

**CHAIRMAN'S COMMENTS**


Republic Financial Holdings Limited (RFHL) and its subsidiaries recorded profit attributable to shareholders of the parent of \$783.2 million for the period ended March 31, 2019. This figure was impacted by two significant one-off items, the net impact of which, positively increased profits by \$93.1 million. Firstly, the Bank in Trinidad and Tobago amended the terms of its post-retirement medical benefits plan in line with market, resulting in a write-back net of deferred taxes of \$284.9 million. Secondly, Barbados reduced its corporation tax rate from 30%

to a range between 1% and 5%, which resulted in a charge to our income statement of \$191.8 million due to the re-measurement of deferred tax assets at the lower tax rate.


On a normalized basis, the Group's core profit was \$690.2 million, \$39.8 million or 6.1% more than the prior period.

Total assets stood at \$83.5 billion at March 31, 2019, an increase of \$15.1 billion or 22% over that of March 2018. This increase follows RFHL's acquisition of a 74.99% shareholding in Cayman National Corporation (CNC) on March 13, 2019. The CNC acquisition increased RFHL's asset base by \$11.1 billion and is expected to significantly enhance Group's profitability when its results are included in the year-end financial statements. CNC reported net profits in fiscal 2018 of \$175 million. We are very pleased to welcome CNC to the Republic Group.

RFHL previously announced the commencement of the process to acquire Scotiabank's banking operations in Guyana, St. Maarten and the Eastern Caribbean (including Anguilla, Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines). Over the last quarter, we continued engaging the various regulators, whose approvals are required for the acquisition, through meetings and/or providing information.

The Board of Directors has declared an interim dividend of \$1.25 (2018: \$1.25) per share payable on May 31, 2019.

We expect to improve on the core profitability achieved for the first half of the year with the acquisition of CNC.



Ronald F. deC. Harford  
Chairman  
May 1, 2019

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|   | UNAUDITED         |                         | AUDITED           |
|---|-------------------|-------------------------|-------------------|
|   | Mar-31-19         | Mar-31-18<br>(Restated) | Sept-30-18        |
|   | \$'000            | \$'000                  | \$'000            |
| <b>ASSETS</b>                                     |                   |                         |                   |
| Cash resources                                    | 19,631,529        | 16,020,696              | 16,481,699        |
| Advances  | 43,976,305        | 37,227,599              | 36,558,137        |
| Investment securities                             | 14,401,796        | 10,162,313              | 12,478,559        |
| Premises and equipment                            | 2,811,120         | 2,400,765               | 2,481,421         |
| Net pension asset                                 | 785,481           | 948,012                 | 821,672           |
| Other assets                                      | 1,856,968         | 1,631,503               | 1,644,132         |
| <b>TOTAL ASSETS</b>                               | <b>83,463,199</b> | <b>68,390,888</b>       | <b>70,465,620</b> |
| <b>LIABILITIES AND EQUITY</b>                     |                   |                         |                   |
| <b>LIABILITIES</b>                                |                   |                         |                   |
| Due to banks                                      | 1,544,722         | 118,168                 | 180,818           |
| Customers' deposits and other funding instruments | 69,059,410        | 55,716,470              | 57,375,085        |
| Debt securities in issue                          | 131,933           | 308,624                 | 293,888           |
| Other liabilities                                 | 2,108,814         | 2,610,356               | 2,518,047         |
| <b>TOTAL LIABILITIES</b>                          | <b>72,844,879</b> | <b>58,753,618</b>       | <b>60,367,838</b> |
| <b>EQUITY</b>                                     |                   |                         |                   |
| Stated capital                                    | 792,280           | 787,075                 | 790,102           |
| Statutory reserves                                | 1,302,014         | 1,277,433               | 1,277,372         |
| Other reserves                                    | (25,111)          | 9,110                   | (45,599)          |
| Retained earnings                                 | 7,635,226         | 7,060,099               | 7,466,323         |
| Attributable to equity holders of the parent      | 9,704,409         | 9,133,717               | 9,488,198         |
| Non-controlling interest                          | 913,911           | 503,553                 | 609,584           |
| <b>TOTAL EQUITY</b>                               | <b>10,618,320</b> | <b>9,637,270</b>        | <b>10,097,782</b> |
| <b>TOTAL LIABILITIES AND EQUITY</b>               | <b>83,463,199</b> | <b>68,390,888</b>       | <b>70,465,620</b> |

**CONSOLIDATED STATEMENT OF INCOME**

|  | UNAUDITED<br>THREE MONTHS<br>ENDED |                     | UNAUDITED<br>SIX MONTHS<br>ENDED |                     | AUDITED<br>YEAR<br>ENDED |
|--|------------------------------------|---------------------|----------------------------------|---------------------|--------------------------|
|  | Mar-31-19<br>\$'000                | Mar-31-18<br>\$'000 | Mar-31-19<br>\$'000              | Mar-31-18<br>\$'000 | Sept-30-18<br>\$'000     |
| Net interest income  | 883,459                            | 846,269             | 1,778,698                        | 1,678,638           | 3,415,022                |
| Other income   | 362,817                            | 350,721             | 790,130                          | 745,184             | 1,535,604                |
| Operating income   | 1,246,276                          | 1,196,990           | 2,568,828                        | 2,423,822           | 4,950,626                |
| Write-back of Post-Retirement Medical Benefit (PRMB) provision     | 438,397                            | —                   | 438,397                          | —                   | —                        |
| Operating expenses   | (684,254)                          | (678,162)           | (1,382,089)                      | (1,345,216)         | (2,734,672)              |
|  | 1,000,419                          | 518,828             | 1,625,136                        | 1,078,606           | 2,215,954                |
| Share of profits of associated companies                           | 2,416                              | 1,316               | 4,970                            | 4,421               | 7,567                    |
| Operating profit   | 1,002,835                          | 520,144             | 1,630,106                        | 1,083,027           | 2,223,521                |
| Credit Loss Expense  | (64,424)                           | (30,034)            | (161,954)                        | (84,539)            | (301,533)                |
| Profit before taxation   | 938,411                            | 490,110             | 1,468,152                        | 998,488             | 1,921,988                |
| Taxation expense   | (141,263)                          | (157,206)           | (292,948)                        | (303,810)           | (527,075)                |
| Reversal of Deferred tax on write-back of PRMB provision           | (153,439)                          | —                   | (153,439)                        | —                   | —                        |
| Reversal of Deferred tax asset for change in tax rates in Barbados | (191,816)                          | —                   | (191,816)                        | —                   | —                        |
| <b>Net profit after taxation</b>                                   | <b>451,893</b>                     | <b>332,904</b>      | <b>829,950</b>                   | <b>694,678</b>      | <b>1,394,913</b>         |
| <b>Attributable to:</b>  |                                    |                     |                                  |                     |                          |
| Equity holders of the parent                                       | 432,813                            | 310,446             | 783,351                          | 650,442             | 1,322,850                |
| Non-controlling interest   | 19,080                             | 22,458              | 46,599                           | 44,236              | 72,063                   |
|  | <b>451,893</b>                     | <b>332,904</b>      | <b>829,950</b>                   | <b>694,678</b>      | <b>1,394,913</b>         |
| <b>Earnings per share</b>  |                                    |                     |                                  |                     |                          |
| Basic  |                                    |                     | \$4.83                           | \$4.02              | \$8.17                   |
| Diluted  |                                    |                     | \$4.83                           | \$4.01              | \$8.16                   |
| <b>Weighted average number of shares ('000)</b>                    |                                    |                     |                                  |                     |                          |
| Basic  |                                    |                     | 162,073                          | 161,938             | 161,980                  |
| Diluted  |                                    |                     | 162,272                          | 162,023             | 162,076                  |
| <b>Dividend based on the results for the period</b>                |                                    |                     | \$1.25                           | \$1.25              | \$4.25                   |

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|   | UNAUDITED<br>THREE MONTHS<br>ENDED |                                   | UNAUDITED<br>SIX MONTHS<br>ENDED |                                   | AUDITED<br>YEAR<br>ENDED |
|---|------------------------------------|-----------------------------------|----------------------------------|-----------------------------------|--------------------------|
|   | Mar-31-19<br>\$'000                | Mar-31-18<br>(Restated)<br>\$'000 | Mar-31-19<br>\$'000              | Mar-31-18<br>(Restated)<br>\$'000 | Sept-30-18<br>\$'000     |
| <b>Net profit after taxation</b>  | <b>451,893</b>                     | <b>332,904</b>                    | <b>829,950</b>                   | <b>694,678</b>                    | <b>1,394,913</b>         |
| <i>Other comprehensive (loss)/income (net of tax) that will be reclassified to the consolidated statement of income in subsequent periods :</i> |                                    |                                   |                                  |                                   |                          |
| Translation adjustments   | (82,178)                           | 6,380                             | (64,114)                         | (5,782)                           | (58,092)                 |
|   | (82,178)                           | 6,380                             | (64,114)                         | (5,782)                           | (58,092)                 |
| <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  | —                                  | —                                 | —                                | —                                 | (66,522)                 |
| <b>Other comprehensive (loss)/income for the period, net of taxation</b>  | <b>(82,178)</b>                    | <b>6,380</b>                      | <b>(64,114)</b>                  | <b>(5,782)</b>                    | <b>(124,614)</b>         |
| <b>Total comprehensive income for the period, net of taxation</b>   | <b>369,715</b>                     | <b>339,284</b>                    | <b>765,836</b>                   | <b>688,896</b>                    | <b>1,270,299</b>         |
| <b>Attributable to:</b>   |                                    |                                   |                                  |                                   |                          |
| Equity holders of the parent  | 374,431                            | 316,385                           | 734,972                          | 647,271                           | 1,213,357                |
| Non-controlling interest  | (4,716)                            | 22,899                            | 30,864                           | 41,625                            | 56,942                   |
|   | <b>369,715</b>                     | <b>339,284</b>                    | <b>765,836</b>                   | <b>688,896</b>                    | <b>1,270,299</b>         |

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|  | Stated<br>Capital<br>\$'000 | Statutory<br>Reserves<br>\$'000 | Other<br>Reserves<br>\$'000 | Retained<br>Earnings<br>\$'000 | Total equity<br>attributable to<br>equity holders<br>of the parent<br>\$'000 | Non-<br>controlling<br>Interest<br>\$'000 | Total<br>Equity<br>\$'000 |
|--|-----------------------------|---------------------------------|-----------------------------|--------------------------------|--|---|---------------------------|
| <b>Period ended March 31, 2019</b>                           |                             |                                 |                             |                                |  |   |                           |
| <b>Balance at October 1, 2018</b>                            | <b>790,102</b>              | <b>1,277,372</b>                | <b>(45,599)</b>             | <b>7,466,323</b>               | <b>9,488,198</b>   | <b>609,584</b>                            | <b>10,097,782</b>         |
| Total comprehensive income for the period                    | -                           | -                               | (48,379)                    | 783,351                        | 734,972  | 30,864                                    | 765,836                   |
| Issue of shares  | 1,483                       | -                               | -                           | -                              | 1,483  | -   | 1,483                     |
| Share-based payment  | 695                         | -                               | -                           | -                              | 695  | -   | 695                       |
| Shares purchased for profit sharing scheme                   | -                           | -                               | (36,000)                    | -                              | (36,000)   | -   | (36,000)                  |
| Allocation of shares   | -                           | -                               | 59,153                      | -                              | 59,153   | -   | 59,153                    |
| Transfer to other reserves                                   | -                           | -                               | 45,714                      | (45,714)                       | -  | -   | -                         |
| Transfer to statutory reserves                               | -                           | 24,642                          | -                           | (24,642)                       | -  | -   | -                         |
| Share of changes in equity                                   | -                           | -                               | -                           | -                              | -  | 120                                       | 120                       |
| Acquisition of non-controlling interest                      | -                           | -                               | -                           | -                              | -  | 288,477                                   | 288,477                   |
| Other  | -                           | -                               | -                           | (32,070)                       | (32,070)   | -   | (32,070)                  |
| Dividends  | -                           | -                               | -                           | (512,022)                      | (512,022)  | -   | (512,022)                 |
| Dividends paid to non-controlling interest                   | -                           | -                               | -                           | -                              | -  | (15,134)                                  | (15,134)                  |
| <b>Balance at March 31, 2019</b>                             | <b>792,280</b>              | <b>1,302,014</b>                | <b>(25,111)</b>             | <b>7,635,226</b>               | <b>9,704,409</b>   | <b>913,911</b>                            | <b>10,618,320</b>         |
| <b>Period ended March 31, 2018</b>                           |                             |                                 |                             |                                |  |   |                           |
| <b>Balance at October 1, 2017<br/>as previously reported</b> | <b>780,950</b>              | <b>1,243,151</b>                | <b>881,832</b>              | <b>6,779,447</b>               | <b>9,685,380</b>   | <b>460,625</b>                            | <b>10,146,005</b>         |
| <b>Net Impact of adopting IFRS 9</b>                         | <b>-</b>                    | <b>-</b>                        | <b>(911,537)</b>            | <b>182,776</b>                 | <b>(728,761)</b>   | <b>(10,753)</b>                           | <b>(739,514)</b>          |
| <b>Restated opening balance under IFRS 9</b>                 | <b>780,950</b>              | <b>1,243,151</b>                | <b>(29,705)</b>             | <b>6,962,223</b>               | <b>8,956,619</b>   | <b>449,872</b>                            | <b>9,406,491</b>          |
| Total comprehensive income for the period                    | -                           | -                               | (3,171)                     | 650,442                        | 647,271  | 41,625                                    | 688,896                   |
| 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 other reserves                                   | -                           | -                               | 6,581                       | (6,581)                        | -  | -   | -                         |
| Transfer to statutory reserves                               | -                           | 34,282                          | -                           | (34,282)                       | -  | -   | -                         |
| Share of changes in equity                                   | -                           | -                               | -                           | -                              | -  | 741                                       | 741                       |
| Acquisition of non-controlling interest                      | -                           | -                               | -                           | -                              | -  | (2,686)                                   | (2,686)                   |
| Non-controlling interests' 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)                  |
| <b>Balance at March 31, 2018</b>                             | <b>787,075</b>              | <b>1,277,433</b>                | <b>9,110</b>                | <b>7,060,099</b>               | <b>9,133,717</b>   | <b>503,553</b>                            | <b>9,637,270</b>          |
| <b>Year ended September 30, 2018</b>                         |                             |                                 |                             |                                |  |   |                           |
| <b>Balance at October 1, 2017<br/>as previously reported</b> | <b>780,950</b>              | <b>1,243,151</b>                | <b>881,832</b>              | <b>6,779,447</b>               | <b>9,685,380</b>   | <b>460,625</b>                            | <b>10,146,005</b>         |
| <b>Net Impact of adopting IFRS 9</b>                         | <b>-</b>                    | <b>-</b>                        | <b>(911,537)</b>            | <b>182,776</b>                 | <b>(728,761)</b>   | <b>(10,753)</b>                           | <b>(739,514)</b>          |
| <b>Restated opening balance under IFRS 9</b>                 | <b>780,950</b>              | <b>1,243,151</b>                | <b>(29,705)</b>             | <b>6,962,223</b>               | <b>8,956,619</b>   | <b>449,872</b>                            | <b>9,406,491</b>          |
| Total comprehensive income for the year                      | -                           | -                               | (42,953)                    | 1,256,310                      | 1,213,357  | 56,942                                    | 1,270,299                 |
| Issue of shares  | 7,762                       | -                               | -                           | -                              | 7,762  | -   | 7,762                     |
| Share-based payment  | 1,390                       | -                               | -                           | -                              | 1,390  | -   | 1,390                     |
| Shares purchased for profit sharing scheme                   | -                           | -                               | (32,141)                    | -                              | (32,141)   | -   | (32,141)                  |
| Allocation of shares   | -                           | -                               | 59,200                      | -                              | 59,200   | -   | 59,200                    |
| Transfer to statutory reserves                               | -                           | 34,221                          | -                           | (34,221)                       | -  | -   | -                         |
| Non-controlling interests' share of rights issue             | -                           | -                               | -                           | (1,332)                        | (1,332)  | 121,389                                   | 120,057                   |
| Dividends  | -                           | -                               | -                           | (714,861)                      | (714,861)  | -   | (714,861)                 |
| Dividends paid to non-controlling interest                   | -                           | -                               | -                           | -                              | -  | (19,178)                                  | (19,178)                  |
| Share issuance costs   | -                           | -                               | -                           | (8,494)                        | (8,494)  | -   | (8,494)                   |
| Other  | -                           | -                               | -                           | 6,698                          | 6,698  | 559                                       | 7,257                     |
| <b>Balance at September 30, 2018</b>                         | <b>790,102</b>              | <b>1,277,372</b>                | <b>(45,599)</b>             | <b>7,466,323</b>               | <b>9,488,198</b>   | <b>609,584</b>                            | <b>10,097,782</b>         |

**CONSOLIDATED STATEMENT OF CASH FLOWS**

|  | UNAUDITED<br>SIX MONTHS<br>ENDED<br>Mar-31-19<br>\$'000 | Mar-31-18<br>\$'000 | AUDITED<br>YEAR<br>ENDED<br>Sept-30-18<br>\$'000 |
|--|---|---------------------|--|
| <b>Operating activities</b>                            |   |                     |  |
| Profit before taxation                                 | 1,468,152   | 998,488             | 1,921,988  |
| Adjustments for non-cash items                         | (84,955)  | 224,720             | 623,056  |
| Increase in operating assets                           | (1,690,376)   | (2,321,091)         | (2,743,178)                                      |
| Increase in operating liabilities                      | 1,696,284   | 1,105,674           | 2,701,356  |
| Taxes paid   | (308,087)   | (335,674)           | (663,616)  |
| <b>Cash provided by/(used in) operating activities</b> | <b>1,081,018</b>  | <b>(327,883)</b>    | <b>1,839,606</b>                                 |
| <b>Investing activities</b>                            |   |                     |  |
| Net (increase)/decrease in investments                 | (284,764)   | 1,436,792           | (2,311,465)                                      |
| Acquisition of additional interest in a subsidiary     | -   | (2,686)             | (2,686)  |
| Acquisition of subsidiary, net of cash acquired        | 2,313,125   | -                   | -  |
| Non-controlling interests' share of rights issue       | -   | 27,362              | 122,744  |
| Dividends from associated companies                    | 1,225   | 1,159               | 3,353  |
| Additions to fixed assets                              | (129,306)   | (156,307)           | (353,830)  |
| Proceeds from sale of fixed assets                     | 2,456   | 3,090               | 13,420   |
| <b>Cash provided by/(used in) investing activities</b> | <b>1,902,736</b>  | <b>1,309,410</b>    | <b>(2,528,464)</b>                               |
| <b>Financing activities</b>                            |   |                     |  |
| Increase/(decrease) in balances due to other banks     | 1,363,905   | (225,532)           | (162,882)  |
| Repayment of debt securities                           | (161,955)   | (796,854)           | (811,590)  |
| Net proceeds from share issue                          | 1,483   | 5,129               | 7,762  |
| Shares purchased for profit sharing scheme             | (36,000)  | (23,795)            | (32,141)   |
| Allocation of shares from profit sharing plan          | 59,153  | 59,200              | 59,200   |
| Dividends paid to shareholders of the parent           | (512,022)   | (511,703)           | (714,861)  |
| Dividends paid to non-controlling interest             | (15,134)  | (13,361)            | (19,178)   |
| <b>Cash provided by/(used in) financing activities</b> | <b>699,430</b>  | <b>(1,506,916)</b>  | <b>(1,673,690)</b>                               |
| <b>Net (increase)/decrease in cash resources</b>       | <b>3,683,184</b>  | <b>(525,389)</b>    | <b>(2,362,548)</b>                               |
| Net foreign exchange difference                        | (29,247)  | (6,362)             | (22,853)   |
| Cash and cash equivalents at beginning of period/year  | 7,829,001   | 10,214,402          | 10,214,402                                       |
| <b>Cash and cash equivalents at end of period/year</b> | <b>11,482,938</b>                                       | <b>9,682,651</b>    | <b>7,829,001</b>                                 |
| <b>Supplemental information:</b>                       |   |                     |  |
| Interest received during the period/year               | 1,969,228   | 1,908,537           | 3,845,962  |
| Interest paid during the period/year                   | (221,013)   | (271,014)           | (483,515)  |
| Dividends received                                     | 52  | 358                 | 686  |

**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, 2019, with effect from October 1, 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, 2018.

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, 2018.

The Group adopted IFRS 9 - Financial Instruments with effect from October 1, 2017. As such, balances in the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for period ended March 31, 2018, were restated to reflect these adjustments.

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

|  | UNAUDITED |           | AUDITED    |
|--|-----------|-----------|------------|
|  | Mar-31-19 | Mar-31-18 | Sept-30-18 |
|  | \$'000    | \$'000    | \$'000     |
| Contracts for outstanding capital expenditure not provided for in the financial statements | 94,175    | 167,162   | 120,901    |
| Other capital expenditure authorised by the Directors but not yet contracted for           | 84,151    | 86,103    | 46,970     |

**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        |
|---|----------------|----------------|----------------|
|   | Mar-31-19      | Mar-31-18      | Sept-30-18     |
|   | \$'000         | \$'000         | \$'000         |
| <b>Outstanding Balances</b>                   |                |                |                |
| <b>Advances, investments and other assets</b> |                |                |                |
| Directors and key management personnel        | 21,825         | 23,418         | 21,180         |
| Other related parties                         | 169,820        | 189,234        | 290,618        |
|   | <u>191,645</u> | <u>212,652</u> | <u>311,798</u> |
| <b>Deposits and other liabilities</b>         |                |                |                |
| Directors and key management personnel        | 89,834         | 93,790         | 89,601         |
| Other related parties                         | 291,313        | 305,680        | 353,497        |
|   | <u>381,147</u> | <u>399,470</u> | <u>443,098</u> |
| <b>Interest and other income</b>              |                |                |                |
| Directors and key management personnel        | 472            | 404            | 790            |
| Other related parties                         | 10,320         | 13,177         | 29,398         |
|   | <u>10,792</u>  | <u>13,581</u>  | <u>30,188</u>  |
| <b>Interest and other expense</b>             |                |                |                |
| Directors and key management personnel        | 6,216          | 4,712          | 11,603         |
| Other related parties                         | 9,277          | 10,499         | 18,121         |
|   | <u>15,493</u>  | <u>15,211</u>  | <u>29,724</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      | 23,521        | 22,221        | 37,086        |
| Post employment benefits | 124           | 77            | 11,798        |
| Share-based payment      | 695           | 996           | 1,390         |
|                          | <u>24,340</u> | <u>23,294</u> | <u>50,274</u> |

**5 Segment reporting**

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

|                            | Trinidad and | Barbados   | Guyana    | Suriname    | Ghana     | Cayman     | Eliminations | Total      |
|----------------------------|--------------|------------|-----------|-------------|-----------|------------|--------------|------------|
|                            | Tobago       |            |           | and Eastern |           | Islands    |              |            |
|                            | \$'000       | \$'000     | \$'000    | Caribbean   | \$'000    | \$'000     | \$'000       | \$'000     |
| <b>Unaudited</b>           |              |            |           |             |           |            |              |            |
| <b>Six months ended</b>    |              |            |           |             |           |            |              |            |
| <b>March 31, 2019</b>      |              |            |           |             |           |            |              |            |
| Operating income           | 3,101,693    | 329,676    | 203,875   | 191,857     | 221,637   | 42,498     | (1,522,408)  | 2,568,828  |
| Net profit before taxation | 2,563,130    | 140,370    | 104,726   | 98,361      | 45,911    | 33,098     | (1,517,444)  | 1,468,152  |
| Total assets               | 53,953,723   | 11,340,371 | 7,558,671 | 5,753,386   | 3,392,957 | 13,634,597 | (12,170,506) | 83,463,199 |
| <b>Unaudited</b>           |              |            |           |             |           |            |              |            |
| <b>Six months ended</b>    |              |            |           |             |           |            |              |            |
| <b>March 31, 2018</b>      |              |            |           |             |           |            |              |            |
| Operating income           | 2,307,459    | 342,885    | 161,227   | 188,668     | 190,452   | 38,133     | (805,002)    | 2,423,822  |
| Net profit before taxation | 1,402,702    | 149,431    | 66,303    | 83,392      | 68,466    | 30,083     | (801,889)    | 998,488    |
| Total assets               | 51,891,698   | 8,915,176  | 4,810,898 | 7,091,118   | 2,926,044 | 2,440,449  | (9,684,495)  | 68,390,888 |
| <b>Audited</b>             |              |            |           |             |           |            |              |            |
| <b>Year ended</b>          |              |            |           |             |           |            |              |            |
| <b>September 30, 2018</b>  |              |            |           |             |           |            |              |            |
| Operating income           | 4,159,676    | 675,927    | 344,185   | 388,286     | 390,204   | 78,339     | (1,085,991)  | 4,950,626  |
| Net profit before taxation | 2,339,733    | 193,407    | 152,067   | 191,274     | 76,272    | 61,937     | (1,092,702)  | 1,921,988  |
| Total assets               | 53,403,956   | 9,632,726  | 5,634,141 | 7,412,321   | 3,174,490 | 2,549,684  | (11,341,698) | 70,465,620 |

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

**6 Post-Retirement Medical Benefit Provision (PRMB)**

The Bank in Trinidad and Tobago amended the terms under which it provides for Post-Retirement Medical Benefits resulting in a write-back of \$285 million net of deferred taxation of \$153.4 million.

**7 Contingent liabilities**

As at March 31, 2019, 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.

**8 Business Combinations - Acquisition of Cayman National Corporation**

On March 13, 2019, Republic Bank Trinidad and Tobago (Barbados) Limited (a subsidiary of Republic Financial Holdings Limited), acquired 74.99% of the outstanding ordinary shares and obtained control of Cayman National Corporation. The acquisition has been accounted for using the acquisition method.

The fair values of the identifiable assets and liabilities of Cayman National Corporation as at the date of acquisition were:

|  | Fair value recognised on acquisition March 31, 2019 |
|--|---|
|  | TT\$'000  |
| <b>Assets</b>  |   |
| Cash resources   | 3,642,977   |
| Investment securities  | 1,100,836   |
| Advances   | 6,050,533   |
| Other assets   | 409,814   |
|  | <u>11,204,161</u>                                   |
| <b>Liabilities</b>   |   |
| Customer deposits and due to banks                                   | 9,928,882   |
| Other liabilities  | 121,832   |
|  | <u>10,050,714</u>                                   |
| Total identifiable net assets at fair value                          | <u>1,153,447</u>                                    |
| Non-controlling interests  | (288,479)   |
| Goodwill arising on acquisition (provisional)                        | 464,884   |
| <b>Purchase consideration transferred</b>                            | <u>1,329,852</u>                                    |
| <b>Purchase consideration</b>  |   |
| Amount settled in Cash   | <u>1,329,852</u>                                    |
| <b>Analysis of cash flows on acquisition</b>                         |   |
| Net cash acquired (included in cash flows from investing activities) | 642,977   |
| Consideration transferred  | (1,329,852)   |
| Net cash outflow   | <u>2,313,125</u>                                    |