

#### CHAIRMAN'S COMMENTS

Republic Financial Holdings Limited recorded profit attributable to shareholders of \$350.5 million for the quarter ending December 31, 2018, an increase of \$10.5 million or 3.1% over the corresponding period of the previous financial year. At December 31, 2018, total assets stood at \$72.5 billion, an increase of 3.6% over the total assets at December 2017 and 2.9% over September 2018.

The increase in profitability continues to be driven by our overseas subsidiaries, mainly Guyana.

RFHL previously announced the potential acquisition of up to 74.99% of the ordinary shares of Cayman National Corporation Limited (CNC), the parent company of Cayman National Bank and the agreement 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). The current position is that the CNC acquisition is at an advanced stage of the regulatory approval process and we have recently commenced this process for the Scotiabank transaction, in addition to engaging all other relevant stakeholders.

Although there are economic challenges in several of our key markets, we believe that the solid performance achieved in this quarter will continue for the remainder of the year.



Ronald F. deC. Harford  
Chairman  
January 30, 2019

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Dec-31-18	Dec-31-17 (Restated)	Sept-30-18
	\$'000	\$'000	\$'000
<b>ASSETS</b>			
Cash resources	16,090,749	16,972,892	16,481,699
Advances	37,670,881	36,858,391	36,558,137
Investment securities	13,684,982	10,276,745	12,478,559
Premises and equipment	2,501,832	2,389,895	2,481,421
Net pension asset	803,632	962,688	821,672
Other assets	1,733,395	1,744,787	1,644,132
<b>TOTAL ASSETS</b>	<b>72,485,471</b>	<b>69,205,398</b>	<b>70,465,620</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Due to banks	199,451	183,253	180,818
Customers' deposits and other funding instruments	59,485,081	55,993,703	57,375,085
Debt securities in issue	293,593	1,104,656	293,888
Other liabilities	2,507,089	2,644,207	2,518,047
<b>TOTAL LIABILITIES</b>	<b>62,485,214</b>	<b>59,925,819</b>	<b>60,367,838</b>
<b>EQUITY</b>			
Stated capital	791,346	784,404	790,102
Statutory reserves	1,278,616	1,246,605	1,277,372
Other reserves	48,184	12,344	(45,599)
Retained earnings	7,251,650	6,783,355	7,466,323
Attributable to equity holders of the parent	9,369,796	8,826,708	9,488,198
Non-controlling interests	630,461	452,871	609,584
<b>TOTAL EQUITY</b>	<b>10,000,257</b>	<b>9,279,579</b>	<b>10,097,782</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>72,485,471</b>	<b>69,205,398</b>	<b>70,465,620</b>

#### CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-18 \$'000	Dec-31-17 \$'000	Sept-30-18 \$'000
Net interest income	895,239	832,368	3,415,022
Other income	427,313	394,463	1,535,604
Operating income	1,322,552	1,226,831	4,950,626
Operating expenses	(697,835)	(667,054)	(2,734,672)
	624,717	559,777	2,215,954
Net share of profits of associated companies	2,554	3,106	7,567
Operating profit	627,271	562,883	2,223,521
Credit loss expense on financial assets	(97,530)	(54,505)	(301,533)
Profit before taxation	529,741	508,378	1,921,988
Taxation expense	(151,685)	(146,604)	(527,075)
<b>Net profit after taxation</b>	<b>378,056</b>	<b>361,774</b>	<b>1,394,913</b>
<b>Attributable to:</b>			
Equity holders of the parent	350,537	339,996	1,322,850
Non-controlling interests	27,519	21,778	72,063
	<b>378,056</b>	<b>361,774</b>	<b>1,394,913</b>
<b>Earnings per share</b>			
Basic	\$2.16	\$2.10	\$8.17
Diluted	\$2.16	\$2.10	\$8.16
<b>Weighted average number of shares ('000)</b>			
Basic	161,944	161,821	161,980
Diluted	162,086	161,922	162,076

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-18 \$'000	Dec-31-17 (Restated) \$'000	Sept-30-18 \$'000
<b>Net profit after taxation</b>	<b>378,056</b>	<b>361,774</b>	<b>1,394,913</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>			
Translation adjustments	18,064	(12,161)	(58,092)
	18,064	(12,161)	(58,092)
<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	—	—	(66,522)
<b>Other comprehensive income / (loss) for the period, net of taxation</b>	<b>18,064</b>	<b>(12,161)</b>	<b>(124,614)</b>
<b>Total comprehensive income for the period, net of taxation</b>	<b>396,120</b>	<b>349,613</b>	<b>1,270,299</b>
<b>Attributable to:</b>			
Equity holders of the parent	360,540	330,887	1,213,357
Non-controlling interests	35,580	18,726	56,942
	<b>396,120</b>	<b>349,613</b>	<b>1,270,299</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 Interests \$'000	Total Equity \$'000
<b>Period ended December 31, 2018</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	—	—	10,003	350,537	360,540	35,580	396,120
Issue of shares	897	—	—	—	897	—	897
Share-based payment	347	—	—	—	347	—	347
Shares purchased for profit sharing scheme	—	—	(27,317)	—	(27,317)	—	(27,317)
Allocation of shares	—	—	59,153	—	59,153	—	59,153
Transfer to other reserves	—	—	51,944	(51,944)	—	—	—
Transfer to statutory reserves	—	1,244	—	(1,244)	—	—	—
Share of changes in equity	—	—	—	—	—	431	431
Dividends	—	—	—	(512,022)	(512,022)	—	(512,022)
Dividends paid to non-controlling interests	—	—	—	—	—	(15,134)	(15,134)
<b>Balance at December 31, 2018</b>	<b>791,346</b>	<b>1,278,616</b>	<b>48,184</b>	<b>7,251,650</b>	<b>9,369,796</b>	<b>630,461</b>	<b>10,000,257</b>
<b>Period ended December 31, 2017</b>							
<b>Balance at October 1, 2017 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	—	—	(9,109)	339,996	330,887	18,726	349,613
Issue of shares	2,956	—	—	—	2,956	—	2,956
Share-based payment	498	—	—	—	498	—	498
Shares purchased for profit sharing scheme	—	—	(11,749)	—	(11,749)	—	(11,749)
Allocation of shares	—	—	59,200	—	59,200	—	59,200
Transfer to other reserves	—	—	3,707	(3,707)	—	—	—
Transfer to statutory reserves	—	3,454	—	(3,454)	—	—	—
Share of changes in equity	—	—	—	—	—	320	320
Acquisition of non-controlling Interests	—	—	—	—	—	(2,686)	(2,686)
Dividends	—	—	—	(511,703)	(511,703)	—	(511,703)
Dividends paid to non-controlling interests	—	—	—	—	—	(13,361)	(13,361)
<b>Balance at December 31, 2017</b>	<b>784,404</b>	<b>1,246,605</b>	<b>12,344</b>	<b>6,783,355</b>	<b>8,826,708</b>	<b>452,871</b>	<b>9,279,579</b>
<b>Year ended September 30, 2018</b>							
<b>Balance at October 1, 2017 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 interests	—	—	—	—	—	(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 THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-18 \$'000	Dec-31-17 (Restated) \$'000	Sept-30-18 \$'000
<b>Operating activities</b>			
Profit before taxation	529,741	508,378	1,921,988
Adjustments for non-cash items	133,197	149,339	623,056
Increase in operating assets	(1,410,343)	(2,041,226)	(2,743,178)
Increase in operating liabilities	2,097,377	1,415,094	2,701,356
Taxes paid	(159,957)	(188,139)	(663,616)
<b>Cash provided by / (used in) operating activities</b>	<b>1,190,015</b>	<b>(156,554)</b>	<b>1,839,606</b>
<b>Investing activities</b>			
Net decrease / (increase) in investments	1,011,408	(135,946)	(2,311,465)
Acquisition of controlling interest in a subsidiary	—	—	122,744
Acquisition of additional interest in a subsidiary	—	(2,686)	(2,686)
Dividends from associated companies	1,225	1,159	3,353
Additions to fixed assets	(71,082)	(95,289)	(353,830)
Proceeds from sale of fixed assets	1,167	2,247	13,420
<b>Cash provided by / (used in) investing activities</b>	<b>942,718</b>	<b>(230,514)</b>	<b>(2,528,464)</b>
<b>Financing activities</b>			
Increase / (decrease) in balances due to other banks	18,634	(160,447)	(162,882)
Repayment of debt securities	(295)	(822)	(811,590)
Net proceeds from share issue	897	2,956	7,762
Shares purchased for profit sharing scheme	(27,317)	(11,749)	(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 interests	(15,134)	(13,361)	(19,178)
<b>Cash used in financing activities</b>	<b>(476,084)</b>	<b>(635,926)</b>	<b>(1,673,690)</b>
<b>Net increase / (decrease) in cash resources</b>	<b>1,656,649</b>	<b>(1,022,994)</b>	<b>(2,362,548)</b>
Net foreign exchange difference	11,489	(12,910)	(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>9,497,139</b>	<b>9,178,498</b>	<b>7,829,001</b>
<b>Supplemental information:</b>			
Interest received during the period / year	1,043,925	944,158	3,845,962
Interest paid during the period / year	(106,247)	(118,458)	(483,515)
Dividends received	52	52	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 December 31, 2018, 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 December 31, 2017, were restated to reflect these adjustments.

NOTES TO THE INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)

**3 Capital commitments**

	UNAUDITED		AUDITED
	Dec-31-18 \$'000	Dec-31-17 \$'000	Sept-30-18 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	217,474	173,905	120,901
Other capital expenditure authorised by the Directors but not yet contracted for	90,494	83,392	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
	Dec-31-18 \$'000	Dec-31-17 \$'000	Sept-30-18 \$'000
<b>Outstanding balances</b>			
<b>Advances, investments and other assets</b>			
Directors and key management personnel	26,543	20,757	21,180
Other related parties	221,848	183,817	290,618
	<u>248,391</u>	<u>204,574</u>	<u>311,798</u>

**Deposits and other liabilities**

Directors and key management personnel	82,824	80,508	89,601
Other related parties	364,040	384,337	353,497
	<u>446,864</u>	<u>464,845</u>	<u>443,098</u>

**Interest and other income**

Directors and key management personnel	253	212	790
Other related parties	7,385	6,047	29,398
	<u>7,638</u>	<u>6,259</u>	<u>30,188</u>

**Interest and other expense**

Directors and key management personnel	4,087	2,099	11,603
Other related parties	3,695	6,679	18,121
	<u>7,782</u>	<u>8,778</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	11,952	11,053	37,086
Post employment benefits	52	50	11,798
Share-based payment	347	498	1,390
	<u>12,351</u>	<u>11,601</u>	<u>50,274</u>

**5 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, 2018</b>							
Operating income	1,803,455	190,741	98,192	123,710	126,069	(1,019,615)	1,322,552
Net profit before taxation	1,281,777	100,858	53,643	69,597	41,470	(1,017,604)	529,741
Total assets	53,996,440	9,841,473	5,753,070	10,074,822	3,755,361	(10,935,695)	72,485,471

**Unaudited  
Three months ended December 31, 2017**

Operating income	1,547,406	196,127	82,065	112,944	90,882	(802,593)	1,226,831
Net profit before taxation	1,087,044	101,650	34,284	54,524	30,891	(800,015)	508,378
Total assets	53,128,905	8,736,524	4,784,291	9,232,131	2,951,716	(9,628,169)	69,205,398

**Audited  
Year ended September 30, 2018**

Operating income	4,159,676	675,927	344,185	466,625	390,204	(1,085,991)	4,950,626
Net profit before taxation	2,339,733	193,407	152,067	253,211	76,272	(1,092,702)	1,921,988
Total assets	53,403,956	9,632,726	5,634,141	9,962,005	3,174,490	(11,341,698)	70,465,620

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

**6 Contingent liabilities**

As at December 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.