

CHAIRMAN'S COMMENTS

The Group's performance for the third quarter of this fiscal year continued to be strong, boosted by sustained growth in our loans and investment portfolios across all subsidiaries. Both this growth and the stable or rising interest rate environments in most of our operating countries contributed to overall increases in net interest income. Ongoing resurgence of tourism activity in the markets in which the Group operates also supported growth in non-interest income.

These factors enabled Republic Financial Holdings Limited (RFHL) to record profit attributable to its equity holders of \$1.26 billion for the nine-months ended June 30, 2023. This represents an increase of \$117.1 million or 10.2% over the \$1.15 billion reported in the corresponding period of the last financial year. Total assets stood at \$114.4 billion on June 30, 2023, an increase of \$1.43 billion or 1.3% over the total assets at June 2022. This increase was attributed to growth in customer deposits across our subsidiaries in the Cayman Islands, Eastern Caribbean, Guyana and Barbados.

As we approach our fiscal year end, the Group will maintain its focus on revenue generation, expense management, digital enhancement strategies, employee and client satisfaction. Our ESG initiatives will continue to be prioritised with the launch of the Micro, Small and Medium Enterprises lending programme in Trinidad and Tobago in June 2023. Together with the rollout of our Climate Finance solutions and our commitments under the UN Principles for Responsible Banking, they will provide a boost to smaller businesses in urgent need of financing for socially responsible projects.

I express thanks to all our valued staff members who continue to serve our customers and key stakeholders who contributed towards the RFHL Group's achievement of outstanding results for this period.



Vincent Pereira
Chairman
July 28, 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Jun-30-23 \$'000	Jun-30-22 \$'000	Sept-30-22 \$'000
ASSETS			
Cash resources	26,812,406	26,245,801	26,492,171
Advances	60,065,141	56,681,573	56,829,415
Investment securities	19,586,840	20,226,142	19,953,780
Premises and equipment	3,269,910	3,271,417	3,255,758
Net pension asset	1,201,119	1,373,895	1,200,717
Other assets	3,445,650	5,149,251	3,245,862
TOTAL ASSETS	114,381,066	112,948,079	110,977,703
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	518,048	1,213,014	445,410
Customers' deposits and other funding instruments	94,887,918	92,916,936	92,048,120
Debt securities in issue	1,519,697	1,694,188	1,674,719
Other liabilities	3,601,339	3,877,142	3,440,245
TOTAL LIABILITIES	100,527,002	99,701,280	97,608,494
EQUITY			
Stated capital	926,910	906,523	912,693
Statutory reserves	1,949,111	1,864,444	1,887,876
Other reserves	(526,490)	(364,500)	(507,408)
Retained earnings	10,291,010	9,703,413	9,946,081
Attributable to equity holders of the Parent	12,640,541	12,109,880	12,239,242
Non-controlling interest	1,213,523	1,136,919	1,129,967
TOTAL EQUITY	13,854,064	13,246,799	13,369,209
TOTAL LIABILITIES AND EQUITY	114,381,066	112,948,079	110,977,703

These unaudited financial statements were approved by the Board of Directors on July 28, 2023, and signed on its behalf by:



Peter R. Inglefield
Director



Nigel M. Baptiste
Group President and Chief Executive Officer

CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-23 \$'000	Jun-30-22 \$'000	Jun-30-23 \$'000	Jun-30-22 \$'000	Sept-30-22 \$'000
Net interest income	1,178,913	1,043,992	3,435,197	3,050,264	4,138,087
Other income	495,180	496,823	1,571,850	1,476,882	1,965,781
Operating income	1,674,093	1,540,815	5,007,047	4,527,146	6,103,868
Operating expenses	(935,120)	(845,550)	(2,758,712)	(2,632,344)	(3,555,301)
	738,973	695,265	2,248,335	1,894,802	2,548,567
Net share of profits of associated companies	2,179	1,636	4,689	5,679	6,745
Operating profit	741,152	696,901	2,253,024	1,900,481	2,555,312
Credit loss expense	(30,153)	(54,292)	(336,027)	(151,922)	(220,215)
Profit before taxation	710,999	642,609	1,916,997	1,748,559	2,335,097
Taxation expense	(179,105)	(185,902)	(520,605)	(491,091)	(651,211)
Net profit after taxation	531,894	456,707	1,396,392	1,257,468	1,683,886
Non-controlling interest	(55,843)	(39,713)	(133,567)	(111,737)	(157,992)
Net profit after tax attributable to equity holders of the Parent	476,051	416,994	1,262,825	1,145,731	1,525,894
Earnings per share					
Basic			\$7.75	\$7.03	\$9.37
Diluted			\$7.73	\$7.01	\$9.33
Weighted average number of shares ('000)					
Basic			162,949	162,902	162,928
Diluted			163,373	163,470	163,490

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-23 \$'000	Jun-30-22 \$'000	Jun-30-23 \$'000	Jun-30-22 \$'000	Sept-30-22 \$'000
Net profit after taxation	531,894	456,707	1,396,392	1,257,468	1,683,886
<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	324	(357)	310	(357)	–
Translation adjustments	(21,226)	(81,997)	(110,851)	(245,274)	(408,648)
	(20,902)	(82,354)	(110,541)	(245,631)	(408,648)
<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	(222,021)
Income tax related to above	–	–	–	–	102,921
Other comprehensive loss for the period, net of taxation	(20,902)	(83,507)	(110,541)	(228,323)	(527,748)
Total comprehensive income for the period, net of taxation	510,992	373,200	1,285,851	1,029,145	1,156,138
Non-controlling interest	(39,974)	(21,728)	(116,589)	(44,774)	(46,480)
Total comprehensive income for the period, net of taxation attributable to equity holders of the Parent	471,018	351,472	1,169,262	984,371	1,109,658

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, 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	–	–	(94,304)	1,263,566	1,169,262	116,589	1,285,851
Issue of shares	9,403	–	–	–	9,403	–	9,403
Share-based payment	4,814	–	–	–	4,814	–	4,814
Shares purchased for profit sharing scheme	–	–	(87,758)	–	(87,758)	–	(87,758)
Allocation of shares	–	–	52,377	–	52,377	–	52,377
Transfer to other reserves	–	–	113,332	(113,332)	–	–	–
Transfer to statutory reserves	–	61,235	–	(61,235)	–	–	–
Share of changes in equity	–	–	–	–	–	2,059	2,059
Impact of merger	–	–	(2,729)	40	(2,689)	–	(2,689)
Dividends	–	–	–	(744,110)	(744,110)	–	(744,110)
Dividends paid to non-controlling interest	–	–	–	–	–	(33,226)	(33,226)
Other	–	–	–	–	–	(1,866)	(1,866)
Balance at June 30, 2023	926,910	1,949,111	(526,490)	10,291,010	12,640,541	1,213,523	13,854,064
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
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

CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-23 \$'000	Jun-30-22 \$'000	Sept-30-22 \$'000
Operating activities			
Profit before taxation	1,916,997	1,748,559	2,335,097
Adjustments for non-cash items	869,617	738,341	1,093,060
Increase in operating assets	(4,090,184)	(3,914,281)	(2,475,211)
Increase in operating liabilities	2,972,508	2,508,494	1,242,317
Taxes paid	(539,450)	(384,992)	(515,121)
Cash provided by operating activities	1,129,488	696,121	1,680,142
Investing activities			
Net decrease/(increase) in investments	1,097,478	(3,323,987)	(3,135,368)
Additions to fixed assets	(296,057)	(325,137)	(407,491)
Proceeds from sale of fixed assets	14,805	9,566	(2,145)
Cash used in investing activities	816,226	(3,639,558)	(3,545,004)
Financing activities			
Increase in balances due to other banks	72,638	1,057,029	289,425
Repayment of debt securities	(155,022)	(171,707)	(191,176)
Repayment of lease liabilities	(59,140)	(59,356)	(72,048)
Net proceeds from share issue	9,403	24,311	26,312
Shares purchased for profit sharing scheme	(87,758)	(11,767)	(20,422)
Allocation of shares from profit sharing plan	52,377	50,204	50,204
Dividends paid to shareholders of the Parent	(744,110)	(661,476)	(661,476)
Dividends paid to non-controlling interest	(33,226)	(30,036)	(35,134)
Cash used in financing activities	(944,838)	197,202	(614,315)
Net decrease in cash resources	1,000,876	(2,746,235)	(2,479,177)
Net foreign exchange difference	(256,109)	(90,960)	(240,587)
Cash and cash equivalents at beginning of period/year	13,547,447	16,267,211	16,267,211
Cash and cash equivalents at end of period/year	14,292,214	13,430,016	13,547,447
Supplemental information:			
Interest received during the period/year	4,291,962	3,794,940	5,021,286
Interest paid during the period/year	(612,297)	(483,547)	(618,933)
Dividends received	174	317	322

**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 June 30, 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.

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

	UNAUDITED		AUDITED
	Jun-30-23 \$'000	Jun-30-22 \$'000	Sept-30-22 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	115,641	119,858	135,300
Other capital expenditure authorised by the Directors but not yet contracted for	71,735	109,218	78,498

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-30-23 \$'000	Jun-30-22 \$'000	Sept-30-22 \$'000
Outstanding Balances			
Advances, investments and other assets			
Directors and key management personnel	359,736	328,393	343,136
Other related parties	199,283	154,858	65,360
	<u>559,019</u>	<u>483,251</u>	<u>408,496</u>
Deposits and other liabilities			
Directors and key management personnel	162,542	113,471	105,588
Other related parties	468,940	665,448	744,185
	<u>631,482</u>	<u>778,919</u>	<u>849,773</u>
Interest and other income			
Directors and key management personnel	22,062	9,370	14,968
Other related parties	14,035	10,546	12,106
	<u>36,097</u>	<u>19,916</u>	<u>27,074</u>
Interest and other expense			
Directors and key management personnel	12,343	15,809	19,043
Other related parties	6,167	2,035	9,304
	<u>18,510</u>	<u>17,844</u>	<u>28,347</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	41,721	44,455	51,697
Post employment benefits	214	262	4,163
Share-based payment	4,814	2,250	6,419
	<u>46,749</u>	<u>46,967</u>	<u>62,279</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, 2023									
Operating income	2,132,520	536,746	136,460	647,872	404,056	285,135	747,889	121,058	5,011,736
Net profit before taxation	596,060	361,348	80,932	270,750	217,722	(28,223)	352,763	65,645	1,916,997
Total assets	52,985,787	10,099,531	2,742,692	16,335,018	9,172,092	3,818,016	15,618,828	3,609,102	114,381,066
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
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 June 30, 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.