

**CHAIRMAN'S COMMENTS**

I am pleased to report that Republic Financial Holdings Limited (RFHL) recorded profit attributable to equity holders of the Parent of \$391.1 million for the quarter ending December 31, 2020. Compared to the First Quarter of 2020, these results reflect the negative impact of the COVID-19 pandemic since we experienced a reduction in both our net interest margins and fees and commissions. This was off-set by the positive impact of our acquisition of the British Virgin Islands (BVI) operations in June 2020. The net result is an increase of \$17.3 million or 4.6% over the corresponding period last year.

Total assets stood at \$104.7 billion at December 31, 2020, an increase of \$2.6 billion or 2.5% over the total assets at December 2019. This increase was mainly due to the BVI acquisition in June 2020.

The uncertainty over the duration of the COVID-19 pandemic and the timing of any economic recovery will continue to place downward pressure on our performance. However, we remain confident of the future as our strong capital base and our robust governance structure will provide the platform to meet the challenge. Our focus remains on building the Group's resiliency through various initiatives aimed at improving efficiency, supporting our customers through these trying times, expanding our suite of electronic products and making it easier for clients to access these products remotely.

Going forward, we will continue to work with our customers, provide a safe working environment for our employees and assist the communities we serve via our Power To Make a Difference Programme.



Vincent Pereira,  
Chairman  
January 29, 2021

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	UNAUDITED		AUDITED
	Dec-31-20 \$'000	Dec-31-19 \$'000	Sept-30-20 \$'000
<b>ASSETS</b>			
Cash resources	26,430,045	27,802,352	26,974,060
Advances	54,669,027	51,967,336	53,300,181
Investment securities	16,967,914	16,228,085	17,535,686
Premises and equipment	3,195,278	2,994,077	3,106,952
Net pension asset	430,924	611,075	454,573
Other assets	2,971,201	2,509,858	2,905,162
<b>TOTAL ASSETS</b>	<b>104,664,389</b>	<b>102,112,783</b>	<b>104,276,614</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Due to banks	434,064	2,481,052	807,192
Customers' deposits and other funding instruments	88,067,032	84,051,428	87,346,226
Debt securities in issue	1,954,204	2,103,905	2,024,390
Other liabilities	2,818,892	2,372,611	2,756,333
<b>TOTAL LIABILITIES</b>	<b>93,274,192</b>	<b>91,008,996</b>	<b>92,934,141</b>
<b>EQUITY</b>			
Stated capital	866,250	805,985	862,115
Statutory reserves	1,599,004	1,349,778	1,544,858
Other reserves	(266,175)	(2,322)	(250,315)
Retained earnings	8,150,170	7,984,712	8,156,616
Attributable to equity holders of the Parent	10,349,249	10,138,153	10,313,274
Non-controlling interest	1,040,948	965,634	1,029,199
<b>TOTAL EQUITY</b>	<b>11,390,197</b>	<b>11,103,787</b>	<b>11,342,473</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>104,664,389</b>	<b>102,112,783</b>	<b>104,276,614</b>

These unaudited financial statements were approved by the Board of Directors on January 29, 2021, and signed on its behalf by:



Peter R. Inglefield,  
Director



Nigel M. Baptiste,  
President

**CONSOLIDATED STATEMENT OF INCOME**

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-20 \$'000	Dec-31-19 \$'000	Sept-30-20 \$'000
Net interest income	1,000,267	1,008,248	3,994,970
Other income	456,495	476,775	1,705,250
Operating income	1,456,762	1,485,023	5,700,220
Operating expenses	(849,360)	(854,216)	(3,480,025)
Goodwill impairment expense	-	-	(143,367)
	607,402	630,807	2,076,828
Net share of profits of associated companies	1,220	1,494	4,911
Operating profit	608,622	632,301	2,081,739
Credit loss expense	(39,296)	(38,894)	(621,164)
Profit before taxation	569,326	593,407	1,460,575
Taxation expense	(144,939)	(180,470)	(457,516)
<b>Net profit after taxation</b>	<b>424,387</b>	<b>412,937</b>	<b>1,003,059</b>
<b>Attributable to:</b>			
Equity holders of the Parent	391,134	373,868	904,056
Non-controlling interest	33,253	39,069	99,003
	<b>424,387</b>	<b>412,937</b>	<b>1,003,059</b>
<b>Earnings per share</b>			
Basic	\$2.41	\$2.30	\$5.57
Diluted	\$2.40	\$2.29	\$5.54
<b>Weighted average number of shares ('000)</b>			
Basic	162,544	162,633	162,443
Diluted	163,110	163,585	163,107

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-20 \$'000	Dec-31-19 \$'000	Sept-30-20 \$'000
<b>Net profit after taxation</b>	<b>424,387</b>	<b>412,937</b>	<b>1,003,059</b>
<i>Other comprehensive loss (net of tax) that will be reclassified to the consolidated statement of income in subsequent periods:</i>			
Translation adjustments	(17,296)	(33,693)	(211,636)
	(17,296)	(33,693)	(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
<b>Other comprehensive loss for the period, net of taxation</b>	<b>(17,296)</b>	<b>(33,693)</b>	<b>(276,576)</b>
<b>Total comprehensive income for the period, net of taxation</b>	<b>407,091</b>	<b>379,244</b>	<b>726,483</b>
<b>Attributable to:</b>			
Equity holders of the Parent	379,378	353,739	646,913
Non-controlling interest	27,713	25,505	79,570
	<b>407,091</b>	<b>379,244</b>	<b>726,483</b>

**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
<b>Period ended December 31, 2020</b>							
<b>Balance at October 1, 2020</b>	<b>862,115</b>	<b>1,544,858</b>	<b>(250,315)</b>	<b>8,156,616</b>	<b>10,313,274</b>	<b>1,029,199</b>	<b>11,342,473</b>
Total comprehensive income for the period	–	–	(11,749)	391,127	379,378	27,713	407,091
Issue of shares	3,385	–	–	–	3,385	–	3,385
Share-based payment	750	–	–	–	750	–	750
Shares purchased for profit sharing scheme	–	–	(4,930)	–	(4,930)	–	(4,930)
Transfer to other reserves	–	–	819	(819)	–	–	–
Transfer to statutory reserves	–	54,146	–	(54,146)	–	–	–
Share of changes in equity	–	–	–	–	–	(1,120)	(1,120)
Dividends	–	–	–	(342,608)	(342,608)	–	(342,608)
Dividends paid to non-controlling interest	–	–	–	–	–	(14,844)	(14,844)
<b>Balance at December 31, 2020</b>	<b>866,250</b>	<b>1,599,004</b>	<b>(266,175)</b>	<b>8,150,170</b>	<b>10,349,249</b>	<b>1,040,948</b>	<b>11,390,197</b>
<b>Period ended December 31, 2019</b>							
<b>Balance at October 1, 2019</b>	<b>803,064</b>	<b>1,346,858</b>	<b>15,131</b>	<b>8,103,694</b>	<b>10,268,747</b>	<b>963,013</b>	<b>11,231,760</b>
Total comprehensive income for the period	–	–	(20,129)	373,868	353,739	25,505	379,244
Issue of shares	2,288	–	–	–	2,288	–	2,288
Share-based payment	633	–	–	–	633	–	633
Shares purchased for profit sharing scheme	–	–	(12,489)	–	(12,489)	–	(12,489)
Allocation of shares	–	–	53,899	–	53,899	–	53,899
Transfer from other reserves	–	–	(38,734)	38,734	–	–	–
Transfer to statutory reserves	–	2,920	–	(2,920)	–	–	–
Share of changes in equity	–	–	–	–	–	(257)	(257)
Dividends	–	–	–	(528,664)	(528,664)	–	(528,664)
Dividends paid to non-controlling interest	–	–	–	–	–	(22,627)	(22,627)
<b>Balance at December 31, 2019</b>	<b>805,985</b>	<b>1,349,778</b>	<b>(2,322)</b>	<b>7,984,712</b>	<b>10,138,153</b>	<b>965,634</b>	<b>11,103,787</b>
<b>Year ended September 30, 2020</b>							
<b>Balance at October 1, 2019</b>	<b>803,064</b>	<b>1,346,858</b>	<b>15,131</b>	<b>8,103,694</b>	<b>10,268,747</b>	<b>963,013</b>	<b>11,231,760</b>
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
<b>Balance at September 30, 2020</b>	<b>862,115</b>	<b>1,544,858</b>	<b>(250,315)</b>	<b>8,156,616</b>	<b>10,313,274</b>	<b>1,029,199</b>	<b>11,342,473</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-20 \$'000	Dec-31-19 \$'000	Sept-30-20 \$'000
<b>Operating activities</b>			
Profit before taxation	569,326	593,407	1,460,575
Adjustments for non-cash items	178,010	128,853	1,502,614
Increase in operating assets	(1,225,959)	(1,955,361)	(1,535,241)
Increase in operating liabilities	725,820	3,807,139	4,436,649
Taxes paid	(67,921)	(190,172)	(610,453)
<b>Cash provided by operating activities</b>	<b>179,276</b>	<b>2,383,866</b>	<b>5,254,144</b>
<b>Investing activities</b>			
Net increase in investments	554,936	339,928	(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
Dividends from associated companies	(144,598)	–	–
Additions to fixed assets	400	(114,014)	(425,046)
Proceeds from sale of fixed assets	–	951	8,298
<b>Cash provided by investing activities</b>	<b>410,738</b>	<b>4,117,394</b>	<b>2,768,532</b>
<b>Financing activities</b>			
Decrease in balances due to other banks	(373,128)	(657,417)	(2,336,350)
Repayment of debt securities	(70,186)	(18,370)	(97,884)
Repayment of principal portion of lease liabilities	(22,502)	–	(67,141)
Net proceeds from share issue	3,385	2,288	50,506
Shares purchased for profit sharing scheme	(4,930)	(12,489)	(92,075)
Allocation of shares from profit sharing plan	–	53,899	53,860
Dividends paid to shareholders of the Parent	(342,608)	(528,664)	(626,387)
Dividends paid to non-controlling interest	(14,846)	(22,627)	(32,252)
<b>Cash used in financing activities</b>	<b>(824,815)</b>	<b>(1,183,380)</b>	<b>(3,147,723)</b>
Net (decrease)/increase in cash resources	(234,801)	5,317,880	4,874,953
Net foreign exchange difference	(16,535)	(9,420)	(439,956)
Cash and cash equivalents at beginning of period/year	17,165,929	12,730,932	12,730,932
<b>Cash and cash equivalents at end of period/year</b>	<b>16,914,593</b>	<b>18,039,392</b>	<b>17,165,929</b>
<b>Supplemental information:</b>			
Interest received during the period/year	1,263,008	1,198,950	4,552,675
Interest paid during the period/year	(209,466)	(218,811)	(833,880)
Dividends received	72	403	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 December 31, 2020, 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.

**3 Capital commitments**

	UNAUDITED		AUDITED
	Dec-31-20 \$'000	Dec-31-19 \$'000	Sept-30-20 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	68,195	137,780	107,181
Other capital expenditure authorised by the Directors but not yet contracted for	77,512	139,226	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
	Dec-31-20 \$'000	Dec-31-19 \$'000	Sept-30-20 \$'000
<b>Outstanding Balances</b>			
<b>Advances, investments and other assets</b>			
Directors and key management personnel	270,551	249,060	284,315
Other related parties	245,623	159,967	236,126
	<u>516,174</u>	<u>409,027</u>	<u>520,441</u>
<b>Deposits and other liabilities</b>			
Directors and key management personnel	114,958	132,085	168,080
Other related parties	726,224	363,638	606,176
	<u>841,182</u>	<u>495,723</u>	<u>774,256</u>
<b>Interest and other income</b>			
Directors and key management personnel	2,249	3,148	10,233
Other related parties	9,937	7,559	16,938
	<u>12,186</u>	<u>10,707</u>	<u>27,171</u>
<b>Interest and other expense</b>			
Directors and key management personnel	5,457	1,829	25,140
Other related parties	2,404	2,335	10,621
	<u>7,861</u>	<u>4,164</u>	<u>35,761</u>
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.			
<b>Key management compensation</b>			
Short-term benefits	14,847	9,135	33,951
Post-employment benefits	40	106	266
Share-based payment	750	633	8,545
	<u>15,637</u>	<u>9,874</u>	<u>42,762</u>

**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
<b>Unaudited</b>									
<b>Three months ended</b>									
<b>December 31, 2020</b>									
Operating income	749,451	76,788	32,627	178,583	99,793	121,858	160,266	38,616	1,457,982
Net profit before taxation	341,099	2,537	22,457	47,797	46,324	38,791	54,167	16,154	569,326
Total assets	49,351,532	9,935,476	2,788,707	13,730,201	7,063,038	4,287,602	14,628,729	2,879,104	104,664,389
<b>Unaudited</b>									
<b>Three months ended</b>									
<b>December 31, 2019</b>									
Operating income	768,447	124,952	46,738	146,559	113,975	108,978	176,868	-	1,486,517
Net profit before taxation	301,218	37,915	19,956	75,174	60,663	34,873	63,608	-	593,407
Total assets	48,564,031	9,767,773	3,267,782	15,376,744	6,380,118	4,026,368	14,729,967	-	102,112,783
<b>Audited</b>									
<b>Year ended</b>									
<b>September 30, 2020</b>									
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 December 31, 2020, 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.