

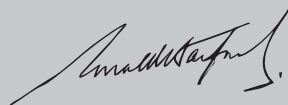
CHAIRMAN'S COMMENTS

Republic Financial Holdings Limited recorded profit attributable to shareholders of \$650.4 million for the period ended March 31, 2018. This represents an increase of \$19.9 million or 3.2% over the \$630.5 million reported in corresponding period of the last financial year. Total assets stood at \$69.1 billion at March 31, 2018, an increase of 0.3% over total assets as at March 2017.

As was the case in the first quarter, the improvement in profitability was driven mainly by better performance in our overseas subsidiaries. The profitability of the Trinidad and Tobago operations remains flat due to an increase in the tax rate.

Based on these results, the Board of Directors has declared a half-year dividend of \$1.25 (2017: \$1.25) per share payable on June 1, 2018.

We expect this level of performance to continue for the remainder of the fiscal year.



Ronald F. deC. Harford
Chairman
April 25, 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Mar-31-18 \$'000	Mar-31-17 \$'000	Sept-30-17 \$'000
ASSETS			
Cash resources	16,504,923	19,341,904	16,712,314
Advances	37,427,322	34,387,395	35,464,448
Investment securities	10,399,421	10,426,513	12,056,865
Premises and equipment	2,400,765	2,243,028	2,350,322
Net pension asset	948,012	983,805	968,751
Other assets	1,408,385	1,489,862	1,340,179
TOTAL ASSETS	69,088,828	68,872,507	68,892,879
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	118,168	164,191	343,700
Customers' deposits and other funding instruments	55,716,470	55,334,341	54,623,981
Debt securities in issue	308,624	1,116,140	1,105,478
Other liabilities	2,641,908	2,548,855	2,673,715
TOTAL LIABILITIES	58,785,170	59,163,527	58,746,874
EQUITY			
Stated capital	787,075	774,140	780,950
Statutory reserves	1,277,433	1,221,490	1,243,151
Other reserves	888,764	891,968	881,832
Retained earnings	6,836,080	6,385,435	6,779,447
Attributable to equity holders of the parent	9,789,352	9,273,033	9,685,380
Non-controlling interest	514,306	435,947	460,625
TOTAL EQUITY	10,303,658	9,708,980	10,146,005
TOTAL LIABILITIES AND EQUITY	69,088,828	68,872,507	68,892,879

CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-18 \$'000	Mar-31-17 \$'000	Mar-31-18 \$'000	Mar-31-17 \$'000	Sept-30-17 \$'000
Net interest income	846,269	794,875	1,678,638	1,601,087	3,228,133
Other income	350,721	342,093	745,184	729,863	1,461,376
Operating income	1,196,990	1,136,968	2,423,822	2,330,950	4,689,509
Operating expenses	(678,162)	(683,517)	(1,345,216)	(1,381,368)	(2,736,433)
	518,828	453,451	1,078,606	949,582	1,953,076
Net share of profits of associated companies	1,316	2,336	4,421	3,956	6,444
Operating profit	520,144	455,787	1,083,027	953,538	1,959,520
Loan impairment expense	(30,034)	(53,164)	(84,539)	(80,581)	(158,689)
Profit before taxation	490,110	402,623	998,488	872,957	1,800,831
Taxation expense	(157,206)	(80,078)	(303,810)	(207,186)	(483,742)
Net profit after taxation	332,904	322,545	694,678	665,771	1,317,089
Attributable to:					
Equity holders of the parent	310,446	300,801	650,442	630,549	1,252,128
Non-controlling interest	22,458	21,744	44,236	35,222	64,961
	332,904	322,545	694,678	665,771	1,317,089
Earnings per share					
Basic			\$4.02	\$3.90	\$7.75
Diluted			\$4.01	\$3.90	\$7.74
Weighted average number of shares ('000)					
Basic			161,938	161,489	161,540
Diluted			162,023	161,655	161,679

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-18 \$'000	Mar-31-17 \$'000	Mar-31-18 \$'000	Mar-31-17 \$'000	Sept-30-17 \$'000
Net profit after taxation	332,904	322,545	694,678	665,771	1,317,089
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 (loss)/gain on available-for-sale financial assets	(53,841)	38,372	(73,127)	(22,511)	2,439
Translation adjustments	6,380	(4,347)	(5,781)	5,870	10,751
	(47,461)	34,025	(78,908)	(16,641)	13,190
<i>Items of other comprehensive loss that will not be reclassified to profit and loss in subsequent periods (net of tax):</i>					
Re-measurement losses on defined benefit plans	-	-	-	(3,505)	(48,593)
Other comprehensive (loss)/income for the period, net of taxation	(47,461)	34,025	(78,908)	(20,146)	(35,403)
Total comprehensive income for the period, net of taxation	285,443	356,570	615,770	645,625	1,281,686
Attributable to:					
Equity holders of the parent	262,544	331,582	574,145	615,457	1,221,382
Non-controlling interest	22,899	24,988	41,625	30,168	60,304
	285,443	356,570	615,770	645,625	1,281,686



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, 2018							
Balance at October 1, 2017	780,950	1,243,151	881,832	6,779,447	9,685,380	460,625	10,146,005
Total comprehensive income for the period	—	—	(76,297)	650,442	574,145	41,625	615,770
Issue of shares	5,129	—	—	—	5,129	—	5,129
Share-based payment	996	—	—	—	996	—	996
Shares purchased for profit sharing scheme	—	—	(23,795)	—	(23,795)	—	(23,795)
Allocation of shares	—	—	59,200	—	59,200	—	59,200
Transfer to general contingency reserves	—	—	47,824	(47,824)	—	—	—
Transfer to statutory reserves	—	34,282	—	(34,282)	—	—	—
Share of changes in equity	—	—	—	—	—	741	741
Acquisition of non-controlling Interest	—	—	—	—	—	(2,686)	(2,686)
NCl share of rights issue	—	—	—	—	—	27,362	27,362
Dividends	—	—	—	(511,703)	(511,703)	—	(511,703)
Dividends paid to non-controlling interest	—	—	—	—	—	(13,361)	(13,361)
Balance at March 31, 2018	787,075	1,277,433	888,764	6,836,080	9,789,352	514,306	10,303,658
Period ended March 31, 2017							
Balance at October 1, 2016	765,950	1,212,651	951,932	6,194,078	9,124,611	418,084	9,542,695
Total comprehensive income for the period	—	—	(11,848)	627,305	615,457	30,168	645,625
Issue of shares	6,214	—	—	—	6,214	—	6,214
Share-based payment	1,976	—	—	—	1,976	—	1,976
Shares purchased for profit sharing scheme	—	—	(17,837)	—	(17,837)	—	(17,837)
Allocation of shares	—	—	45,662	—	45,662	—	45,662
Transfer from general contingency reserves	—	—	(75,136)	75,136	—	—	—
Transfer to statutory reserves	—	8,839	—	(8,839)	—	—	—
Share of changes in equity	—	—	—	—	—	138	138
Acquisition of non-controlling Interest	—	—	—	—	—	1,001	1,001
Other	—	—	(805)	805	—	—	—
Dividends	—	—	—	(503,050)	(503,050)	—	(503,050)
Dividends paid to non-controlling interest	—	—	—	—	—	(13,444)	(13,444)
Balance at March 31, 2017	774,140	1,221,490	891,968	6,385,435	9,273,033	435,947	9,708,980
Year ended September 30, 2017							
Balance at October 1, 2016	765,950	1,212,651	951,932	6,194,078	9,124,611	418,084	9,542,695
Total comprehensive income for the period	—	—	17,580	1,203,802	1,221,382	60,304	1,281,686
Issue of shares	14,275	—	—	—	14,275	—	14,275
Share-based payment	725	—	—	—	725	—	725
Shares purchased for profit sharing scheme	—	—	(17,837)	—	(17,837)	—	(17,837)
Allocation of shares	—	—	45,662	—	45,662	—	45,662
Transfer from general contingency reserves	—	—	(115,505)	115,505	—	—	—
Transfer to statutory reserves	—	30,500	—	(30,500)	—	—	—
Acquisition of non-controlling Interest	—	—	—	271	271	748	1,019
Dividends	—	—	—	(705,985)	(705,985)	—	(705,985)
Dividends paid to non-controlling interest	—	—	—	—	—	(19,279)	(19,279)
Other	—	—	—	2,276	2,276	768	3,044
Balance at September 30, 2017	780,950	1,243,151	881,832	6,779,447	9,685,380	460,625	10,146,005

CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-18 \$'000	Mar-31-17 \$'000	Sept-30-17 \$'000
Operating activities			
Profit before taxation	998,488	872,957	1,800,831
Adjustments for non-cash items	224,720	201,280	409,625
Increase in operating assets	(2,321,091)	(118,764)	(1,011,674)
Increase in operating liabilities	1,105,674	1,868,628	1,136,824
Taxes paid	(335,674)	(245,146)	(468,885)
Cash (used in) / provided by operating activities	(327,883)	2,578,955	1,866,721
Investing activities			
Net decrease / (increase) in investments	1,436,792	7,673	(1,547,617)
Acquisition of additional interest in a subsidiary	(2,686)	(13,229)	(720)
NCl share of rights issue	27,362	—	—
Dividends from associated companies	1,159	—	2,826
Additions to fixed assets	(156,307)	(211,607)	(417,597)
Proceeds from sale of fixed assets	3,090	18,850	22,130
Cash provided by / (used in) investing activities	1,309,410	(198,313)	(1,940,978)
Financing activities			
(Decrease) / increase in balances due to other banks	(225,532)	(3,290)	176,219
Repayment of debt securities	(796,854)	(32,653)	(43,314)
Net proceeds from share issue	5,129	20,444	14,275
Shares purchased for profit sharing scheme	(23,795)	(17,837)	(17,837)
Allocation of shares from profit sharing plan	59,200	45,662	45,662
Dividends paid to shareholders of the parent	(511,703)	(503,050)	(705,985)
Dividends paid to non-controlling interest	(13,361)	(13,444)	(19,279)
Cash used in financing activities	(1,506,916)	(504,168)	(550,259)
Net (decrease) / increase in cash resources	(525,389)	1,876,474	(624,516)
Net foreign exchange difference	(6,361)	26,153	41,782
Cash and cash equivalents at beginning of period/year	10,214,401	10,797,135	10,797,135
Cash and cash equivalents at end of period/year	9,682,651	12,699,762	10,214,401
Supplemental information:			
Interest received during the period/year	1,908,537	1,868,127	3,740,319
Interest paid during the period/year	(271,014)	(293,211)	(568,468)
Dividends received	358	492	1,693

**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 Caricom region and Ghana.

2 Basis of preparation

This interim financial report for the period ended March 31, 2018 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, 2017.

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, 2017.

3 Capital commitments

	UNAUDITED		AUDITED
	Mar-31-18 \$'000	Mar-31-17 \$'000	Sept-30-17 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	167,162	345,947	202,508
Other capital expenditure authorised by the Directors but not yet contracted for	86,103	19,062	35,283



**NOTES TO THE INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)**
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, 2018, the balance in the General Contingency Reserve of \$841.3 million is part of Other Reserves which totals \$888.8 million.

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-31-18 \$'000	Mar-31-17 \$'000	Sept-30-17 \$'000
Outstanding Balances			
Advances, investments and other assets			
Directors and key management personnel	23,418	21,179	20,357
Other related parties	189,234	182,403	229,354
	<u>212,652</u>	<u>203,582</u>	<u>249,711</u>
Deposits and other liabilities			
Directors and key management personnel	93,790	83,777	85,587
Other related parties	305,680	121,032	320,830
	<u>399,470</u>	<u>204,809</u>	<u>406,417</u>
Interest and other income			
Directors and key management personnel	404	591	1,097
Other related parties	13,177	7,498	35,257
	<u>13,581</u>	<u>8,089</u>	<u>36,354</u>
Interest and other expense			
Directors and key management personnel	4,712	2,184	12,469
Other related parties	10,499	1,795	16,589
	<u>15,211</u>	<u>3,979</u>	<u>29,058</u>
Key management compensation			
Short term benefits	22,221	20,418	37,873
Post employment benefits	77	—	4,474
Share-based payment	996	1,976	1,992
	<u>23,294</u>	<u>22,394</u>	<u>44,339</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	Eliminations \$'000	Total \$'000
Unaudited Six months ended March 31, 2018							
Operating income	2,307,459	342,885	161,227	226,801	190,452	(805,002)	2,423,822
Net profit before taxation	1,402,702	149,431	66,303	113,475	68,466	(801,889)	998,488
Total assets	52,008,186	9,472,011	4,814,382	9,540,060	2,938,684	(9,684,495)	69,088,828
Unaudited Six months ended March 31, 2017							
Operating income	2,228,383	296,698	157,368	235,465	161,558	(748,522)	2,330,950
Net profit before taxation	1,360,920	111,341	67,800	82,498	(1,455)	(748,147)	872,957
Total assets	52,573,241	9,250,863	4,615,563	8,854,878	2,950,859	(9,372,897)	68,872,507
Audited Year ended September 30, 2017							
Operating income	4,010,441	612,934	311,782	446,507	357,348	(1,049,503)	4,689,509
Net profit before taxation	2,273,289	225,207	136,591	170,491	31,219	(1,035,966)	1,800,831
Total assets	52,252,060	9,475,542	4,733,894	9,235,730	2,946,385	(9,750,732)	68,892,879

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, 2018, 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.