

CHAIRMAN'S COMMENTS

During the third quarter of the Group's Fiscal year all the countries where we operate continued the relaxation of COVID related protocols which positively impacted the tourism dependent areas, where economic activity continues to improve steadily. The Group also benefitted from rising interest rates on US dollar denominated securities in some of our operations. These positive impacts were somewhat dampened by continued supply chain disruptions and inflationary pressures resulting from the Russia/Ukraine war.

Against this backdrop, I am very pleased to report that Republic Financial Holdings Limited (RFHL) recorded profit attributable to its equity holders of \$1.15 billion for the nine-months ended June 30, 2022. This is an increase of \$109.7 million or 10.6% over the \$1.04 billion reported in the corresponding period of the last financial year. Our performance for this period of 2022 reflects a modest improvement over our core pre-COVID 2019 third quarter performance, by \$6.3 million or 0.6%.

Total assets stood at \$112.9 billion at June 30, 2022, an increase of \$4.7 billion or 4.3% over the total assets at June 2021. This increase was funded by growth in customer deposits across our subsidiaries in the Cayman Islands, Eastern Caribbean, Guyana, and Barbados.

Amid continued economic uncertainty, the Group remains focused on cost management, improving the experiences of our clients and staff through increased investment in our digital offerings and continuing to provide a safe working environment for our teams.

I would like to express my gratitude and thanks to every member of the Republic Team as it is their commitment everyday to serve our clients and communities with excellence that has enabled this outcome for the RFHL Group.



Vincent Pereira
Chairman
July 29, 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Jun-30-22 \$'000	Jun-30-21 \$'000	Sept-30-21 \$'000
ASSETS			
Cash resources	26,245,801	27,254,980	26,935,654
Advances	56,681,573	55,229,504	55,515,628
Investment securities	20,226,142	19,251,794	19,259,501
Premises and equipment	3,271,417	3,177,279	3,218,670
Net pension asset	1,373,895	378,289	1,415,216
Other assets	5,149,251	2,971,081	2,824,226
TOTAL ASSETS	112,948,079	108,262,927	109,168,895
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	1,213,014	123,958	155,985
Customers' deposits and other funding instruments	92,916,936	91,653,772	91,228,188
Debt securities in issue	1,694,188	1,873,644	1,865,895
Other liabilities	3,877,142	2,786,346	3,063,325
TOTAL LIABILITIES	99,701,280	96,437,720	96,313,393
EQUITY			
Stated capital	906,523	875,175	879,962
Statutory reserves	1,864,444	1,690,623	1,751,552
Other reserves	(364,500)	(379,498)	(337,569)
Retained earnings	9,703,413	8,545,738	9,438,206
Attributable to equity holders of the Parent	12,109,880	10,732,038	11,732,151
Non-controlling interest	1,136,919	1,093,169	1,123,351
TOTAL EQUITY	13,246,799	11,825,207	12,855,502
TOTAL LIABILITIES AND EQUITY	112,948,079	108,262,927	109,168,895

These unaudited financial statements were approved by the Board of Directors on July 29, 2022, and signed on its behalf by:



Peter R. Inglefield,
Director



Nigel M. Baptiste,
President and Chief Executive Officer

CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-22 \$'000	Jun-30-21 \$'000	Jun-30-22 \$'000	Jun-30-21 \$'000	Sept-30-21 \$'000
Net interest income	1,043,992	951,281	3,050,264	2,935,974	3,970,096
Other income	496,823	489,498	1,476,882	1,398,279	1,832,426
Operating income	1,540,815	1,440,779	4,527,146	4,334,253	5,802,522
Operating expenses	(845,550)	(847,575)	(2,632,344)	(2,580,646)	(3,514,061)
	695,265	593,204	1,894,802	1,753,607	2,288,461
Net share of profits of associated companies	1,636	1,358	5,679	4,197	4,123
Operating profit	696,901	594,562	1,900,481	1,757,804	2,292,584
Credit loss expense	(54,292)	(106,855)	(151,922)	(242,547)	(347,985)
Profit before taxation	642,609	487,707	1,748,559	1,515,257	1,944,599
Taxation expense	(185,902)	(109,619)	(491,091)	(381,526)	(499,878)
Net profit after taxation	456,707	378,088	1,257,468	1,133,731	1,444,721
Attributable to:					
Equity holders of the Parent	416,994	348,675	1,145,731	1,036,008	1,308,054
Non-controlling interest	39,713	29,413	111,737	97,723	136,667
	456,707	378,088	1,257,468	1,133,731	1,444,721
Earnings per share					
Basic			\$7.03	\$6.37	\$8.05
Diluted			\$7.01	\$6.35	\$8.02
Weighted average number of shares ('000)					
Basic			162,902	162,529	162,528
Diluted			163,470	163,083	163,080

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-22 \$'000	Jun-30-21 \$'000	Jun-30-22 \$'000	Jun-30-21 \$'000	Sept-30-21 \$'000
Net profit after taxation	456,707	378,088	1,257,468	1,133,731	1,444,721
<i>Other comprehensive loss (net of tax) that will be reclassified to the consolidated statement of income in subsequent periods:</i>					
Net unrealised loss on available-for-sale financial assets	(357)	-	(357)	-	-
Translation adjustments	(81,997)	(85,940)	(245,274)	(120,054)	(81,110)
	(82,354)	(85,940)	(245,631)	(120,054)	(81,110)
<i>Other comprehensive income/(loss) (net of tax) that will not be reclassified to the consolidated statement of income in subsequent periods:</i>					
Re-measurement gains on defined benefit plans	(1,153)	-	17,308	-	1,057,325
Income tax related to above	-	-	-	-	(375,193)
Other comprehensive income/(loss) for the period, net of taxation	(83,507)	(85,940)	(228,323)	(120,054)	601,023
Total comprehensive income for the period, net of taxation	373,200	292,148	1,029,145	1,013,677	2,045,744
Attributable to:					
Equity holders of the Parent	351,472	263,785	984,371	923,819	1,920,702
Non-controlling interest	21,728	28,363	44,774	89,858	125,042
	373,200	292,148	1,029,145	1,013,677	2,045,744

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 June 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 period	–	–	(175,127)	1,159,498	984,371	44,774	1,029,145
Issue of shares	24,311	–	–	–	24,311	–	24,311
Share-based payment	2,250	–	–	–	2,250	–	2,250
Shares purchased for profit sharing scheme	–	–	(11,767)	–	(11,767)	–	(11,767)
Allocation of shares	–	–	50,204	–	50,204	–	50,204
Transfer to other reserves	–	–	108,228	(108,228)	–	–	–
Transfer to statutory reserves	–	112,892	–	(112,892)	–	–	–
Share of changes in equity	–	–	–	–	–	(1,764)	(1,764)
Dividends	–	–	–	(661,476)	(661,476)	–	(661,476)
Dividends paid to non-controlling interest	–	–	–	–	–	(30,040)	(30,040)
Other	–	–	1,531	(11,695)	(10,164)	598	(9,566)
Balance at June 30, 2022	906,523	1,864,444	(364,500)	9,703,413	12,109,880	1,136,919	13,246,799
Period ended June 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 period	–	–	(112,191)	1,036,010	923,819	89,858	1,013,677
Issue of shares	10,810	–	–	–	10,810	–	10,810
Share-based payment	2,250	–	–	–	2,250	–	2,250
Shares purchased for profit sharing scheme	–	–	(17,627)	–	(17,627)	–	(17,627)
Transfer to other reserves	–	–	635	(1,189)	(554)	–	(554)
Transfer to statutory reserves	–	145,765	–	(145,765)	–	–	–
Dividends	–	–	–	(505,846)	(505,846)	–	(505,846)
Dividends paid to non-controlling interest	–	–	–	–	–	(24,496)	(24,496)
Other	–	–	–	5,912	5,912	(1,392)	4,520
Balance at June 30, 2021	875,175	1,690,623	(379,498)	8,545,738	10,732,038	1,093,169	11,825,207
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

CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-22 \$'000	Jun-30-21 \$'000	Sept-30-21 \$'000
Operating activities			
Profit before taxation	1,748,559	1,515,257	1,944,599
Adjustments for non-cash items	738,341	759,907	1,085,660
Increase in operating assets	(3,914,281)	(1,105,147)	(830,994)
Increase in operating liabilities	2,508,494	4,347,600	3,875,811
Taxes paid	(384,992)	(326,910)	(449,210)
Cash provided by operating activities	696,121	5,190,707	5,625,866
Investing activities			
Net increase in investments	(3,323,987)	(4,362,943)	(4,148,474)
Dividends from associated companies	–	4,900	4,900
Additions to fixed assets	(325,137)	(325,009)	(421,204)
Proceeds from sale of fixed assets	9,566	84,629	93,882
Cash used in investing activities	(3,639,558)	(4,598,423)	(4,470,896)
Financing activities			
Increase/(decrease) in balances due to other banks	1,057,029	(683,233)	(651,207)
Repayment of debt securities	(171,707)	(150,747)	(158,495)
Repayment of lease liabilities	(59,356)	(52,043)	(75,839)
Net proceeds from share issue	24,311	10,810	12,232
Shares purchased for profit sharing scheme	(11,767)	(17,627)	(17,627)
Allocation of shares from profit sharing plan	50,204	–	–
Dividends paid to shareholders of the Parent	(661,476)	(505,846)	(505,846)
Dividends paid to non-controlling interest	(30,036)	(24,497)	(29,579)
Cash used in financing activities	197,202	(1,423,183)	(1,426,361)
Net decrease in cash resources	(2,746,235)	(830,899)	(271,391)
Net foreign exchange difference	(90,960)	(227,715)	(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	13,430,016	15,714,069	16,267,211
Supplemental information:			
Interest received during the period/year	3,794,940	3,544,485	4,762,178
Interest paid during the period/year	(483,547)	(554,200)	(696,144)
Dividends received	317	766	721

**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 June 30, 2022, 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, 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.

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

	UNAUDITED		AUDITED
	Jun-30-22 \$'000	Jun-30-21 \$'000	Sept-30-21 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	119,858	34,688	50,083
Other capital expenditure authorised by the Directors but not yet contracted for	109,218	120,195	59,722

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
	Jun-30-22 \$'000	Jun-30-21 \$'000	Sept-30-21 \$'000
Outstanding Balances			
Advances, investments and other assets			
Directors and key management personnel	328,393	312,246	306,976
Other related parties	154,858	139,900	138,083
	<u>483,251</u>	<u>452,146</u>	<u>445,059</u>
Deposits and other liabilities			
Directors and key management personnel	113,471	113,808	165,182
Other related parties	665,448	620,833	617,604
	<u>778,919</u>	<u>734,641</u>	<u>782,786</u>
Interest and other income			
Directors and key management personnel	9,370	6,971	3,604
Other related parties	10,546	15,998	17,976
	<u>19,916</u>	<u>22,969</u>	<u>21,580</u>
Interest and other expense			
Directors and key management personnel	15,809	7,592	17,359
Other related parties	2,035	5,877	7,137
	<u>17,844</u>	<u>13,469</u>	<u>24,496</u>

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	44,455	34,544	47,235
Post employment benefits	262	137	(8,404)
Share-based payment	2,250	2,250	5,615
	<u>46,967</u>	<u>36,931</u>	<u>44,446</u>

5 Segment reporting

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

	Trinidad and Tobago \$'000	Barbados \$'000	Suriname \$'000	Eastern Caribbean \$'000	Guyana \$'000	Ghana \$'000	Cayman Islands \$'000	British Virgin Islands \$'000	Total \$'000
Unaudited									
Nine months ended									
June 30, 2022									
Operating income	2,157,816	360,788	101,606	572,962	326,140	378,382	515,962	119,169	4,532,825
Net profit before taxation	869,780	144,588	48,100	200,437	157,002	106,721	168,165	53,766	1,748,559
Total assets	51,791,668	9,908,525	2,760,563	16,203,551	8,240,842	3,735,335	17,086,188	3,221,407	112,948,079
Unaudited									
Nine months ended									
June 30, 2021									
Operating income	2,040,535	421,197	122,456	521,969	281,954	355,712	484,744	109,883	4,338,450
Net profit before taxation	738,695	178,400	16,649	145,084	123,851	118,296	165,597	28,685	1,515,257
Total assets	50,585,905	10,041,549	2,712,653	13,794,575	7,437,426	4,399,632	15,995,995	3,295,192	108,262,927
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 June 30, 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.