

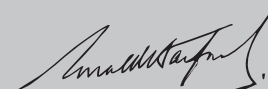
CHAIRMAN'S COMMENTS

Republic Financial Holdings Limited recorded profit attributable to shareholders of \$586.3 million for the six months ending March 31, 2016, an increase of 2.4% over the corresponding period in 2015. Total assets stood at \$67.6 billion at March 31, 2016, an increase of 13.3% over March 2015.

Excluding the contributions of the Suriname and Ghana operations which were not subsidiaries in the comparative period, net interest income and other income grew by \$154 million or 8.6%, driven by a 12.7% increase in loans and advances. However, this was off-set by increased operating expenses of \$63.4 million, excluding Suriname and Ghana, and higher loan impairment expenses of \$48.8 million across the Group.

Economic challenges in the commodity producing economies in which we operate continue due to falling prices. The Group is well positioned to withstand these challenges with high levels of capital, good quality assets and strong underwriting standards.

Based on these results, the Board of Directors declared a half-year dividend of \$1.25 (2015:\$1.25) per share payable on June 1, 2016.



Ronald F. deC. Harford
Chairman
April 27, 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Mar-31-16 \$'000	Mar-31-15 \$'000	Sept-30-15 \$'000
ASSETS			
Cash resources	20,420,429	18,993,093	20,262,933
Advances	33,789,030	27,587,244	33,007,998
Investment securities	8,583,617	8,856,720	8,094,392
Premises and equipment	1,946,899	1,639,605	1,853,964
Net pension asset	1,206,948	1,282,269	1,223,147
Other assets	1,675,526	1,339,026	1,549,752
TOTAL ASSETS	67,622,449	59,697,957	65,992,186
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	167,601	237,274	554,135
Customers' deposits and other funding instruments	54,197,343	47,293,223	52,298,151
Debt securities in issue	1,163,130	1,060,501	1,192,952
Other liabilities	2,571,132	2,357,797	2,536,339
TOTAL LIABILITIES	58,099,206	50,948,795	56,581,577
EQUITY			
Stated capital	759,728	734,472	739,125
Statutory reserves	1,206,749	1,202,364	1,194,889
Other reserves	607,337	642,070	636,543
Retained earnings	6,454,367	5,853,730	6,361,538
Attributable to equity holders of the parent	9,028,181	8,432,636	8,932,095
Non-controlling interest	495,062	316,526	478,514
TOTAL EQUITY	9,523,243	8,749,162	9,410,609
TOTAL LIABILITIES AND EQUITY	67,622,449	59,697,957	65,992,186

CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-16 \$'000	Mar-31-15 \$'000	Mar-31-16 \$'000	Mar-31-15 \$'000	Sept-30-15 \$'000
Net interest income	749,324	583,957	1,539,185	1,173,429	2,453,036
Other income	312,391	296,685	693,478	606,583	1,462,399
Operating income	1,061,715	880,642	2,232,663	1,780,012	3,915,435
Operating expenses	(639,103)	(502,165)	(1,326,923)	(1,005,421)	(2,155,963)
	422,612	378,477	905,740	774,591	1,759,472
Net Share of profits of associated companies	697	4,255	2,786	15,994	39,276
Operating profit	423,309	382,732	908,526	790,585	1,798,748
Loan impairment expense	(32,955)	(19,057)	(106,748)	(23,177)	(165,264)
Profit before taxation	390,354	363,675	801,778	767,408	1,633,484
Taxation expense	(100,250)	(80,022)	(200,326)	(177,034)	(396,740)
Net profit after taxation	290,104	283,653	601,452	590,374	1,236,744
Attributable to:					
Equity holders of the parent	279,880	275,483	586,303	572,738	1,223,648
Non-controlling interest	10,224	8,170	15,149	17,636	13,096
	290,104	283,653	601,452	590,374	1,236,744
Earnings per share					
Basic			\$3.63	\$3.55	\$7.59
Diluted			\$3.63	\$3.54	\$7.57
Weighted average number of shares ('000)					
Basic			161,381	161,284	161,279
Diluted			161,670	161,719	161,662

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-16 \$'000	Mar-31-15 \$'000	Mar-31-16 \$'000	Mar-31-15 \$'000	Sept-30-15 \$'000
Net profit after taxation	290,104	283,653	601,452	590,374	1,236,744
Other Comprehensive Income:					
<i>Items of other comprehensive income that may be reclassified to profit and loss in subsequent periods (net of tax):</i>					
Net gains / (losses) on available-for-sale investments	22,621	(37,179)	(10,080)	(80,567)	(226,908)
Translation adjustments	35,068	(37,881)	24,226	(31,735)	138,388
	57,689	(75,060)	14,146	(112,302)	(88,520)
<i>Items of other comprehensive income / (loss) that will not be reclassified to profit and loss in subsequent periods (net of tax):</i>					
Re-measurement losses on defined benefit plans	-	-	-	-	29,575
Share of changes recognised directly in associate's equity	-	-	-	-	(1,781)
Other comprehensive income / (loss) for the period, net of taxation	57,689	(75,060)	14,146	(112,302)	(60,726)
Total other comprehensive income for the period, net of taxation	347,793	208,593	615,598	478,072	1,176,018
Attributable to:					
Equity holders of the parent	324,708	200,559	585,448	460,589	1,163,542
Non-controlling interest	23,085	8,034	30,150	17,483	12,476
	347,793	208,593	615,598	478,072	1,176,018

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, 2016							
Balance at October 1, 2015	739,125	1,194,889	636,543	6,361,538	8,932,095	478,514	9,410,609
Total comprehensive income for the period	-	-	(823)	586,271	585,448	30,150	615,598
Issue of shares	17,612	-	-	-	17,612	-	17,612
Share-based payment	2,991	-	-	-	2,991	-	2,991
Shares purchased for profit sharing scheme	-	-	(62,204)	-	(62,204)	-	(62,204)
Allocation of shares	-	-	54,762	-	54,762	-	54,762
Transfer to general contingency reserves	-	-	(20,617)	20,617	-	-	-
Transfer to statutory reserves	-	11,860	-	(11,860)	-	-	-
Share of changes in equity	-	-	-	-	-	874	874
Other	-	-	(324)	-	(324)	-	(324)
Dividends	-	-	-	(502,199)	(502,199)	-	(502,199)
Dividends paid to non-controlling interest	-	-	-	-	-	(14,476)	(14,476)
Balance at March 31, 2016	759,728	1,206,749	607,337	6,454,367	9,028,181	495,062	9,523,243
Period ended March 31, 2015							
Balance at October 1, 2014	704,871	1,202,364	744,363	5,785,296	8,436,894	309,429	8,746,323
Total comprehensive income for the period	-	-	(112,149)	572,738	460,589	17,483	478,072
Issue of shares	25,526	-	-	-	25,526	-	25,526
Share-based payment	4,075	-	-	-	4,075	-	4,075
Shares purchased for profit sharing scheme	-	-	(60,021)	-	(60,021)	-	(60,021)
Allocation of shares	-	-	49,194	-	49,194	-	49,194
Transfer to general contingency reserves	-	-	20,683	(20,683)	-	-	-
Dividends	-	-	-	(483,621)	(483,621)	-	(483,621)
Dividends paid to non-controlling interest	-	-	-	-	-	(10,386)	(10,386)
Balance at March 31, 2015	734,472	1,202,364	642,070	5,853,730	8,432,636	316,526	8,749,162
Year ended September 30, 2015							
Balance at October 1, 2014	704,871	1,202,364	744,363	5,785,296	8,436,894	309,429	8,746,323
Total comprehensive income for the period	-	-	(89,647)	1,253,189	1,163,542	12,476	1,176,018
Issue of shares	27,374	-	-	-	27,374	-	27,374
Share-based payment	6,880	-	-	-	6,880	-	6,880
Shares purchased for profit sharing scheme	-	-	(67,410)	-	(67,410)	-	(67,410)
Allocation of shares	-	-	49,195	-	49,195	-	49,195
Transfer to general contingency reserves	-	-	42	(42)	-	-	-
Transfer to statutory reserves	-	(7,475)	-	7,475	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	192,040	192,040
Dividends	-	-	-	(687,597)	(687,597)	-	(687,597)
Dividends paid to non-controlling interest	-	-	-	-	-	(35,431)	(35,431)
Other	-	-	-	3,217	3,217	-	3,217
Balance at September 30, 2015	739,125	1,194,889	636,543	6,361,538	8,932,095	478,514	9,410,609

CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-16 \$'000	Mar-31-15 \$'000	Sept-30-15 \$'000
Operating activities			
Profit before taxation	801,778	767,408	1,633,484
Adjustments for non-cash items	388,375	150,851	479,347
Increase in operating assets	(1,127,013)	(876,765)	(3,631,236)
Increase in operating liabilities	1,964,931	116,770	814,844
Taxes paid	(248,003)	(147,662)	(331,570)
Cash provided by / (used in) operating activities	1,780,068	10,602	(1,035,131)
Investing activities			
Net (increase) / decrease in investments	(352,571)	(634,415)	213,203
Acquisition of controlling interest in a subsidiary	-	-	236,660
Acquisition of subsidiary, net of cash acquired	-	-	959,092
Dividends from associated companies	-	757	5,638
Additions to premises & equipment	(194,646)	(153,485)	(287,338)
Proceeds from sale of premises & equipment	2,415	1,586	17,134
Cash (used in) / provided by investing activities	(544,802)	(785,557)	1,144,389
Financing activities			
(Decrease) / increase in balances due to other banks	(386,534)	167,317	325,700
Repayment of debt securities	(29,822)	(6,302)	(12,510)
Net proceeds from share issue	17,614	25,526	27,374
Shares purchased for profit sharing scheme	(62,204)	(60,021)	(67,410)
Allocation of shares from profit sharing plan	54,762	49,195	49,195
Dividends paid to shareholders of the parent	(502,199)	(483,621)	(687,597)
Dividends paid to non-controlling interest	(14,476)	(10,386)	(35,431)
Cash used in financing activities	(922,859)	(318,292)	(400,679)
Net increase / (decrease) in cash resources	312,407	(1,093,247)	(291,421)
Net foreign exchange difference	(230,941)	(4,599)	(7,140)
Cash and cash equivalents at beginning of period / year	13,492,116	13,790,677	13,790,677
Cash and cash equivalents at end of period / year	13,573,582	12,692,831	13,492,116
Supplemental information:			
Interest received during the period / year	1,818,379	1,311,545	2,742,574
Interest paid during the period / year	(309,133)	(147,942)	(297,696)
Dividends received	227	119	442

**NOTES TO THE INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**
1 Corporate information

On December 16, 2015 by Legal Notice No. 215 of 2015 the business of Republic Bank Limited was transferred and vested into Republic Finance and Merchant Bank Limited (FINCOR). FINCOR was renamed Republic Bank Limited and Republic Bank Limited was renamed Republic Financial Holdings Limited.

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 in the Caricom region and Ghana.

2 Basis of preparation

This interim financial report for the period ended March 31, 2016 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, 2015.

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, 2015.

3 Capital commitments

	UNAUDITED Mar-31-16 \$'000	UNAUDITED Mar-31-15 \$'000	AUDITED Sept-30-15 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	584,375	401,717	378,100
Other capital expenditure authorised by the Directors but not yet contracted for	63,026	74,820	89,333

4 General Contingency Reserve

Specific provisions are made for non-performing advances based on the difference between the loan balances and the discounted realisable value of collateral held. These provisions are charged through the statement of income.

A General Contingency Reserve is created as an appropriation of retained earnings, for the difference between the specific provision and non-performing advances. When the collateral is realised, the reserve is released back to retained earnings. The General Contingency Reserve serves to enhance the Group's non-distributable capital base. As at March 31, 2016, the balance in the General Contingency Reserve of \$621.1 million is part of Other Reserves which totals \$607.3 million.

**NOTES TO THE INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)**
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 were carried out on commercial terms and conditions, at market rates.

	UNAUDITED		AUDITED
	Mar-31-16 \$'000	Mar-31-15 \$'000	Sept-30-15 \$'000
Outstanding Balances			
Advances, investments and other assets			
Directors and key management personnel	14,233	15,137	17,717
Other related parties	145,761	65,981	101,095
	<u>159,994</u>	<u>81,118</u>	<u>118,812</u>
Deposits and other liabilities			
Directors and key management personnel	66,537	78,592	63,434
Other related parties	110,585	90,039	75,848
	<u>177,122</u>	<u>168,631</u>	<u>139,282</u>
Interest and other income			
Directors and key management personnel	414	581	1,229
Other related parties	8,157	2,139	7,576
	<u>8,571</u>	<u>2,720</u>	<u>8,805</u>
Interest and other expense			
Directors and key management personnel	3,124	1,392	7,551
Other related parties	1,785	186	2,558
	<u>4,909</u>	<u>1,578</u>	<u>10,109</u>
Key management compensation			
Short term benefits	22,725	21,235	30,508
Share-based payment	2,991	4,075	6,912
	<u>25,716</u>	<u>25,310</u>	<u>37,420</u>

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

6. Segment reporting

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

	Trinidad and Tobago \$'000	Barbados \$'000	Guyana \$'000	Cayman, Suriname, and Eastern Caribbean \$'000	Ghana \$'000	Elimi- nations \$'000	Total \$'000
Unaudited Six months ended March 31, 2016							
Operating income	1,607,085	272,324	146,044	227,252	183,237	(203,279)	2,232,663
Net profit / (loss) before taxation	797,548	89,715	69,482	69,396	(9,446)	(214,917)	801,778
Total assets	51,954,729	9,061,419	4,735,484	8,393,466	2,706,585	(9,229,234)	67,622,449
Unaudited Six months ended March 31, 2015							
Operating income	1,539,568	239,919	131,414	110,785	–	(241,674)	1,780,012
Net profit before taxation	831,737	59,182	58,705	54,488	–	(236,704)	767,408
Total assets	45,996,788	8,607,747	4,214,663	5,151,389	–	(4,272,630)	59,697,957
Audited Year ended September 30, 2015							
Operating income	3,089,463	517,763	280,829	232,472	87,466	(292,558)	3,915,435
Net profit / (loss) before taxation	1,640,481	165,188	130,362	62,166	(83,631)	(281,082)	1,633,484
Total assets	48,366,058	8,442,558	4,327,834	8,488,876	2,234,069	(5,867,209)	65,992,186

Eliminations represent outstanding balances with other entities within the Group which are required to be eliminated in the preparation of consolidated financial statements.

7 Contingent liabilities

As at March 31, 2016, 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.