

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF REPUBLIC FINANCIAL HOLDINGS LIMITED

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at September 30, 2019, the summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Republic Financial Holdings Limited and its subsidiaries ("the Group") for the year ended September 30, 2019.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in Note 1.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards ("IFRSs"). Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated November 6, 2019. That report also includes the communication of Key Audit Matters. Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

The audited consolidated financial statements and the summary consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

Responsibility of Management for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in Note 1.

Auditor's Responsibility for the Audit of the Summary Consolidated Financial Statements

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.



Port of Spain,
TRINIDAD:
November 6, 2019

REPUBLIC FINANCIAL HOLDINGS LIMITED
AUDITED ANNUAL GROUP RESULTS

	September 30, 2019	September 30, 2018
	\$ '000	\$ '000
Profit attributable to equity holders of the parent	1,581,124	1,322,850
Total Assets	87,483,888	70,465,620
Total Liabilities	76,252,128	60,367,838
Total Equity	11,231,760	10,097,782
Earnings per share (expressed in \$ per share)	\$9.75	\$8.17
Diluted earnings per share (expressed in \$ per share)	\$9.73	\$8.16
Dividends per share (expressed in \$ per share)	\$4.50	\$4.40
Return on average assets (expressed as a %)	2.17%	2.00%
Return on average equity (expressed as a %)	16.01%	13.80%

Note 1

These financial highlights are prepared in accordance with criteria developed by management. Under these criteria, management discloses extracts from the consolidated statement of financial position and consolidated statement of income. These financial highlights are derived from the audited consolidated financial statements of Republic Financial Holdings Limited and its subsidiaries for the year ended September 30, 2019 which have been prepared in accordance with International Financial Reporting Standards.

Chairman's Highlights

Republic Financial Holdings Limited (RFHL) recorded profit attributable to equity holders of the parent of \$1.58 billion for the year ended September 30, 2019, an increase of \$258.3 million or 19.5% over the profit of \$1.32 billion reported in the previous financial year. These results include two significant one-off items, the net impact of which increased profits by \$83.5 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 \$275.3 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 remeasurement of deferred tax assets at the lower tax rate.

Excluding the impact of these items, the Group's core profit was \$1.50 billion, \$174.8 million or 13.2% more than the prior period. The increase in core profit was driven mainly by Cayman National Corporation (\$92.6 million) and the RBL Trinidad and Tobago Group (\$39.2 million).

Total assets stood at \$87.5 billion at September 30, 2019, an increase of \$17 billion or 24.2% over that of the prior year.



The Board of Directors has declared a final dividend of \$3.25 (2018: \$3.15) per share, which brings the total dividend to \$4.50 per share or \$731.8 million (2018: \$4.40 per share and \$715.1 million in total) for the fiscal year. The dividend combined with the increase in the share price of \$18.11 during the year means that the total RFHL shareholders' return was 21.81%. The final dividend will be paid on December 2, 2019 to all shareholders of record on November 18, 2019.

The Group continues to progress with its strategy of acquisition and diversification of income sources with two major acquisitions:

1. On March 13, 2019, Republic Bank Trinidad and Tobago (Barbados) Limited (a subsidiary of RFHL), acquired 74.99% of the outstanding ordinary shares of Cayman National Corporation (CNC). This acquisition increased RFHL's asset base by \$11.1 billion and added \$92.6 million in profits (after minority interest) for the seven months period under RFHL's ownership.
2. On November 1, 2019, the Group completed the acquisition of Scotiabank's banking operations in St. Maarten, Anguilla, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines. On a pro-forma basis, the acquisition will add 350 team members to our staff complement, \$10.1 billion to total asset size and we anticipate net profits in the region of \$133.6 million.

We are very pleased to welcome the new staff members and clients to the Republic family.

The outlook for the economies in which we operate are generally positive and we expect continued growth in our subsidiaries in those territories. This combined with our recent acquisition of CNC and completion of the acquisition of Scotiabank's operations in the Eastern Caribbean and St. Maarten, and the implementation of a number of efficiency initiatives will boost profitability over the coming years.

I take this opportunity to advise of my retirement from the Board of Directors of Republic Bank Limited and Republic Financial Holdings Limited on December 31, 2019. I wish to extend a warm welcome to Mr. Vincent Pereira who was appointed to the Board of Republic Bank Limited on July 1, 2019 and is the Chairman designate for both companies in 2020.

I thank my fellow directors, committed staff and faithful customers for their dedication over the past year and indeed for the last 57 years of my career with the bank, the last sixteen of which was spent as Chairman of this great organization.



Chairman

Ronald F. deC. Harford

November 06, 2019

