



CHAIRMAN'S COMMENTS

Republic Financial Holdings Limited recorded profit attributable to shareholders of \$329.7 million for the three months ending December 31, 2016, an increase of \$23.3 million or 7.6% over the corresponding period in 2015. Total assets stood at \$68.5 billion at December 31, 2016, an increase of 4.3% over December 2015 and 2.4% over September 2016.

These results are driven mainly by a reduction in loan impairment expense in our subsidiary in Ghana and improvements in the performance of our Trinidad and Tobago operations.

The Group remains focused on improving asset quality and efficiency. Notwithstanding the challenging economic environment we expect to achieve a creditable performance for 2017.

Ronald F. deC. Harford  
Chairman  
January 25, 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Dec-31-16 \$'000	Dec-31-15 \$'000	Sept-30-16 \$'000
<b>ASSETS</b>			
Cash resources	18,407,239	18,867,570	17,808,289
Advances	34,801,203	33,832,391	34,292,693
Investment securities	10,524,807	8,230,014	10,265,047
Premises and equipment	2,233,181	1,871,670	2,188,528
Net pension asset	997,935	1,214,957	1,010,851
Other assets	1,519,073	1,670,600	1,294,135
<b>TOTAL ASSETS</b>	<b>68,483,438</b>	<b>65,687,202</b>	<b>66,859,543</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Due to banks	457,085	185,192	167,481
Customers' deposits and other funding instruments	54,985,236	52,656,023	53,474,919
Debt securities in issue	1,139,837	1,181,284	1,148,792
Other liabilities	2,542,743	2,461,988	2,525,656
<b>TOTAL LIABILITIES</b>	<b>59,124,901</b>	<b>56,484,487</b>	<b>57,316,848</b>
<b>EQUITY</b>			
Stated capital	773,152	741,041	765,950
Statutory reserves	1,220,502	1,188,064	1,212,651
Other reserves	996,397	630,282	951,932
Retained earnings	5,959,101	6,171,542	6,194,078
Attributable to equity holders of the parent	8,949,152	8,730,929	9,124,611
Non-controlling interest	409,385	471,786	418,084
<b>TOTAL EQUITY</b>	<b>9,358,537</b>	<b>9,202,715</b>	<b>9,542,695</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>68,483,438</b>	<b>65,687,202</b>	<b>66,859,543</b>

CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-16 \$'000	Dec-31-15 \$'000	Sept-30-16 \$'000
Net interest income	806,212	789,861	3,057,147
Other income	387,770	381,087	1,413,741
Operating income	1,193,982	1,170,948	4,470,888
Operating expenses	(697,851)	(687,820)	(2,613,040)
	496,131	483,128	1,857,848
Net share of profits/(losses) of associated companies	1,620	2,089	(1,045)
Operating profit	497,751	485,217	1,856,803
Goodwill impairment expense	-	-	(107,309)
Loan impairment expense	(27,417)	(73,793)	(412,622)
Profit before taxation	470,334	411,424	1,336,872
Taxation expense	(127,108)	(100,076)	(393,759)
<b>Net profit after taxation</b>	<b>343,226</b>	<b>311,348</b>	<b>943,113</b>
<b>Attributable to:</b>			
Equity holders of the parent	329,748	306,423	946,307
Non-controlling interest	13,478	4,925	(3,194)
	<b>343,226</b>	<b>311,348</b>	<b>943,113</b>
<b>Earnings per share</b>			
Basic	\$2.04	\$1.90	\$5.87
Diluted	\$2.04	\$1.90	\$5.86
<b>Weighted average number of shares ('000)</b>			
Basic	161,402	161,352	161,342
Diluted	161,590	161,653	161,592

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-16 \$'000	Dec-31-15 \$'000	Sept-30-16 \$'000
<b>Net profit after taxation</b>	<b>343,226</b>	<b>311,348</b>	<b>943,113</b>
<i>Other comprehensive income (net of tax) that may be reclassified to profit and loss in subsequent periods or have been transferred to profit and loss in the current period:</i>			
Net (loss)/gain on available-for-sale financial assets	(60,883)	(32,701)	61,465
Translation adjustments	10,202	(10,842)	29,168
	(50,681)	(43,543)	90,633
<i>Other comprehensive loss (net of tax) that will not be reclassified to profit and loss in subsequent periods:</i>			
Re-measurement losses on defined benefit plans	(3,490)	-	(143,231)
Share of changes recognised directly in associate's equity	-	-	(626)
<b>Other comprehensive loss for the period, net of taxation</b>	<b>(54,171)</b>	<b>(43,543)</b>	<b>(53,224)</b>
<b>Total comprehensive income for the period, net of taxation</b>	<b>289,055</b>	<b>267,805</b>	<b>889,889</b>
<b>Attributable to:</b>			
Equity holders of the parent	283,875	260,740	876,069
Non-controlling interest	5,180	7,065	13,820
	<b>289,055</b>	<b>267,805</b>	<b>889,889</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, 2016</b>							
<b>Balance at October 1, 2016</b>	<b>765,950</b>	<b>1,212,651</b>	<b>951,932</b>	<b>6,194,078</b>	<b>9,124,611</b>	<b>418,084</b>	<b>9,542,695</b>
Total comprehensive income for the period	—	—	(42,642)	326,517	283,875	5,180	289,055
Issue of shares	6,214	—	—	—	6,214	—	6,214
Share-based payment	988	—	—	—	988	—	988
Shares purchased for profit sharing scheme	—	—	(9,148)	—	(9,148)	—	(9,148)
Allocation of shares	—	—	45,662	—	45,662	—	45,662
Transfer to general contingency reserves	—	—	50,593	(50,593)	—	—	—
Transfer to statutory reserves	—	7,851	—	(7,851)	—	—	—
Share of changes in equity	—	—	—	—	—	49	49
Acquisition of non-controlling interest	—	—	—	—	—	(484)	(484)
Dividends	—	—	—	(503,050)	(503,050)	—	(503,050)
Dividends paid to non-controlling interest	—	—	—	—	—	(13,444)	(13,444)
<b>Balance at December 31, 2016</b>	<b>773,152</b>	<b>1,220,502</b>	<b>996,397</b>	<b>5,959,101</b>	<b>8,949,152</b>	<b>409,385</b>	<b>9,358,537</b>
<b>Period ended December 31, 2015</b>							
<b>Balance at October 1, 2015</b>	<b>739,125</b>	<b>1,194,889</b>	<b>636,543</b>	<b>6,361,538</b>	<b>8,932,095</b>	<b>478,514</b>	<b>9,410,609</b>
Total comprehensive income for the period	—	—	(45,683)	306,423	260,740	7,065	267,805
Issue of shares	364	—	—	—	364	—	364
Share-based payment	1,552	—	—	—	1,552	—	1,552
Shares purchased for profit sharing scheme	—	—	(16,384)	—	(16,384)	—	(16,384)
Allocation of shares	—	—	54,761	—	54,761	—	54,761
Transfer to general contingency reserves	—	—	1,045	(1,045)	—	—	—
Transfer from statutory reserves	—	(6,825)	—	6,825	—	—	—
Share of changes in equity	—	—	—	—	—	682	682
Dividends	—	—	—	(502,199)	(502,199)	—	(502,199)
Dividends paid to non-controlling interest	—	—	—	—	—	(14,475)	(14,475)
<b>Balance at December 31, 2015</b>	<b>741,041</b>	<b>1,188,064</b>	<b>630,282</b>	<b>6,171,542</b>	<b>8,730,929</b>	<b>471,786</b>	<b>9,202,715</b>
<b>Year ended September 30, 2016</b>							
<b>Balance at October 1, 2015</b>	<b>739,125</b>	<b>1,194,889</b>	<b>636,543</b>	<b>6,361,538</b>	<b>8,932,095</b>	<b>478,514</b>	<b>9,410,609</b>
Total comprehensive income for the period	—	—	71,806	804,263	876,069	13,820	889,889
Issue of shares	22,752	—	—	—	22,752	—	22,752
Share-based payment	4,073	—	—	—	4,073	—	4,073
Shares purchased for profit sharing scheme	—	—	(78,461)	—	(78,461)	—	(78,461)
Allocation of shares	—	—	54,762	—	54,762	—	54,762
Transfer to general contingency reserves	—	—	267,282	(267,282)	—	—	—
Transfer to statutory reserves	—	17,762	—	(17,762)	—	—	—
Acquisition of non-controlling interest	—	—	—	16,442	16,442	(54,960)	(38,518)
Dividends	—	—	—	(704,965)	(704,965)	—	(704,965)
Dividends paid to non-controlling interest	—	—	—	—	—	(20,175)	(20,175)
Other	—	—	—	1,844	1,844	885	2,729
<b>Balance at September 30, 2016</b>	<b>765,950</b>	<b>1,212,651</b>	<b>951,932</b>	<b>6,194,078</b>	<b>9,124,611</b>	<b>418,084</b>	<b>9,542,695</b>

CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-16 \$'000	Dec-31-15 \$'000	Sept-30-16 \$'000
<b>Operating activities</b>			
Profit before taxation	470,334	411,424	1,336,872
Adjustments for non-cash items	65,824	124,217	1,115,394
Increase in operating assets	(547,177)	(888,773)	(1,791,862)
Increase in operating liabilities	1,523,372	310,604	1,148,207
Taxes paid	(138,308)	(132,798)	(463,258)
<b>Cash provided by / (used in) operating activities</b>	<b>1,374,045</b>	<b>(175,326)</b>	<b>1,345,353</b>
<b>Investing activities</b>			
Net increase in investments	(199,698)	(195,883)	(2,029,081)
Acquisition of additional interest in a subsidiary	—	—	(38,518)
Dividends from associated companies	—	—	1,705
Additions to fixed assets	(131,977)	(75,439)	(438,756)
Proceeds from sale of fixed assets	842	1,597	5,388
<b>Cash used in investing activities</b>	<b>(330,833)</b>	<b>(269,725)</b>	<b>(2,499,262)</b>
<b>Financing activities</b>			
Increase/(decrease) in balances due to other banks	289,604	(368,943)	(386,654)
Repayment of debt securities	(8,955)	(11,669)	(44,160)
Net proceeds from share issue	6,214	364	22,754
Shares purchased for profit sharing scheme	(9,148)	(16,384)	(78,461)
Allocation of shares from profit sharing plan	45,662	54,762	54,761
Dividends paid to shareholders of the parent	(503,050)	(502,199)	(704,965)
Dividends paid to non-controlling interest	(13,444)	(14,475)	(20,176)
<b>Cash used in financing activities</b>	<b>(193,117)</b>	<b>(858,544)</b>	<b>(1,156,901)</b>
<b>Net increase/(decrease) in cash resources</b>	<b>850,095</b>	<b>(1,303,595)</b>	<b>(2,310,810)</b>
Net foreign exchange difference	51,091	136,261	(384,171)
Cash and cash equivalents at beginning of period/year	10,797,135	13,492,116	13,492,116
<b>Cash and cash equivalents at end of period/year</b>	<b>11,698,321</b>	<b>12,324,782</b>	<b>10,797,135</b>
<b>Supplemental information:</b>			
Interest received during the period/year	956,441	923,928	3,589,431
Interest paid during the period/year	(125,737)	(115,938)	(517,335)
Dividends received	146	179	1,257

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) save for the shareholdings in several subsidiaries. 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 mainly in the Caricom region and Ghana.

2 Basis of preparation

This interim financial report for the period ended December 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, 2016.

**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, 2016.

3 Capital commitments

	UNAUDITED		AUDITED
	Dec-31-16 \$'000	Dec-31-15 \$'000	Sept-30-16 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	360,526	524,597	520,904
Other capital expenditure authorised by the Directors but not yet contracted for	55,408	91,524	77,016

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 December 31, 2016, the balance in the General Contingency Reserve of \$945.3 million is part of Other Reserves which totals \$996.4 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
	Dec-31-16 \$'000	Dec-31-15 \$'000	Sept-30-16 \$'000
<b>Outstanding Balances</b>			
<b>Advances, investments and other assets</b>			
Directors and key management personnel	17,458	21,940	18,706
Other related parties	208,719	144,327	216,923
	<u>226,177</u>	<u>166,267</u>	<u>235,628</u>
<b>Deposits and other liabilities</b>			
Directors and key management personnel	71,919	67,684	76,759
Other related parties	144,412	105,771	119,544
	<u>216,331</u>	<u>173,455</u>	<u>196,303</u>
<b>Interest and other income</b>			
Directors and key management personnel	253	412	1,672
Other related parties	7,062	3,134	44,442
	<u>7,315</u>	<u>3,546</u>	<u>46,114</u>
<b>Interest and other expense</b>			
Directors and key management personnel	2,408	2,334	13,536
Other related parties	5,833	2,842	7,803
	<u>8,241</u>	<u>5,176</u>	<u>21,339</u>
<b>Key management compensation</b>			
Short term benefits	10,983	11,112	34,437
Post employment benefits	-	-	19,495
Share-based payment	988	1,555	4,074
	<u>11,971</u>	<u>12,667</u>	<u>38,511</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
<b>Unaudited Three months ended December 31, 2016</b>							
Operating income	1,498,006	146,536	80,119	137,426	79,211	(747,316)	1,193,982
Net profit before taxation	1,083,124	54,932	38,840	40,006	724	(747,292)	470,334
Total assets	51,795,587	9,427,685	5,043,794	8,640,625	2,875,122	(9,299,375)	68,483,438
<b>Unaudited Three months ended December 31, 2015</b>							
Operating income	879,355	135,974	76,885	122,563	111,658	(155,487)	1,170,948
Net profit/(loss) before taxation	473,615	49,982	36,145	33,856	(18,056)	(164,118)	411,424
Total assets	46,721,757	8,441,164	4,476,864	8,073,625	2,539,419	(4,565,627)	65,687,202
<b>Audited Year ended September 30, 2016</b>							
Operating income	3,299,291	569,313	294,888	386,022	356,123	(434,749)	4,470,888
Net profit/(loss) before taxation	1,376,002	193,998	133,779	109,485	(107,436)	(368,956)	1,336,872
Total assets	50,455,735	9,453,132	4,865,530	8,213,823	2,723,546	(8,852,223)	66,859,543

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 December 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.

