



Republic Financial Holdings



2022 Consolidated Financial Statements

► CONSOLIDATED FINANCIAL SUMMARY

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

	2022	2021	2020	2019	2018
Total assets	110,977,703	109,168,895	104,276,614	87,483,888	70,465,620
Advances	56,829,415	55,515,628	53,300,181	44,630,109	36,558,137
Customers' deposits	87,586,189	86,609,634	81,847,168	65,023,102	52,656,548
Stated capital	912,693	879,962	862,115	803,064	790,102
Equity	13,369,209	12,855,502	11,342,473	11,231,760	10,097,782
Actual number of shares in issue	162,992	162,536	163,147	162,648	162,537
Weighted average number of shares - diluted	163,490	163,080	163,107	162,430	162,076
Profit after taxation and non-controlling interest	1,525,894	1,308,054	904,056	1,581,124	1,322,850
Dividends based on the results of the financial year	735,773	654,314	439,063	732,204	715,148
Dividends paid during the year	661,476	505,846	626,387	715,589	714,861
Dividend per share based on the results of the financial year (\$)	4.50	4.00	2.70	4.50	4.40
Dividend per share paid during the year (\$)	4.05	3.10	3.85	4.50	4.40
Earnings per share (basic) (\$)	9.37	8.05	5.57	9.75	8.17
Return on average assets (%)	1.53	1.35	1.05	2.17	2.00
Return on average equity (%)	12.73	11.87	8.78	16.01	13.80

► STATEMENT OF MANAGEMENT RESPONSIBILITIES

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Republic Financial Holdings Limited and its subsidiaries ("the Group") which comprise the Consolidated Statement of Financial Position as at September 30, 2022, the Consolidated Statements of Income, Comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of Group operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that complies with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited consolidated financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying consolidated financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Nigel M. Baptiste
President and Chief Executive Officer
November 4, 2022

Marsha A. McLeod-Marshall
Chief Financial Officer
November 4, 2022



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Republic Financial Holdings Limited

Report on the Audit of the Summary Consolidated Financial Statements

Opinion

The summary consolidated financial statements, which comprise the consolidated statement of financial position as at September 30, 2022, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and related summary notes, are derived from the audited consolidated financial statements of Republic Financial Holdings Limited and its subsidiaries (the "Group") for the year ended September 30, 2022.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in Notes 2 and 3.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards ("IFRSs"). Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated November 4, 2022. That report also includes the communication of Key Audit Matters. Key Audit Matters are those matters that, in our professional judgment, were most significant in our audit of the consolidated financial statements of the current period.

Responsibility of Management for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in Note 2.

Auditor's Responsibility for the Audit of the Summary Consolidated Financial Statements

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Port of Spain
TRINIDAD:
November 4, 2022

The signature "EY" in this report represents only Ernst & Young Services Limited, a limited liability company established under the laws of Trinidad and Tobago. The contents of this document are provided solely by Ernst & Young Services Limited and any liability arising therefrom is limited to Ernst & Young Services Limited.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2022
Expressed in thousands of Trinidad and Tobago dollars (\$'000)

	2022	2021
ASSETS		
Cash on hand	1,404,561	2,529,876
Statutory deposits with Central Banks	7,508,221	7,045,773
Due from banks	9,178,784	12,425,341
Treasury Bills	8,400,605	4,934,664
Advances	56,829,415	55,515,628
Investment securities	19,953,780	19,259,501
Investment interest receivable	203,693	205,204
Investment in associated companies	62,603	55,961
Premises and equipment	3,255,758	3,218,670
Right-of-use assets	398,405	477,858
Intangible assets	1,143,560	1,171,222
Pension assets	1,200,717	1,415,216
Deferred tax assets	316,556	246,214
Taxation recoverable	49,290	72,817
Other assets	1,071,755	594,950
TOTAL ASSETS	110,977,703	109,168,895
LIABILITIES AND EQUITY		
LIABILITIES		
Due to banks	445,410	155,985
Customers' current, savings and deposit accounts	87,586,189	86,609,634
Other fund raising instruments	4,461,931	4,618,554
Debt securities in issue	1,674,719	1,865,895
Lease liabilities	420,088	482,867
Pension liability	40	25,356
Provision for post-retirement medical benefits	47,056	66,777
Taxation payable	272,205	157,343
Deferred tax liabilities	535,201	587,712
Accrued interest payable	94,440	86,451
Other liabilities	2,071,215	1,656,819
TOTAL LIABILITIES	97,608,494	96,313,393
EQUITY		
Stated capital	912,693	879,962
Statutory reserves	1,887,876	1,751,552
Other reserves	(507,408)	(337,569)
Retained earnings	9,946,081	9,438,206
Attributable to equity holders of the Parent	12,239,242	11,732,151
Non-controlling interests	1,129,967	1,123,351
TOTAL EQUITY	13,369,209	12,855,502
TOTAL LIABILITIES AND EQUITY	110,977,703	109,168,895

These consolidated financial statements were approved by the Board of Directors on November 4, 2022 and signed on its behalf by:

Vincent A. Pereira
Chairman

Nigel M. Baptiste
President and Chief Executive Officer

Peter R. Inglefield
Director

Kimberly G. Erriah-Ali
Corporate Secretary

CONSOLIDATED STATEMENT OF INCOME

For the year ended September 30, 2022
Expressed in thousands of Trinidad and Tobago dollars (\$'000), Except where otherwise stated

	2022	2021
Interest income	4,765,009	4,643,764
Interest expense	(626,922)	(673,668)
Net interest income	4,138,087	3,970,096
Other income	1,965,781	1,832,426
	6,103,868	5,802,522
Operating expenses	(3,555,301)	(3,514,061)
Share of profit of associated companies	6,745	4,123
Operating profit	2,555,312	2,292,584
Credit loss expense on financial assets	(220,215)	(347,985)
Net profit before taxation	2,335,097	1,944,599
Taxation expense	(651,211)	(499,878)
Net profit after taxation	1,683,886	1,444,721
<i>Attributable to:</i>		
Equity holders of the Parent	1,525,894	1,308,054
Non-controlling interests	157,992	136,667
	1,683,886	1,444,721
Earnings per share (expressed in \$ per share)		
Basic	9.37	8.05
Diluted	9.33	8.02
Weighted average number of shares ('000)		
Basic	162,928	162,528
Diluted	163,490	163,080

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended September 30, 2022
Expressed in thousands of Trinidad and Tobago dollars (\$'000)

	2022	2021
Net profit after taxation	1,683,886	1,444,721
Other comprehensive (loss)/income:		
<i>Other comprehensive loss (net of tax) that will be reclassified to the Consolidated Statement of Income in subsequent periods:</i>		
Translation adjustments	(408,648)	(81,110)
Total items that will be reclassified to the Consolidated Statement of Income in subsequent periods	(408,648)	(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>		
Remeasurement (losses)/gains on defined benefit plans	(222,021)	1,057,325
Income tax related to above	102,921	(375,193)
Total items that will not be reclassified to the Consolidated Statement of Income in subsequent periods	(119,100)	682,132
Other comprehensive (loss)/income for the year, net of tax	(527,748)	601,022
Total comprehensive income for the year, net of tax	1,156,138	2,045,744
<i>Attributable to:</i>		
Equity holders of the Parent	1,109,658	1,920,702
Non-controlling interests	46,480	125,042
	1,156,138	2,045,744

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended September 30, 2022. Expressed in thousands of Trinidad and Tobago dollars (\$'000)

	Stated capital	Statutory reserves	Other reserves	Retained earnings	Total equity attributable to equity holders of the Parent	Non-controlling interests	Total equity
Balance at September 30, 2020	862,115	1,544,858	(250,315)	8,156,616	10,313,274	1,029,199	11,342,473
Total comprehensive (loss)/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 payments	5,615	-	-	-	5,615	-	5,615
Shares purchased for profit sharing scheme	-	-	(17,627)	-	(17,627)	-	(17,627)
Transfer to 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 interests	-	-	-	-	-	(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
Total comprehensive (loss)/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 payments	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 to 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 interests	-	-	-	-	-	(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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended September 30, 2022
Expressed in thousands of Trinidad and Tobago dollars (\$'000)

	2022	2021
Operating activities		
Net profit before taxation	2,335,097	1,944,599
Adjustments for:		
Depreciation of premises and equipment and right-of-use assets	393,576	366,698
Credit loss expense on financial assets	220,215	347,985
Goodwill impairment expense	1,605	492
Investment securities' impairment expense	108	406
Amortisation of intangibles	46,626	51,700
Translation differences	483,982	249,752
Loss/(gain) on sale of premises and equipment	31,949	(26,246)
Realised (gain)/loss on investment securities	(31,316)	13,735
Share of net profit of associated companies	(6,745)	(4,123)
Stock option expense	6,419	5,615
(Increase)/decrease in employee benefits	(53,359)	79,647
Increase in advances	(1,537,468)	(2,506,667)
Increase in customers' deposits and other fund raising instruments	819,932	3,881,962
(Increase)/decrease in statutory deposits with Central Banks	(462,449)	1,764,709
Increase in other assets and investment interest receivable	(475,294)	(89,037)
Increase/(decrease) in other liabilities and accrued interest payable	422,385	(6,151)
Taxes paid, net of refund	(515,121)	(449,210)
Net cash provided by operating activities	1,680,142	5,625,866
Investing activities		
Purchase of investment securities	(21,125,255)	(23,439,836)
Redemption of investment securities	17,989,887	19,291,362
Dividends from associated companies	-	4,900
Additions to premises and equipment	(407,491)	(421,204)
Proceeds from sale of premises and equipment	(2,145)	93,882
Net cash used in investing activities	(3,545,004)	(4,470,896)
Financing activities		
Increase/(decrease) in balances due to other banks	289,425	(651,207)
Repayment of debt securities	(191,176)	(158,495)
Repayment of lease liabilities (net)	(72,048)	(75,839)
Proceeds from share issue	26,312	12,232
Shares purchased for profit sharing scheme	(20,422)	(17,627)
Allocation of shares to profit sharing plan	50,204	-
Dividends paid to shareholders of the Parent	(661,476)	(505,846)
Dividends paid to non-controlling shareholders of the subsidiaries	(35,134)	(29,579)
Net cash used in financing activities	(614,315)	(1,426,361)
Net decrease in cash and cash equivalents	(2,479,177)	(271,391)
Net foreign exchange difference	(240,587)	(234,081)
Cash and cash equivalents at beginning of year	16,267,211	16,772,683
Cash and cash equivalents at end of year	13,547,447	16,267,211
Cash and cash equivalents at end of year are represented by:		
Cash on hand	1,404,561	2,529,876
Due from banks	9,178,784	12,425,341
Treasury Bills - original maturities of three months or less	2,615,335	1,057,237
Bankers' acceptances - original maturities of three months or less	348,767	254,757
	13,547,447	16,267,211
Supplemental information:		
Interest received during the year	5,021,286	4,762,178
Interest paid during the year	(618,933)	(696,144)
Dividends received	322	721

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

For the year ended September 30, 2022
Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

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, was incorporated on December 16, 2015, 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

The summary consolidated financial statements are prepared in accordance with the Guideline on the Publication of Abridged Financial Statements, issued by the Central Bank of Trinidad and Tobago, in conjunction with Sections 80(1A) and 152(3) of the Financial Institutions Act and Insurance Act, respectively. These summary consolidated financial statements are derived from the audited consolidated financial statements of Republic Financial Holdings Limited and its subsidiaries for the year ended September 30, 2022, which are prepared in accordance with International Financial Reporting Standards, and are stated in Trinidad and Tobago dollars. These summary consolidated financial statements have been extracted from the audited consolidated financial statements which will be available on RFHL's website (<https://rfhl.com/>).

The Group has prepared the summary consolidated financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

3 SIGNIFICANT ACCOUNTING POLICIES

These summary consolidated financial statements have been prepared in accordance with the accounting policies set out in 'Note 2' of the September 30, 2022, audited consolidated financial statements, consistently applied from period to period. The Group has adopted all new and revised accounting standards and interpretations that are mandatory for annual accounting periods on or after January 1, 2021, and which are relevant to the Group's operations.

4 FOREIGN CURRENCY TRANSLATION

The individual financial statements of each group entity is presented in the currency of the primary economic environment, in which the entity operates (its functional currency). The consolidated financial statements are expressed in Trinidad and Tobago dollars, which is the functional currency of the Parent.

5 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 are both secured and unsecured and were carried out on commercial terms and conditions, at market rates.

	2022	2021
Advances, investments and other assets		
Directors and key management personnel	343,136	306,976
Other related parties	65,360	138,083
	408,496	445,059
Deposits and other liabilities		
Directors and key management personnel	105,588	165,182
Other related parties	744,185	617,604
	849,773	782,786

▶ NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

For the year ended September 30, 2022. Expressed in thousands of Trinidad and Tobago dollars (\$'000), Except where otherwise stated

5 RELATED PARTIES *(continued)*

	2022	2021
Interest and other income		
Directors and key management personnel	14,968	3,604
Other related parties	12,106	17,976
	27,074	21,580
Interest and other expense		
Directors and key management personnel	19,043	17,359
Other related parties	9,304	7,137
	28,347	24,496

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

	2022	2021
Key management compensation		
Short-term benefits	51,697	47,235
Post employment benefits	4,163	(8,404)
Share-based payment	6,419	5,615
	62,279	44,446

6 CONTINGENT LIABILITIES

a Litigation

As at September 30, 2022, there were certain tax and 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 the eventuality.

	2022	2021
b Customers' liability under acceptances, guarantees, indemnities and letters of credit		
Acceptances	2,582,522	3,297,413
Guarantees and indemnities	431,436	470,057
Letters of credit	789,256	422,123
	3,803,214	4,189,593
c Sectoral information		
State	160,251	1,123,805
Corporate and commercial	2,871,761	2,427,036
Personal	422,305	584,306
Other financial institutions	79,973	53,903
Other	268,924	543
	3,803,214	4,189,593

d Pledged assets

The table below illustrates the distribution of pledged assets in the Group's Consolidated Statement of Financial Position:

	Carrying amount		Related liability	
	2022	2021	2022	2021
Financial assets	5,427,757	4,776,932	4,402,749	4,364,575

The assets pledged by the Group relate to a pool of securities held for the purpose of providing collateral for the counterparty. Individual securities within the pool may be sold by the Group once the total value of the pool exceeds the value of the liability. In the event of the Group's default, the counterparty is entitled to apply the collateral in order to settle the liability.

7 SUBSEQUENT EVENTS

There were no events favourable and unfavourable, that occurred between the end of the reporting period and the date when the financial statements were authorised for issue.