



CHAIRMAN'S COMMENTS

This is my first report to you as Chairman of Republic Financial Holdings Limited (RFHL). I am pleased to report that RFHL recorded profit attributable to shareholders of \$306.4 million for the quarter ending December 31, 2015, an increase of 3.1% over the corresponding period in 2014. Total assets stood at \$65.7 billion at December 31, 2015, an increase of 9.4% over December 2014.

Excluding the contributions of the Suriname and Ghana operations which were not subsidiaries in the comparative period, net interest and other income grew by US\$15.3 million or 13%, driven by an 11% increase in the loan portfolio. However, this was off-set by increased operating expenses of \$25 million, excluding Suriname and Ghana, and higher loan impairment expenses of \$70 million across the Group.

The significant fall in commodity prices will adversely impact Trinidad and Tobago's economy. However, we expect improved performance in the tourism economies in which we operate and from our recent acquisitions in Ghana and Suriname. Given our strong balance sheet and talented staff, the Group is well positioned to withstand the challenges of the year ahead.

This is the last quarterly reporting period for our President and Managing Director, David Dulal-Whiteway who will retire in February 2016. David has had an outstanding career and we wish him well in his retirement. We welcome his successor, Nigel Baptiste.

Ronald F. deC. Harford
Chairman
January 26, 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED		AUDITED
	Dec-31-15 \$'000	Dec-31-14 \$'000	Sept-30-15 \$'000
ASSETS			
Cash resources	18,867,570	18,862,277	20,262,933
Advances	33,832,391	27,952,794	33,007,998
Investment securities	8,230,014	8,843,610	8,094,392
Premises and equipment	1,871,670	1,626,412	1,853,964
Net pension asset	1,214,957	1,291,028	1,223,147
Other assets	1,670,602	1,464,002	1,549,752
TOTAL ASSETS	65,687,204	60,040,123	65,992,186
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	185,192	89,795	554,135
Customers' deposits and other funding instruments	52,656,023	47,791,383	52,298,151
Debt securities in issue	1,181,284	1,066,198	1,192,952
Other liabilities	2,461,990	2,524,484	2,536,339
TOTAL LIABILITIES	56,484,489	51,471,860	56,581,577
EQUITY			
Stated capital	741,041	730,194	739,125
Statutory reserves	1,188,064	1,202,364	1,194,889
Other reserves	630,282	756,811	636,543
Retained earnings	6,171,542	5,570,402	6,361,538
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	8,730,929	8,259,771	8,932,095
Non-controlling interest	471,786	308,492	478,514
Total equity	9,202,715	8,568,263	9,410,609
TOTAL LIABILITIES AND EQUITY	65,687,204	60,040,123	65,992,186

CONSOLIDATED STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-15 \$'000	Dec-31-14 \$'000	Sept-30-15 \$'000
Net interest income	789,861	589,472	2,453,036
Other income	381,087	309,898	1,462,399
Operating income	1,170,948	899,370	3,915,435
Operating expenses	(687,820)	(503,256)	(2,155,963)
	483,128	396,114	1,759,472
Net share of profits of associated companies	2,089	11,739	39,276
Operating profit	485,217	407,853	1,798,748
Loan impairment expense	(73,793)	(4,120)	(165,264)
Profit before taxation	411,424	403,733	1,633,484
Taxation expense	(100,076)	(97,012)	(396,740)
Net profit after taxation	311,348	306,721	1,236,744
Attributable to:			
Equity holders of the parent	306,423	297,255	1,223,648
Non-controlling interest	4,925	9,466	13,096
	311,348	306,721	1,236,744
Earnings per share			
Basic	\$1.90	\$1.84	\$7.59
Diluted	\$1.90	\$1.84	\$7.57
Weighted average number of shares ('000)			
Basic	161,352	161,248	161,279
Diluted	161,653	161,719	161,662

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-15 \$'000	Dec-31-14 \$'000	Sept-30-15 \$'000
Net profit after taxation	311,348	306,721	1,236,744
<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 losses on available-for-sale investments	(32,701)	(43,388)	(226,908)
Translation adjustments	(10,842)	6,146	138,388
	(43,543)	(37,242)	(88,520)
<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	-	-	29,575
Share of changes recognised directly in associate's equity	-	-	(1,781)
Other comprehensive loss for the period, net of taxation	(43,543)	(37,242)	(60,726)
Total comprehensive income for the period, net of taxation	267,805	269,479	1,176,018
Attributable to:			
Equity holders of the parent	260,740	260,030	1,163,542
Non-controlling interest	7,065	9,449	12,476
	267,805	269,479	1,176,018





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 December 31, 2015							
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	-	-	(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 to 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)
Balance at December 31, 2015	741,041	1,188,064	630,282	6,171,542	8,730,929	471,786	9,202,715
Period ended December 31, 2014							
Balance at October 1, 2014	704,871	1,202,364	744,363	5,785,296	8,436,894	309,429	8,746,323
Total comprehensive income for the period	-	-	(37,225)	297,255	260,030	9,449	269,479
Issue of shares	23,286	-	-	-	23,286	-	23,286
Share-based payment	2,037	-	-	-	2,037	-	2,037
Allocation of shares	-	-	21,145	-	21,145	-	21,145
Transfer to general contingency reserves	-	-	28,528	(28,528)	-	-	-
Dividends	-	-	-	(483,621)	(483,621)	-	(483,621)
Dividends paid to non-controlling interest	-	-	-	-	-	(10,386)	(10,386)
Balance at December 31, 2014	730,194	1,202,364	756,811	5,570,402	8,259,771	308,492	8,568,263
Year ended September 30, 2015							
Balance at October 1, 2014	704,871	1,202,364	744,363	5,785,296	8,436,894	309,429	8,746,323
Total comprehensive income for the period	-	-	(89,647)	1,253,189	1,163,542	12,476	1,176,018
Issue of shares	27,374	-	-	-	27,374	-	27,374
Share-based payment	6,880	-	-	-	6,880	-	6,880
Shares purchased for profit sharing scheme	-	-	(67,410)	-	(67,410)	-	(67,410)
Allocation of shares	-	-	49,195	-	49,195	-	49,195
Transfer to general contingency reserves	-	-	42	(42)	-	-	-
Transfer to statutory reserves	-	(7,475)	-	7,475	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	192,040	192,040
Dividends	-	-	-	(687,597)	(687,597)	-	(687,597)
Dividends paid to non-controlling interest	-	-	-	-	-	(35,431)	(35,431)
Other	-	-	-	3,217	3,217	-	3,217
Balance at September 30, 2015	739,125	1,194,889	636,543	6,361,538	8,932,095	478,514	9,410,609

CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-15 \$'000	Dec-31-14 \$'000	Sept-30-15 \$'000
Operating activities			
Profit before taxation	411,424	403,733	1,633,484
Adjustments for non-cash items	124,217	65,366	479,347
Increase in operating assets	(888,773)	(1,021,837)	(3,631,236)
Increase in operating liabilities	310,604	767,465	814,844
Taxes paid	(132,798)	(49,063)	(331,570)
Cash (used in)/provided by operating activities	(175,326)	165,664	(1,035,131)
Investing activities			
Net (increase)/decrease in investments	(195,883)	(522,410)	213,203
Acquisition of controlling interest in a subsidiary	-	-	236,660
Acquisition of subsidiary, net of cash acquired	-	-	959,092
Dividends from associated companies	-	757	5,638
Additions to premises and equipment	(75,439)	(95,992)	(287,338)
Proceeds from sale of premises and equipment	1,597	894	17,134
Cash (used in)/provided by investing activities	(269,725)	(616,751)	1,144,389
Financing activities			
(Decrease)/increase in balances due to other banks	(368,943)	19,838	325,700
Repayment of debt securities	(11,669)	(605)	(12,510)
Net proceeds from share issue	364	23,286	27,374
Shares purchased for profit sharing scheme	(16,384)	(28,121)	(67,410)
Allocation of shares from profit sharing plan	54,762	49,266	49,195
Dividends paid to shareholders of the parent	(502,199)	(483,621)	(687,597)
Dividends paid to non-controlling interest	(14,475)	(10,386)	(35,431)
Cash used in financing activities	(858,544)	(430,343)	(400,679)
Net decrease in cash resources	(1,303,595)	(881,430)	(291,421)
Net foreign exchange difference	136,261	(4,893)	(7,140)
Cash and cash equivalents at beginning of period/year	13,492,116	13,790,677	13,790,677
Cash and cash equivalents at end of period/year	12,324,782	12,904,354	13,492,116
Supplemental information:			
Interest received during the period/year	923,928	654,253	2,742,574
Interest paid during the period/year	(115,938)	(60,894)	(297,696)
Dividends received	179	69	442

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 in the Caricom region and Ghana.

2 Basis of preparation

This interim financial report for the period ended December 31, 2015 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, 2015.

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, 2015.

3 Capital commitments

	UNAUDITED		AUDITED
	Dec-31-15 \$'000	Dec-31-14 \$'000	Sept-30-15 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	524,597	641,968	378,100
Other capital expenditure authorised by the Directors but not yet contracted for	91,524	85,938	89,333

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, 2015, the balance in the General Contingency Reserve of \$642.7 million is part of Other Reserves which totals \$630.3 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-31-15 \$'000	Dec-31-14 \$'000	Sept-30-15 \$'000
Outstanding Balances			
Advances, investments and other assets			
Directors and key management personnel	18,979	15,004	17,717
Other related parties	144,327	66,262	101,095
	<u>163,306</u>	<u>81,266</u>	<u>118,812</u>
Deposits and other liabilities			
Directors and key management personnel	67,684	73,135	63,434
Other related parties	105,771	64,389	75,848
	<u>173,455</u>	<u>137,524</u>	<u>139,282</u>
Interest and other income			
Directors and key management personnel	412	244	1,229
Other related parties	3,134	1,037	7,576
	<u>3,546</u>	<u>1,281</u>	<u>8,805</u>
Interest and other expense			
Directors and key management personnel	2,334	829	7,551
Other related parties	2,842	100	2,558
	<u>5,176</u>	<u>929</u>	<u>10,109</u>
Key management compensation			
Short term benefits	11,112	10,540	30,508
Share-based payment	1,555	2,037	6,912
	<u>12,667</u>	<u>12,577</u>	<u>37,420</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 Three months ended December 31, 2015							
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	(4,565,625)	65,687,204
Unaudited Three months ended December 31, 2014							
Operating income	798,390	119,402	65,442	56,180	-	(140,044)	899,370
Net profit before taxation	451,886	39,697	30,906	17,947	-	(136,703)	403,733
Total assets (Restated)	46,625,633	8,335,057	4,061,008	5,333,340	-	(4,314,915)	60,040,123
Audited Year ended September 30, 2015							
Operating income	3,128,739	517,763	280,829	232,472	87,466	(292,558)	3,954,711
Net profit/(loss) before taxation	1,640,481	165,188	130,362	62,166	(83,631)	(281,082)	1,633,484
Total assets	48,366,058	8,442,558	4,327,834	8,488,876	2,234,069	(5,867,209)	65,992,186

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, 2015, 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.

