

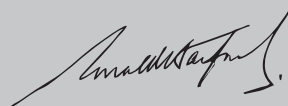
CHAIRMAN'S COMMENTS

Republic Financial Holdings Limited recorded profit attributable to shareholders of \$630.5 million for the six months ended March 31, 2017, an increase of \$44.2 million or 7.5% over the corresponding period in 2016. Total assets stood at \$68.9 billion at March 31, 2017, an increase of 1.8% over March 2016 and 3.0% over September 2016.

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

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

Based on these results, the Board of Directors has declared a half-year dividend of \$1.25 (2016:\$1.25) per share payable on June 1, 2017.



Ronald F. deC. Harford
Chairman
April 26, 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Mar-31-17 \$'000	Mar-31-16 \$'000	Sept-30-16 \$'000
ASSETS			
Cash resources	19,341,904	20,420,429	17,808,289
Advances	34,387,395	33,789,030	34,292,693
Investment securities	10,426,513	8,583,617	10,265,047
Premises and equipment	2,243,028	1,946,899	2,188,528
Net pension asset	983,805	1,206,948	1,010,851
Other assets	1,489,862	1,675,526	1,294,135
TOTAL ASSETS	68,872,507	67,622,449	66,859,543
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	164,191	167,601	167,481
Customers' deposits and other funding instruments	55,334,341	54,197,343	53,474,919
Debt securities in issue	1,116,140	1,163,130	1,148,792
Other liabilities	2,548,855	2,571,132	2,525,656
TOTAL LIABILITIES	59,163,527	58,099,206	57,316,848
EQUITY			
Stated capital	774,140	759,728	765,950
Statutory reserves	1,221,490	1,206,749	1,212,651
Other reserves	891,968	607,337	951,932
Retained earnings	6,385,435	6,454,367	6,194,078
Attributable to equity holders of the parent	9,273,033	9,028,181	9,124,611
Non-controlling interest	435,947	495,062	418,084
Total equity	9,708,980	9,523,243	9,542,695
TOTAL LIABILITIES AND EQUITY	68,872,507	67,622,449	66,859,543

CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-17 \$'000	Mar-31-16 \$'000	Mar-31-17 \$'000	Mar-31-16 \$'000	Sept-30-16 \$'000
Net interest income	794,875	749,324	1,601,087	1,539,185	3,057,147
Other income	342,093	312,391	729,863	693,478	1,413,741
Operating income	1,136,968	1,061,715	2,330,950	2,232,663	4,470,888
Operating expenses	(683,517)	(639,103)	(1,381,368)	(1,326,923)	(2,613,040)
	453,451	422,612	949,582	905,740	1,857,848
Net share of profits/(loss) of associated companies	2,336	697	3,956	2,786	(1,045)
Operating profit	455,787	423,309	953,538	908,526	1,856,803
Goodwill impairment expense	—	—	—	—	(107,309)
Loan impairment expense	(53,164)	(32,955)	(80,581)	(106,748)	(412,622)
Profit before taxation	402,623	390,354	872,957	801,778	1,336,872
Taxation expense	(80,078)	(100,250)	(207,186)	(200,326)	(393,759)
Net profit after taxation	322,545	290,104	665,771	601,452	943,113
Attributable to:					
Equity holders of the parent	300,801	279,880	630,549	586,303	946,307
Non-controlling interest	21,744	10,224	35,222	15,149	(3,194)
	322,545	290,104	665,771	601,452	943,113
Earnings per share					
Basic			\$3.90	\$3.63	\$5.87
Diluted			\$3.90	\$3.63	\$5.86
Weighted average number of shares ('000)					
Basic			161,489	161,381	161,342
Diluted			161,655	161,670	161,592

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-17 \$'000	Mar-31-16 \$'000	Mar-31-17 \$'000	Mar-31-16 \$'000	Sept-30-16 \$'000
Net profit after taxation	322,545	290,104	665,771	601,452	943,113
<i>Other comprehensive income/(loss) (net of tax) that may be reclassified to profit and loss in subsequent periods:</i>					
Net gain/(loss) on available-for-sale financial assets	38,372	22,621	(22,511)	(10,080)	61,465
Translation adjustments	(4,347)	35,068	5,870	24,226	29,168
	34,025	57,689	(16,641)	14,146	90,633
<i>Other comprehensive income/(loss) (net of tax) that will not be reclassified to profit and loss in subsequent periods:</i>					
Re-measurement losses on defined benefit plans	—	—	(3,505)	—	(143,231)
Share of changes recognised directly in associate's equity	—	—	—	—	(626)
Other comprehensive income/(loss) for the period, net of taxation	34,025	57,689	(20,146)	14,146	(53,224)
Total comprehensive income for the period, net of taxation	356,570	347,793	645,625	615,598	889,889
Attributable to:					
Equity holders of the parent	331,582	324,708	615,457	585,448	876,069
Non-controlling interest	24,988	23,085	30,168	30,150	13,820
	356,570	347,793	645,625	615,598	889,889



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, 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 to 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
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
Year ended September 30, 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	–	–	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
Balance at September 30, 2016	765,950	1,212,651	951,932	6,194,078	9,124,611	418,084	9,542,695

CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED SIX MONTHS ENDED Mar-31-17 \$'000	Mar-31-16 \$'000	AUDITED YEAR ENDED Sept-30-16 \$'000
Operating activities			
Profit before taxation	872,957	801,778	1,336,872
Adjustments for non-cash items	201,280	388,375	1,115,394
Increase in operating assets	(118,764)	(1,127,013)	(1,791,862)
Increase in operating liabilities	1,868,628	1,964,931	1,148,207
Taxes paid	(245,146)	(248,003)	(463,258)
Cash provided by operating activities	2,578,955	1,780,068	1,345,353
Investing activities			
Net increase in investments	7,673	(352,571)	(2,029,081)
Acquisition of additional interest in a subsidiary	(13,229)	–	(38,518)
Dividends from associated companies	–	–	1,705
Additions to fixed assets	(211,607)	(194,646)	(438,756)
Proceeds from sale of fixed assets	18,850	2,415	5,388
Cash used in investing activities	(198,313)	(544,802)	(2,499,262)
Financing activities			
Decrease in balances due to other banks	(3,290)	(386,534)	(386,654)
Repayment of debt securities	(32,653)	(29,822)	(44,160)
Net proceeds from share issue	20,444	17,614	22,754
Shares purchased for profit sharing scheme	(17,837)	(62,204)	(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)	(14,476)	(20,176)
Cash used in financing activities	(504,168)	(922,859)	(1,156,901)
Net increase / (decrease) in cash resources	1,876,474	312,407	(2,310,810)
Net foreign exchange difference	26,153	(230,941)	(384,171)
Cash and cash equivalents at beginning of period/year	10,797,135	13,492,116	13,492,116
Cash and cash equivalents at end of period/year	12,699,762	13,573,582	10,797,135
Supplemental information:			
Interest received during the period/year	1,868,127	1,818,379	3,589,431
Interest paid during the period/year	(293,211)	(309,133)	(517,335)
Dividends received	492	227	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 March 31, 2017 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.



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

	UNAUDITED		AUDITED
	Mar-31-17 \$'000	Mar-31-16 \$'000	Sept-30-16 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	345,947	584,375	520,904
Other capital expenditure authorised by the Directors but not yet contracted for	19,062	63,026	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 March 31, 2017, the balance in the General Contingency Reserve of \$833.9 million is part of Other Reserves which totals \$892 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-31-17 \$'000	Mar-31-16 \$'000	Sept-30-16 \$'000
Outstanding Balances			
Advances, investments and other assets			
Directors and key management personnel	21,179	14,233	18,706
Other related parties	182,403	145,761	216,923
	<u>203,582</u>	<u>159,994</u>	<u>235,628</u>
Deposits and other liabilities			
Directors and key management personnel	83,777	66,537	76,759
Other related parties	121,032	110,585	119,544
	<u>204,809</u>	<u>177,122</u>	<u>196,303</u>
Interest and other income			
Directors and key management personnel	591	414	1,672
Other related parties	7,498	8,157	44,442
	<u>8,089</u>	<u>8,571</u>	<u>46,114</u>
Interest and other expense			
Directors and key management personnel	2,184	3,124	13,536
Other related parties	1,795	1,785	7,803
	<u>3,979</u>	<u>4,909</u>	<u>21,339</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	20,418	22,725	34,437
Post employment benefits	–	–	19,495
Share-based payment	1,976	2,991	4,074
	<u>22,394</u>	<u>25,716</u>	<u>38,511</u>

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, 2017							
Operating income	2,228,383	296,698	157,368	235,465	161,558	(748,522)	2,330,950
Net profit/(loss) 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
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
Audited Year ended September 30, 2016							
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 March 31, 2017, 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.