
Dividends paid to non-controlling interest	—	—	—	—	—	(19,916)	(19,916)
Balance at March 31, 2021	872,969	1,647,101	(292,885)	8,397,905	10,625,090	1,071,251	11,696,341
Period ended March 31, 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	—	—	(71,093)	543,338	472,245	46,054	518,299
Issue of shares	12,572	—	—	—	12,572	—	12,572
Share-based payment	1,265	—	—	—	1,265	—	1,265
Shares purchased for profit sharing scheme	—	—	(16,088)	—	(16,088)	—	(16,088)
Allocation of shares	—	—	53,860	—	53,860	—	53,860
Transfer from other reserves	—	—	(34,819)	34,819	—	—	—
Transfer to statutory reserves	—	50,880	—	(50,880)	—	—	—
Share of changes in equity	—	—	—	—	—	29	29
Dividends	—	—	—	(528,664)	(528,664)	—	(528,664)
Dividends paid to non-controlling interest	—	—	—	—	—	(22,627)	(22,627)
Balance at March 31, 2020	816,901	1,397,738	(53,009)	8,102,307	10,263,937	1,005,973	11,269,910
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

CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-21 \$'000	Mar-31-20 \$'000	Sept-30-20 \$'000
Operating activities			
Profit before taxation	1,027,549	844,074	1,460,575
Adjustments for non-cash items	399,402	595,136	1,502,614
Increase in operating assets	(714,454)	(1,409,100)	(1,535,241)
Increase in operating liabilities	3,252,738	1,716,948	4,436,649
Taxes paid	(210,634)	(350,797)	(610,453)
Cash provided by operating activities	3,754,601	1,396,261	5,254,144
Investing activities			
Net (increase)/decrease in investments	(1,139,046)	1,386,619	(1,078,116)
Acquisition of subsidiary, net of cash acquired	—	3,890,529	4,243,892
Non-controlling interests' share of rights issue	—	19,504	19,504
Dividends from associated companies	4,900	—	—
Additions to fixed assets	(222,942)	(253,794)	(425,046)
Proceeds from sale of fixed assets	20,275	36,310	8,298
Cash provided by investing activities	(1,336,813)	5,079,168	2,768,532
Financing activities			
Decrease in balances due to other banks	(677,906)	(2,325,414)	(2,336,350)
Repayment of debt securities	(79,503)	(35,987)	(97,884)
Repayment of lease liabilities	(37,493)	—	(67,141)
Net proceeds from share issue	9,354	12,572	50,506
Shares purchased for profit sharing scheme	(16,460)	(16,088)	(92,075)
Allocation of shares from profit sharing plan	—	53,860	53,860
Dividends paid to shareholders of the Parent	(342,608)	(528,664)	(626,387)
Dividends paid to non-controlling interest	(19,919)	(22,627)	(32,252)
Cash used in financing activities	(1,164,535)	(2,862,348)	(3,147,723)
Net increase in cash resources	1,253,253	3,613,081	4,874,953
Net foreign exchange difference	(26,121)	(26,890)	(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	18,393,061	16,317,123	17,165,929
Supplemental information:			
Interest received during the period/year	2,378,483	2,387,622	4,552,675
Interest paid during the period/year	(357,774)	(412,590)	(833,880)
Dividends received	394	404	751

**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 March 31, 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.

**NOTES TO THE INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)**
3 Capital commitments

	UNAUDITED		AUDITED
	Mar-31-21	Mar-31-20	Sept-30-20
	\$'000	\$'000	\$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	47,706	91,571	107,181
Other capital expenditure authorised by the Directors but not yet contracted for	89,272	70,453	130,442

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-31-21	Mar-31-20	Sept-30-20
	\$'000	\$'000	\$'000
Outstanding Balances			
Advances, investments and other assets			
Directors and key management personnel	271,022	240,349	284,315
Other related parties	239,368	150,456	236,126
	510,390	390,805	520,441
Deposits and other liabilities			
Directors and key management personnel	109,077	117,193	168,080
Other related parties	575,380	660,368	606,176
	684,457	777,561	774,256
Interest and other income			
Directors and key management personnel	4,901	4,417	10,233
Other related parties	13,516	11,470	16,938
	18,417	15,888	27,171
Interest and other expense			
Directors and key management personnel	4,760	3,754	25,140
Other related parties	3,799	4,795	10,621
	8,559	8,549	35,761
Key management compensation			
Short-term benefits	26,169	31,233	33,951
Post-employment benefits	93	183	266
Share-based payment	1,500	1,265	8,545
	27,762	32,681	42,762

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Unaudited Six months ended March 31, 2021									
Operating income	1,370,864	287,095	66,346	327,563	197,519	240,232	321,727	74,168	2,885,514
Net profit before taxation	475,492	125,393	27,404	82,255	90,749	81,669	115,191	29,396	1,027,549
Total assets	49,508,621	10,562,873	2,836,981	13,705,668	7,348,430	4,497,006	15,754,575	2,936,586	107,150,740
Unaudited Six months ended March 31, 2020									
Operating income	1,491,058	287,852	108,527	325,729	205,466	223,130	339,474	-	2,981,236
Net profit before taxation	342,503	91,216	22,902	125,653	102,778	64,865	94,157	-	844,074
Total assets	46,309,060	9,437,019	3,105,450	14,338,003	6,102,419	4,023,854	15,127,245	-	98,443,050
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 March 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.