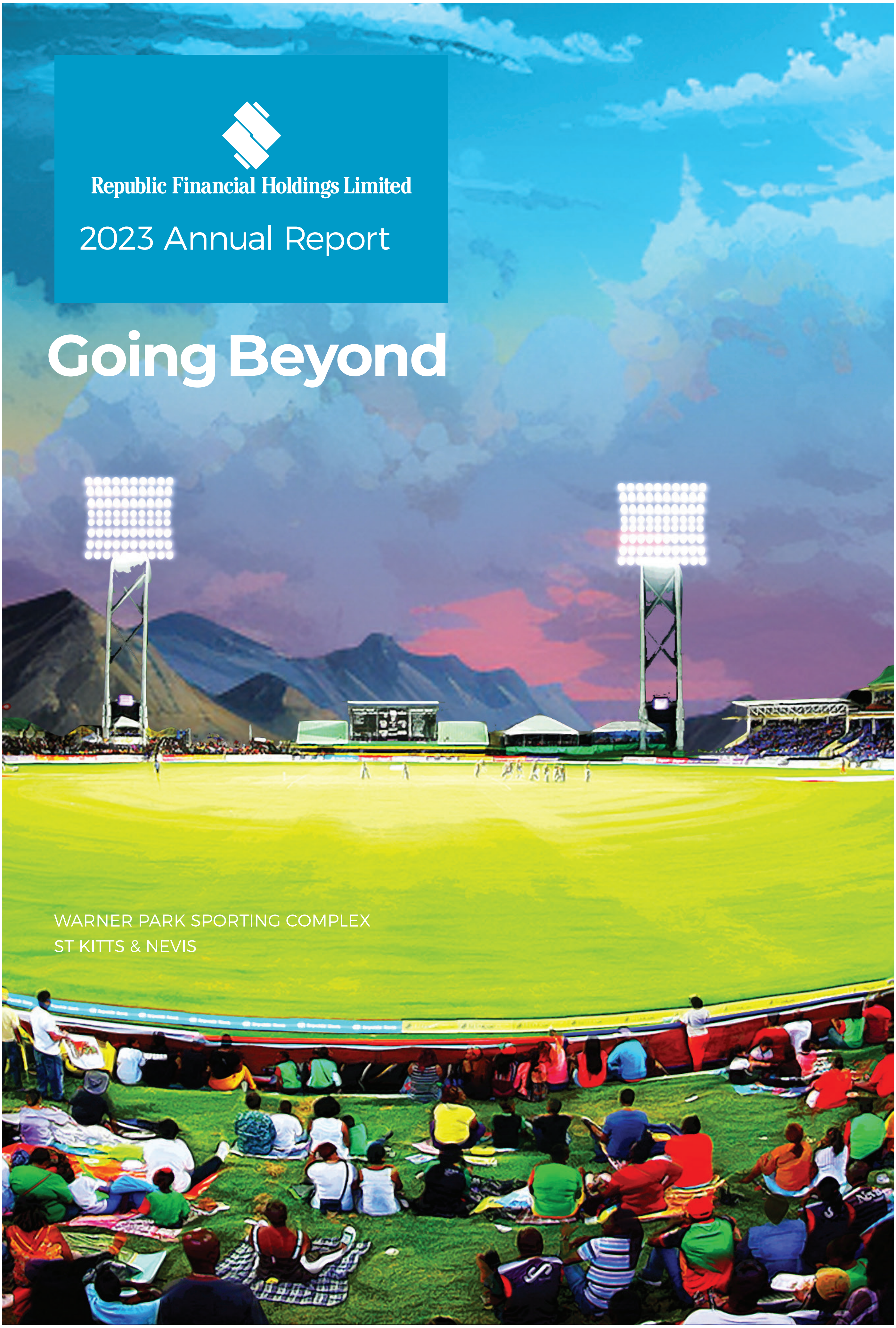
Republic Financial Holdings Limited

2023 Annual Report

Going Beyond



WARNER PARK SPORTING COMPLEX
ST KITTS & NEVIS

Going Beyond

The Republic Group has been competitive in the pursuit of service excellence and nation-building for more than 186 years.

Working closely with many to help build successful people and sustainable societies, the Group strives to go beyond the boundary as the one true indigenous team that has stood the test of time in efficiently delivering service to our clients, stakeholders, and communities in the Caribbean, South America and Ghana.

In every field, every time we bat, we stride forward confidently with eyes fixed on hitting our goals. As we focus on unlocking the truest potential of our People, Planet, Progress and Communities, we are determined, compassionate and strategic in our approach in seizing opportunities and facing challenges head on.

Unified in this purpose, the Republic Group continues to be a driving force and agency for change in the markets we serve, working together as one to bring our stakeholders and our people, leading-edge solutions to fulfil their needs and achieve their goals.

As a team, we will continue to cheer for, and empower, many in bringing out their best.

As a Group, we will endeavour to create sustainability, promote equity, and nurture the talents of our people and communities wherever we channel our resources.

Our Purpose is our Strength

As we continue to expand the ways we engage our communities, in 2023, we chartered new and exciting territory as the Title Sponsor and the Official Bank of the Caribbean Premier League (CPL).

The underpinnings of our title sponsorship stand firm with our fundamental, shared love of the sport of cricket and our deep-seated commitment to use our resources to safeguard heritage, preserve cultural and sporting traditions, and promote youth development as part of our primary goal of building successful societies.

The Republic Group is pleased to support CPL, celebrating the diversity that defines our markets and the commonalities that keep us together. In leveraging more than a century of financial expertise, products and services to our clients' and stakeholders' benefit, we are proud to continue playing our position in keeping cricket excellence alive and strong across the region and the globe.

OUR VISION

Republic Financial Holdings Limited, the Caribbean Financial Institution of Choice for our Staff, Customers and Shareholders.

We set the Standard of Excellence in Customer Satisfaction, Employee Engagement, Social Responsibility and Shareholder Value, while building successful societies.

OUR MISSION

Our mission is to provide Personalised, Efficient and Competitively-priced Financial Services and to implement Sound Policies which will redound to the benefit of our Customers, Staff, Shareholders and the Communities we serve.

OUR CORE VALUES

Customer Focus
Integrity
Respect for the Individual
Professionalism
Results Orientation

What's Inside

Our Group at a Glance

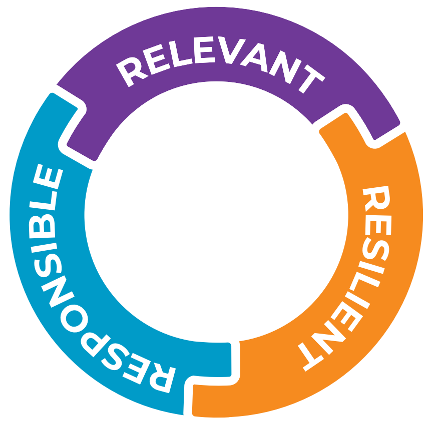
Republic Financial Holdings Limited (RFHL) is the registered owner of all of the Banks and the holding company in the Republic Group:

- Republic Bank Limited
- Republic Bank (Guyana) Limited
- Republic Bank (Barbados) Limited
- Republic Bank (Grenada) Limited
- Republic Bank (Suriname) N.V.
- Republic Bank (Ghana) PLC.
- Republic Bank (BVI) Limited
- Cayman National Corporation Ltd.
- Republic Bank (EC) Limited

and other subsidiaries.

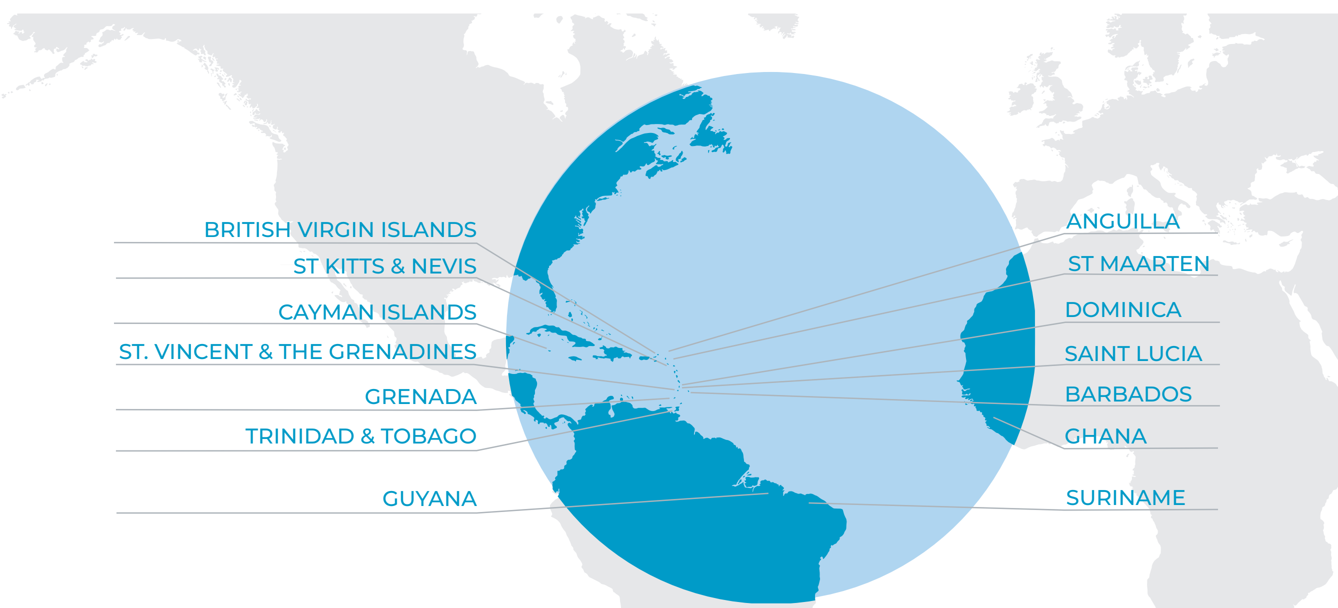
In keeping with international best practice, this holding company was formed with the aim of offering increased operational efficiencies and optimum management of the Republic Group; ultimately leading to greater value for our shareholders and clients while enabling greater strategic focus and diversification.

OUR DECLARATION OF PURPOSE



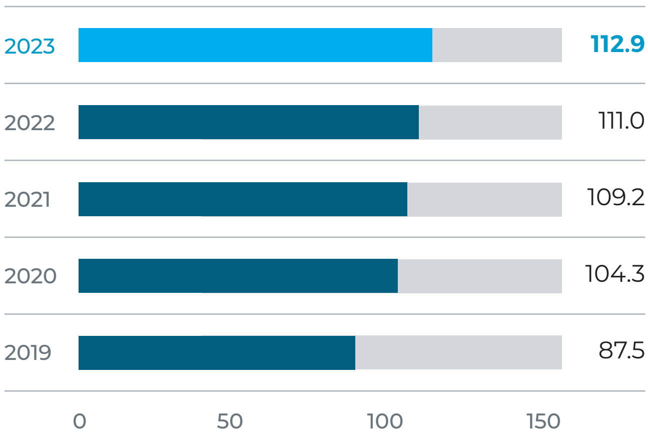
We value people,
we serve with heart,
we are deeply committed
to your success...
we care

WHERE WE OPERATE

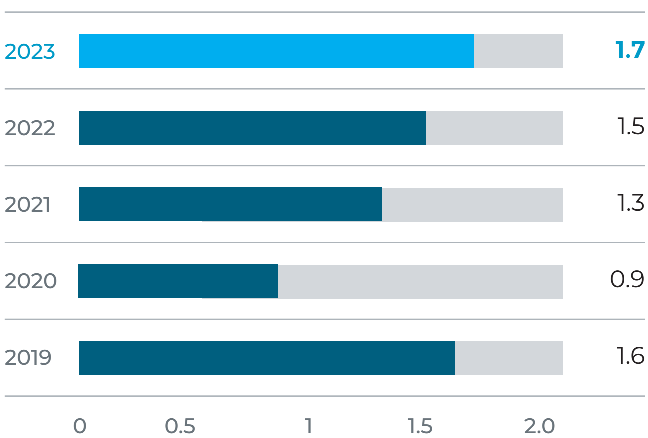


Our Group at a Glance

TOTAL ASSETS TT$B



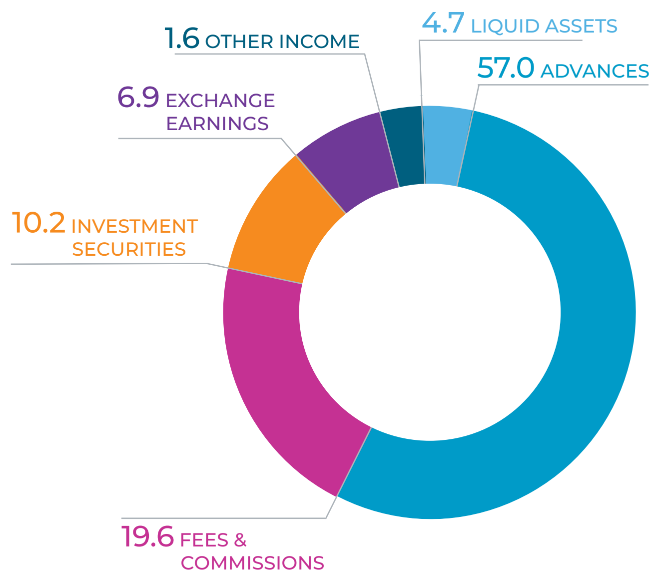
PROFIT AFTER TAX & NCI TT$B



2023 SHARE PRICE	2022 SHARE PRICE
$121.02	$140.01
2023 DIVIDEND YIELD	2022 DIVIDEND YIELD
4.30%	3.21%
2023 EARNINGS PER SHARE	2022 EARNINGS PER SHARE
$10.69	$9.37
2023 PE RATIO	2022 PE RATIO
11.3	14.9

TERRITORIES	TEAM MEMBERS
14	6,810
BRANCHES	ATMs
125	350

SOURCES OF REVENUE %



Notice of Meeting

NOTICE is hereby given that the Eighth Annual Meeting of Republic Financial Holdings Limited will be held at Hyatt Regency Trinidad, Port of Spain on Monday December 11, 2023 at 9:30 a.m. for the following purposes:-

1 To receive the Audited Financial Statements of Republic Financial Holdings Limited for the year ended September 30, 2023 and the Reports of the Directors and Auditors thereon.
2 To take note of the Dividends paid for the twelve-month period ended September 30, 2023.
3 To elect Directors.
4 To re-appoint the Auditors, Ernst & Young and to authorise the Directors to fix their remuneration.
5 Any other business.

By order of the Board

KIMBERLY ERRIAH-ALI
Corporate Secretary

November 3, 2023

NOTES

PERSONS ENTITLED TO NOTICE

In accordance with Section 110(2) of the Companies Act Chap. 81:01, the Directors of the Company have fixed November 16, 2023 as the Record Date for the determination of shareholders who are entitled to receive notice of the Annual Meeting. A list of such shareholders will be available for examination by shareholders at the Office of the Registrar during usual business hours.

PROXIES

Shareholders of the Company entitled to attend and vote at the Meeting are entitled to appoint one or more proxies to attend, and in a poll, vote instead of them. A proxy need not be a shareholder. Any instrument appointing a proxy must be received at the Registrar's Office not less than 48 hours before the Meeting. Shareholders who return completed proxy forms are not precluded, if subsequently they so wish, from attending the Meeting instead of their proxies and voting in person. In the event of a poll, their proxy votes lodged with the Registrar, will be excluded.

DIVIDEND

A final dividend of $4.10 declared for the financial year ended September 30, 2023, will be payable on December 1, 2023, to shareholders at the close of business on November 16, 2023.

REPUBLIC FINANCIAL HOLDINGS LIMITED

This is the Eighth Annual Meeting of Republic Financial Holdings Limited since the Republic Bank Limited Vesting Order (Legal Notice #215 of 2015) and the change of name from Republic Bank Limited to Republic Financial Holdings Limited.

DOCUMENTS AVAILABLE FOR INSPECTION

No service contracts were granted by the Company or Subsidiary Companies, to any Director or Proposed Director of the Company.

Corporate Information

DIRECTORS

CHAIRMAN

Vincent A. Pereira
BSc (Chem.), MBA, Dip. (Petroleum Eng.)

GROUP PRESIDENT AND CHIEF EXECUTIVE OFFICER

Nigel M. Baptiste
BSc (Hons.) (Econ.), MSc (Econ.), ACIB

DIRECTORS

Ian L. Benjamin
BA (Hons) (Law and Land Economy), MA, LLM (Cantab), LLM (Syd), Sc.

Dawn V. Callender
MBA, FCCA

Peter R. Inglefield

Alison G. Lewis
BA (Econ. and Mgmt.), MOM

Shameer R. Mohammed
MBA (Dist.), Cert. (Business Admin.), Cert. (Family Business Mgmt.)

Michael A. Noel
BSc (Math. and Comp. Sc.) MBA

Robert B. Riley
BSc (Agri. Sc.), LLB (Hons.), LEC, EMBA, CMT

Colin A. Soo Ping Chow
FCCA

Waltnel X. Sosa
BA (Math. and Comp. Sc.), MBA

Kristine G. Thompson
B.Comm., MBA

Gregory I. Thomson
BSc (Math. and Physics), MBA

GROUP VICE PRESIDENTS

P. Vic. Salickram
FCCA, ACMA, CGMA, CA, CFA, FRM

Richard S. Sammy
BSc (Hons.) (Mgmt. Studies), MBA

Karen T. Yip Chuck
BSc (Hons.) (Econ.), MBA, Dip. (Business Admin.), ACIB, CIA

SENIOR OFFICERS

CHIEF INTERNAL AUDITOR

Hamant Lalla, *MBA, Cert. IFRS, FCCA*

CHIEF FINANCIAL OFFICER

Marsha Mc Leod-Marshall, *MSc (Dist.) (Int'l Fin.), FCCA, CA*

GROUP GENERAL COUNSEL/ CORPORATE SECRETARY

Kimberly Erriah-Ali, *LLB (Hons.), LEC, MBA, ACAMS*

CHIEF RISK OFFICER

Baldath Ramkissoon, *BSc (Hons.) (Mgmt.), MSc (Dist.) (Fin.), MBA*

REGISTERED OFFICES

Republic House, 4th Floor
9-17 Park Street, Port of Spain
Trinidad and Tobago, West Indies

GROUP HEAD OFFICE

Republic House, 4th Floor
9-17 Park Street, Port of Spain
Trinidad and Tobago, West Indies
Tel: (868) 625-4411, 623-1056
Fax: (868) 624-1323
Swift: RBNKTTPX
Email: email@rfhl.com
Website: www.rfhl.com

ATTORNEYS-AT-LAW

POLLONAIS, BLANC, DE LA BASTIDE & JACELON
Pembroke Court
17-19 Pembroke Street, Port of Spain
Trinidad and Tobago, West Indies

J.D. SELLIER & COMPANY
129-131 Abercromby Street,
Port of Spain
Trinidad and Tobago, West Indies

HOBSONS ATTORNEYS AT LAW
Sagicor Centre
21-25 Independence Avenue,
San Fernando
Trinidad and Tobago, West Indies

AUDITORS

ERNST & YOUNG TRINIDAD AND TOBAGO
5-7 Sweet Briar Road
St. Clair, Port of Spain
Trinidad and Tobago, West Indies

REGISTRAR

TRINIDAD AND TOBAGO CENTRAL DEPOSITORY LIMITED
10th Floor, Nicholas Tower
63-65 Independence Square,
Port of Spain
Trinidad and Tobago, West Indies

Consolidated Financial Summary

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

	2023	2022	2021	2020	2019
Total assets	**112,928**	110,978	109,169	104,277	87,484
Advances	**60,656**	56,829	55,516	53,300	44,630
Customers' deposits	**89,913**	87,586	86,610	81,847	65,023
Stated capital	**932**	913	880	862	803
Equity	**14,268**	13,369	12,856	11,342	11,232
Actual number of shares in issue ('000)	**163,660**	162,992	162,536	162,543	162,221
Weighted average number of shares – diluted ('000)	**163,328**	163,490	163,080	163,107	162,430
Profit after taxation and non-controlling interest	**1,750**	1,526	1,308	904	1,581
Dividends based on the results of the financial year	**851**	736	654	439	732
Dividends paid during the year	**744**	661	506	626	716
Dividend per share based on the results of the financial year ($)	**5.20**	4.50	4.00	2.70	4.50
Dividend per share paid during the year ($)	**4.55**	4.05	3.10	3.85	4.50
Earnings per share (basic) ($)	**10.69**	9.37	8.05	5.57	9.75
Return on average assets (%)	**1.73**	1.53	1.35	1.05	2.17
Return on average equity (%)	**13.85**	12.73	11.87	8.78	16.01

Group Financial Calendar

DIVIDEND PAYMENTS

Final dividend for year ended September 30, 2023	December 2023
Dividend for quarter ending December 31, 2023	February 2024
Dividend for half year ending March 31, 2024	May 2024
Dividend for quarter ending June 30, 2024	August 2024

RESULTS

Publication of results for first quarter to December 31, 2023	February 2024
Publication of results for half year to March 31, 2024	May 2024
Publication of results for third quarter to June 30, 2024	August 2024
Publication of results for year ending September 30, 2024	November 2024
Report and accounts mailing	November 2024
Annual meeting	December 2024

Aiming for the highest score

Best outcomes come from aiming high and thinking big. Our game plan is to guide our operations with empowerment strategies and collaborative resources. We want to ensure that all our stakeholders win.

Board of Directors

VINCENT A. PEREIRA

POSITION
Chairman

APPOINTMENT 2019

AGE 68

CREDENTIALS

- Bachelor of Science in Chemistry, University of Guelph
- Master of Business Administration, Houston Baptist University
- Diploma, Petroleum Engineering, University of the West Indies

PROFESSIONAL SUMMARY

- Petroleum Engineer with over 35 years' energy sector experience in Trinidad and Tobago and the United States
- Former President of BHP Trinidad and Tobago:
  - ensured long term value-enabled growth and development of BHP's business in Trinidad and Tobago
  - pioneered major offshore upstream development projects and exploration efforts in the frontier deepwater basins offshore Trinidad and Tobago
- Past Director, Energy Chamber of Trinidad and Tobago
- Past Governor, Board of Governors of the National Energy Skills Centre

SUBCOMMITTEES

- Governance and Nomination
- Enterprise Risk *(stepped down w.e.f. 10.05.2023)*

INTERNAL APPOINTMENTS

- Chairman, Republic Bank Limited

EXTERNAL APPOINTMENTS

- Member, Society of Petroleum Engineers
- Deputy Chairman, United Way Trinidad and Tobago

NIGEL M. BAPTISTE

POSITION
Group President and Chief Executive Officer

APPOINTMENT 2016

AGE 57

CREDENTIALS

- Bachelor of Science in Economics with Honours, Master of Science in Economics, University of the West Indies
- Graduate, Advanced Management Programme, Harvard Business School
- Diploma with Distinction, ABA Stonier Graduate School of Banking
- Member, Chartered Institute of Bankers

PROFESSIONAL SUMMARY

- Career banker with more than three decades of experience
- President and Managing Director, Republic Bank Limited
- Past General Manager, Human Resources Republic Bank Limited
- Past Managing Director, Republic Bank (Guyana) Limited

INTERNAL APPOINTMENTS

- President and Managing Director, Republic Bank Limited
- Chairman, Republic Bank (Guyana) Limited, Cayman National Corporation Ltd. and Cayman National Bank Ltd.
- Board Member, Republic Bank Limited and Republic Bank (Ghana) PLC.

Board of Directors

IAN L. BENJAMIN

POSITION
Senior Counsel and Head, Bethany Chambers

APPOINTMENT 2016

AGE 60

CREDENTIALS
- Bachelor of Arts in Law with First Class Honours, Bachelor of Arts in Land Economy with Upper Second Class Honours, Master of Laws with Upper Second Class Honours, University of Cambridge
- Master of Laws with First Class Honours, University of Sydney
- Admitted to the Bar of England and Wales (1988), Trinidad and Tobago (1989), Dominica (2008), Grenada (2013), Anguilla (2016)
- Appointed Senior Counsel (2018)
- Certified Mediator and Member, Chartered Institute of Arbitrators

PROFESSIONAL SUMMARY
- Career advocate attorney with over 30 years' experience in practising and teaching law in Trinidad and Tobago, the United Kingdom and Australia
- Door tenant (Associate Member) of Fountain Court Chambers, London, England

SUBCOMMITTEE
- Chairman, Governance and Nomination

EXTERNAL APPOINTMENTS
- Board Member, Amitaf Investments Limited, Dobs Limited
- Volunteer Chairman, United Way Trinidad & Tobago
- Volunteer Director, Foundation for Human Development

DAWN V. CALLENDER

POSITION
Consultant, Investment Executive

APPOINTMENT 2011

AGE 66

CREDENTIALS
- Master of Business Administration, Henley Management College
- Fellow, Association of Chartered Certified Accountants

PROFESSIONAL SUMMARY
- Two decades in executive level positions
- Worked in the fields of business management, strategic financial management, implementation of business systems in the United Kingdom, the United States, and Zimbabwe
- Research interest in the fields of strategy and leadership

SUBCOMMITTEES
- Audit
- Governance and Nomination *(appointed w.e.f. 10.05.2023)*
- Enterprise Risk *(stepped down w.e.f. 10.05.2023)*

EXTERNAL APPOINTMENTS
- Board Member, Fair Trading Commission
- Chairperson, Regulated Industries Commission

Board of Directors

PETER R. INGLEFIELD

POSITION
Consultant

APPOINTMENT 2020

AGE 71

PROFESSIONAL SUMMARY
- Consultant with more than 3 decades' extensive experience in the field of taxation and accounting, locally and regionally, with special emphasis on Petroleum Taxation, including advising foreign investors on structuring local operations; issues relating to cross-border transactions, tax treaty considerations; withholding tax matters
- Former Board Member, Republic Bank Limited
- Former Tax Partner and Managing Partner, PricewaterhouseCoopers
- Past member, Institute of Chartered Accountants, Trinidad and Tobago

SUBCOMMITTEES
- Chairman, Audit
- Enterprise Risk

EXTERNAL APPOINTMENTS
- Director, Trinidad and Tobago Stock Exchange, IRP Fire & Safety Limited
- Catholic Media Services Limited

ALISON G. LEWIS

POSITION
Consultant

APPOINTMENT 2014

AGE 69

CREDENTIALS
- Bachelor of Arts in Economics and Management

PROFESSIONAL SUMMARY
- Permanent Secretary, Ministry of Finance, Trinidad and Tobago
- Former Chairperson, Port Authority of Trinidad and Tobago
- Past Governor, Heritage and Stabilisation Fund
- Past Advisor, Office of Executive Director, World Bank
- Past Commissioner, Trinidad and Tobago Securities and Exchange Commission
- Past Board Member of the Central Bank of Trinidad and Tobago, Trinidad Cement Limited, the Sovereign Wealth Funds Group, the Economic Development Advisory Board

AWARDS
- Public Service Medal of Merit (Gold) for meritorious and outstanding service to Trinidad and Tobago

SUBCOMMITTEES
- Audit
- Enterprise Risk *(appointed w.e.f. 10.05.2023)*

INTERNAL APPOINTMENTS
- Board Member, Republic Bank Limited

EXTERNAL APPOINTMENTS
- Director, NiQuan Energy Trinidad Limited, Kamfra Development Limited

Board of Directors

SHAMEER R. MOHAMMED

POSITION
Executive Director, Nutrimix Group

APPOINTMENT 2019

AGE 44

CREDENTIALS
- Master of Business Administration with Distinction, Anglia Ruskin University
- Certificate in Business Administration, Association of Business Executives
- Certificate in Family Business Management, Arthur Lok Jack Graduate School of Business

PROFESSIONAL SUMMARY
- Over two decades in senior management/executive roles in corporate management, financial and credit risk management, corporate strategic and business planning, implementation, research and marketing

SUBCOMMITTEE
- Audit

EXTERNAL APPOINTMENTS
- Chairman, Caribbean Airlines Limited
- Chairman, Estate Management and Business Development Company Limited
- Board Member of several local and regional companies

MICHAEL A. NOEL

POSITION
Founder, Chief Executive Officer, BridgeValue Consulting

APPOINTMENT 2021

AGE 51

CREDENTIALS
- Bachelor of Science in Mathematics and Computer Science, University of the West Indies
- Master of Business Administration, University of Texas at Austin

PROFESSIONAL SUMMARY
- More than two decades as a business executive and consultant
- Extensive experience in improving digital customer experiences and achieving more flexible, resilient, and secure technology platforms
- Passionate about helping leaders build more efficient, agile, innovative and results-oriented operations
- Former Chief Operating Officer, LeadingAgile
- Past Chief Technology Officer, Manheim, a division of Cox Automotive
  - led the modernisation, stabilisation and extension of technology platforms that facilitated millions of vehicle sales per year
- Past Chief Information Officer and Senior Vice President of Shared Services, PRGX Global Inc. (data analytics firm)
- Consulting and leadership roles at A.T. Kearney and Infosys Consulting

SUBCOMMITTEE
- Enterprise Risk

Board of Directors

ROBERT B. RILEY

POSITION
Executive Director,
Robert Riley Leadership and Energy Consulting

APPOINTMENT 2016

AGE 66

CREDENTIALS
- Bachelor of Laws with Honours, Bachelor of Agricultural Sciences with Honours, Doctor of Laws Honoris Causa, University of the West Indies
- Consortium Executive Master of Business Administration, Thunderbird American Graduate School of International Management

PROFESSIONAL SUMMARY
- Attorney-at-law admitted to the Supreme Court, 1987
- Past Head of Safety and Operations Risk, Safety Risk Leadership and Culture, BP Plc., London
- Past Chairman and Chief Executive Officer, BP Trinidad and Tobago
- Past Vice President, Legal and Government Affairs, Amoco, BP/Amoco
- Past General Counsel and Corporate Secretary, BWIA
- Past Board Member, Amoco Trinidad and Tobago LLC, Titan Methanol; BP Trinidad and Tobago, Atlantic LNG, Sequis LLC and several corporate organisations

AWARDS
- Chaconia Medal (Gold) 2003 for contribution to national development

SUBCOMMITTEES
- Chairman, Enterprise Risk
- Governance and Nomination

COLIN A. SOO PING CHOW

POSITION
Consultant

APPOINTMENT 2023

AGE 63

CREDENTIALS
- Fellow, Association of Chartered Certified Accountants

PROFESSIONAL SUMMARY
- Business consultant working with family and closely held businesses
- Former Executive Chairman and Consulting Managing Partner, EY Caribbean
- Former President, Institute of Chartered Accountants of Trinidad & Tobago (ICATT)
- Former member, ICATT Accounting and Auditing Standards Committee
- Past member, EY Americas Advisory Committee

SUBCOMMITTEES
- Enterprise Risk
- Audit

Board of Directors

WALTNEL X. SOSA

POSITION
Consultant

APPOINTMENT 2018

AGE 46

CREDENTIALS
- Bachelor of Arts in Mathematics and Computer Science, Hamilton College
- Master of Business Administration, Harvard Business School

PROFESSIONAL SUMMARY
- Independent Advisor with close to two decades' experience at the senior level in corporate finance, strategic and corporate planning and business development
- Served in financial institutions in Trinidad and Tobago and the United States
- Held advisory and operating roles in/for multilaterals, public and private sector entities for implementation, acquisition, and privatisation projects
- Financial Advisor on topics including structuring and capital sourcing, real estate development, and the advancement of Caribbean-based energy initiatives

SUBCOMMITTEE
- Enterprise Risk

KRISTINE G. THOMPSON

POSITION
Director, Yay! Entertainment Limited

APPOINTMENT 2011

AGE 52

CREDENTIALS
- Bachelor of Commerce, Queen's University
- Master of Business Administration, Harvard Business School

PROFESSIONAL SUMMARY
- Former Chief Executive Officer, Cabot Saint Lucia, Inc.
- Former Chief Executive Officer, Sunshine Snacks Limited, Associated Brands Industries Limited (ABIL) Group
- Co-founder, Chuck E. Cheese, Trinidad and Tobago
- Past Chief Executive Officer, Canboulay Energy Capital
- Past Vice President, Business Development, Guardian Holdings Group
- Past Management Consultant, Boston Consulting Group, Toronto, New York, Buenos Aires, Melbourne

SUBCOMMITTEE
- Governance and Nomination

INTERNAL APPOINTMENTS
- Director, Republic Bank Limited

EXTERNAL APPOINTMENTS
- Chairperson, Tobago Gold
- Vice Chairperson, Cabot Saint Lucia Inc.
- Member, Beverage Leadership Council, ANSA McAl Group

Board of Directors

GREGORY I. THOMSON

POSITION
Retired Banker

APPOINTMENT 2014

AGE 71

CREDENTIALS

- Bachelor of Science in Mathematics and Physics, University of the West Indies
- Master of Business Administration, University of Western Ontario

PROFESSIONAL SUMMARY

- Career banker with over 40 years' experience in banking and finance including his position as Deputy Managing Director, Republic Bank Limited until 2012

SUBCOMMITTEES

- Enterprise Risk
- Audit

INTERNAL APPOINTMENTS

- Board Member, Republic Bank Limited

EXTERNAL APPOINTMENTS

- Board Member, One Caribbean Media Limited
- Chairman, Caribbean Information and Rating Services Limited

Directors' Report

Your Directors have pleasure in submitting their Report for the year ended September 30, 2023.

FINANCIAL RESULTS AND DIVIDENDS

The Directors report that Republic Financial Holdings Limited (RFHL) has achieved a profit attributable to equity holders of $1.75 billion for the year ended September 30, 2023.

The Directors have declared a dividend of $4.10 per share for the year ended September 30, 2023. A half-year dividend of $1.10 per share was paid on May 31, 2023 making a total dividend on each share of $5.20 (2022: $4.50).

Set out below are the names of the Directors and Senior Officers with an interest in the Company as at September 30, 2023 together with their connected parties and our ten largest shareholders.

DIRECTORS AND SENIOR OFFICERS

Director	Personal Shareholding	Connected Party
Nigel M. Baptiste	27,732	
Ian L. Benjamin	417	8,159
Dawn V. Callender	1,000	
Alison G. Lewis	Nil	
Peter R. Inglefield	Nil	14
Shameer R. Mohammed	5821	29,991
Vincent A. Pereira	14,991	27,222
Michael A. Noel	Nil	
Robert B. Riley	Nil	
Waltnel X. Sosa	Nil	
Kristine G. Thompson	Nil	
Gregory I. Thomson	346	
Colin A. Soo Ping Chow *(from 01.05.2023)*	NIL	1,366
Kimberly G, Erriah-Ali	7,396	
Marsha A. Mc Leod-Marshall	4,230	
P. Vic. Salickram	18,275	
Hamant Lalla	9,860	
Karen T. Yip Chuck *(from 15.11.2022)*	49,539	
Richard S. Sammy *(from 15.11.2022)*	1,688	
Baldath Ramkissoon *(from 15.11.2022)*	5,283	

Directors' Report

10 LARGEST SHAREHOLDERS

	Name	Ordinary Shares	%
1	National Investment Fund Holding Company Limited	42,475,362	25.95
2	National Insurance Board of Trinidad and Tobago	30,811,955	18.83
3	Corporation Sole	10,976,578	6.71
4	Trintrust Limited	10,898,317	6.66
5	Republic Bank Limited	7,507,615	4.59
6	RBC Trust (Trinidad & Tobago) Limited	5,370,749	3.28
7	Trinidad and Tobago Unit Trust Corporation	5,072,790	3.10
8	First Citizens Asset Management Limited	4,090,359	2.50
9	Guardian Life of the Caribbean Limited	2,776,279	1.70
10	Tatil Life Assurance Limited	1,943,417	1.19

There has been no change in these interests occurring between the end of the Company's year and one month prior to the date convening the Annual Meeting.

DIRECTORS

In accordance with By-Law No. 1, Paragraph 4.4, Vincent Pereira retires from the Board by rotation and, being eligible, offers himself for re-election.

Mr. Colin Soo Ping Chow was appointed a Director on May 1, 2023, to fill the casual vacancy created by the retirement of Dr. Terrence Farrell on April 30, 2023. In accordance with By-Law No. 1, Paragraph 4.4.5 Mr. Soo Ping Chow, having been appointed since the last meeting, retires from the Board and being eligible, offers himself for re-election for a term expiring at the close of the third annual meeting following this appointment.

COMMUNITY INVOLVEMENT

In financial year 2022-2023, Republic Financial Holdings Limited observed its third year as a signatory to the United Nations (UN) Principles for Responsible Banking and our continued close alignment with the United Nations Sustainable Development Goals (SDGs); giving increased focus to the Group's ongoing investment in programmes and partnerships that advocate youth empowerment, spearhead Diversity, Equity, and Inclusion, support environmental protection and climate change mitigation initiatives, and help create communities based on industry, innovation, and social progress.

Determined to build on the foundations laid by our Power to Make A Difference programme over the past two decades, the Republic Group has broadened the scope and scale of its investment, united by a singular vision of People, Planet, Progress and Communities imbued into every aspect of social outreach.

Across the Group, in the Caribbean, South America, and Africa, connections grew stronger with the continuation of existing programmes, while the creation of new partnerships meant that different paths were being explored in an attempt to empower more people and communities toward sustainable economic and human development.

Some of the projects in this financial year included sponsorships of youth and secondary school sport and athletics programmes like the Republic Cup National Youth Football League in Trinidad and Tobago; the Republic Bank Inter-Secondary School Athletic Championships (INTERCOL) in Grenada; and the Republic Bank Under-23 Cricket Tournament, and the inaugural Republic Bank Junior Golf Clinic and Competition in Guyana and our Five for Fun programme in St. Lucia, St. Kitts and Nevis and Guyana.

Directors' Report

Significant investment in environmental preservation and climate change initiatives like the Every Bottle Back programme in Trinidad; maintenance of the Promenade Gardens in Guyana, and the African Union Square in Ghana; the conversion from diesel-powered to photovoltaic power generation at the Head Office in Grand Anse, and sponsorship of the Grenada Broadcasting Network 'Our Climate Reality' television series in Grenada; a partnership with the St. Lucia National Conservation Fund; and sponsorship of The Nature Isle Beekeeping project in Dominica signalled our commitment to helping move people and communities closer to becoming proactive environmental and climate action advocates.

With the focus on caring and helping others in need, partnerships continued with the Trinidad and Tobago Cancer Society, the Anguilla Cancer Society, the Barbados Diabetes Foundation, the St. Lucia Blind Welfare Association, the St. Kitts Nevis Association of Persons with Disabilities, and Hillview Home for the Aged in Grenada, providing a huge boon to the Group's efforts as a partner in the fight to sustainably bolster various communities.

The sharpened focus on inculcating habits of learning, innovation and industry in budding minds helped guide investments in programmes like the Pennacool.com V.C.C.E. Play-Right Championship and the 123 Speed Math Olympiad in Trinidad; the M.C. Jessurun School in Suriname; the Digital Literacy Programme by Orbtronics Ltd. in St. Lucia; our partnership with the Specialists in Sustained Youth Development and Research Inc. in Guyana; and sponsorship of the National Partnership for Children's Trust and the Nana Saka Nkansah II School in Ghana.

Support for self-help and community advancement initiatives like the We Say Y.E.S. (WSY) programmes in Trinidad; the Women Across Differences (WAD) – Comprehensive Empowerment Programme for Adolescent Mothers in Guyana; the West Dominica Children's Federation Inc., St. Martin Secondary School in St. Vincent; and the Ghana Chamber of Construction and Industry – Young Women in Technical and Vocational Education Training (TVET), opened several new pathways for the Group to connect with, serve, and empower diverse and at-risk communities.

During the period, staff members took full advantage of volunteerism initiatives in every market, further demonstrating True Blue team spirit and reinforcing the message that social investment is embedded deep within the Group's DNA.

Looking ahead, with the Power to Make A Difference and the UN SDGs as firm foundations, the focus remains on People, Planet, Progress, and Communities. Guided by that vision, the Group will strive even more steadfastly in the pursuit of a more sustainable and inclusive future, embracing its role as a proactive, socially responsible financial organisation that listens to and helps people across the globe.

AUDITORS

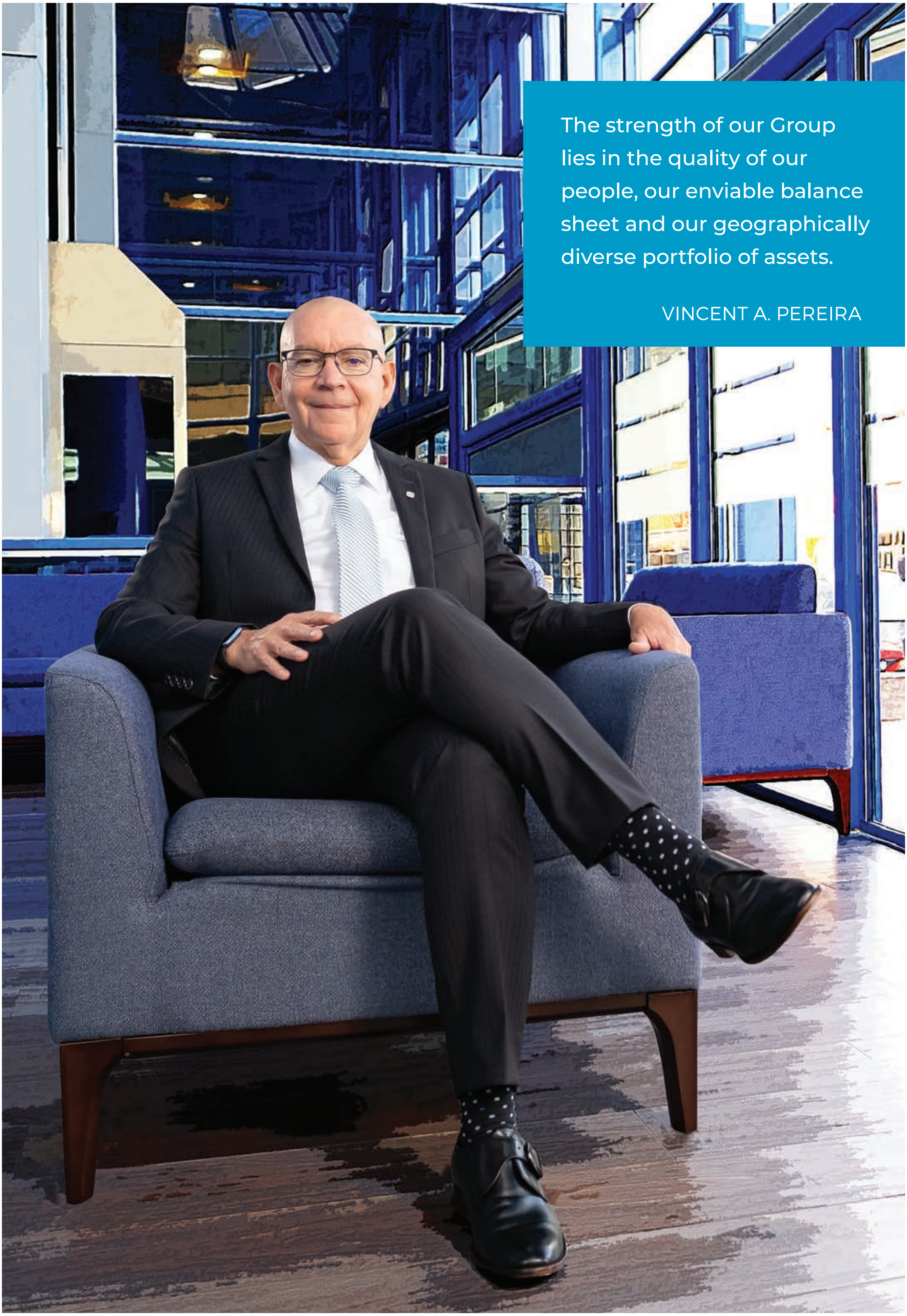
The retiring Auditors, Ernst & Young have expressed their willingness to be re-appointed and a resolution to that effect will be proposed at the Annual Meeting.

By order of the Board

KIMBERLY G. ERRIAH-ALI
Corporate Secretary

The team that makes it happen

We value every member of our team and we believe in the success of everyone we serve. So we are channelling our resources to partner with all, to perform at their best and make their lives better.



The strength of our Group lies in the quality of our people, our enviable balance sheet and our geographically diverse portfolio of assets.

VINCENT A. PEREIRA

Chairman's Report

DEAR SHAREHOLDERS,

Financial year 2023 was indeed an outstanding year for your Group. Even in the face of extremely dynamic market conditions and evolving financial landscapes, the Republic Financial Holdings Limited (RFHL) Group has continued to not only adapt, but to thrive and excel. Though there remains significant uncertainty in global markets, economic circumstances have improved in our tourism dependent countries and there is less volatility in the commodity-based economies as the world continues to recover from the 2020/2021 pandemic.

Despite these high levels of uncertainty and what can best be described as an uneven macroeconomic environment, the performance of the RFHL Group has continued to be robust. The strength of our Group lies in the quality of our people, our enviable balance sheet and our geographically diverse portfolio of assets. The characteristics that make our Group resilient, our approach to ensuring fiscal discipline, nurturing a strong risk management culture, enabling an effective governance framework and managing a robust capital position, continue to serve us well, and have created an excellent foundation from which we continue to deliver sustainable results now and into the future. Collectively, these serve to protect our interests and those of our stakeholders, ensuring the safety and stability of our operations.

RFHL's relentless commitment to our customers and employees remains at the heart of our business strategy as we understand that trust is the foundation of our relationships with our stakeholders. A key and underpinning plank of our forward strategy is to deliver a Digital Transformation that positions RFHL as the leading digital banking Group in the markets where we operate. We have developed a comprehensive strategy to achieve this goal. Our vision of Digital Transformation encompasses the strategic adoption of digital technologies, data-driven insights, and customer-centric approaches to improve the customer/employee experience, optimise services, and create personalised experiences. By embracing a digitally empowered ecosystem, we aim to empower customers, improve efficiency, foster innovation, and maintain a sustainable competitive advantage in all the markets within which we operate.

As we look ahead, we acknowledge that the global economic landscape remains uncertain and that the financial services industry is continually evolving. We anticipate further changes and challenges in the years to come, but we are well prepared to navigate those challenges and seize all opportunities as they arise. Our dedication to our strategic vision, digital transformation, customer-centricity, and responsible banking practices will continue to drive our success.

Delivering strong results in an environment of great uncertainty is only made possible through the quality of our people – the talented and committed RFHL team members in all 14 countries where we operate. Every day, it is their unswerving commitment and dedication to the Group's Purpose and Values that enables our terrific outcomes. On behalf of the Board, I wish to say how immensely proud I am of our entire team. Regardless of the strength of the challenge, they have never wavered in their commitment and belief with regards to the crucial role they play in supporting our many clients and helping so many to enable their dreams.

RESULTS

I am pleased to report that RFHL has reported profit attributable to equity holders of the parent of $1.75 billion for the year ended September 30, 2023. This represents an increase of $224.0 million or 14.7 percent over the 2022 reported profits of $1.53 billion. This performance is commendable in the face of the evolving market conditions and regulatory landscape across the Group and is testament to the benefits of our well-diversified footprint.

PROFIT AFTER TAX	TOTAL DIVIDEND	EARNINGS PER SHARE
$1.75B	$5.20	$10.69

Chairman's Report

A full discussion of the Group's financial performance can be found in the Group President and CEO's Discussion and Analysis contained on pages 26 to 37 of this report.

The Board of Directors has declared a final dividend of $4.10 (2022: $3.45) per share, which brings the total dividend to $5.20 (2022: $4.50) per share for the fiscal year, an increase of 15.6 percent or $0.70 in total dividend payment over 2022. At a closing share price of $121.02, this dividend represents a dividend yield of 4.30 percent (2022: 3.21 percent). The Group's capital adequacy ratios across all countries and at the consolidated level remains quite robust.

The final dividend will be paid on December 1, 2023, to all shareholders of record on November 16, 2023.

THE GLOBAL ECONOMY

As major central banks across the globe responded to rising inflationary pressures with aggressive interest rate increases in the second half of 2022, there were escalating fears that the global economy would fall into recession in 2023. At the very least, one or more of the United States (US), United Kingdom (UK) and European Union (EU) were expected to experience recessionary conditions before the end of the year. However, economic activity remained resilient in 2023, notwithstanding some slowing, thanks largely to a stronger than envisaged job market and consumer spending. Overall, the global economy is expected to expand by 3 percent in 2023 compared to 3.5 percent a year earlier, aided by the almost complete recovery of global supply chains and the decrease of shipping costs to pre-pandemic levels. This performance occurred in the face of several inhibiting factors, including the weak performance of the Chinese economy due to its deepening real estate crisis and slumping export demand. Growth was also stymied by the continued rise in inflation (despite some deceleration since the start of the year) and financial market turbulence in the US and Europe, which thankfully was contained by the swift action of the relevant authorities. Against this backdrop, economic activity in advanced economies is expected to increase by 1.5 percent in 2023, down from 2.6 percent in 2022. On the other hand, emerging market and developing economies are expected to expand at a similar rate to 2022 at 4 percent. Inflation is expected to ease to 6.9 percent in 2023 from 8.7 percent, with the fall in commodity prices from the highs of 2022. Given this relent, some major central banks slowed the pace of their interest rate increases as 2023 progressed.

THE ECONOMIES IN WHICH RFHL OPERATES

Generally, the countries in which the RFHL Group operates recorded positive economic performances in 2023. This was driven by the continued recovery of tourism and other key sectors from the COVID-19-related disruptions. In the case of the tourism-based economies, some benefited from visitor arrival figures that were close to, or above, pre-pandemic levels, while for others, the recovery was less rapid. The Group's commodity-producing economies however faced weaker international prices compared to 2022. This restricted the improvement of their respective fiscal and external accounts, except for Guyana, given the offsetting effect of its increased oil production in 2023. The fall in commodity prices contributed to the deceleration of overall price increases during the year but was not enough to reduce the constraining impact of inflation on real Gross Domestic Product (GDP). Overall, these developments resulted in a situation where economic activity remained below 2019 levels in several nations associated with the RFHL Group. There was limited improvement in the respective jurisdictions' fiscal accounts, with Ghana entering an International Monetary Fund (IMF) programme in 2023. Ghana also experienced notable exchange rate volatility during the year, given low levels of foreign exchange reserves, which contributed to high inflation rates in this country. In Ghana, the domestic currency depreciated by 11.6% against the US dollar between January and September 2023, while its gross international reserves measured only US$2,089.54 million (one month of import cover) in August 2023. During the first eight months of the year, inflation averaged 45.1 percent, with food prices increasing by 54.1 percent and non-food inflation measuring 38.1 percent. In addition to negatively impacting the Group's results, surging inflation combined with Ghana's ongoing fiscal vulnerabilities to produce a very challenging macroeconomic environment.

OUTLOOK

While still in its early stages, the conflict in the Middle East involving Israel and Hamas, has the potential to join the Russia-Ukraine war as a globally disruptive force. If it does, the related disruptions, including to global trade and other economic activities, are not expected to be as severe. In any case, another major conflict is the last thing the global economy needs, considering how difficult the last three years have been. Fears of global recession have receded appreciably as major central banks are not expected to revert to rapid policy rate increases, with inflation projected to slow further. However, with inflation currently above the target levels of

Successful companies deliver above expectation results despite the circumstances of an increasingly disruptive and volatile world. Your Group has done that. I am very optimistic about our Group's future – the future of RFHL is bright.

the US Federal Reserve, Bank of England and the European Central Bank, further increases may become necessary and, as a result, a further decline in growth cannot be ruled out in 2024. Other downside risks to growth include weaker than expected growth in China, elevated energy prices due to continued production curtailments by the Organisation of Petroleum Exporting Countries (OPEC) and new rounds of financial sector instability in major markets such as the US and UK. The global economy is projected to grow by 2.9 percent in 2024.

BOARD

During the 2023 financial year, the Board remained focused on its key mandates of ensuring the Group was executing on the right strategy, with the right talent, within the right risk appetite, using the right capital allocation model and under the right governance framework and thereby assuring delivery of the best possible performance for the Group. As Directors, we serve as stewards of the Group's business. Our duty is to ensure that the Board functions in an environment that facilitates and encourages independent thought, debate and judgement in overseeing management that is essential to ensuring we protect the interests of shareholders.

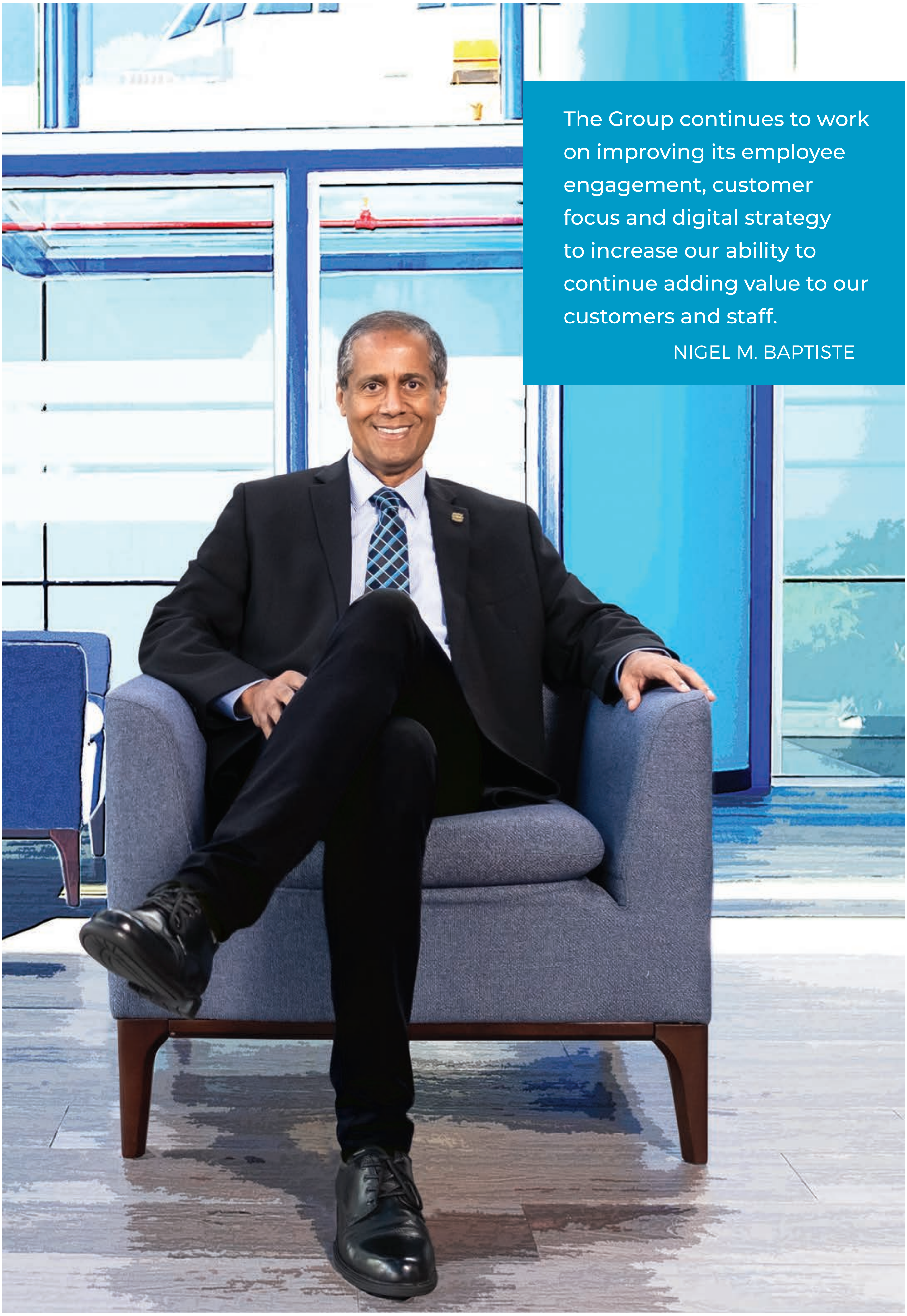
I wish to extend my heartfelt gratitude to my fellow Board members for their dedication, expertise, commitment to the organisation and for their highly valued contributions. Your diverse perspectives and the collaborative spirit with which we have operated, have allowed us to overcome the complex challenges faced by the Group and no doubt, have been instrumental to the Group's performance. Our Board's commitment remains that all our actions be undertaken in a manner that demonstrates fairness and always in the interest of our stakeholders.

This year, the Board bid farewell to Dr. Terrence Farrell or "Terry" as he is affectionately known, who retired from the Board on April 30, 2023. Terry was a cherished member of the Board and while we will certainly miss his insightful contributions, we thank Terry for his wise counsel to the Group over the past 15 years and wish him all the very best in his retirement.

To fill the vacancy created by Terry's retirement, Colin Soo Ping Chow, former Executive Chairman of EY Caribbean, joined the RFHL Board. Colin's in-depth financial services, strategic, governance and risk experience will strengthen the Board's capabilities and enhance the diversity of viewpoints of the Board. We welcome Colin to the RFHL Group and look forward to a mutually beneficial relationship over the upcoming years.

The Board's continued confidence in RFHL is underpinned by the strength of the Group's excellent leadership team led by our Group President and Chief Executive Officer, Nigel Baptiste. On behalf of the Board of RFHL I would like to offer my thanks and support to Nigel for his continued outstanding leadership of the Group. I would also like to acknowledge the superb leadership and commitment of our executive team and the terrific contributions of all the 6,810 extraordinary women and men across the Group. It is your effort, resilience, passion for excellence and desire to serve our clients with grace and care, that has fuelled the Group's success. I am extremely proud of all that you have accomplished.

Thank you, shareholders, for choosing to invest in Republic Financial Holdings Limited. Thank you to our customers and clients for allowing us the privilege of helping in the pursuit of your dreams. Successful companies deliver above expectation results despite the circumstances of an increasingly disruptive and volatile world. Your Group has done that. I am very optimistic about our Group's future – the future of RFHL is bright.



> The Group continues to work on improving its employee engagement, customer focus and digital strategy to increase our ability to continue adding value to our customers and staff.
>
> NIGEL M. BAPTISTE

Group President and CEO's Discussion and Analysis

INTRODUCTION

Republic Financial Holdings Limited (RFHL) recorded a profit attributable to equity holders of the parent of $1.75 billion for the year ended September 30, 2023, an increase of $224.0 million or 14.7 percent over the profit of $1.53 billion reported in the prior year. These results are a combination of the returns from the Group's advances and investment portfolios, and reduced credit loss expenses.

Based on these results, the Board of Directors has declared a final dividend of $4.10 per share for the year ended September 30, 2023. When combined with the interim dividend of $1.10 per share, this brings the total dividend for the year to $5.20 per share, an increase of $0.70 or 15.6 percent over the amount declared for 2022. At a share price of $121.02 as at September 30, 2023, this results in a dividend yield of 4.3 percent on an RFHL share.

NET PROFIT

All figures are stated in TT$ millions

	2023	2022	Change	% Change
Profitability				
Net interest income	**4,664**	4,138	526	12.7
Other income	**2,143**	1,966	177	9.0
Share of profits of associated companies	**6**	7	(1)	-14.3
Less:				
- Operating expenses	**3,965**	3,555	(410)	-11.5
- Credit loss expense on financial assets	**181**	220	39	17.7
- Net monetary Loss	**68**	–	(68)	-0.0
Profit before taxation	**2,599**	2,336	263	11.3
Less taxation	**667**	651	(16)	-2.5
Profit after taxation	**1,932**	1,685	247	14.7
Less non-controlling interest	**182**	159	(23)	-14.5
Profit attributable to equity holders of the parent	**1,750**	**1,526**	**224**	**14.7**
Trinidad and Tobago	**2,076**	1,836	240	13.1
Barbados	**1,005**	212	793	374.1
Guyana	**84**	73	11	15.1
Cayman Islands	**373**	220	153	69.6
Eastern Caribbean	**169**	225	(56)	-24.9
Suriname	**21**	25	(4)	-16.0
Ghana	**(49)**	58	(107)	-184.5
British Virgin Islands	**64**	87	(23)	-26.4
Less eliminations and other adjustments	**(1,993)**	(1,210)	(783)	64.7
Total	**1,750**	**1,526**	**224**	**14.7**

The following is a detailed discussion and analysis of the financial results of RFHL and its subsidiaries. This should be read in conjunction with the audited consolidated financial statements, contained on pages 88 to 177 of this report. All amounts are stated in Trinidad and Tobago dollars.

NET INTEREST INCOME AND NET INTEREST MARGINS

All figures are stated in TT$ millions

	2023	2022	Change	% Change
Interest income	**5,497**	4,765	732	15.4
Less Interest expense	**833**	627	(206)	-32.9
Net interest income	**4,664**	**4,138**	**526**	**12.7**
Trinidad and Tobago	**2,115**	1,973	142	7.2
Barbados	**365**	360	5	1.4
Guyana	**370**	321	49	15.3
Cayman Islands	**699**	452	247	54.6
Eastern Caribbean	**588**	514	74	14.4
Suriname	**122**	82	40	48.8
Ghana	**281**	321	(40)	-12.5
British Virgin Islands	**124**	115	9	7.8
Total	**4,664**	**4,138**	**526**	**12.7**
Average Total Assets	**111,953**	**110,073**	**1,880**	**1.7**
Net interest margin	**4.17%**	**3.76%**		

The Group earned net interest income of $4.7 billion for year ended September 30, 2023, an increase of $526 million or 12.7 percent above the prior year.

Average total assets increased by $1.9 billion or 1.7 percent in the fiscal, with the net interest margin increasing from 3.76 percent in 2022 to 4.17 percent in 2023.

- In Trinidad and Tobago (T&T), net interest income grew by $142 million, being the net impact of increases in interest income and interest expense of $210 million and $68 million respectively. The increase in interest income was generated primarily from the growth in the advances portfolio, coupled with higher interest rates on United States dollars (USD) denominated investments.

  The $68 million increase in interest expense stemmed from growth in the deposit portfolio and higher interest rates on the US$150 million floating rate debt.

TOTAL ASSETS	INVESTMENTS	DEPOSITS & FUNDING	TOTAL EQUITY
$112.9B	$20.2B	$93.6B	$14.3B

- In Barbados, net interest income grew by $5 million, the net result of a $3 million increase in interest income and a $2 million decline in interest expense. The $5 million growth in interest income was the result of increased portfolios for advances and investment securities, while the decreased interest expense was due to a decline in the deposit portfolio of Republic Bank (Barbados) Limited.
- The Cayman Islands recorded increased net interest income of $247 million, the net effect of increases in interest income of $352 million and $105 million in interest expense. The increases were the result of increased yields on USD investment securities and customer deposits in the Cayman Islands market.
- The Eastern Caribbean (EC) recorded growth in net interest income by $74 million due to increases in interest income and interest expense by $83 million and $9 million respectively. This resulted from increased portfolio balances for advances and customer deposits in the EC islands, while interest rates remained fairly constant.
- In Suriname, the increase of $40 million was the net effect of an increase in interest income of $37 million and a $3 million decline in interest expense. The increase in interest income was due to growth in the advances and investment portfolios, while the decreased interest expense was a result of a reduction in deposit rates.
- In Ghana, the $40 million decrease in net interest income resulted from a decline in interest income of $5 million and increased interest expense of $35 million. This decline was mainly due to a reduction in average interest rates for advances and the depreciation in the Cedi exchange rate during the year. The increased interest expense resulted from increased interest rates in addition to an increased customer deposit portfolio.
- In the British Virgin Islands (BVI), the increase of $9 million in net interest income was due to increases in interest income and interest expense by $20 million and $11 million respectively. Increased yields on advances, investments and customer deposits accounted for the increased income and expense.

OTHER INCOME

All figures are stated in TT$ millions

	2023	2022	Change	% Change
Fees and commission income	**1,501**	1,353	148	10.9
Net exchange trading income	**529**	433	96	22.2
Gains from disposal of investments	**2**	9	(7)	-77.8
Other operating income	**111**	171	(60)	-35.1
Total other income	**2,143**	**1,966**	**177**	**9.0**
Trinidad and Tobago	**1,170**	970	200	20.6
Barbados	**293**	109	184	168.8
Guyana	**181**	132	49	37.1
Cayman Islands	**306**	278	28	10.1
Eastern Caribbean	**288**	255	33	12.9
Suriname	**69**	65	4	6.2
Ghana	**114**	159	(45)	-28.3
British Virgin Islands	**51**	42	9	21.4
Less eliminations and other adjustments	**(329)**	(44)	(285)	647.7
Total	**2,143**	**1,966**	**177**	**9.0**

Other income increased by $177 million or 9.0%, from $2.0 billion in 2022, to $2.1 billion in 2023.

- In Trinidad and Tobago, the increase of $200 million is mainly due to fees earned by Republic Bank Limited (RBL) T&T from the other subsidiaries for services provided on their behalf, following implementation of our Shared Services support infrastructure.
- In Barbados, the increase of $184 million was due to a gain from the sale of Republic Bank (Cayman) Limited to Cayman National Bank Ltd., which was subsequently eliminated on consolidation.
- In Guyana, the increase of $49 million was mainly due to higher exchange earnings resulting from increased foreign exchange volumes from the energy sector as well as increased fee and commission income.
- In Cayman, the increase of $28 million was the result of increased fee and commission income, exchange and other income, due to a resurgence of economic activity and tourism.
- The increase of $33 million in the Eastern Caribbean was mainly due to increased fee and commission income resulting from increased economic activity.
- In Ghana, the decrease of $45 million was mainly due to the depreciation of the Ghanaian Cedi.

TOTAL OPERATING EXPENSES

All figures are stated in TT$ millions

	2023	2022	Change	% Change
Staff costs	**1,706**	1,617	(89)	-5.5
General administrative expenses	**1,346**	1,184	(162)	-13.7
Property-related expenses	**200**	188	(12)	-6.4
Depreciation	**384**	394	10	2.5
Advertising and public relations	**142**	102	(40)	-39.2
Other	**187**	70	(117)	-167.1
Total operating expenses	**3,965**	**3,555**	**(410)**	**-11.5**
Trinidad and Tobago	**1,975**	1,668	(307)	-18.4
Barbados	**311**	305	(6)	-2.0
Guyana	**237**	218	(19)	-8.7
Cayman Islands	**523**	461	(62)	-13.4
Eastern Caribbean	**605**	486	(119)	-24.5
Suriname	**102**	77	(25)	-32.5
Ghana	**233**	284	51	18.0
British Virgin Islands	**95**	68	(27)	-39.7
Less eliminations and other adjustments	**(116)**	(12)	104	-866.7
Total operating expenses	**3,965**	**3,555**	**(410)**	**-11.5**

NET PROFIT

$1.75B

NET INTEREST INCOME

$4.66B

OTHER INCOME

$2.14B

TOTAL TAXATION

$0.67B

The performance of the Group this fiscal reflects the improved economic outlook of all economies within which we operate. We however remain conscious of the increasing inflation, high energy prices and geopolitical issues that continue to plague the world.

The Group incurred total operating expenses of $4.0 billion for the year ended September 30, 2023. This reflects an increase of $410 million or 11.5 percent above the prior year. This increase is due to the net effect of several areas as follows:

- Staff costs increased by $89 million due to increased salaries following settlement of union negotiations in Grenada and Trinidad and Tobago, combined with increased profit sharing in Trinidad and Tobago and the Eastern Caribbean.
- General administrative expenses increased by $162 million or 13.7 percent mainly due to the net effect of the following across the Group:
  - In Trinidad and Tobago, total administrative expenses increased by $174 million, due to higher expenses in relation to IT-related costs and higher credit card expenses due to higher transaction volumes in the current year. Included in the IT-related costs is $87 million for services provided by Republic Bank Limited to the RFHL subsidiaries which were subsequently eliminated on consolidation.
  - In Suriname, these costs increased by $24 million, mainly due to higher technology costs and regulatory expenses.
  - Expenses decreased in the Eastern Caribbean by $18 million mainly due to the reversal of fees which were provided for in the previous year.
  - In Guyana and Cayman Islands, expenses decreased by $9.4 million and $9.8 million respectively due to the prudent management of expenses during the year.
- Property-related expenses increased by $12 million or 6.4 percent, mainly due to increased property maintenance cost in Trinidad and Tobago, the Eastern Caribbean, Guyana, Cayman Islands and BVI.
- The $40 million increase in advertising and public relations was mainly due to increased spend to raise the awareness of the Brand across the Group.
- Other expenses increased by $117 million mainly due to the impairment of goodwill in Ghana.

CREDIT LOSS EXPENSE ON FINANCIAL ASSETS

All figures are stated in TT$ millions

	2023	2022	Change	% Change
Loans and advances	**289**	222	(67)	-30.2
Debt instruments measured at amortised cost	**(247)**	(2)	245	-12250.0
Other assets	**139**	–	(139)	– 0.0
Total	**181**	**220**	**39**	**17.7**

For the year ended September 30, 2023, the Group incurred total credit loss expense on financial assets of $181 million, a decrease of $39 million or 17.7 percent.

ECLs on loans and advances increased by $67 million, while an impairment of other assets of $139 million was recognised in Trinidad and Tobago and Ghana.

The credit loss recovery on debt instruments increased by $245 million, mainly due to a write back of provisions on previously defaulted debt with the Governments of Barbados and Suriname, in accordance with the relevant accounting standards.

CREDIT LOSS EXPENSE – LOANS AND ADVANCES

All figures are stated in TT$ millions

	2023	2022	Change	% Change
Retail lending	**159**	53	(106)	-200.0
Corporate and commercial lending	**110**	123	13	10.6
Mortgages	**20**	46	26	56.5
	289	**222**	**(67)**	**-30.2**
Trinidad and Tobago	**206**	188	(18)	-9.6
Barbados	**(26)**	(41)	15	36.6
Guyana	**24**	15	(9)	-60.0
Cayman Islands	**8**	(5)	(13)	-260.0
Eastern Caribbean	**34**	3	(31)	-1033.3
Suriname	**9**	4	(5)	-125.0
Ghana	**19**	56	37	66.1
British Virgin Islands	**15**	2	(13)	-650.0
Total	**289**	**222**	**(67)**	**-30.2**

Credit loss expense on loans and advances for the year ended September 30, 2023, totaled $289 million, an increase of $67 million or 30.2 percent compared to the previous year. This movement was mainly due to the impact of increases in the Eastern Caribbean, mainly in the stage 3 category.

Other increases in Trinidad and Tobago, Barbados, Cayman Islands and BVI were due to higher provisions within the stage 2 and stage 3 categories.

These increases were offset by a decrease of $37 million in Ghana, mainly due to a reduction in the stage 3 category in the current period.

CREDIT LOSS (RECOVERY)/EXPENSE ON DEBT SECURITY INSTRUMENTS MEASURED AT AMORTISED COST

All figures are stated in TT$ millions

	2023	2022	Change	% Change
Trinidad and Tobago	**1**	–	(1)	-100.0
Barbados	**(328)**	(7)	321	-4585.7
Ghana	**146**	1	(145)	14500.0
Suriname	**(62)**	–	62	100.0
Eastern Caribbean	**(3)**	1	4	400.0
Cayman Islands	**(1)**	3	4	133.3
Total	**(247)**	**(2)**	**245**	**-12250.0**

Group President and CEO's Discussion and Analysis

For the year ended September 30, 2023, the Group experienced a net recovery of $247 million in credit losses on debt security instruments measured at amortised cost. This represents a reduction of $245 million when compared to the previous year.

The reduction in Barbados and Suriname was mainly due to a write-back on the Government debts in both countries. These reductions were offset against an increase in Ghana due to the default of the Government of Ghana debt during the year.

REVIEW OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

All figures are stated in TT$ millions

	2023	2022	Change	% Change
Total assets	**112,928**	110,978	1,950	1.8
Liquid assets	**24,635**	26,492	(1,857)	-7.0
Investments	**20,216**	19,954	262	1.3
Advances	**60,656**	56,829	3,827	6.7
Deferred tax assets	**353**	317	36	11.4
Total deposits and other funding instruments	**93,563**	92,048	(1,515)	-1.6
Total equity	**14,268**	13,370	898	6.7

TOTAL ASSETS

At September 30, 2023, the Group's total assets stood at $112.9 billion, an increase of $2.0 billion or 1.8 percent over the asset base of 2022. This increase was mainly due to the combined effect of a $3.8 billion growth in advances offset by a decrease in liquid assets of $1.9 billion.

INVESTMENTS

Investments increased by $0.3 billion, the effect of increases of $0.7 billion in BVI, $0.3 billion in Barbados and $0.2 billion in Ghana, offset by decreases in Trinidad and Tobago, Cayman Islands and Guyana of $0.5 billion, $0.2 billion and $0.1 billion respectively, with smaller variances in the other countries.

DEPOSITS AND OTHER FUNDING INSTRUMENTS

Deposits and other funding instruments, the Group's main source of liquidity, increased by $1.5 billion or 1.6 percent over the prior year. $1.1 billion of the growth emanated from the Eastern Caribbean, $0.9 billion from Guyana and $0.7 billion from Ghana. These increases were offset by declines in Trinidad and Tobago, and Barbados of $0.6 billion and $0.3 billion, along with smaller variances in other countries.

TOTAL EQUITY

Total equity as at September 30, 2023, increased by $0.9 billion or 6.7 percent from the prior year, the net effect of profits and dividend payments. The Group's capital adequacy ratio remains robust at 14.18 percent (Basel II) at September 30, 2023, underscoring the Group's ability to maintain adequate capital levels.

LOANS AND ADVANCES

All figures are stated in TT$ millions

	2023	2022	Change	% Change
Retail lending	**8,819**	8,403	416	5.0
Corporate and commercial lending	**19,154**	17,847	1,307	7.3
Mortgages	**32,683**	30,579	2,104	6.9
	60,656	**56,829**	**3,827**	**6.7**
Trinidad and Tobago	**29,744**	28,062	1,682	6.0
Barbados	**5,610**	4,931	679	13.8
Guyana	**3,688**	3,256	432	13.3
Cayman Islands	**7,615**	7,320	295	4.0
Eastern Caribbean	**9,890**	9,013	877	9.7
Suriname	**837**	917	(80)	-8.7
Ghana	**1,277**	1,296	(19)	-1.5
British Virgin Islands	**1,995**	2,034	(39)	-1.9
Total	**60,656**	**56,829**	**3,827**	**6.7**

Loans and advances increased by $3.8 billion or 6.7 percent, from $56.8 billion in 2022 to $60.6 billion in 2023.

- In Trinidad and Tobago, total advances increased by $1.7 billion or 6.0 percent, mainly through growth in the mortgages portfolio.
- In Barbados, total advances increased by $0.7 billion or 13.8 percent, reflective of growth in the corporate and commercial and mortgages portfolios.
- In Guyana, total advances increased by $0.4 billion or 13.3 percent, reflective of growth across all segments.
- The growth in Cayman Islands' portfolio of $0.3 billion or 4.0 percent emanated from the corporate and commercial portfolio.
- The Eastern Caribbean increased by $0.9 billion or 9.7 percent mainly through mortgage growth.

LOANS AND ADVANCES

All figures are stated in TT$ millions

	Trinidad and Tobago	Barbados	Guyana	Cayman Islands	Eastern Caribbean	Suriname	Ghana	British Virgin Islands	Total 2023	Total 2022
Performing loans	29,629	5,328	3,657	7,585	9,252	847	1,167	1,884	**59,349**	56,025
Non-performing loans (NPL's)	1,299	392	67	130	954	18	233	201	**3,294**	2,720
Gross loans	30,928	5,720	3,724	7,715	10,206	865	1,400	2,085	**62,643**	58,745
Allowance for ECL losses	(1,051)	(101)	(22)	(69)	(287)	(23)	(115)	(73)	**(1,741)**	(1,696)
Unearned loan origination fees	(131)	(9)	(15)	(32)	(29)	(3)	(8)	(19)	**(246)**	(220)
Net loans	**29,746**	**5,610**	**3,687**	**7,614**	**9,890**	**839**	**1,277**	**1,993**	**60,656**	**56,829**

LOANS AND ADVANCES (continued)

All figures are stated in TT$ millions

	Trinidad and Tobago	Barbados	Guyana	Cayman Islands	Eastern Caribbean	Suriname	Ghana	British Virgin Islands	Total 2023	Total 2022
Allowances for ECL										
Stage 1	224	25	14	23	91	7	14	13	**411**	456
Stage 2	195	6	1	4	37	10	5	5	**263**	280
Stage 3	632	70	7	42	159	6	96	55	**1,067**	960
Total ECL	**1,051**	**101**	**22**	**69**	**287**	**23**	**115**	**73**	**1,741**	**1,696**
Non-performing loans to gross loans (%)	**4.2**	**6.9**	**1.8**	**1.7**	**9.3**	**2.1**	**16.7**	**9.6**	**5.3**	**4.6**
Stage 3 ECL's as a % of NPL's	**48.7**	**17.9**	**10.4**	**32.3**	**16.7**	**33.3**	**41.2**	**27.4**	**32.4**	**35.3**
Total ECL as a % of gross loans	**3.4**	**1.8**	**0.6**	**0.9**	**2.8**	**2.7**	**8.2**	**3.5**	**2.8**	**2.9**

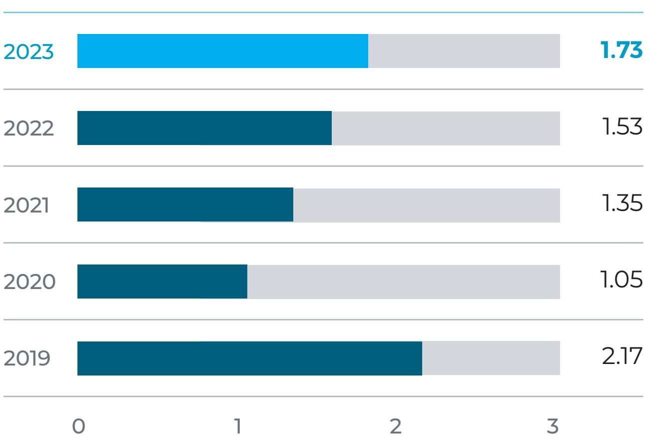
As at September 30, 2023, the Non-Performing Loans (NPLs) to gross loans ratio for the Group stands at 5.3 percent, an increase of 0.7 percent above the 4.6 percent reported in 2022. This increase emanated mainly from Trinidad and Tobago where the NPL ratio increased from 3.6 percent in 2022 to 4.2 percent in 2023, following the relegation of one large corporate loan.

The Group recorded a provision coverage ratio of 32.4 percent for its non-performing (Stage 3) facilities as at September 2023, slightly down from 35.3 percent in September 2022, with Trinidad and Tobago maintaining coverage ratios in excess of 40 percent.

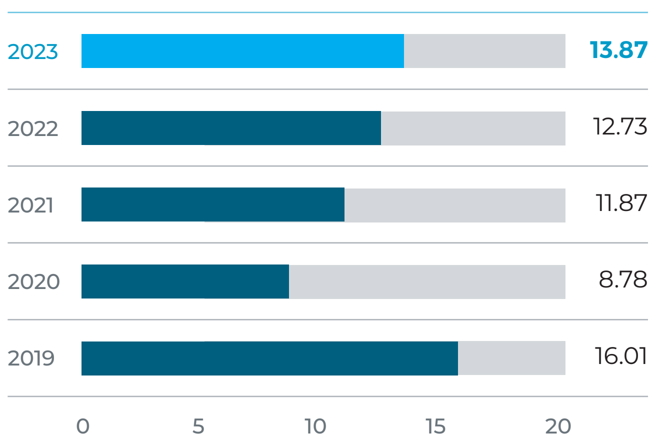
Including Expected Credit Losses (ECLs) for the Group's performing portfolio designated as stage 1 and stage 2 under International Financial Reporting Standards (IFRS) 9, the Group maintains total provisions of $1.7 billion, which represents 2.8 percent of gross loans, relatively stable with the 2.9 percent in 2022.

PERFORMANCE RATIOS

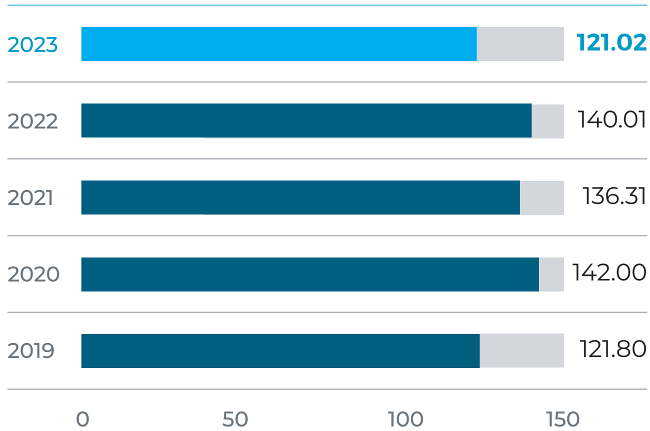
RETURN ON ASSETS %



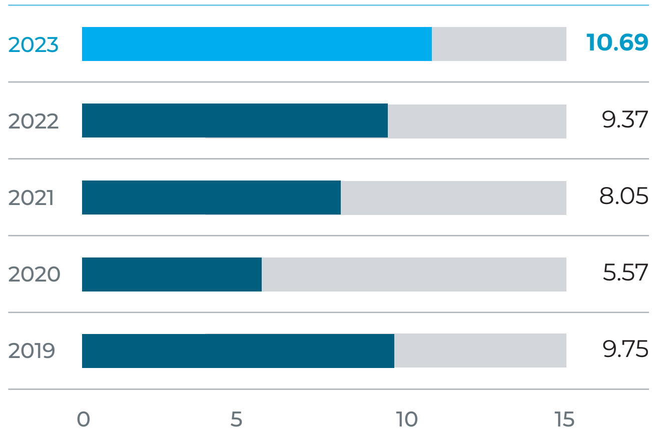
RETURN ON EQUITY %



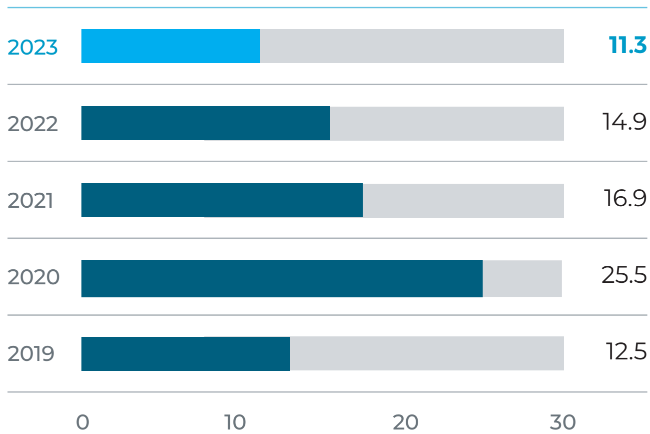
SHARE PRICE $



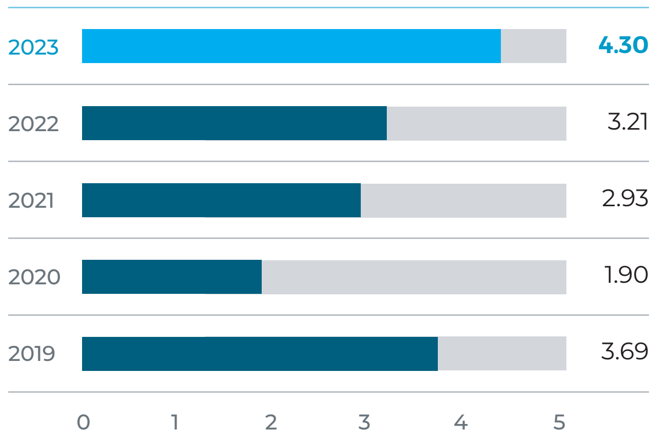
EARNINGS PER SHARE $



PRICE EARNINGS RATIO



DIVIDEND YIELD %



The increase in profitability in 2023 is reflected in the rise in most key ratios in 2023, with the Return on Average Assets (ROA) ratio increasing from 1.53 percent in 2022 to 1.73 percent in 2023, and the Return on Average Equity (ROE) ratio increasing from 12.73 percent in 2022 to 13.87 percent in 2023.

Earnings Per Share (EPS) also increased from $9.37 in 2022 to $10.69 in 2023, an increase of $1.32 per share. RFHL's share price closed at $121.02 as at September 30, 2023, a decline of $18.99 over the past year, while the Price/Earnings (P/E) ratio decreased from 14.9 times in 2022 to 11.3 times in 2023.

Based on these results, the Group has declared a final dividend payment of $4.10, bringing the total dividend for the year to $5.20. Assessed against RFHL's closing share price of $121.02, this represents a dividend yield to shareholders of 4.30 percent.

CAPITAL STRUCTURE

The Group's policy is to diversify its sources of capital, to allocate capital within the Group efficiently and to maintain a prudent relationship between capital resources and the risk of its underlying business. Capital adequacy is monitored by each member of the Group, employing techniques based on the guidelines developed by the Basel Committee on Banking Regulations and Supervisory Practice (the Basel Committee), as implemented by the respective Central Banks for supervisory purposes. In Trinidad and Tobago, the Basel II Regulations were promulgated in May 2020. Under these regulations, the risk-based capital guidelines require a minimum ratio of core capital (Tier I) to risk-weighted assets of 6 percent, with a minimum total qualifying capital (Tier I plus Tier II) ratio of 10 percent. Core (Tier I) capital comprises mainly of shareholders' equity.

All companies within the Group maintain capital ratios well in excess of the regulatory requirement and the Group continues to maintain a strong capital base, reflected in a Group capital adequacy ratio of 14.18 percent as at September 2023, well in excess of the 10 percent minimum requirement under Basel II. Republic Bank (Cayman) Limited's capital adequacy ratio was 0 percent as at September 30, 2023, as this entity was sold to Cayman National Bank Ltd. during the current period, and therefore ceased to operate as a separate legal entity.

An Internal Capital Adequacy Assessment Process (ICAAP) is submitted on an annual basis to the respective regulatory bodies in Trinidad and Tobago, Eastern Caribbean and the Cayman Islands.

CAPITAL ADEQUACY RATIO %

	2023	2022
Basel II		
Republic Financial Holdings Limited	**14.18**	13.76
Republic Bank Limited	**14.04**	15.04
Republic Bank (Ghana) Limited	**17.48**	21.49
Cayman National Bank Ltd.	**26.03**	26.54
Republic Bank (Barbados) Limited	**16.64**	19.12
Republic Bank (Guyana) Limited	**20.25**	16.81
Republic Bank (Cayman) Limited	**-**	27.55
Basel I		
Republic Bank (Grenada) Limited	**12.70**	12.08
Republic Bank (Suriname) N.V.	**15.09**	13.55
Atlantic Financial Limited	**68.81**	74.28
Republic Bank (EC) Limited	**16.66**	14.57
Republic Bank (BVI) Limited	**27.79**	29.86

OUTLOOK

The performance of the Group this fiscal reflects the improved economic outlook of all economies within which we operate. We however remain conscious of the increasing inflation, high energy prices and geopolitical issues that continue to plague the world.

During the year, conversion of the IT systems was completed for Grenada (legacy Republic Bank (Grenada) Limited branches) and Barbados. The successful implementation of this common platform will enable the Group to offer our Caribbean clients a common experience and provide synergies through the shared support services infrastructure to allow for improved efficiency and reduced costs.

The Group also continues to work on improving its employee engagement, customer focus and digital strategy to increase our ability to continue adding value to our customers and staff.

I thank the Board of Directors for their continued support, our staff for their hard work and dedication, and our customers and shareholders for the confidence they have placed in us to successfully steer the Group through the challenges of the past year.

Group Vice Presidents

P. VIC. SALICKRAM

JOINED June 14, 2004

CREDENTIALS

- Chartered Financial Analyst, Charterholder (CFA)
- Financial Risk Manager, Global Association of Risk Professionals (FRM)
- Fellow, Association of Chartered Certified Accountants (FCCA)
- Member, Chartered Institute of Management Accountants (CIMA)
- Member, Chartered Institute of Global Management Accountants (CGMA)
- Graduate, Harvard Business School Advanced Management Programme

PROFESSIONAL SUMMARY

- A member of the Republic Group for two decades. He previously served as Chief Financial Officer and Chief Risk Officer of the Group.

INTERNAL APPOINTMENTS

- Vice President, Republic Bank Limited
- Chairman, Republic Bank (Suriname) N.V.
- Board Member, Republic Bank (Guyana) Limited
- Board Member, Republic Bank (Ghana) PLC.
- Board Member, Republic Life Insurance Company

RICHARD S. SAMMY

JOINED March 1, 2009

CREDENTIALS

- Bachelor of Science with Honours in Management Studies, University of the West Indies
- Master of Business Administration, Warwick Business School
- Graduate, Advanced Management Program, The Wharton School

PROFESSIONAL SUMMARY

- Distinguished banker with over 20 years experience
- Former General Manager, Corporate and Investment Banking, Republic Bank Limited; Managing Director, Republic Bank (Guyana) Limited; Regional Manager, Corporate Business – South and Investment Banking Division, Republic Bank Limited
- Former Chairman, Guyana Association of Bankers Inc.
- Former Director, American Chamber of Commerce of Guyana and Caribbean Association of Banks Inc.

INTERNAL APPOINTMENTS

- Vice President, Republic Bank Limited
- Chairman, Republic Bank (BVI) Limited
- Chairman, Republic Life Insurance Company Limited
- Chairman, Republic Wealth Management Limited
- Chairman, Republic Investments Limited
- Chairman, Republic Insurance Cayman Company Ltd.
- Board Member, Cayman National Corporation Ltd. and Cayman National Bank Ltd.

EXTERNAL APPOINTMENTS

- Director, The Heroes Foundation

Group Vice Presidents

KAREN T. YIP CHUCK

JOINED October 1, 1990

CREDENTIALS
- Bachelor of Science in Economics with Honours, University of the West Indies
- Master of Business Administration, Heriot Watt University of Edinburgh
- Graduate, Advanced Management Programme, Harvard Business School
- Diploma in Business Administration, Heriot Watt University of Edinburgh
- Certified Internal Auditor and Associate, Chartered Institute of Banking

PROFESSIONAL SUMMARY
- Career banking professional with more than 30 years' experience including numerous senior management and executive leadership positions in the Bank
- Past General Manager, Commercial and Retail Banking, Corporate and Investment Banking, Wealth Management, Internal Audit, Republic Bank Limited

INTERNAL APPOINTMENTS
- Chairperson, Republic Bank (Barbados) Limited, Republic Bank Trinidad & Tobago (Barbados) Limited, Republic Funds Barbados Inc., Republic Bank (EC) Limited, Republic Bank (Grenada) Limited, Republic Bank (St Maarten) N. V., Republic Bank (Anguilla) Limited

EXTERNAL APPOINTMENTS
- Vice President, Trinidad and Tobago Chamber of Industry and Commerce
- Director, United Way, International Women's Forum of T&T
- Chancellor's Nominee, UWI Campus Council

Together for the win

Across the Caribbean we're like any family, you can spot us by our similar characteristics. We are focused on you, full of progressive solutions, and busy transforming lives. All of us have the same spirit of service and willingness to be there for you.

Republic Bank Limited

Republic Bank Limited is one of the largest and longest serving indigenous banking and financial services organisations in Trinidad and Tobago, offering a complete range of products and services to retail and commercial banking customers, corporate clients, and governments.

The Bank's extensive presence is unmatched in the twin island republic. It offers the largest number of branches (38) and the widest reaching network of Automated Teller Machines (ATMs): 125 ATMs in 83 locations, and it is currently the nation's largest credit card operator.

REGISTERED OFFICE
Republic House
9-17 Park Street, Port of Spain
Trinidad and Tobago, West Indies
Tel: (868) 625-4411, 623-1056
Fax: (868) 624-1323
Swift: RBNKTTPX
Email: email@rfhl.com
Website: www.republictt.com

NIGEL M. BAPTISTE

PRESIDENT AND MANAGING DIRECTOR

JOINED March 1, 1991

CREDENTIALS
- Bachelor of Science in Economics with Honours, Master of Science in Economics, University of the West Indies
- Graduate, Advanced Management Programme, Harvard Business School
- Diploma with Distinction, ABA Stonier Graduate School of Banking
- Member, Chartered Institute of Bankers

PROFESSIONAL SUMMARY
- Career banker with more than three decades of experience
- Group President and Chief Executive Officer, Republic Financial Holdings Limited
- Past General Manager, Human Resources, Republic Bank Limited
- Past Managing Director, Republic Bank (Guyana) Limited

INTERNAL APPOINTMENTS
- Group President and Chief Executive Officer, Republic Financial Holdings Limited
- Chairman, Republic Bank (Guyana) Limited, Cayman National Corporation Ltd. and Cayman National Bank Ltd.
- Board Member, Republic Financial Holdings Limited and Republic Bank (Ghana) PLC.

P. VIC. SALICKRAM

VICE PRESIDENT

FCCA, ACMA, CGMA, CA, CFA, FRM

JOINED June 14, 2004

RICHARD S. SAMMY

VICE PRESIDENT

BSc (Hons.) (Mgmt. Studies), MBA

JOINED March 1, 2009

KAREN T. YIP CHUCK

VICE PRESIDENT

BSc (Hons.) (Econ.), MBA, Dip. (Business Admin.), ACIB, CIA

JOINED October 1, 1990

Republic Bank Limited

BEVON ALVAREZ

GENERAL MANAGER,
CREDIT RISK MANAGEMENT

Bsc (Hons.) (Mgmt. Studies), MBA (Cantab), CFA

JOINED March 1, 2021

JOHN PETER CLARKE

GENERAL MANAGER,
WEALTH MANAGEMENT

MA (Cantab)

JOINED November 18, 2013

RIAH DASS-MUNGAL

GENERAL MANAGER,
CORPORATE AND INVESTMENT BANKING

BSc (Hons.) (Acct.), FCCA

JOINED March 8, 2004

KIMBERLY ERRIAH-ALI

GROUP GENERAL COUNSEL
AND CORPORATE SECRETARY

LLB (Hons.), LEC, MBA, ACAMS

JOINED April 1, 2002

PRESTON GEORGE

GENERAL MANAGER,
GROUP HUMAN RESOURCES

BSc (Hons.) (Sociology), LLB (Hons.), EMBA (Dist.)

JOINED January 2, 2014

HAMANT LALLA

GENERAL MANAGER,
INTERNAL AUDIT

MBA, Cert. IFRS, FCCA

JOINED February 27, 2007

MARSHA MC LEOD-MARSHALL

GENERAL MANAGER,
PLANNING AND FINANCIAL CONTROL

MSc (Dist.) (Int'l Fin.), FCCA, CA

JOINED November 1, 2006

SHAZARD MOHAMMED

GENERAL MANAGER,
COMMERCIAL AND RETAIL BANKING

BSc (Hons.) (Econ.), PgDip. (Mktg.), NPS, EMBA (Dist.), C.Dir.

JOINED July 19, 2010

MARLON PERSAD

GENERAL MANAGER,
IT CONSOLIDATION

BSc (Computer Studies), MSc (Computer Science), EMBA (Dist.), CGEIT, AMLCA

JOINED January 1, 2007

Republic Bank Limited

ALDRIN RAMGOOLAM

GENERAL MANAGER,
INFORMATION TECHNOLOGY MANAGEMENT

BSc (Hons.) (Computer Science), MBA (Dist.), Dip. (Business Mgmt.)

JOINED December 18, 1989

BALDATH RAMKISSOON

GENERAL MANAGER,
GROUP ENTERPRISE RISK

BSc (Hons.) (Mgmt.), MSc (Dist.) (Fin.), MBA

JOINED June 1, 1993

DENYSE RAMNARINE

GENERAL MANAGER,
DATA GOVERNANCE AND MANAGEMENT

BSc (Computer Science and Physics), MSc (Telecom.), MBA, P.Grad (Info Tech.), Dip. (Business Mgmt.)

JOINED March 4, 1996

DAVID ROBINSON

GENERAL MANAGER,
GROUP TREASURY

BA (Econ.), EMBA, CFA

JOINED February 26, 1996

HOUSTON ROSS

CHIEF INFORMATION AND DIGITAL TRANSFORMATION OFFICER (CONSULTANT)

BSc (Mgmt. Info. Systems), MBA

JOINED June 1, 2023

CARLENE SEUDAT

GENERAL MANAGER,
SHARED SERVICES

BSc (Acct. and Business Mgmt.)

JOINED February 10, 2020

KAREN TOM YEW

GENERAL MANAGER,
GROUP MARKETING AND COMMUNICATIONS

BSc (First Class Hons.) (Mgmt. Studies), LLB (Upper Second Class Hons.), International MBA, Fin. (First Class Hons.)

JOINED November 13, 1995

MICHAEL WALCOTT

GENERAL MANAGER,
GROUP BUSINESS TRANSFORMATION

BA (Acct.)

JOINED November 5, 2007

Republic Life Insurance Company Limited

Republic Life Insurance Company Limited (RLIC), a dynamic subsidiary of Republic Financial Holdings Limited, emerged as a startup powerhouse within the life insurance industry. The company was registered under the Insurance Act, 2018 on August 16, 2021, to carry on long-term insurance class of business and commenced writing business in 2022. The expansion into the insurance sector is a major milestone for the Republic Group and supports RFHL's strategic expansion of the range of products offered under the Republic brand. Fuelled by innovation and backed by the robust legacy of its parent company, Republic Life combines the agility of a startup with the stability of a financial giant. The RLIC vision is to redefine life insurance, bringing fresh perspectives and cutting-edge solutions to empower clients in securing a brighter future.

REGISTERED OFFICE
Republic House
9-17 Park Street, Port of Spain
Trinidad and Tobago, West Indies
Tel: (868) 625 1056
Email: rlicl@rfhl.com

ROBERT L. SOVERALL

MANAGING DIRECTOR
REPUBLIC LIFE INSURANCE COMPANY LIMITED
GENERAL MANAGER
CREDITOR PROTECTION, REPUBLIC BANK LIMITED

JOINED February 10, 2020

CREDENTIALS

- Bachelor of Science, Actuarial Science with Upper Second-Class Honours, City, University of London
- Diploma in Business Management, University of the West Indies, Institute of Business
- CFA Charter Holder, CFA Institute
- Chartered Director, Caribbean Governance Training Institute

PROFESSIONAL SUMMARY

- An experienced financial services executive with more than two decades of demonstrated industry expertise in insurance, risk management, investment management, governance and business-planning.
- Past Director, Wealth Management, Scotiabank Trinidad and Tobago Limited
- Past Managing Director, Scotia Investments Trinidad and Tobago Limited with responsibility for leading the Group's wealth/asset management segments within Trinidad and Tobago
- Past Managing Director and General Manager, ScotiaLife Trinidad and Tobago Limited
- Past Manager, Investments, Trust and Asset Management Division, Republic Bank Limited
- Past Manager, Money Market (Group Treasury), Republic Bank Limited

Republic Wealth Management Limited

Republic Wealth Management Limited is one of the most experienced wealth management firms in Trinidad and Tobago, currently offering a comprehensive range of investment advisory and financial planning services tailored to suit the objectives and needs of individual and corporate clients. A member of the Trinidad and Tobago Stock Exchange for more than a decade, Republic Wealth Management Limited is registered as a broker-dealer with the Trinidad and Tobago Securities and Exchange Commission and provides full-service stockbroking on the local stock exchange and via intermediaries on regional and international stock exchanges.

REGISTERED OFFICE

Ellerslie Plaza
#8 Rapsey Street, Maraval
Trinidad and Tobago, West Indies
Tel: (868) 623-0435
Fax: (868) 623-0441
Email: email@rfhl.com

CARLA KELSHALL

SENIOR MANAGER

JOINED September 16, 2013

CREDENTIALS

- Bachelor of Science in Economics and Mathematics with First Class Honours, University of Hull
- Chartered Financial Analyst Charterholder

PROFESSIONAL SUMMARY

- More than 20 years' investment management and actuarial experience in the banking and insurance sectors
- Represented the Bank in various roles, including Project Lead and Primary Brokerage Liaison, Investment Manager, Republic Wealth Management Limited and Investment Manager, Republic Trust Services Division

Republic Bank (Barbados) Limited

Republic Bank (Barbados) Limited is one of the longest operating banks in Barbados, having proudly served the nation for more than 40 years. Formerly Barbados National Bank Inc. (BNB), Republic Bank (Barbados) Limited has one of the largest networks in the country with seven conveniently located branches and 26 ATMs. As a leading financial institution, the Bank offers an array of financial services such as personal and commercial lending, as well as premium, corporate and investment banking.

REGISTERED OFFICE
Independence Square
Bridgetown, Barbados
West Indies
Tel: (246) 431-5999
Swift: BNBABBBB
Email: rbbbinfo@rfhl.com
Website: www.republicbarbados.com

ANTHONY P. S. CLERK

MANAGING DIRECTOR, CHIEF EXECUTIVE OFFICER

JOINED September 13, 1982

CREDENTIALS

- Executive Master of Business Administration, Diploma in Business Management, Arthur Lok Jack Global School of Business, University of the West Indies
- Diploma in Banking, Institute of Banking and Finance of Trinidad and Tobago

PROFESSIONAL SUMMARY

- A career banker with over a decade of experience at the senior management level
- President, The Barbados Bankers Association (TBBA)
- Past Regional Corporate Manager, Corporate Business Centre – East/Central, past Corporate Manager, Corporate Business Centre – North, past Branch Sales Manager, Ellerslie Court, Republic Bank Limited
- Past General Manager, Credit, Republic Bank (Grenada) Limited
- Past Non-Executive Board Member, National Enterprises Limited

JOY INNISS

GENERAL MANAGER,
FINANCE AND ADMINISTRATION

MSc (Intl. Fin.), FCCA, ACCA

JOINED September 3, 2007

STEVEN JORDAN

GENERAL MANAGER,
CREDIT AND ENTERPRISE RISK

BSc (Acct.), CGA

JOINED November 26, 1996

SHARON ZEPHIRIN

GENERAL MANAGER,
RETAIL AND OPERATIONS

BSc (Acct.), EMBA

JOINED October 10, 1989

Republic Bank (BVI) Limited

Republic Bank (BVI) Limited officially became a wholly-owned subsidiary of Republic Financial Holdings Limited on June 1, 2020. A fully comprehensive Bank, Republic Bank (BVI) Limited offers customers a full suite of financial products and services through its one branch and five ATMs.

REGISTERED OFFICE
P.O. Box 434
Road Town, Tortola
British Virgin Islands
Tel: (284) 494-2526
Email: republicbank.bvi@rfhl.com
Website: www.republicbankbvi.com

MARION A. BLYDEN

MANAGING DIRECTOR

JOINED November 7, 2018

CREDENTIALS

- Bachelor of Business Administration in Finance and Investments (summa cum laude), Baruch College, City University of New York
- Master of Business Administration in Finance, Wright State University
- Master's Certificate in Project Management and Monitoring and Measurement: Certification I, Laval University, IDEA International and H. Lavity Stoutt Community College
- Certificates in Financial Counselling and Personal Lending, Institute of Canadian Bankers
- Certified Continuity Manager, National Institute for Business Continuity Management

PROFESSIONAL SUMMARY

- A career banker with nearly two decades of expertise in finance, business continuity management, personal financial counselling and lending, operations management, project management, risk management, and business development
- Former Managing Director, Scotiabank (British Virgin Islands) Limited
- Past Chief Operations Officer, National Bank of the Virgin Islands Limited
- Past Head of Retail, Operations and Small Business, Wealth Manager and International Premier Manager, CIBC FirstCaribbean International Bank Limited (British Virgin Islands)

EXTERNAL APPOINTMENTS

- Member, Golden Key International Honour Society
- Charter Member, Zonta Club of Tortola
- Member/Director, Rotary Club Sunrise of Road Town

Cayman National Corporation Ltd.

In 2019, Republic Financial Holdings Limited acquired a 74.9% shareholding in Cayman National Corporation Ltd. (csx: CNC), a publicly traded entity on the Cayman Islands Stock Exchange. Established in 1974, CNC is the leading financial services company based in the Cayman Islands and is the parent company of various licensed subsidiaries such as Cayman National Bank Ltd., Cayman National Fund Services Ltd., Cayman National Securities Ltd., Cayman National Bank (Isle of Man) Limited and Cayman National Trust Company (Isle of Man) Limited. Through these subsidiaries, CNC provides full-service banking, company and trust management, fund administration, and investment brokerage in the Cayman Islands and the Isle of Man.

REGISTERED OFFICE
Suite 6201, 62 Forum Lane,
Camana Bay
PO Box 30239
Grand Cayman KY1–1201
Cayman Islands
Tel: (345) 949-4655
Email: cnb@caymannational.com
Website: www.caymannational.com

JANET HISLOP

CHIEF EXECUTIVE OFFICER

JOINED April 1, 2019

CREDENTIALS

- Bachelor of Science in Financial Services with Honours, University of Manchester
- Bachelor of Science in Molecular Biology and Genetics with Honours, University of Guelph
- Trust and Estate Practitioner, STEP
- Certified Anti-Money Laundering Specialist
- Associate, Chartered Institute of Bankers
- Certificate, Canadian Securities Institute

PROFESSIONAL SUMMARY

- Decades of senior level banking experience including leadership positions with Barclays Bank, CIBC, and Deutsche Bank (Cayman) Limited, serving at the latter for 11 years as Chief Country Officer
- Past Genetics Counsellor/Medical Social Worker, and Training Manager, Cayman Islands Government

INTERNAL APPOINTMENTS

- Director, Cayman National Corporation Ltd.
- President, Cayman National Bank Ltd.
- Chairperson, Cayman National Fund Services Ltd.
- Chairperson, Cayman National Securities Ltd.
- Chairperson, Cayman National Bank (Isle of Man) Limited
- Chairperson, Cayman National Trust Company (Isle of Man) Limited

EXTERNAL APPOINTMENTS

- Board Member, Cayman Finance Ltd.

Cayman National Corporation Ltd.

RYAN BAHADUR

EXECUTIVE VICE PRESIDENT
CHIEF OPERATING OFFICER

BSc (Hons.) (Mgmt. and Fin.), CAMS, FRM, CIPM

JOINED September 1, 2016

BRIAN ESAU

EXECUTIVE VICE PRESIDENT

BA, Dip. (Fin. Mgmt.), CSC, TEP, FICB

JOINED January 7, 2008

RAVI MYKOO

EXECUTIVE VICE PRESIDENT

BSc (Hons.) (Econ. and Mgmt.), CFA

JOINED February 1, 2023

BILLY PENNINGTON

EXECUTIVE VICE PRESIDENT,
GROUP CHIEF INFORMATION OFFICER

BSc (Hons.) Applied Computer Science, MCSE, CNE

JOINED March 15, 2021

IAN WHAN TONG

EXECUTIVE VICE PRESIDENT,
GROUP LEGAL COUNSEL AND
CORPORATE SECRETARY

AB, MPA, JD, CAMS, CIPP/E, CIPM

JOINED June 11, 2007

Republic Bank (EC) Limited

Republic Bank (EC) Limited (RBEC) officially opened its doors as a wholly-owned subsidiary of Republic Financial Holdings Limited on November 1, 2019. RBEC, a licensed bank in Saint Lucia, has branches in Dominica, St. Kitts and Nevis, Saint Lucia and St. Vincent and the Grenadines. The RBEC Group also consists of Republic Bank (St. Maarten) N.V. and Republic Bank (Anguilla) Limited which are wholly-owned subsidiaries. Across these territories, RBEC offers comprehensive banking services through 11 branches and 35 ATMs.

REGISTERED OFFICE
First Floor
Meridian Place
Choc Estate, Castries
Saint Lucia, West Indies
Tel: (758) 456-2300
Website: www.republicbankec.com

MICHELLE I. PALMER

MANAGING DIRECTOR

JOINED November 28, 1983

CREDENTIALS

- Advanced Diploma in Marketing Management, Association of Business Executives
- Diploma in Management Studies, Arthur Lok Jack Global School of Business, University of the West Indies
- Member, Association of Business Executives

PROFESSIONAL SUMMARY

- Expertise in credit card business
- Extensive experience in product development, operational management and strategic management
- Senior member of the Group for more than three decades
- Former General Manager, Group Marketing and Communications
- Former Board Member, Vision on Mission
- Past President of the Trinidad and Tobago Association of Hotels, Restaurants and Tourism

AWARDS

- ABE World Prize for Quantitative Methods

INTERNAL APPOINTMENTS

- Director, Republic Bank (Anguilla) Limited

Republic Bank (EC) Limited

TRACY-ANNE BARTHOLOMEW

MANAGING DIRECTOR DESIGNATE

JOINED April 1, 2017

CREDENTIALS

- Bachelor of Science in Mathematics and Economics, University of the West Indies
- Postgraduate Diploma in Actuarial Techniques, Institute of Actuaries
- Postgraduate Diploma in Actuarial Management and Postgraduate Diploma in Actuarial Science, City University

PROFESSIONAL SUMMARY

- Significant industry expertise in actuarial science, investment and asset management, and general insurance with close to two decades serving at the senior level
- With in the Bank, she has served as General Manager, and as Senior Manager, Group Treasury, with full responsibility for monitoring and managing the Group's liquidity, including interest rate risk limits and liquidity risk limits. She has also served as Manager, Investments, Group Treasury
- She has also held senior management positions at RBC Financial Bank (Caribbean) Limited and as a Senior Actuarial Analyst at Guardian Life of the Caribbean, Trinidad

JANELLE BERNARD

GENERAL MANAGER,
LEGAL SERVICES/CORPORATE SECRETARY

LLB (Hons.), MBA, CAMS, Cert. IRM, C.C. Sec, C.Dir.

JOINED August 19, 2002

VERNON GORDON JULIEN

GENERAL MANAGER,
CORPORATE SERVICES

BSc (Econ. and Acct.), MSc (Fin. Mgmt.) C.C. Sec.

JOINED November 1, 2019

Republic Bank (Ghana) PLC.

Republic Bank (Ghana) PLC. is a subsidiary of Republic Financial Holdings Limited. Republic Bank is a leading universal banking institution in Ghana and arguably the most diversified, providing a wide range of banking services, including corporate, commercial and retail banking; investment banking; mortgage banking; custody services, pensions management and microfinance. Republic Bank (Ghana) PLC. operates in eight out of the 16 regions in Ghana, with 38 branches and 47 ATMs nationwide.

REGISTERED OFFICE
'Ebankese', #35 Sixth Avenue
North Ridge
P.O. Box CT 4603
Cantonments, Accra
Ghana, West Africa
Tel: (233) 302 242090-4
Swift: HFCAGHAC
Email: email@republicghana.com
Website: www.republicghana.com

BENJAMIN DZOBOKU

MANAGING DIRECTOR

JOINED January 15, 2007

CREDENTIALS

- Master of Business Administration in Financial Management, St. Clements University
- Master of Public Administration, Ghana Institute of Management and Public Administration (GIMPA)
- Chartered Accountant (ICA, Ghana)
- Certified Chartered Director, Caribbean Governance Training Institute (CGTI)
- Certificate in Quantitative Finance (CQF)
- Fellow, Institute of Financial Accountants (IFA, UK)
- Member, Chartered Institute of Taxation (CIT, Ghana)
- Member, Association of Certified Fraud Examiners (ACFE, USA)

PROFESSIONAL SUMMARY

- Significant financial services experience in a career which includes leading roles as: Senior Internal Auditor; Head, Risk Management; Head, Internal Audit; Financial Controller; Treasurer; General Manager, Banking Operations; General Manager, Finance and Strategy; Chief Operating Officer
- Former Chairman, Mepe Rural Bank

RAY TRISTYN KLIEN

CHIEF OPERATING OFFICER

BA (Econ.), MBA (Fin.)

JOINED October 1, 2016

MANASSEH AFOH

CHIEF INFORMATION OFFICER

BSc (Electrical/Electronic Eng.)

JOINED September 1, 2023

FRANK YAOVI LAWOE

CHIEF RISK OFFICER

BSc (Agri.)

JOINED February 1, 2023

Republic Bank (Ghana) PLC.

JOSEPH LARYEA ASHONG

GENERAL MANAGER,
COMMERCIAL AND RETAIL BANKING

MBA (Fin.), ICA, ACFE

JOINED July 2, 2008

GABRIEL KWAMINA BONNEY

INTERNAL AUDITOR

BA (Math.), CEMBA, ICA

JOINED May 5, 2014

AKUA ODURAA BOTCHWAY

COMPANY SECRETARY

BA (Law and Pol. Sc.), QCL, MBA (Fin.)

JOINED October 3, 2022

JACOB KOFI MENSA HOBENU

HEAD,
CORPORATE BANKING

BSc (Agri.), MBA

JOINED January 14, 2007

TETTEH MAMAH

HEAD,
HUMAN RESOURCES

BSc (Biological Science), MSc (Environmental Science), MBA, Advanced Cert. (HR Mgmt.), HR Professional (Bkg.)

JOINED June 3, 2019

MADELINE NETTEY

GENERAL MANAGER,
REPUBLIC INVESTMENTS (GHANA) LIMITED

BSc (Math.), MPhil (Fin.) Certified Pensions Specialist

JOINED April 4, 2011

EVELYN OSEI-TUTU

GENERAL MANAGER,
REPUBLIC BOAFO LIMITED

BSc (Bkg. and Fin. with French), MA (Mktg. and Strategy), Fellow CICM, CIB Intermediate paper

JOINED March 1, 2007

Republic Bank (Grenada) Limited

Republic Bank (Grenada) Limited is a visionary organisation, a subsidiary of Republic Financial Holdings Limited which has a history spanning more than 180 years of service, stability, financial strength and vast experience in the areas of commercial, retail, merchant and corporate banking in the Eastern Caribbean. The Bank was incorporated in October 1979; and is one of the leading commercial banks in Grenada with a network of six branches and 18 ATMs. Having faithfully served our nation for over four decades, we have built a solid reputation as both a comprehensive financial services provider and an outstanding socially responsible corporate citizen, through our Power to Make A Difference programme. The Bank has won the Eastern Caribbean Central Bank (ECCB) title of Best Corporate Citizen, nine times in the award's 21-year history.

REGISTERED OFFICE

Republic House
Maurice Bishop Highway
Grand Anse, St. George
Grenada, West Indies
Tel: (473) 444-BANK (2265)
Fax: (473) 444-5501
Swift: NCBGGDGD
E-mail: rbgdinfo@rfhl.com
Website: www.republicgrenada.com

NAOMI E. DE ALLIE

MANAGING DIRECTOR

JOINED August 1, 1995

CREDENTIALS

- Bachelor of Science with Honours in Financial Services, University of Manchester
- Master of Science in Financial Services Management, University of London
- Associate, Chartered Institute of Bankers
- Chartered Director, Caribbean Governance Training Institute

PROFESSIONAL SUMMARY

- Career banker with a wealth of experience in commercial credit, corporate credit, and risk management streams, gathered over 28 years with the Republic Group
- General Manager, Credit and Enterprise Risk, Republic Bank (Barbados) Limited for three years
- General Manager, Credit, Republic Bank (Grenada) Limited for five years

MAVIS H. MC BURNIE

GENERAL MANAGER,
OPERATIONS (ACTING)

MBA, Exec Dip. (Dist.) (Mgmt. Studies), CAMS-RM, CAMS, AMLCA

JOINED October 23, 2002

KALAWATEE A. BICKRAMSINGH

GENERAL MANAGER,
CREDIT

MBA, Dip. (Fin. Mgmt.), AICB (Hons.), CPA, ICATT, C. Dir.

JOINED July 19, 1982

Republic Bank (Guyana) Limited

Republic Bank (Guyana) Limited is one of Guyana's largest and longest operating financial institutions, celebrating a history of service to the people of the nation for over 185 years. As a fully comprehensive bank, Republic Bank (Guyana) Limited provides its customers and clients customised, efficient, and competitively priced financial products and services across a network that spans 12 branches and 51 ATMs. Currently, in addition to the suite of services already provided, the Bank has placed significant emphasis on growing its lending portfolio, particularly in the areas of small and medium-sized enterprises. It has also strengthened its focus on corporate social investment driven by a long-ingrained philosophy of sustainable development in Guyana.

REGISTERED OFFICE
Promenade Court
155-156 New Market Street
North Cummingsburg, Georgetown
Guyana, South America
Tel: (592) 223-7938-49
Fax: (592) 233-5007
Swift: RBGL GYGG
Email: gyemail@rfhl.com
Website: www.republicguyana.com

STEPHEN R. GRELL

MANAGING DIRECTOR

JOINED March 1, 2021

CREDENTIALS

- Bachelor of Arts in Economics, Florida International University
- Master of Science in Finance, Chapman School of Business, Florida International University

PROFESSIONAL SUMMARY

- Career banker with a proven record of developing and executing strategies across the financial services landscape, while fostering senior level relationships at private and public sector organisations in the Caribbean, North and South America, and the United Kingdom
- Past Vice President – Banking, Capital Markets and Advisory, Citibank (Trinidad and Tobago) Limited
- Past Manager, Investment Banking Division, Republic Bank Limited
- Past Managing Partner/Portfolio Manager, Gracchi Capital
- Past Senior Investment Manager, Hartmann Capital Limited
- Past Investment Manager, Republic Bank (Cayman) Limited

EXTERNAL APPOINTMENTS

- Chairman, Guyana Association of Bankers Inc.

DENISE HOBBS

GENERAL MANAGER,
OPERATIONS

Dip. (Business Mgmt.), Cert. (Leadership)

JOINED August 20, 1979

VENUS FRITH

GENERAL MANAGER,
CREDIT

MSc (Dist.) (Int'l. Fin.), BSc (Bkg. and Fin.)

JOINED October 1, 2003

Republic Bank (Suriname) N.V.

Republic Bank (Suriname) N.V. offers customers a fully comprehensive suite of financial products and services through a network of six branches, five in the capital of Paramaribo and one in Nickerie. Currently the third largest bank in Suriname by asset size, Republic Bank (Suriname) N.V. joined Republic Financial Holdings Limited in 2015 following the acquisition of RBC Royal Bank (Suriname) N.V. from RBC Financial (Caribbean) Limited.

REGISTERED OFFICE
Kerkplein 1
Paramaribo
Suriname, South America
Tel: (597) 471555
Fax: (597) 425709
Swift: RBNKSRPA
Email: email@republicbanksr.com
Website: www.republicbanksr.com

BRIAN A. ALLEYNE

MANAGING DIRECTOR

JOINED October 1, 2012

CREDENTIALS

- Bachelor of Arts in Economics, Morehouse College
- Master of Business Administration in General Management with Distinction, Heriot Watt University
- Chartered Financial Analyst, Charterholder

PROFESSIONAL SUMMARY

- Career banker with close to two decades of experience in commercial, corporate, and retail banking
- Served in a number of leadership roles, with responsibility for portfolio growth and profitability
- Contributed to the profitable development of corporate and commercial credit business lines
- Advocate for people development and employee engagement
- Leveraged his expertise in corporate, investment and retail banking, providing oversight for some of the Group's most complex multibillion-dollar loan portfolios

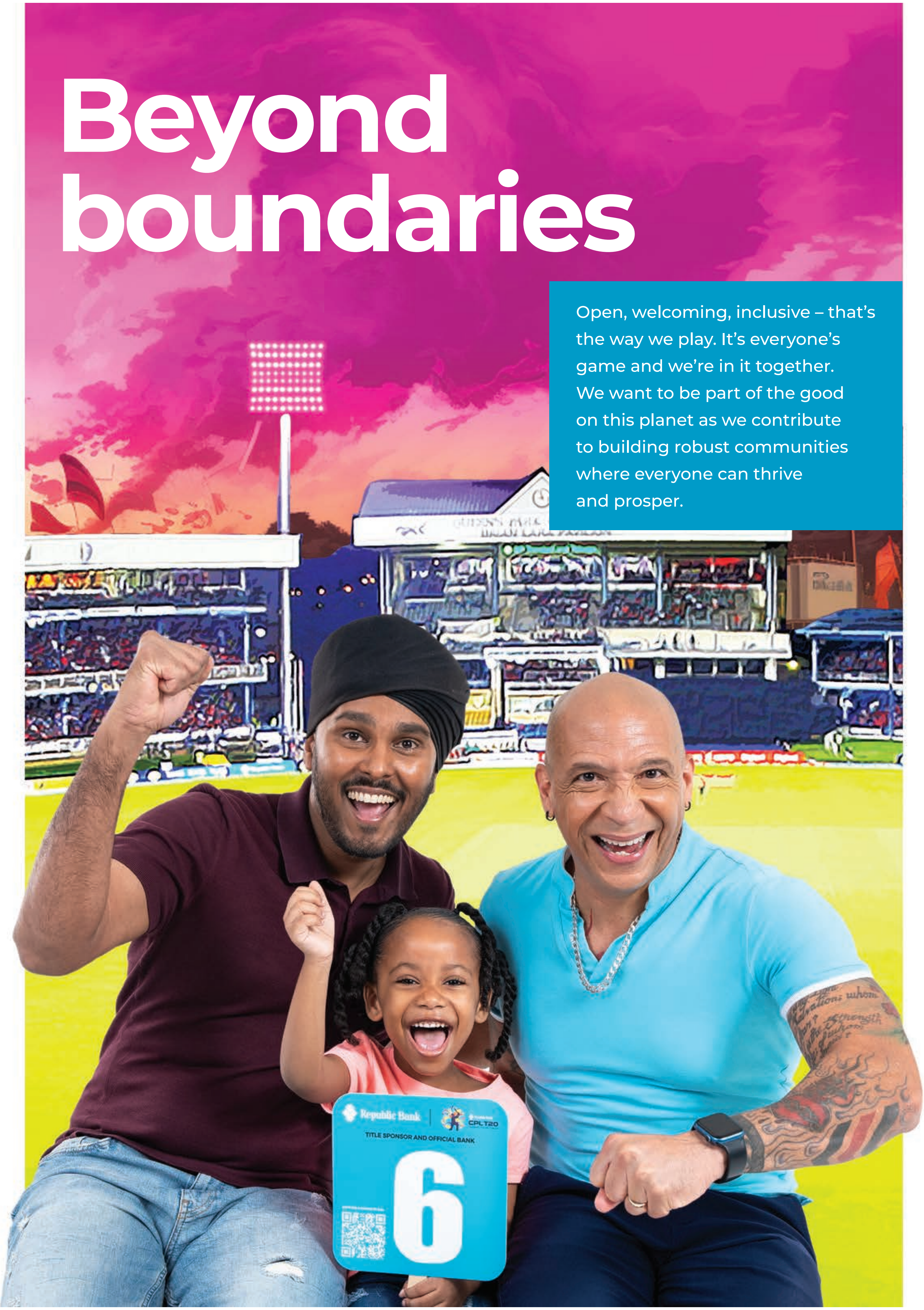
MONTAGUE MC LEOD

DIRECTOR,
CORPORATE BANKING

JOINED October 1, 1996

Beyond boundaries

Open, welcoming, inclusive – that's the way we play. It's everyone's game and we're in it together. We want to be part of the good on this planet as we contribute to building robust communities where everyone can thrive and prosper.



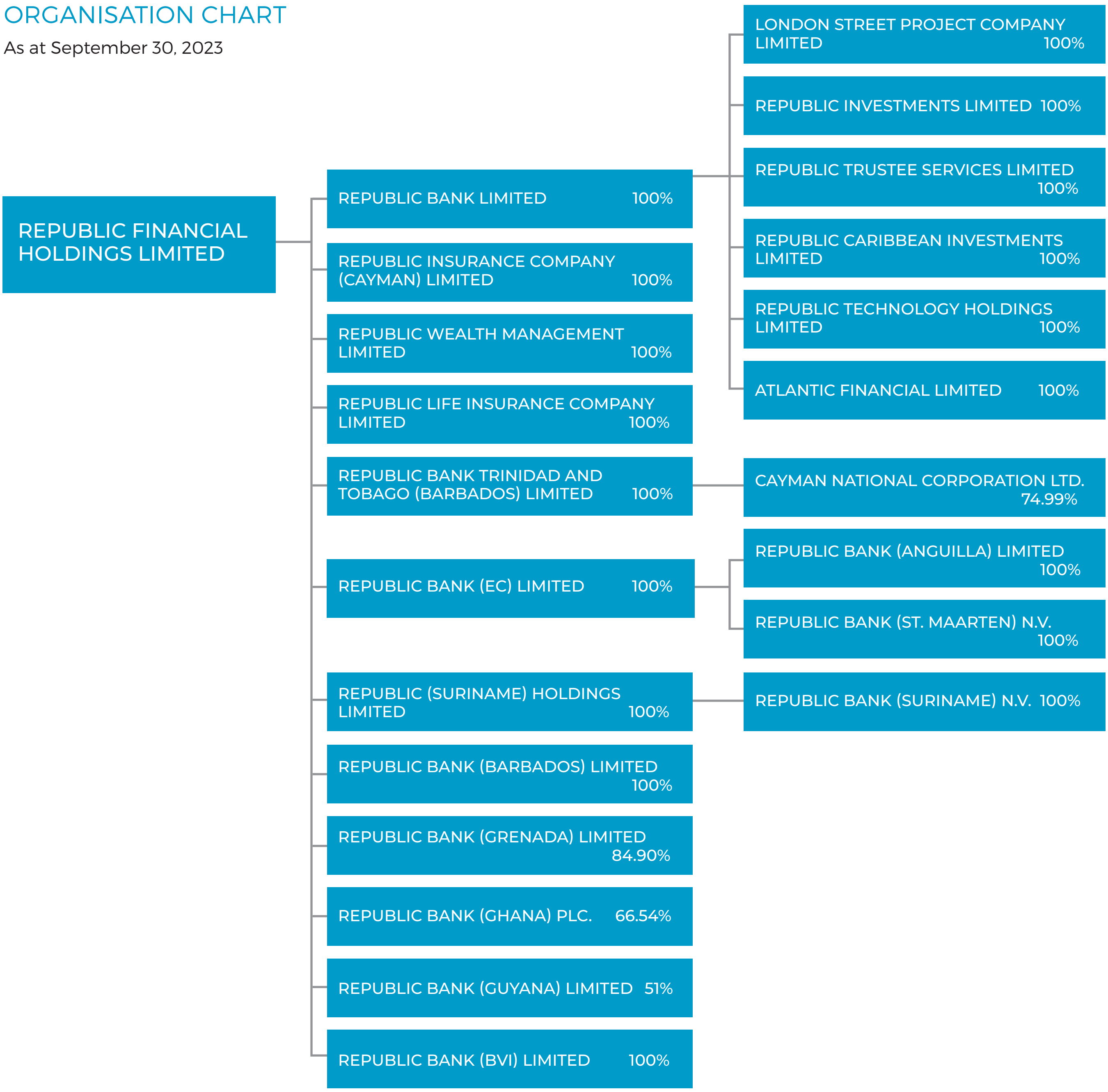
Corporate Governance Practices

INTRODUCTION

Republic Financial Holdings Limited is the financial holding company and Parent of all the financial services companies in the Group i.e. Cayman National Corporation Ltd., Republic Bank (Barbados) Limited, Republic Bank (BVI) Limited, Republic Bank (EC) Limited, Republic Bank (Ghana) PLC., Republic Bank (Grenada) Limited, Republic Bank (Guyana) Limited, Republic Bank (Suriname) N.V., Republic Bank Limited located in Trinidad and Tobago, and Republic Life Insurance Company Limited. Republic Financial Holdings Limited is also the Parent of the other Companies shown in the chart below.

ORGANISATION CHART

As at September 30, 2023



The Board of Directors of Republic Financial Holdings Limited ("the Board") continues to be committed to maintaining the highest standards of corporate governance. To this end, we continuously monitor and update as necessary our internal systems in order to ensure standards reflect best international practice tailored to the specific needs of the members of the Group. In this regard Republic Financial Holdings Limited has adopted the Trinidad and Tobago Corporate Governance Code on the 'apply or explain basis.

Corporate Governance Practices

OBJECTIVES

The role of the Board is to provide leadership, enterprise, integrity and good judgment in guiding the Group to achieve growth and deliver long term sustainable stakeholder value. The Board sets the strategic objectives for the Group and provides oversight and control. Implementation of the strategy is delegated to management under the leadership of the Group President and Chief Executive Officer (CEO) of Republic Financial Holdings Limited.

Entrepreneurial leadership is encouraged within a framework of prudent and effective controls that enable risk to be assessed and managed. Short-term objectives are balanced carefully against the necessity of achieving long-term value.

The Board acts in the best interests of the Group and its stakeholders, guided by a philosophy that is based on good governance, transparency, accountability and responsibility. The Group's Core Values of Customer Focus, Integrity, Respect for the Individual, Professionalism, and Results Orientation are set by the Board to ensure that the Group's obligations to its shareholders, employees, customers and the societies it serves, are met. Integrity and trust are the cornerstones of the business of banking and finance and the Board manages the Group and makes decisions that uphold these ideals at all times.

The Board recognises that it is the quality of its employees that differentiates it from its competitors, and creates value for its customers and investors. The Board is responsible for ensuring that its employees do things in the right way by setting the required tone from the top, by living the Republic culture and upholding the Core Values in everything that it does and ensuring they are reflected in the decisions the Board makes. The Board holds the Group's Executive Management accountable for upholding these Core Values thereby creating a culture in which doing the right thing is integral to the way Republic Financial Holdings Limited (RFHL) operates, globally. The Group's Ethics and Operating Principles confirm the commitment of the Board to strive for the highest standards of conduct within the Group.

RESPONSIBILITIES

The Group has 10 principles of corporate governance that summarise the objectives of the Board and provide a framework for the manner in which it functions and discharges its responsibilities:-

Principles

1. Lay solid foundation for management and oversight
2. Structure the Board to add value
3. Promote ethical and responsible decision making
4. Safeguard integrity in financial reporting
5. Make timely and balanced disclosure
6. Respect the rights of shareholders
7. Recognise and manage risk
8. Encourage enhanced performance
9. Remunerate fairly and responsibly
10. Recognise the legitimate interests of stakeholders

Within the scope of these principles, the responsibility of the Board of Directors is further refined to include the following duties:-

- Setting the strategic aims and reviewing and approving corporate strategy
- Selecting, compensating and monitoring, and where necessary, replacing key executives and overseeing succession planning
- Ensuring the Group has the appropriate organisational structure in place to achieve its objectives
- Approval of an overall risk appetite framework for the Group, reviewing and approving systems of risk management and internal compliance and control, and legal compliance
- Monitoring the effectiveness of corporate governance practices and updating organisational rules and policies in step with industry changes
- Approving and monitoring the progress of major capital expenditure, capital allocation and management and acquisitions and divestitures
- Ensuring the integrity of accounting, financial and non-financial reporting
- Establishing Values for the Group and approving of Codes of Conduct and Ethics.

The Board is committed to engagement with all its stakeholders including its employees, customers shareholders and the societies in which we serve. The following guides the Board's approach to stakeholder engagement:

1. Inclusivity – We have regard for all of our stakeholders. This inclusivity considers the interdependencies between these groups and all the factors that affect our ability to create value over time. Our organisation is recognised as an integral part of society and therefore, a corporate citizen.
2. Transparency – We are committed to sharing information with all our stakeholders as permitted by law and our regulators.

3 **Principles for Responsible Banking** – We are committed to the Principles for Responsible Banking as initiated by the United Nations (UN) Environment Programme Finance Initiative. This serves to promote responsible banking by encouraging banks to align their operations at the strategic, portfolio and transactional levels with prevailing social and environmental commitments as expressed in the Paris Climate Agreement and UN Sustainable Development Goals (SDGs).
4 **Engagement** – We are committed to increased engagement with some or all stakeholders on varying scales. Currently we engage with our employees via direct and frequent open communication, our shareholders and investors via annual meetings and the annual report and our regulators through open discussions and forums.

Provision is made for shareholders to have the opportunity to engage with the Group and participate effectively in Annual and Special Meetings through the provision of proxies. External Auditors and members of Senior Management and the Board are available at meetings with shareholders to respond to shareholder questions.

The Group's strategies, policies, agreed management performance criteria and business plans are defined and measurable in a manner which is precise and tangible both to the Board and Management. In turn these performance expectations and business plans are disseminated to each subsidiary. The Group's affairs are subject to comprehensive assessment against accurate and relevant information, both financial and non-financial as appropriate, obtainable not only from the Group's internal reporting systems but from external sources as well, so that informed assessment can be made of issues facing the Board.

The Board of Directors complies with the Model Code for Securities Transaction by Insiders of Listed Companies issued by the Trinidad and Tobago Stock Exchange Limited. Strict guidelines are provided by the Group for the occasions when it may be perceived that Directors and Officers have special knowledge, and dealing in the entity's shares during these occasions is prohibited. The purchase or sale of shares by an insider requires the prior consent of the Corporate Secretary, and transactions are tabled for the information of the Board of Directors. All Directors are routinely reminded of their obligations under the Code for Dealing in The Republic Financial Holdings Limited Group securities.

The Board also has a Disclosure policy designed to provide for accurate, timely and balanced disclosure of all material matters concerning the Group.

DIVERSITY EQUITY INCLUSION

As an equal opportunity employer, committed to Diversity, Equity and Inclusion, we are focused on ensuring that our systems, policies and procedures represent and promote every group of individuals within the communities we serve. We continue to transition our model to reflect this commitment throughout the Group, educating and raising awareness in our territories, with the aim of fostering an environment of inclusivity and acceptance.

COMPOSITION

The Board comprises a maximum of 15 Directors. The Chairman is an Independent Non-Executive Director. There is a Senior Non-Executive Director to be known as the Senior Independent Director. The roles of the RFHL's Chairman and its Group President and Chief Executive Officer are separate and clearly defined.

The Board considers certain core characteristics important in any nominee for Director. They must:

i be individuals of the highest character and integrity,
ii demonstrate a breadth and depth of management and leadership experience, preferably in a senior leadership role in a large or recognised organisation;
iii possess financial literacy or other professional or business experience relevant to an understanding of the Group and its business; and
iv have a demonstrated ability to think and act strategically and independently as well as be able to work constructively in a collegial environment.

In identifying nominees for the position of Director, the Governance and Nomination Committee assesses whether an individual meets the characteristics above, any gaps identified in a skills matrix and also considers the current composition of the Board in light of the diverse communities and geographies served by the Group. It is also critical that the Directors must have sufficient time available to devote to the performance of their Board duties.

In composing the Board, the aim is to include highly qualified and experienced individuals from diverse backgrounds, including but not limited to elements of diverse geographic backgrounds, race, ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, and religious beliefs.

The Board of Directors meets at least quarterly, while Special Board Meetings are called as the need arises.

Corporate Governance Practices

DIRECTOR INDEPENDENCE

The majority of the Directors are independent. The Board reviews the criteria to be considered in determining whether a Director is independent, both in character and judgment, and in line with principles of governing legislation and corporate governance. In addition, the Board considers independence within its Conflict-of-Interest policy and in this regard, may consider any direct or indirect relationship that a Director has within the Group that may be likely to interfere with the exercise of independent, unbiased judgment.

This balance between Independent Non-Executive Directors and Executive Directors throughout the Group ensures that the Board as well as other subsidiary boards are able to exercise independent judgment with sufficient management information to enable proper and objective assessment of issues facing the Group. The following presents the current composition of the Board of Republic Financial Holdings Limited and reflects its ratio of independent Directors.

Director	Independent	Not Independent
Vincent A. Pereira	●	
Nigel M. Baptiste		●
Dawn V. Callender	●	
Terrence W. Farrell *(retired 30.04.2023)*	●	
Alison G. Lewis	●	
Peter R. Inglefield	●	
Ian L. Benjamin	●	
Gregory I. Thomson	●	
Kristine G. Thompson	●	
Robert B. Riley	●	
Colin A. Soo Ping Chow *(appointed 01.05.2023)*	●	
Waltnel X. Sosa	●	
Shameer R. Mohammed	●	
Michael A. Noel	●	

The Board considers that the quality, skills and experience of its Directors enhance the Board's effectiveness, and the core set of skills and experience identified effectively provide the Group with the appropriate leadership and guidance, necessary to tackle the risks and opportunities facing the Group.

The Non-Executive Directors on this board as well as on the subsidiary boards reflect a diverse cross-section of the professional and business community and are highly respected, independent individuals with significant experience in their respective fields. The table below illustrates the skill set of the Board of Republic Financial Holdings Limited within the current skills matrix.

DIRECTOR INDUCTION

Directors appointed to the Board of Republic Financial Holdings Limited enjoy an extensive orientation and induction programme to ensure they become well acquainted with the organisation and all key issues affecting the Group. The objective of induction is to provide a new Director with the information that he or she will need to become as effective as possible in their role within the shortest practicable time. Orientation meetings are held both formally and informally with other Board members, the Group's key executives and functional heads, as well as the Board's subcommittee chairpersons. Senior Management also presents on the Group's strategic plans, its significant financial, accounting and risk management policies and issues, its compliance programs, and other matters of importance to the Group. From the induction process, information is received on any particular interest that the new Director holds, which enhances the Director life cycle and aids in providing further training or other opportunities for the Director. Board mentors have also been introduced for new members. This particular function is managed by the Corporate Secretary.

Corporate Governance Practices

BOARD MEMBER - RFHL

	Accounting/Finance/ Economics/Banking and Complex Regulatory Business	Strategy and Organisational Management	Government and Government Relations, Public Affairs and Communication, ESG	Human Resources Management, Industrial Relations	Information Technology-FINTECH, Cyber Security, Digital Capability	Global Experience	Legal	Risk Management
Vincent A. Pereira		●	●	●		●		●
Nigel M. Baptiste	●	●		●	●	●		●
Ian L. Benjamin	●	●	●	●			●	
Dawn V. Callender	●	●		●		●		●
Peter R. Inglefield	●	●		●				
Alison G. Lewis	●	●	●	●		●		●
Shameer R. Mohammed		●	●	●		●		●
Michael A. Noel	●	●		●	●	●		●
Robert B. Riley	●	●	●	●	●	●	●	●
Colin A. Soo Ping Chow	●	●	●		●			●
Waltnel X. Sosa	●	●	●			●		
Kristine G. Thompson	●	●	●	●		●		
Gregory I. Thomson	●	●						●

DIRECTOR REMUNERATION

Non-Executive Directors, including the Chairman, do not participate in performance-based incentive plans; they are remunerated by money payment only. Committee Chairpersons and members are paid an additional fee for each committee on which they serve. Executive Directors are not paid fees in respect of their Board or committee membership. Fees are detailed in the financial report.

INDEPENDENT ADVICE

The Board has access to the best possible banking, management and financial advice during its deliberations and in that regard the Board has access to the advice of the Group General Counsel/Corporate Secretary, as well as External Counsel. In addition, the Board of Directors may appoint or retain any other professional advisors it considers appropriate. Board members may, as they require, have meetings with the Heads of Audit, Legal and Compliance, and the External Auditor, and in the absence of management.

DELEGATED AUTHORITY

The Board is the principal decision-making forum for decisions that impact the Group. The Board of Directors has delegated the responsibility for the operational and day-to-day activities in relation to the Group's business to the Group President and CEO of Republic Financial Holdings Limited. Explicit authorities and responsibilities of the Group President and CEO are documented and approved by the Board of Directors. Further, formal structures of delegated authority exist for all the operating subsidiary Boards and their Managing Directors. Matters not specifically delegated are reserved to the Board.

The Board of Directors has also delegated authority to the following Board Committees:-

- Audit Committee
- Enterprise Risk Committee
- Governance and Nomination Committee

DIRECTOR TENURE

Non-Executive Directors retire from the Board after serving for a maximum of 15 years or on becoming 70 years of age whichever first occurs. However, the Board may in its discretion consider the exigencies of a particular situation. Executive Directors retire in accordance with the Bank's usual retirement policy.

Corporate Governance Practices

Republic Financial Holdings Limited scheduled ten meetings within the period October 2022 to September 2023, and the attendance record of each Director is detailed in the table below:-

Directors Board	7 Meetings
Special Board	3 Meetings

Directors	Attendance	Eligible to Attend
Nigel M. Baptiste	9	10
Ian L. Benjamin	10	10
Dawn V. Callender	10	10
Terrence W. Farrell *(retired 30.04.2023)*	3	5
Peter R. Inglefield	8	10
Alison G. Lewis	8	10
Shameer R. Mohammed	10	10
Michael A. Noel	10	10
Vincent A. Pereira	10	10
Robert B. Riley	9	10
Colin A. Soo Ping Chow *(appointed 01.05.2023)*	5	5
Waltnel Sosa	8	10
Kristine G. Thompson	9	10
Gregory I. Thomson	10	10

FOCUS AREAS OF THE BOARD FOR FISCAL YEAR 2022-2023

The Board's focus for the fiscal year 2022-2023 is embodied within its Declaration of Purpose: We Value People, We Serve with Heart; We are deeply Committed to Your Success. We Care.

The Board's strategic vision is aligned to the three Rs – Resilient, Responsible and Relevant. Experiences of the global pandemic for approximately the past two years have undoubtedly influenced the focus of the Group to design a robust plan to navigate uncertainties in a dynamic and resilient way. The Board's focus has been to maintain the growth, strength and success of the organisation with its Declaration of Purpose always guiding at the fore.

ENRICHING OUR STAKEHOLDER RELATIONSHIPS

Arising naturally from its Declaration of Purpose, Republic Financial Holdings Limited as a corporate citizen has had at the fore, the interest of its employees, customers, shareholders and the communities it serves. In placing the highest value on its stakeholder relationships, the Group has promoted the safety of these groups as its top priority and have been actively soliciting feedback and communication via formal and informal channels throughout the Group on its stakeholders' evolving needs and concerns, to which the Board has been receptive and responsive.

AUDIT COMMITTEE

This committee meets quarterly to review the Group's financial statements, the system of internal control throughout the Group, management of financial risks, the Group audit process, the Group's process for monitoring compliance with laws and regulations and its own code of business. Five meetings were held this fiscal, and the attendance of committee members is detailed below. The committee comprises a majority of Independent Directors and is chaired by an Independent Director:-

Directors	Attendance
Peter R. Inglefield, Chairman *(appointed Chairman 09.20.2020)* *(appointed 09.20.2020)*	5
Dawn V. Callender	5
Alison G. Lewis	5
Shameer R. Mohammed	4
Colin A. Soo Ping Chow *(appointed w.e.f. 05.10.2023)*	1
Gregory I. Thomson	5

The Audit Committee receives financial reports, internal audit reports, external auditor reports and statistics related to whistle-blower reports.

ENTERPRISE RISK COMMITTEE

This committee is responsible for providing oversight and advice to the Board on risk management in Republic Financial Holdings Limited and its subsidiaries and affiliates. This sub-committee considers and recommends for approval by the Board the Group's Enterprise Risk Management policy, risk appetite statement, tolerance, limits and mandates taking into account the Group's capital adequacy and the external risk environment. It has oversight of strategic or material transactions including acquisitions or disposals, focusing on risk and implications for the risk appetite and tolerance of the Group. Seven meetings were held this fiscal, and the attendance of committee members is detailed below.

The committee comprises a majority of Independent Directors and is chaired by an Independent Director:-

Corporate Governance Practices

Directors	Attendance
Robert B. Riley - Chairman	6
(appointed Chairman 05.06.2020)	
(appointed 05.06.2020)	
Nigel M. Baptiste	7
Dawn V. Callender	
(stepped down w.e.f. 05.10.2023)	4
Terrence W. Farrell	
(retired 04.30.2023)	3
Peter R. Inglefield	5
Alison G. Lewis	
(appointed w.e.f. 05.10.2023)	3
Michael A. Noel	7
Vincent A. Pereira	
(stepped down w.e.f. 05.10.2023)	4
Colin A. Soo Ping Chow *(appointed w.e.f. 05.10.2023)*	3
Waltnel X. Sosa	7
Gregory I. Thomson	6

The Enterprise Risk Committee receives the Group's risk reports on Treasury and Liquidity management, and Anti-money laundering/Combatting Financing of Terrorism.

GOVERNANCE AND NOMINATION COMMITTEE

This committee is responsible for establishing formal and transparent procedures for the selection of Executive and Non-Executive Directors, reviewing the Group's management succession plan, developing and implementing processes to assess and improve Board and committee effectiveness, and addressing issues which from time to time may emerge, having implications for the good governance within the Group and meets as the need arises. This committee is also responsible for reviewing the remuneration, performance and incentive rewards of Senior Executives to ensure that the remuneration framework is relevant and balanced. Eleven meetings were held for the fiscal year, and the attendance of committee members is detailed as follows:

The committee comprises a majority of Independent Directors and is chaired by an Independent Director:-

Directors	Attendance
Ian L. Benjamin, Chairman	11
(appointed Chairman 05.10.2023)	
(appointed 02.01.2018)	
Terrence W. Farrell	
(retired 04.30.2023)	6
Dawn V. Callender	
(appointed wef 05.10.2023)	4
Vincent A. Pereira	11
Kristine G. Thompson	8
Robert B. Riley	8

The Governance and Nomination Committee has oversight of key nominations and appointments as well as governance policy changes.

At this Annual Meeting Mr. Vincent A. Pereira retires from the Board by rotation and, being eligible, offers himself for re-election.

Mr. Colin A. Soo Ping Chow was appointed Director on May 1, 2023, to fill the casual vacancy created by the retirement of Dr. Terrence W. Farrell on April 30, 2023. Mr. Soo Ping Chow, having been appointed since the last meeting, retires from the Board and being eligible, offers himself for re-election for a term expiring at the close of the third Annual Meeting following this appointment.

The Board recommends that the nominees be re-elected.

DIRECTOR TRAINING AND EVALUATION

The international environment and legislative and regulatory demands remain increasingly complex and challenging causing us to constantly review our systems and make use of technology to ensure that compliance is robust with minimal negative impact on our legitimate customers. In this context, the Group recognises its responsibility to continue to source training programmes for Directors that will enhance Directors' knowledge and improve effectiveness.

In light of this, the focus of Board training was on Cyber Security strategy and implementation. In addition and as customary, the Directors were also exposed to the Anti-Money Laundering (AML) training. This included topics under the umbrella of understanding the risk of FinTechs in the payment space, Emerging Risks, Trends and Sanction Updates. The annual Health and Safety Training was conducted in-house.
The Board also benefitted from Talent Succession training which was imparted by external consultants.

This fiscal, Director and Board Self Assessments were conducted by PricewaterhouseCoopers Advisory Services Limited for the entire RFHL Group, in alignment with our good Corporate Governance practices.

Corporate Governance Practices

THE GROUP'S GOVERNANCE REVIEW

This fiscal some of the recommendations emanating from a benchmarking exercise conducted by Boston Consulting Group were piloted and are actively progressing throughout the Group. With the Group's expansion over the years, efforts were directed at ensuring that governance standards and controls are being uniformly applied and strengthened where possible. Key areas of governance which were augmented include Parent/subsidiary relations and engagement, strengthening the Board's focus on the Group's strategic vision and ensuring adherence of the Group's culture throughout its geographic footprint.

ENTERPRISE RISK MANAGEMENT

Republic Financial Holdings Limited is committed to maintaining a robust enterprise risk management framework to ensure that it understands and monitors its risk environment and takes proactive measures to manage risk within acceptable levels consistent with its risk appetite. To this end, Republic Financial Holdings Limited has defined its risk management goals and objectives and supporting principles to effectively embed risk management throughout the Group into its strategic decisions and day-to-day business activities.

The Board has overall accountability for the Group's enterprise risk profile. They approve and enforce the risk management framework, inclusive of the overall risk appetite and the Group's philosophy on risk taking.

The Group Chief Risk Officer (CRO) has been appointed with responsibility for ensuring consistent application of the risk management framework across the group and monitoring how effectively risk is being managed. The CRO reports to the Enterprise Risk Committee of the Board.

INTERNAL AUDIT

The Chief Internal Auditor provides an independent review of the Group's operations and validates that controls are working effectively. Under the leadership of the Chief Internal Auditor a professional cadre of Internal Auditors conducts periodic audits of all aspects of the Group's operations. External Auditors have full and free access to the Chairman of the Audit Committee, and meet periodically with the Audit Committee to discuss the audit and findings as to the integrity of the Group's accounting and financial reporting. Internal Audit provides the Board/Audit Committee with independent assurance on the adequacy of the system of internal controls within the Group.

FINANCIAL REPORTING REQUIREMENTS

The Board of Directors of Republic Financial Holdings Limited is responsible for the preparation and fair presentation of the financial statements and other financial information contained in this Annual Report. The accompanying financial statements have been prepared in conformity with International Financial Reporting Standards and present a true and fair view of the financial affairs of Republic Financial Holdings Limited and the subsidiaries within the Group on a consolidated and individual basis. Where amounts are based on estimates and judgments, these represent the best estimate and judgment of the Directors.

Responsibilities include:-

- establishing and maintaining effective internal controls and procedures for financial reporting;
- safeguarding of assets; and
- prevention and detection of fraud and other irregularities.

The financial information appearing throughout this Annual Report is consistent with that in the financial statements. Directors have a responsibility for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group.

The Directors have always recognised the importance of the Group maintaining and reinforcing the highest possible standards of conduct in all of its actions, including the preparation and dissemination of statements presenting fairly the financial condition of the Group. In this regard, the Directors have developed and maintained a system of accounting and reporting which provides the necessary internal controls to ensure that transactions are properly authorised and recorded, assets are safeguarded against unauthorised use or disposition and liabilities are recognised. The system is augmented by written policies and procedures, the careful selection and training of qualified employees, the establishment of an organisational structure that provides an appropriate and well-defined division of responsibility, and the communication of policies and guidelines of business conduct throughout the Group.

Signed on behalf of the Board

VINCENT A. PEREIRA
Chairman

September 30, 2023

Diversity, Equity and Inclusion take a central role in all aspects of our value chain and our interactions with both internal and external stakeholders. We remain committed to promoting and incorporating all cultural backgrounds, nationalities and perspectives. We are consistently assessing and updating our operational methods and policies to empower our communities and foster a strong sense of belonging throughout our Group.

People

FEMALE EMPLOYEES

4,651

MALE EMPLOYEES

2,159

Planet

TO LEND, INVEST & ARRANGE BY 2025

US$200M

As the only Caribbean-domiciled bank to have become a signatory to the United Nations Environment Programme Finance Initiative Principles for Responsible Banking and the Net-Zero Banking Alliance, we remain steadfast in our commitment to collaborate with our internal and external stakeholders to reduce our emissions in our operations and our lending portfolios. Our unwavering dedication lies in the continuous integration of sustainable practices throughout our operations.

PROJECTS ASSISTED

200+

We have established a Group Sustainability Unit with the responsibility for crafting ESG strategies and mainstreaming ESG principles throughout all facets of our operations. This Unit is responsible for upholding our commitments under the United Nations Environment Programme Finance Initiative and providing transparent public reporting on our ESG and sustainability progress locally, regionally and internationally.

Progress

Communities

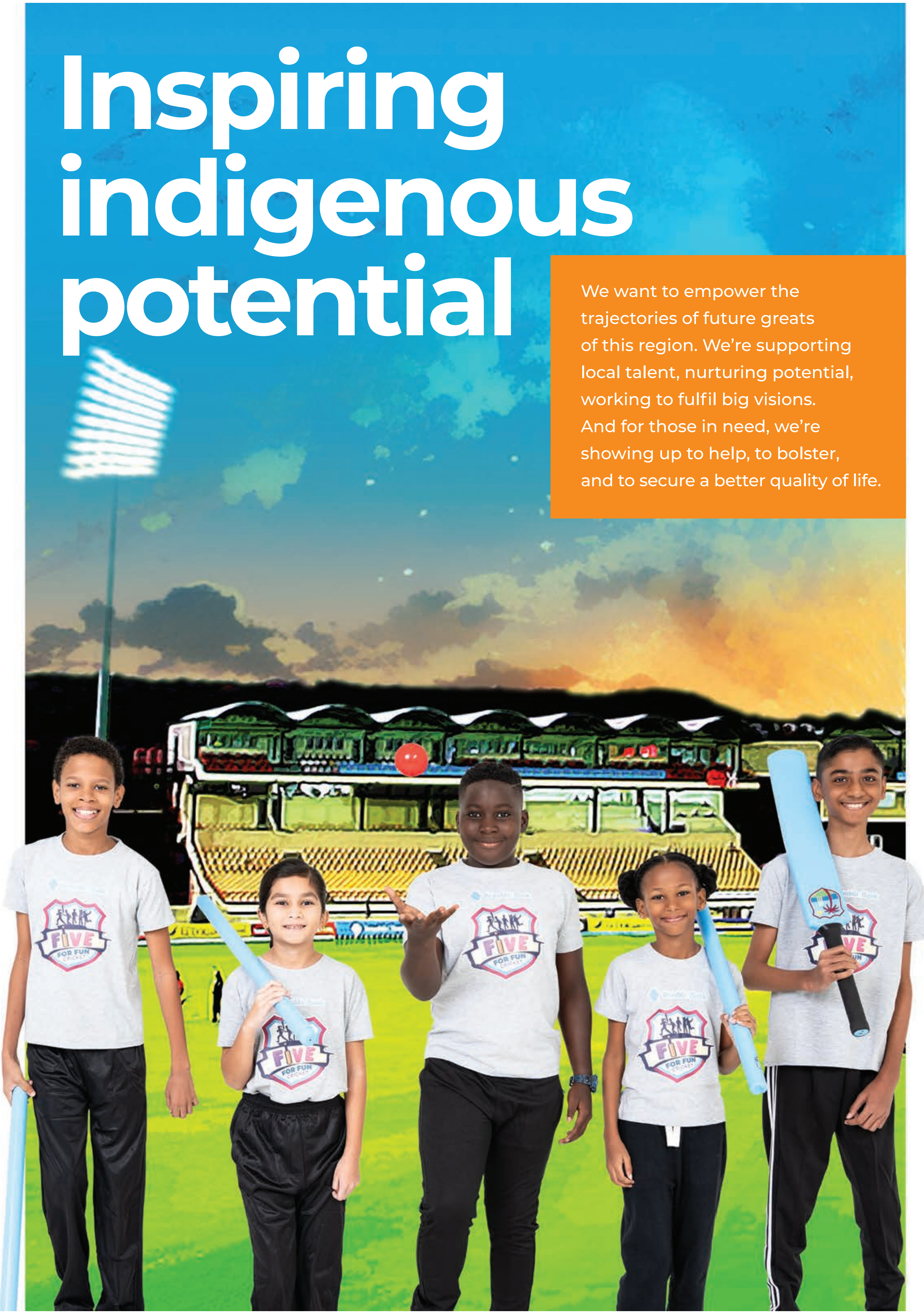
SOCIETIES SERVED

14

We are working towards alignment with the United Nations Sustainable Development Goals which shape our ESG initiatives and CSR programmes. We design programmes and initiatives aimed at strengthening our bonds with the communities we serve. Through partnerships with NGOs, we facilitate social investment and outreach programmes aimed at improving the lives of many.

Inspiring indigenous potential

We want to empower the trajectories of future greats of this region. We're supporting local talent, nurturing potential, working to fulfil big visions. And for those in need, we're showing up to help, to bolster, and to secure a better quality of life.



Creating A Better Tomorrow For All

Our journey toward a better tomorrow is the commitment, across communities in the Caribbean, South America, and Ghana, to work hand in hand with people to unlock their greatest potential. Over the course of decades, this commitment has been reflected in the Group's strategic investment in, and sponsorship of, programmes and initiatives that seek to end poverty, improve healthcare access, empower the socially marginalised, engender youth empowerment through literacy, sport, culture and the arts, and spur economic growth.

In our third year as a signatory to the Principles for Responsible Banking (PRB), the Group continues working towards alignment with the United Nations Sustainable Development Goals (SDGs) by using specified indicators as guidelines for developing Environmental, Social and Governance (ESG) initiatives and Corporate Social Responsibility (CSR) programmes. Most notably, SDG 17 – Partnership for the Goals, remains the overarching objective across the Group in recognition that all SDGs are equally important and interconnected, and require meaningful partnership and collaboration to be achieved.

In financial year 2022-2023, motivated by the successes of the Power to Make A Difference programme and guided by the tenets of a sound and comprehensive Group-wide ESG policy, the Group continued to grow and build with various communities.

Continuously inspired by the resourcefulness and stories of many, the Group maintained its support; adapting approaches in step with a rapidly changing world and expanding outreach to include more proactive support of initiatives that directly address environmental and climate change issues, and meaningfully advocate Diversity, Equity and Inclusion (DEI) internally and within the wider society.

As the Group continued the journey to build successful societies, it remained, at heart, an ally in support of programmes that empower, challenge, give hope, protect, and embolden.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

In alignment with the PRB and the Net-Zero Banking Alliance (NZBA), the Republic Group set a target of US$200 million toward climate financing. By 2025, the Group aims to lend, invest or arrange US$200 million to reduce the impacts of climate change across the region, with the strategic goal being to become the leading banking and financing partner in the Caribbean for activities related to renewable energy, climate adaptation and climate mitigation.

As the only Caribbean-domiciled bank to have become a signatory to the United Nations Environment Programme Finance Initiative Principles for Responsible Banking and the Net-Zero Banking Alliance, the Group continues to champion sustainability and ESG initiatives from a Caribbean perspective, advocating the region's interests.

In keeping with international best practice, in the financial year 2022-2023, the Group launched the ESG Group Data Management platform and began implementing an internal greenhouse gas emission tracking system to further streamline ESG-related data management processes, such as data collection, analysis, and reporting.

During the period, the Group approved its first ESG Policy Framework and Guidance Document, implemented the Environmental and Social (Risk) Management System (ESMS), launched a Small and Medium-sized Enterprise (SME)-focused loan facility, submitted a second self-assessment report for the PRB, and represented the Caribbean region at Climate Week New York.

The Group also established the Centre for Business Innovation to drive sustainability and social initiatives that are aligned to SDG 9 – Industry, Innovation and Infrastructure – and build capacity in the SME sector.

ONWARD TO A BETTER FUTURE

For the Republic Group, with every partnership and programme, with every life touched, there is always the fundamental pursuit of sustainable development and investment; of ensuring a better future for many.

Working side by side with, and in service to others, the Group is constantly encouraged by the many acts of selfless dedication, and hope; holding them as universal and powerful. Inspired by these success stories and motivated by the responsibility to act, the Group continues to embrace and champion our People, Planet, Progress and Communities as the foundation of a longstanding, and constantly evolving corporate social responsibility promise.

With the hope of a better future carried in every step forward, the Republic Group will continue to be an ally in building stronger, more inclusive, and sustainable societies; defined by purpose, the will to serve, and a framework of advocacy, agency, and compassion.

Long-time partnerships with the Barbados Diabetes Foundation, and the Diabetes and Hypertension Association of Barbados provide access to healthcare and opportunities for improving wellbeing.

People

At the heart of the commitment to serve our people is the duty to invest in their wellbeing, particularly for those most in need and unable to access even the most basic of resources. This is the power of people caring and, over the years, it has paved the way for the Group to work with marginalised communities in support of programmes that champion healthcare and ensure access to health services and facilities, as well as initiatives that promote care and empowerment for people with disabilities and the elderly.

In Trinidad and Tobago, longstanding alliances were built upon with Horses Helping Humans and the Trinidad and Tobago Cancer Society in support of their respective efforts to assist children with autism and raise cancer awareness and funding.

Support to the Anguilla Cancer Society helped advocate preventative measures within the community, while support for those with special needs extended across East Caribbean communities with contributions to the St. Kitts And Nevis Association of Persons with Disabilities; the Rotary Club of St. Vincent; the St. Lucia Blind Welfare Association, and A.C.S.I.S – Aquaponics for Creating Success and Inclusion in Persons with Disabilities in Society in St. Lucia.

In Grenada, ongoing support of more than a dozen community-based organisations helped provide healthcare and create opportunities for the socially marginalised, while collaboration with the Hillview Home for the Aged on the building of a dining/recreation room provided much needed peace of mind and a safe space for the home's residents.

Long-time partnerships built around providing access to healthcare continued to be strengthened in Barbados with Transplant Links Community the SickKids Foundation, the Barbados Diabetes Foundation, and the Diabetes and Hypertension Association of Barbados.

In Ghana, support was provided to the Thyroid Ghana Foundation and Wassa Dunkwa Government Hospital in giving people and communities hope for a better, healthier future.

A new partnership began with the Rotary Club of Portsmouth in Dominica, in an effort to bolster the local bee population and enhance income-generating capacity through beekeeping.

Planet

The survival of our planet is of utmost importance. Understanding the significance of achieving the Paris Agreement goals and net-zero targets, the Group worked closely with stakeholders to make climate adaptation and resiliency realities for many communities in need.

Sponsorship of the Every Bottle Back Programme in Trinidad and Tobago helped increase public participation in educational recycling programmes and in installing eco-bins in multiple locations throughout Port of Spain. Support of the Cayman CLEAN initiative and the "One Tree for Every Bajan" served as innovative ways of promoting a cleaner environment, expanding food growing options, and building greater climate change resilience in the Cayman Islands and Barbados respectively.

The Bank's Grand Anse, Grenada head office switched from diesel-generated electricity to an environmentally-friendly photovoltaic solar system, while in Anguilla, partnership with the Rotary Club of Anguilla added value to a nationwide movement to raise awareness and develop sustainable clean energy programmes.

Partnership with the Barbados Environmental Conservation Trust on the "Adopt-a-Turtle" project, the St. Lucia National Conservation Fund, and the Freegan Food Foundation in St. Maarten helped advance environmental protection diligence.

In Dominica, in an effort to bolster the local bee population and enhance income-generating capacity through beekeeping, a new partnership began with the Rotary Club of Portsmouth to enhance the skill sets of 19 budding beekeepers through hive construction training.

With the aim of safeguarding environments and traditions, support was provided in the maintenance of public spaces – the Promenade Gardens in Guyana, the Tucker Clarke Primary School, St. Kitts, and the African Union Square, Ghana.

Sponsorship of clean-up efforts in the Kumasi, Accra East Region, and Cape Coast, as well as support for the Ghana Garden and Flower Show and Farmer's Day celebrations significantly contributed toward raising environmental advocacy.

Cultural preservation was the foundation for sponsorship of Republic Bank Angel Harps Steel Orchestra in Grenada.

Progress

The greatest measure of progress lies in the ability to engage young minds as they grow and learn. The Group built upon new and existing bonds to continue providing viable avenues for youth empowerment through literacy, art and culture, and sport.

In Trinidad and Tobago, ongoing partnership with Pennacool.com saw the launch of the Pennacool.com and Republic Bank 123 Speed Math Olympiad – an online initiative that fosters mathematical proficiency, critical thinking, and problem-solving skills.

Partnership with the Rotaract Club of Kingstown, St. Vincent facilitated the upgrade of the Dubois Buccament Government School's reading area and support of the nationwide "Take one, Give one" literacy programme.

In Barbados, collaborations with St. Ambrose R.C. Primary School and the Schools Block Programme offered unique avenues to assist students, while sponsorship of Camp G.L.O.W. (Girls Leading Our World) – summer camp for teenage girls, in Grenada, helped empower them with personal development and financial literacy.

Bonds were strengthened in support of; Specialists in Sustained Youth Development and Research Inc. (SSYDR), Guyana; Digital Literacy Programme by Orbtronics Ltd., St. Lucia; the M.C. Jessurun School, Suriname; and the Nana Saka Nkansah II School and Ghana Chamber of Construction and Industry – Young Women in Technical and Vocational Education Training.

Cultural preservation was the foundation for sponsorships of Baal Vikaas Vihaar competition, Trinidad; Republic Bank Minors Music Literacy Programme, Guyana; and Republic Bank Angel Harps Steel Orchestra, Grenada.

Sport-based youth empowerment progressed with the Republic Cup National Youth Football League, Trinidad and Tobago; the Republic Bank Secondary Schools Athletics Championships INTERCOL, Grenada; and the Nana Kwesi Bosomprah youth sport programmes and the Nsroma Cricket Academy, Ghana.

In Guyana, a new era began with the Republic Bank Junior Golf Clinic and Competition. The "Five for Fun" programme continued to provide students in Saint Lucia, St. Kitts and Nevis, and Guyana with an unforgettable cricketing experience.

Junior Carnival mas band, Zebapique Productions, gave 300 at-risk children and their parents the opportunity to be part of the Carnival experience through the streets of Port of Spain.

Communities

The pursuit of building sustainable societies is founded upon building stronger people and communities that are more resilient, adaptive, and more inclusive. It is about recognising the true strength of diversity, fostering supportive environments, and providing opportunities to achieve for many, particularly those within at-risk communities.

It is the power of helping others succeed and understanding the role that comes with offering a real chance to achieve and truly make a difference in the lives of many.

Working with We Say Y.E.S. (Youth Entrepreneurship for Self-Empowerment) in Trinidad and Tobago provided the opportunity to engage at-risk youth and communities with alternatives to crime and violence in a safe space. Similarly, collaboration with Junior Carnival mas band, Zebapique Productions, saw their 2023 Carnival presentation, “DAN-CE” take flight, giving 300 at-risk children and their parents the opportunity to be part of the Carnival experience on display through the streets of Port of Spain.

The Group added momentum in the drive for youth empowerment and community building in support of the West Dominica Children’s Federation Inc., the National Partnership for Children Trust in Ghana; St. Martin Secondary School, St. Vincent; the Scarred not Shattered Programme, and Supreme Counselling’s “Reach One, Save One” initiative, Barbados.

In Guyana, ongoing partnership with Women Across Differences (WAD) continued to create opportunities for young women and adolescent mothers to benefit from empowerment programmes, and encourage them to become proactive advocates of sexual reproductive health, family planning education, self-development training, and vocational skills-building within the community.

The Group’s staff volunteerism spirit was once again present, and, in answering the call to help, True Blue team members rolled up their sleeves to assist several schools, developmental centres, children’s homes, orphanages and hospitals in Trinidad and Tobago, Grenada, Guyana, and Ghana.

The Power to Make A Difference

OUR PARTNERS AND INITIATIVES

TRINIDAD & TOBAGO

- Adult Literacy Tutors Association
- Africa Film Trinidad and Tobago
- Blue Phoenix Mentorship Services
- Butler Institute of Learning and Labour
- Caribbean ESG and Climate Financing Summit
- Caribbean Ideas Academy
- Caribbean Industrial Research Institute (CARIRI)
- Caribbean Medical - JCD & Associates
- Caribbean Premier League (CPL) T20 Cricket
- Charity Golf
- Chosen Hands TT
- Commonwealth Youth Games
- Community Parenting Programme for Fathers
- Diabetes Association of Trinidad and Tobago
- Down Syndrome Family Network
- Emancipation Support Committee
- Entrepreneurs Business Builder Programme
- Etienne Charles/Monlo Music Limited
- Every Bottle Back TT
- Families in Action
- Family Planning Association of Trinidad and Tobago
- 'Five for Fun' Youth Cricket
- Foundation for the Enhancement and Enrichment of Life (F.E.E.L.)
- Friends of the Asa Wright Nature Centre Inc.
- Habitat for Humanity Trinidad and Tobago
- Heroes Foundation
- Holy Rosary RC Church
- Hope of a Miracle Foundation
- Horses Helping Humans
- IAMovement
- In Full Flight!
- Institute of Marine Affairs
- John Hayes Memorial Kidney Foundation
- Kambule 2023
- Let's Learn Golf, Tobago
- Lifeline
- Love Movement, Adam Smith Square Christmas Concert
- Loveuntil Foundation
- National Association of Athletics Administrations of Trinidad and Tobago
- National Carnival Commission of T & T
- Patrons of the Arts Foundation
- Pennacool.com 123
- Pennacool VCCE Community Challenge
- Rape Crisis Society of Trinidad and Tobago
- Rapidfire Kidz Foundation
- Rebirth House Drug Rehabilitation Centre
- Renew T&T
- Republic Bank Exodus Steelband
- Republic Bank Extraordinaires Tassa Drummers
- Republic Bank Junior Golf Open (Trinidad)
- Republic Bank Laventille Netball League
- Republic Bank Love Movement Youth Outreach Programme
- Republic Bank National Schools' Water Polo League
- Republic Cup National Youth Football Tournament
- Restore a Sense of I Can (RSC) Tech Club
- Roman Catholic Archdiocese of Port of Spain
- Salvation Army of Trinidad and Tobago
- Sanatan Dharma Maha Sabha – Baal Vikaas Vihaar
- Scout Association of Trinidad and Tobago
- Servol Junior Life Centre St. Anns/Cascade
- Servol Limited
- Spartans TT
- Society of St. Vincent de Paul
- Sustain T&T
- T&T Association of Energy Engineers
- The Cotton Tree Foundation
- The Esimaje Foundation
- The National Aids Hotline of Trinidad and Tobago
- The Young Men's Christian Association of Trinidad and Tobago (YMCATT)
- Tobago Carnival
- Transplant Links Community
- Trinidad and Tobago Association for the Hearing Impaired
- Trinidad and Tobago Blind Welfare Association
- Trinidad and Tobago Cancer Society
- Trinidad and Tobago Coalition Against Domestic Violence
- Trinidad and Tobago Film Festival (FILMCO)
- Trinidad and Tobago Paralympic Committee
- Trinidad and Tobago Red Cross Society
- Trinidad and Tobago Transparency Institute
- United Way Trinidad and Tobago
- UWI/RBL World of Work Programme
- WE Say Y.E.S. Foundation
- YAHWEH Foundation Youth Support Programme – Tobago
- Youth Business Trinidad and Tobago
- Zebapique Productions

The Power to Make A Difference

BARBADOS

- Barbados Adventure Race
- Barbados Diabetes Foundation
- Barbados Environmental Conservation Trust
- One Tree For Every Bajan Project
- Scarred not Shattered
- SickKids Foundation
- Supreme Counselling for Personal Development
- St. Ambrose Primary School
- The Diabetes and Hypertension Association of Barbados
- The Schools Blocks Programme
- Transplant Links Community

BRITISH VIRGIN ISLANDS

- Beef Island beach cleanup

CAYMAN ISLANDS

- Alex Panton Foundation
- Cayman Islands Crisis Centre
- Cayman Islands Golf Association (CIGA)
- Cayman Islands International Fishing Tournament (Diamond Sponsor)
- Cayman Islands Little League Co-Ed Softball Team
- Cayman Islands Cancer Society
- Cayman Islands Softball Association
- Cayman Islands Chamber of Commerce – Earth Day and Parliamentary Luncheon
- Cayman Islands Department of Education Services
- Cayman Islands National Dance Company
- Cayman Islands Centre for Business Development
- Clifton Hunter High School – Top student awards and Math quiz
- DMS Broadcasting Corporate Cup
- DMS Broadcasting Lemonade Day
- Dreamchasers Cayman
- International College Cayman Islands
- Inaja Productions – Cayman Kids Got Talent
- John Gray High School – Top student awards, job student fairs and Spanish quiz
- Cayman Carnival Junior Batabano
- Lean on Me Foundation
- Leyman Scott High School (formerly Cayman Brac)
- Lions Club initiatives – Walks & Relays
- Meals on Wheels
- Mustang Track Club
- NORECA Volleyball Confederation
- Queen Elizabeth II Botanic Park
- Red Bay Primary School graduation
- Special Olympics Annual Golf Classic
- The Family Resource Centre (FRC)
- The New Self-Help Foundation – Talent Exposition
- UCCI Steel Pan band
- YMCA Cayman Islands

EASTERN CARIBBEAN

ANGUILLA

- Anguilla Cancer Society
- Rotary Club of Anguilla – Cool Green Learning Scene

DOMINICA

- Rotary Club of Portsmouth – The Nature Isle Beekeeping Project
- West Dominica Children's Federation Inc.

ST. KITTS & NEVIS

- St. Kitts and Nevis Association of Persons with Disabilities
- William Marcus Natta Memorial Scholarship Fund

SAINT LUCIA

- Daren Sammy Foundation Scholarship Programme
- National Council of and for Persons with disabilities - Aquapoinics programme
- Orbtronics Ltd. – Educational Programmes
- St. Lucia Blind Welfare Association
- St. Lucia National Conservation Fund

ST. MAARTEN

- Freegan Food Foundation

The Power to Make a Difference

ST. VINCENT AND THE GRENADINES

- Rotaract Club of Kingstown – Library Project
- Rotary Club of St. Vincent
- St. Martin Secondary School – Employability and Pastoral care for at-risk students and their parents

GHANA

- Accra Parent, Preschool and Childcare Expo
- African Union Square – Maintenance and Regreening
- Clean Team Ghana
- Ghana Chamber of Construction and Industry – Technical and Vocational Education Training for Young Women
- Ghana Garden and Flower Show
- Ghana National Petroleum Company (GNPC) Foundation Career Fair
- Ghana National Service Personnel, Cape Coast clean-up
- Goaso Traditional Area – Nana Kwesi Bosomprah – Sport education programmes for youth
- Jospong Group of Companies – Accra clean-up
- Nana Saka Nkansah II Ophanage/School
- National Farmer's Day
- National Partnership for Children's Trust
- Nsroma Cricket Academy
- The Pearl House Foundation
- Thyroid Ghana Foundation
- Wassa Dunkwa Government Hospital

GRENADA

- Cardrona Home for the Aged
- CHORES Support Group
- Dorothy Hopkin Centre for the Disabled
- Friends of the Mentally Ill
- Grenada Cancer Society
- Grenada, Carriacou and Petite Martinique Foundation for Needy Students
- Grenada Diabetes Association
- Grenada Down Syndrome Association
- Grenada Heart Foundation
- Grenada National Council of the Disabled
- Grenada National Patient Kidney Foundation
- GRENCODA Student Assistance Programme
- Hillview Home for the Aged
- Lupus Foundation of Grenada
- Missionaries of Charity
- Pink Ribbon Society of Grenada
- Republic Bank Angel Harps Steel Orchestra
- Rotary Club of Grenada – Quarantine Park Preservation
- Sickle Cell Association of Grenada
- Society of St. Vincent De Paul
- T. A . Marryshow Community College
- UWI Scholarship and Bursary Programme
- GH3 Triple Road Race
- Camp G.L.O.W.
- Inter-Secondary School Athletic Championships

GUYANA

- 'Five for Fun' Youth Cricket
- Guyana Marine Conservation Society – People of the Barima-Mora Passage Documentary
- Mayor and Councillors of the City of Georgetown – Promenade Gardens
- Ministry of Culture, Youth and Sport – 14th Annual Republic Bank Mashramani Panorama Steel Band Competition
- Republic Bank/Guyana Cricket Board Under-23 Inter-club Tournament
- Republic Bank/Lusignan Golf Club Junior Golf Clinic and Competition
- Republic RightStart Pan Minors Music Literacy Programme
- SSYDR Inc. Youth Entrepreneurial Development Programme
- University of Guyana – Scholarship
- Women Across Differences (WAD) – Comprehensive Empowerment Programme for Adolescent Mothers

SURINAME

- M.C. Jessurun School – donation of ICT classroom and computers

Know-how to win the game

Stability and profitability benefitting people and planet, we know the score we're after. Our financial path reflects the strength of our strategy and our commitment to seeing our region's communities prosper.

Table of Contents

Statement of Management Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Republic Financial Holdings Limited and its subsidiaries ("the Group") which comprise the Consolidated statement of financial position as at September 30, 2023, the Consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of Group operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited consolidated financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying consolidated financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

NIGEL M. BAPTISTE
Group President and Chief Executive Officer

November 3, 2023

MARSHA A. MC LEOD-MARSHALL
Chief Financial Officer

November 3, 2023

Building a better working world

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF REPUBLIC FINANCIAL HOLDINGS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Republic Financial Holdings Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at September 30, 2023, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at September 30, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' ("IESBA") International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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Building a better working world

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF REPUBLIC FINANCIAL HOLDINGS LIMITED

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	**How our audit addressed the key audit matter**
Allowance for Expected Credit Losses (ECLs)	
Refer to Notes 2.6g, 4d, 5c, 20 and 22.2. IFRS 9: "Financial Instruments" requires the Group to record an allowance for Expected Credit Losses (ECLs) for all advances and other financial assets not held at fair value through profit and loss (FVPL), together with loan commitments and financial guarantee contracts. Advances (loans) and other financial assets held at amortised cost comprise 93% of the Group's total assets. The estimation of ECLs on financial assets is inherently uncertain and is subject to significant judgment. Furthermore, models used to determine credit impairments are complex and certain inputs used are not fully observable. Management compensates for any model and data deficiencies by applying overlays to these outputs, which adjusts the ECLs.	We assessed and tested the modelling techniques and methodologies developed by the Group in order to estimate ECLs and evaluated its compliance with the requirements of IFRS 9. We reviewed the completeness and accuracy of data from underlying systems through to the models used to determine the ECLs. We considered the methodologies applied in determining Probabilities of Default (PDs) and the data used to estimate Loss Given Defaults (LGDs), and tested the Exposures At Default (EADs) against asset subledgers and amortisation schedules. Where PDs and LGDs were based on assigned global credit ratings, we independently tested to the source data. We tested the aging of the portfolios and performed an independent assessment for a sample of commercial facilities to assess the accuracy and timely assignment of risk ratings in compliance with Management's policy, both of which are inputs in the staging of the portfolios. We concluded on the accuracy of the staging applied against the methodologies and assessed the reasonableness of all assumptions used to determine whether the Group appropriately reflected additional risks where identified. We also ensured that the definition of a significant deterioration in credit risk and staging adopted by the Group was in compliance with IFRS 9.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF REPUBLIC FINANCIAL HOLDINGS LIMITED

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Allowance for Expected Credit Losses (ECLs) (continued)	
Key areas of judgment included: • the interpretation of the requirements to determine impairment under the application of IFRS 9, which is reflected in the Group's ECL models; • the application of assumptions where there was limited or incomplete data; • the identification of exposures with a significant deterioration in credit quality; • assumptions used in the ECL model such as the financial condition of the counterparty or valuation of security; • the need to apply overlays, the quantification of which can be highly subjective, to reflect current or future external factors that are not appropriately captured by the ECL model; and • additional credit risk that could stem from the impact of the expected economic downturn in the countries in which the Group operates, on the ability of the Group's customers/investors to meet their financial commitments. These factors, individually and collectively, result in a higher judgmental risk and thus are considered a key audit matter in the context of the consolidated financial statements.	Management's judgemental provisions applied on specific high-risk customers of the Group were reviewed in detail, in assessing the reasonableness of the resulting ECL overlay applied by management on advances. For ECLs calculated on an individual basis we tested the factors underlying the impairment identification and quantification including forecasts of the amount and timing of future cash flows, valuation of assigned collateral and estimates of recovery on default. We utilised our EY valuation specialists to assess the appropriateness of the models and assumptions used by the Group, including monitoring/validation, model governance and its mathematical accuracy. Finally we assessed the disclosure in the consolidated financial statements considering whether it satisfies the requirements of IFRSs.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF REPUBLIC FINANCIAL HOLDINGS LIMITED

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	**How our audit addressed the key audit matter**
Goodwill impairment assessment	
Refer to Notes 2.6n, 2.6o and 9. The Group has recorded goodwill of $836 million in its consolidated statement of financial position. Goodwill impairment assessment is very subjective as it requires the use of projected financial information and judgemental assumptions. As required by IAS 36: "Impairment of Assets", management performs an annual impairment assessment on goodwill. Management conducted the impairment tests using sensitivity analyses, including a range of growth rates, interest rates, recovery assumptions, macro-economic outlooks and discount rates for each entity in arriving at an expected cashflow projection. The purpose of the impairment review is to ensure that goodwill is not carried at an amount greater than its recoverable amount. The recoverable amount is compared with the carrying value of the cash-generating unit (CGU) to determine if the asset is impaired. Recoverable amount is defined as the higher of fair value less costs of disposal (FVLCD) and value in use (VIU); the underlying concept being that the CGU should not be carried at more than the amount it could raise, either from selling it now or from using it.	We evaluated and tested the Group's process for goodwill impairment assessment. We involved our EY valuation specialists team to assist us in the review of the key assumptions, cash flows and discount rate used to ensure that they are reasonable. We closely analysed Management's judgements used in its assessments, including growth assumptions, by applying our own sensitivity analyses to account for market volatility. We also assessed whether appropriate and complete disclosures have been included in the consolidated financial statements consistent with the requirements of IAS 36.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF REPUBLIC FINANCIAL HOLDINGS LIMITED

Report on the Audit of the Consolidated Financial Statements (continued)

Other Information included in the Group's 2023 Annual Report

Other information consists of the information included in the Group's 2023 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2023 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF REPUBLIC FINANCIAL HOLDINGS LIMITED

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF REPUBLIC FINANCIAL HOLDINGS LIMITED

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also: (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF REPUBLIC FINANCIAL HOLDINGS LIMITED

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

The engagement partner in charge of the audit resulting in this independent auditor's report is Adrienne D'Arcy.

EY

Port of Spain
TRINIDAD:
November 3, 2023

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Consolidated Statement of Financial Position

As at September 30, 2023. Expressed in Millions of Trinidad and Tobago Dollars.

	Notes	2023	2022
ASSETS			
Cash on hand		**1,417**	1,405
Statutory deposits with Central Banks		**7,781**	7,508
Due from banks		**7,629**	9,179
Treasury Bills		**7,808**	8,400
Advances	4	**60,656**	56,829
Investment securities	5	**20,216**	19,954
Investment interest receivable		**209**	203
Investment in associated companies	6	**69**	63
Premises and equipment	7	**3,323**	3,256
Right-of-use assets	8 (a)	**418**	397
Intangible assets	9	**978**	1,144
Pension assets	10 (a)	**946**	1,201
Deferred tax assets	11 (a)	**353**	317
Taxation recoverable		**58**	50
Other assets	12	**1,067**	1,072
TOTAL ASSETS		**112,928**	**110,978**
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks		**298**	445
Customers' current, savings and deposit accounts	13	**89,913**	87,586
Other fund raising instruments	14	**3,650**	4,462
Debt securities in issue	15	**1,518**	1,675
Lease liabilities	8 (b)	**432**	420
Provision for post-retirement medical benefits	10 (a)	**41**	47
Taxation payable		**286**	272
Deferred tax liabilities	11 (b)	**487**	535
Accrued interest payable		**146**	95
Other liabilities	16	**1,889**	2,071
TOTAL LIABILITIES		**98,660**	**97,608**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at September 30, 2023. Expressed in Millions of Trinidad and Tobago Dollars.

	Notes	2023	2022
EQUITY			
Stated capital	17	**932**	913
Statutory reserves		**2,093**	1,888
Other reserves	18	**(506)**	(507)
Retained earnings		**10,498**	9,946
Attributable to equity holders of the Parent		**13,017**	12,240
Non-controlling interests		**1,251**	1,130
TOTAL EQUITY		**14,268**	**13,370**
TOTAL LIABILITIES AND EQUITY		**112,928**	**110,978**

The accompanying notes form an integral part of these consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors on November 3, 2023 and signed on its behalf by:

VINCENT A. PEREIRA
Chairman

NIGEL M. BAPTISTE
Group President and
Chief Executive Officer

PETER R. INGLEFIELD
Director

KIMBERLY G. ERRIAH-ALI
Corporate Secretary

Consolidated Statement of Income

For the Year Ending September 30, 2023.
Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

	Notes	2023	2022
Interest income	19 (a)	**5,497**	4,765
Interest expense	19 (b)	**(833)**	(627)
Net interest income		**4,664**	4,138
Other income	19 (c)	**2,143**	1,966
		6,807	6,104
Operating expenses	19 (d)	**(3,965)**	(3,555)
Share of profit of associated companies	6	**6**	7
Operating profit		**2,848**	2,556
Credit loss expense on financial assets	20	**(181)**	(220)
Net monetary loss in hyperinflationary economies		**(68)**	–
Net profit before taxation		**2,599**	2,336
Taxation expense	21	**(667)**	(651)
Net profit after taxation		**1,932**	**1,685**
Attributable to:			
Equity holders of the Parent		**1,750**	1,526
Non-controlling interests		**182**	159
		1,932	**1,685**
Earnings per share (expressed in $ per share)			
Basic		**$10.69**	$9.37
Diluted		**$10.71**	$9.33
Weighted average number of shares ('000)			
Basic	17	**162,906**	162,928
Diluted	17	**163,328**	163,490

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the Year Ending September 30, 2023. Expressed in Millions of Trinidad and Tobago Dollars.

	2023	2022
Net profit after taxation	**1,932**	1,685
Other comprehensive loss:		
Other comprehensive loss (net of tax) that will be reclassified to the Consolidated statement of income in subsequent periods:		
Translation adjustments	**(54)**	(410)
Total items that will be reclassified to the Consolidated statement of income in subsequent periods	**(54)**	**(410)**
Other comprehensive loss (net of tax) that will not be reclassified to the Consolidated statement of income in subsequent periods:		
Remeasurement losses on defined benefit plans	**(248)**	(222)
Income tax related to above	**73**	103
Total items that will not be reclassified to the Consolidated statement of income in subsequent periods	**(175)**	(119)
Other comprehensive loss for the year, net of tax	**(229)**	(529)
Total comprehensive income for the year, net of tax	**1,703**	**1,156**
Attributable to:		
Equity holders of the Parent	**1,545**	1,110
Non-controlling interests	**158**	46
	1,703	**1,156**

Consolidated Statement of Changes in Equity

For the Year Ended September 30, 2023. Expressed in Millions of Trinidad and Tobago Dollars.

	Stated Capital – Note 17	Statutory Reserves	Other Reserves – Note 18	Retained Earnings	Total Equity Attributable to Equity Holders of the Parent	Non-controlling Interests	Total Equity
Balance at September 30, 2021	**880**	**1,752**	**(338)**	**9,438**	**11,732**	**1,123**	**12,855**
Total comprehensive (loss)/income for the year	–	–	(293)	1,403	1,110	46	**1,156**
Issue of shares	26	–	–	–	26	–	**26**
Share-based payments	7	–	–	–	7	–	**7**
Shares purchased for profit sharing scheme	–	–	(20)	–	(20)	–	**(20)**
Allocation of shares	–	–	50	-	50	–	**50**
Transfer to other reserves	–	–	91	(91)	–	–	**-**
Transfer to statutory reserves	–	136	–	(136)	–	–	**-**
Share of changes in equity	–	–	–	–	–	(4)	**(4)**
Dividends – Note 30	–	–	–	(661)	(661)	–	**(661)**
Dividends paid to non-controlling interests	–	–	–	–	–	(35)	**(35)**
Other	–	–	3	(7)	(4)	–	**(4)**
Balance at September 30, 2022	**913**	**1,888**	**(507)**	**9,946**	**12,240**	**1,130**	**13,370**
Total comprehensive (loss)/ income for the year	–	–	(60)	1,605	1,545	158	**1,703**
Issue of shares	13	–	–	–	13	–	**13**
Share-based payments	6	–	–	–	6	–	**6**
Shares purchased for profit sharing scheme	–	–	(100)	–	(100)	–	**(100)**
Allocation of shares	–	–	52	–	52	–	**52**
Transfer to other reserves	–	–	124	(124)	–	–	**-**
Transfer to statutory reserves	–	205	–	(205)	–	–	**-**
Transfer from contingency reserves	–	–	(12)	12	–	–	**-**
Share of changes in equity	–	–	–	–	–	1	**1**
Dividends – Note 30	–	–	–	(744)	(744)	–	**(744)**
Dividends paid to non-controlling interests	–	–	–	–	–	(38)	**(38)**
Other	–	–	(3)	8	5	–	**5**
Balance at September 30, 2023	**932**	**2,093**	**(506)**	**10,498**	**13,017**	**1,251**	**14,268**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the Year Ended September 30, 2023. Expressed in Millions of Trinidad and Tobago Dollars.

	Notes	2023	2022
Operating activities			
Net profit before taxation		**2,599**	2,336
Adjustments for:			
Depreciation of premises and equipment and right-of-use assets	7 and 8 (a)	**384**	394
Credit loss expense on financial assets	20	**181**	220
Goodwill impairment expense	9 (a)	**117**	2
Amortisation of intangibles	9 (b)	**46**	46
Translation differences		**267**	514
Loss on sale of premises and equipment		**35**	32
Realised gain on investment securities		**(31)**	(31)
Share of net profit of associated companies	6	**(6)**	(7)
Stock option expense	17	**6**	7
Movement in leased assets	8 (a)	**(110)**	(33)
Increase in employee benefits		**(3)**	(53)
Increase in advances		**(4,116)**	(1,537)
Increase in customers' deposits and other fund raising instruments		**1,515**	820
Increase in statutory deposits with Central Banks		**(273)**	(462)
Increase in other assets and investment interest receivable		**(1)**	(475)
(Decrease)/increase in other liabilities and accrued interest payable		**(131)**	422
Taxes paid, net of refund		**(669)**	(515)
Net cash (used in)/provided by operating activities		**(190)**	**1,680**
Investing activities			
Purchase of investment securities		**(22,146)**	(21,125)
Redemption of investment securities		**21,600**	17,990
Additions to premises and equipment	7	**(394)**	(407)
Proceeds from sale of premises and equipment		**16**	(3)
Net cash used in investing activities		**(924)**	**(3,545)**
Financing activities			
(Decrease)/increase in balances due to other banks		**(147)**	289
Repayment of debt securities		**(157)**	(191)
Repayment of lease liabilities (net)		**(85)**	(72)
Proceeds from share issue	17	**13**	26
Shares purchased for profit sharing scheme	18	**(100)**	(20)
Allocation of shares to profit sharing plan	18	**52**	50
Dividends paid to shareholders of the Parent	30	**(744)**	(661)
Dividends paid to non-controlling shareholders of the subsidiaries		**(38)**	(35)
Net cash used in financing activities		**(1,206)**	**(614)**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the Year Ended September 30, 2023. Expressed in Millions of Trinidad and Tobago Dollars.

	Notes	2023	2022
Net decrease in cash and cash equivalents		**(2,320)**	**(2,479)**
Net foreign exchange difference		**(262)**	**(241)**
Cash and cash equivalents at beginning of year		**13,546**	**16,267**
Cash and cash equivalents at end of year		**10,964**	**13,546**
Cash and cash equivalents at end of year are represented by:			
Cash on hand		**1,417**	1,405
Due from banks		**7,629**	9,179
Treasury Bills – original maturities of three months or less		**1,550**	2,613
Bankers' acceptances – original maturities of three months or less		**368**	349
		10,964	**13,546**
Supplemental information:			
Interest received during the year		**5,450**	5,021
Interest paid during the year		**(781)**	(619)

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended September 30, 2023.
Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

1 CORPORATE INFORMATION

Republic Financial Holdings Limited (the 'Company' or 'RFHL'), the financial holding company for the Republic Group and the ultimate Parent of the 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. RFHL is listed on the Trinidad and Tobago Stock Exchange.

The RFHL 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 Caribbean Community (CARICOM) region, Cayman Islands, Ghana, St. Maarten, Anguilla and the British Virgin Islands. It has most recently launched a life insurance subsidiary in Trinidad and Tobago. A full listing of the Group's subsidiary companies is detailed in Note 33 while associate companies are listed in Note 6.

2 SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial stratements provide information on the accounting estimates and judgements made by the Group. These estimates and judgements are reviewed on an ongoing basis. Given the continued impact of global economic uncertainty exacerbated by high inflation and rising interest rates, the Group has maintained its estimation uncertainty in the preparation of these consolidated financial statements. The estimation uncertainty is associated with the extent and duration of the expected economic downturn and the timing of the related recovery in the economies in which we operate. This includes forecasts for economic growth, unemployment, interest rates and inflation.

The Group has formed estimates based on information available on September 30, 2023, which was deemed to be reasonable in forming these estimates. The actual economic conditions may be different from the estimates used and this may result in differences between the accounting estimates applied and the actual results of the Group for future periods.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied across the Group.

2.1 Basis of preparation

The financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS), and are stated in Trinidad and Tobago dollars. These consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value through profit or loss. The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions. Actual results could differ from those estimates. Significant accounting judgements and estimates in applying the Group's accounting policies have been described in Note 3.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Republic Financial Holdings Limited ('the Parent') and its subsidiaries ('the Group') as at September 30 each year. The financial statements of subsidiaries are prepared for the same reporting year as the Parent company using consistent accounting policies.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are all entities over which the Group has the power to direct the relevant activities, have exposure or rights to the variable returns and the ability to use its power to affect the returns of the investee, generally accompanying a shareholding of more than 50% of the voting rights.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Basis of consolidation (continued)

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases and any resultant gain or loss is recognised in the Consolidated statement of income. Any investment retained is recognised at fair value.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Non-controlling interests represent interests in subsidiaries not held by the Group.

2.3 Changes in accounting policies

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended September 30, 2022, except for the adoption of new standards and interpretations below.

Several amendments and interpretations apply for the first time in 2023, but do not have any impact on the consolidated financial statements of the Group. These are also described in more detail below. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 3 Business Combinations – Amendments to IFRS 3 (effective January 1, 2022)

The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in IFRS Standards (March 2018).

The amendments are intended to update a reference to the Conceptual Framework without significantly changing requirements of IFRS 3. The amendments will promote consistency in financial reporting and avoid potential confusion from having more than one version of the Conceptual Framework in use.

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Changes in accounting policies (continued)

These amendments had no impact on the consolidated financial statements of the Group.

IAS 16 Property, Plant and Equipment – Amendments to IAS 16 (effective January 1, 2022)
The amendment prohibits entities from deducting from the cost of an item of Property, Plant and Equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment must be applied retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

These amendments had no impact on the consolidated financial statements of the Group.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Amendments to IAS 37 (effective January 1, 2022)
The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g. the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g. depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments must be applied prospectively to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

The amendments are intended to provide clarity and help ensure consistent application of the standard. Entities that previously applied the incremental cost approach will see provisions increase to reflect the inclusion of costs related directly to contract activities, whilst entities that previously recognised contract loss provisions using the guidance from the former standard, IAS 11 Construction Contracts, will be required to exclude the allocation of indirect overheads from their provisions. Judgement will be required in determining which costs are 'directly related to contract activities', but we believe that guidance in IFRS 15 Revenue from Contracts with Customers will be relevant.

These amendments had no impact on the consolidated financial statements of the Group.

Improvements to International Financial Reporting Standards
The annual improvements process of the International Accounting Standards Board deals with non-urgent but necessary clarifications and amendments to IFRS. The following amendments are applicable to annual periods beginning on or after January 1, 2023:

IFRS	Subject of Amendment
IFRS 1 –	First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter *(effective January 1, 2022)*
IFRS 9 –	Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities *(effective January 1, 2022)*
IAS 41 –	Agriculture – Taxation in fair value measurements *(effective January 1, 2022)*

These improvements had no impact on the consolidated financial statements of the Group.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Standards in issue not yet effective

The following is a list of standards and interpretations that are not yet effective up to the date of issuance of the Group's consolidated financial statements. These standards and interpretations will be applicable to the Group at a future date and will be adopted when they become effective. The Group is currently assessing the impact of adopting these standards and interpretations.

IFRS 17 Insurance Contracts (effective January 1, 2023)

IFRS 17 applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The main features of the new accounting model for insurance contracts are as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows)
- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profit of the insurance contracts to be recognised in profit or loss over the service period (i.e. coverage period)
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice
- The presentation of insurance revenue and insurance service expenses in the Statement of comprehensive income based on the concept of services provided during the period
- Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the Consolidated statement of income, but are recognised directly on the Consolidated statement of financial position
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense
- A loss-recovery component of the asset for the remaining coverage of a group of reinsurance contracts held is determined and recorded in profit or loss when an entity recognises a recovery of a loss on initial recognition of an onerous group of underlying issued contracts as well as for subsequent measurement of the recovery of those losses
- Entities should present separately in the Statement of financial position, the carrying amounts of portfolios of insurance contracts issued that are assets and those that are liabilities, with the same requirement applying to portfolios of reinsurance contracts held
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts

The Group will apply IFRS 17 "Insurance Contracts" for the first time on October 1, 2023. This Standard will bring significant changes to the accounting for insurance and reinsurance contracts held and is not expected to have a material impact on the Group's consolidated financial statements in the period of initial application.

The Group is required to measure insurance contracts using the General Measurement Model (GMM), with modifications to this approach available for certain types of contracts. The Premium Allocation Approach (PAA) will be automatically applied to short-term contracts where the profit is realised within twelve months, but also to contracts more than 1 year, where the PAA eligibility criteria were successfully applied. For all other contracts where the CSM is only adjusted for non-economic assumptions, the GMM will be applied.

On transition to IFRS 17, the Group expects to apply the full retrospective approach on all insurance business.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Standards in issue not yet effective (continued)

IFRS 17 Insurance Contracts (effective January 1, 2023) (continued)

The Group is still in the process of implementing IFRS 17 and the likely financial impact of its implementation remains uncertain.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendments to IAS 8 (effective January 1, 2023)

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the IASB.

The amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies. Although the amendments are not expected to have a material impact on entities' financial statements, they should provide helpful guidance for entities in determining whether changes are to be treated as changes in estimates, changes in policies, or errors.

IAS 12 Income Taxes – Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective January 1, 2023)

The amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g. if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.

An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, it should also recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Standards in issue not yet effective (continued)

IAS 12 Income Taxes – Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules (effective January 1, 2023)

The amendments to IAS 12, introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

The amendments require an entity to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

An entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective.

The amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon issue of the amendments.

The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after January 1, 2023, but are not required for any interim period ending on or before December 31, 2023.

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 – Amendments to IAS 1 – Disclosure of Accounting Policies (effective January 1, 2023)

The IASB issued amendments to provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Standards in issue not yet effective (continued)

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 – Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (effective January 1, 2024)

The IASB issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of financial statements to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification

IFRS 16 Leases – Amendments to IFRS 16 (effective January 1, 2024)

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

A seller-lessee applies the amendment to annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted and that fact must be disclosed.

A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e. the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

2.5 Improvements to International Financial Reporting Standards

The annual improvements process of the International Accounting Standards Board deals with non-urgent but necessary clarifications and amendments to IFRS. There are no amendments applicable to annual periods beginning on or after January 1, 2024.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies

a Cash and cash equivalents

For the purpose of presentation in the Consolidated statement of cash flows, cash and cash equivalents consist of highly liquid investments including cash at hand, due from banks, Treasury Bills and bankers' acceptances with original maturities of three months or less. Bankers' acceptances and due from banks with maturities greater than three months are classified as investments.

b Statutory deposits with Central Banks

Deposits with the Central Banks and other regulatory authorities represent mandatory reserve deposits and are not available for use in day-to-day operations. These amounted to $7.8 billion (2022: $7.5 billion).

c Financial instruments – initial recognition

i Date of recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date, i.e. the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred to the customers' accounts. The Group recognises balances due to customers when funds are transferred to the Group.

ii Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Note 2.6 (d) (i). Financial instruments are initially measured at their fair value, except in the case of financial assets recorded at Fair Value through Profit or Loss (FVPL), transaction costs are added to, or subtracted from, this amount.

iii Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the assets' contractual terms, measured at either:

- Amortised cost, as explained in Note 2.6 (d) (i)
- FVPL, as explained in Note 2.6 (d) (ii).

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost.

d Financial assets and liabilities

i Due from banks, Treasury Bills, Other assets, Advances and Investment securities

The Group only measures Due from banks, Treasury Bills, Advances to customers and Investment securities at amortised cost if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding, and
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

d Financial assets and liabilities (continued)

i Due from banks, Treasury Bills, Other assets, Advances and Investment securities (continued)

The details of these conditions are outlined below.

The SPPI test

For the first step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (e.g. if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, do not give rise to contractual cash flows that are SPPI on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL or Fair Value through Other Comprehensive Income (FVOCI) without recycling.

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

ii Financial assets at fair value through profit or loss

Financial assets in this category are those that are designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management may designate an instrument at FVPL upon initial recognition.

The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

d Financial assets and liabilities (continued)

ii Financial assets at fair value through profit or loss (continued)

Financial assets at FVPL are recorded in the Consolidated statement of financial position at fair value. Interest earned or incurred on instruments designated at FVPL is accrued in interest income, using the Effective Interest Rate (EIR), taking into account any discount/premium and qualifying transaction costs being an integral part of the instrument. Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other income when the right to the payment has been established.

iii Undrawn loan commitments

Undrawn loan commitments and letters of credit are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. These contracts are in the scope of the Expected Credit Loss (ECL) requirements but no ECL was determined based on historical observation of defaults.

iv Debt securities and other fund raising instruments

Financial liabilities issued by the Group that are designated at amortised cost, are classified as liabilities under Debt securities in issue and Other fund raising instruments, where the substance of the contractual arrangement results in the Group having an obligation to deliver cash to satisfy the obligation. After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issued funds, and costs that are an integral part of the EIR.

e Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

f Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, to facilitate changes to the original loan agreement or arrangement due to weaknesses in the borrower's financial position and/or non-repayment of the debt as arranged, and terms and conditions have been restructured to the extent that, substantially, it becomes a new loan, with the difference recognised as an impairment loss. The newly recognised loans are classified as Stage 2 for ECL measurement purposes.

When assessing whether or not to derecognise a loan to a customer, amongst others, the Group considers the following factors:

- Change in currency of the loan
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original rate (or credit adjusted EIR for purchased or credit-impaired financial assets), the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

f Derecognition of financial assets and liabilities (continued)

Derecognition other than for substantial modification

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset, or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset, or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

f Derecognition of financial assets and liabilities (continued)

Derecognition other than for substantial modification (continued)

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

g Impairment of financial assets

i Overview of the ECL principles

The Group records an allowance for ECL for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The Group uses the general probability of default approach when calculating ECLs. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the Lifetime Expected Credit Loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Group's policies for determining if there has been a significant increase in credit risk are set out in Note 22.2.5.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the size and nature of the underlying portfolio of financial instruments. The Group's policy for grouping financial assets measured on a collective basis is explained in Note 22.2.6.

Where the financial asset meets the definition of Purchased or Originated Credit-Impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group classifies its loans and investments into Stage 1, Stage 2, Stage 3 and POCI, as described below:

Stage 1

When financial assets are first recognised and continue to perform in accordance with the contractual terms and conditions after initial recognition, the Group recognises an allowance based on 12mECLs. Stage 1 financial assets also include facilities where the credit risk has improved and the financial asset has been reclassified from Stage 2.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

g Impairment of financial assets (continued)

i Overview of the ECL principles (continued)

Stage 2

When financial assets have shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 financial assets also include facilities where the credit risk has improved and the financial asset has been reclassified from Stage 3.

Stage 3

Financial assets considered credit-impaired (as outlined in Note 22.2). The Group records an allowance for the LTECLs.

POCI

POCI assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the ECLs.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a partial derecognition of the financial asset.

ii The calculation of ECLs

The Group calculates ECLs based on the historical measure of cash shortfalls, discounted at the instrument's coupon rate. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

PD – The Probability of Default is an estimate of the likelihood of default over a given period of time. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PDs is further explained in Note 22.2.4.

EAD – The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Group considers among other factors the risk rating category and aging of the financial asset. Each of these is associated with different PDs, EADs and LGDs. When relevant, it also incorporates how defaulted loans and investments are expected to be recovered, including the value of collateral or the amount that might be received for selling the asset.

With the exception of credit cards and other revolving facilities, for which the treatment is separately set out, the maximum period for which the credit losses are determined is the contractual life of a financial instrument.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

g Impairment of financial assets (continued)

ii The calculation of ECLs (continued)

Impairment losses and recoveries are accounted for and disclosed separately.

The mechanics of the ECL method are summarised below:

Stage 1

The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD which are derived as explained under Stage 3 for loans and using Global Credit Loss tables for traded investments and modified with management overlays when not traded.

Stage 2

When a financial asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The LGDs are derived as explained under Stage 3 for loans and using Global Credit Loss tables for traded investments and modified with management overlays when not traded.

Stage 3

For financial assets considered credit-impaired (as defined in Note 22.2), the Group recognises the LTECLs for these financial assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

POCI

POCI assets are financial assets that are credit impaired on initial recognition. The Group only recognises the cumulative changes in LTECLs since initial recognition, based on a probability-weighting discounted by the credit-adjusted EIR.

In most instances, LGDs are determined on an individual loan or investment basis, including discounting the expected cash flows at the original EIR. Stage 3 LGDs are grouped by similar types to provide percentage averages to be applied for Stage 1 and Stage 2 loans.

In limited circumstances within the Group, where portfolios were small and the products homogenous with minimal history of defaults, a simplified ECL approach was applied using historical loss rates and staged based on the sovereign rating of the residence of the loan.

iii Credit cards, overdrafts and other revolving facilities

The Group's product offering includes a variety of corporate and retail overdraft and credit cards facilities, in which the Group has the right to cancel and/or reduce the facilities. The Group limits its exposure on these revolving facilities to the outstanding balance for non-performing facilities. For Stage 1 and Stage 2 facilities, the Group calculates ECL on a percentage utilisation of the credit card and overdraft limit based on the Group's expectations of the customer behaviour, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

g Impairment of financial assets (continued)

iii Credit cards, overdrafts and other revolving facilities (continued)

The ongoing assessment of whether a significant increase in credit risk has occurred for revolving facilities is similar to other lending products. This is based on shifts in the customer's internal credit grade, as explained in Note 22.2.4, but emphasis is also given to qualitative factors such as changes in usage and repayment patterns.

The interest rate used to discount the ECLs for credit cards is based on the interest rate that is expected to be charged over the expected period of exposure to the facilities. This estimation takes into account that many facilities are repaid in full each month and are consequently charged no interest.

iv Treasury Bills, Statutory deposits with Central Banks and Due from banks

Treasury Bills, Statutory deposits with Central Banks and Due from banks are short-term funds placed with Central Banks in the countries where the Group is engaged in the full range of banking and financial activities and correspondent banks.

v Other assets

The Group applies the simplified approach for other assets as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets. All accounts are grouped together based on shared credit risk characteristics and future cash flows are discounted at an appropriate rate. Rates are calculated based on historical payment profiles and were adjusted to incorporate forward-looking information as of the Consolidated statement of financial position date.

vi Financial guarantees, letters of credit and undrawn loan commitments

The Group issues financial guarantees, letters of credit and loan commitments.

Financial guarantees, letters of credit and loan commitments are off-balance sheet instruments and have no history of default.

vii Forward-looking information

In its ECL models, the Group considers a broad range of forward-looking information as economic inputs, such as:

- Currency rates
- Gross Domestic Product (GDP) growth
- Unemployment rates
- Industry risk
- Real estate price trends
- Commodity price inflation rates

Within the countries in which the Group operates, statistical correlation between the overall performance of the economies and historic loss trends were established and used to correlate macroeconomic expectations to adjustments within the ECL models.

The Group however recognised that the inputs and models used for calculating ECLs may not always capture all characteristics and expectations of the market at the date of the consolidated financial statements. To reflect this, management adjustments or overlays are made by assessing the macroeconomic factors and applying judgements, when such differences are significantly material.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

h Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories and other non-financial assets. Collateral, unless repossessed, is not recorded on the Group's Consolidated statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed at inception and re-assessed on a periodic basis.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on independent valuations and other data provided by third parties.

i Collateral repossessed

The Group's policy is for a repossessed asset to be sold. Assets to be sold are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date, in line with the Group's policy.

In its normal course of business, should the Group repossess properties or other assets in its retail portfolio, it sometimes engages external agents to assist in the sale of these assets to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the Consolidated statement of financial position.

j Write-offs

The Group's accounting policy is for financial assets to be written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to other income.

k Investment in associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are accounted for under the equity method of accounting.

The investments in associates are initially recognised at cost and adjusted to recognise changes in the Group's share of net assets of the associate, less any impairment in value. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated statement of income reflects the Group's net share of the results of operations of the associates. Any change in Other Comprehensive Income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate the Group recognises its share of any changes, when applicable, in the Consolidated statement of changes in equity, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

k Investment in associates (continued)

The Group determines whether it is necessary to recognise an impairment loss on its investment in its associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss in the Consolidated statement of income.

l Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Lease liabilities

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the entity and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments (e.g. changes to future payments resulting from a change in rate used to determine such lease payments).

The Group applies the short-term lease recognition exemption to its short-term leases of property etc. (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of IT equipment that are considered to be low-value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

l Leases (continued)

Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and included in revenue in the Consolidated statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

m Premises and equipment

Premises and equipment are stated at cost less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated statement of income during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Consolidated statement of financial position date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Consolidated statement of income.

Leasehold improvements and leased equipment are depreciated on a straight-line basis over the period of the lease. Depreciation other than on leasehold improvements and leased equipment is computed on the declining balance method at rates expected to apportion the cost of the assets over their estimated useful lives.

The depreciation rates used are as follows:

Freehold and leasehold premises	2%
Equipment, furniture and fittings	15% – 33.33%
Equipment (computers, software, servers, other hardware, etc.)	Straight line 4 – 8 years
Furniture and fittings	Straight line 10 – 60 years

n Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for significant assumptions – Note 3
- Premises and equipment – Note 7
- Intangible assets – Note 9

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

n Impairment of non-financial assets (continued)

In assessing value in use, the estimated future cash flows available to shareholders are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly-traded companies or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount.

o Business combinations and goodwill

The Group uses the purchase method of accounting to account for the acquisition of subsidiaries, except for the acquisition of subsidiaries under common control. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination the Group elects to measure the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the Consolidated statement of income.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the Consolidated statement of income.

As at acquisition date, any goodwill acquired is allocated to each of the CGUs expected to benefit from the combination's synergies. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the CGU, to which goodwill relates. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

o Business combinations and goodwill (continued)

The Group has elected to apply the book value method of accounting for the acquisition of subsidiaries under common control on the condition that the accounting policies of the combining entities and the Parent are aligned. The acquisition of a subsidiary under common control is one in which the combining entities are ultimately controlled by the same Parent, both before and after the acquisition. All acquired assets and liabilities are accounted for at book value at the date of acquisition including the transfer of any existing goodwill. No new goodwill can be generated in the acquisition of subsidiaries under common control. Impairment of any acquired goodwill is determined by assessing the recoverable amount of the merged cash generating unit post-acquisition.

p Employee benefits

i Pension obligations

The Group operates a number of defined benefit plans, the assets of which are held in separate trustee-administered funds. The pension plans are funded by payments from the relevant Group companies, taking account of the recommendations of independent qualified actuaries who carry out the full valuation of the Plans every three years. In Trinidad and Tobago, Republic Bank Limited took the actuary's advice regarding a pension holiday, effective January 1999.

Annually, the Group's independent actuaries conduct a valuation exercise to measure the effect of all employee benefit plans.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the Consolidated statement of income in subsequent periods.

Past service costs are recognised in the Consolidated statement of income on the earlier of:

a The date of the plan amendment or curtailment, and
b The date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'operating expenses' in the Consolidated statement of income:

a Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
b Net interest expense or income.

The defined benefit plans mainly expose the Group to risks such as investment risk, interest rate risk and longevity risk.

The above accounting requirement in no way affects the pension plans which continue to be governed by the approved Trust Deed and Rules and remain under the full control of the appointed Trustees.

The full results of the valuation exercise are disclosed in Note 10 to these consolidated financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

p Employee benefits (continued)

ii Other post-retirement obligations

The Group provides post-retirement medical benefits to its retirees. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the shortest period of service that an employee must complete up to the date the employee is first eligible to retire early in normal health, using a methodology similar to that for defined benefit pension plans. Independent qualified actuaries carry out a valuation of these obligations.

iii Profit sharing scheme

The Group operates various employee profit sharing schemes at the subsidiary level, which are administered by Trustees in accordance with terms outlined in the Profit Sharing Scheme Rules. The profit share to be distributed to employees each year is based on a specific formula outlined in these Profit Sharing Scheme Rules. Employees of RBL have the option to receive their profit share allocation in cash (up to a maximum of 75% of the total entitlement) and receive the balance in ordinary shares of RFHL. The number of shares to be allocated is based on the employees' total entitlement less the cash element, divided by the average price of the unallocated shares purchased by the Trustees. The Group accounts for the profit share, as an expense, through the Consolidated statement of income.

iv Share-based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

q Taxation

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Consolidated statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Income tax payable on profits, based on the applicable tax law in each jurisdiction, is recognised as an expense in the period in which profits arise. The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

r Statutory reserves

There is a requirement where a portion of net profit after deduction of taxes in each year be transferred to a statutory reserve account. Statutory reserves amounted to $2.1 billion (2022: $1.9 billion) as at year end.

s Fiduciary assets

The Group provides custody, trustee and investment management services to third parties. All related assets are held in a fiduciary capacity and are not included in these consolidated financial statements as they are not the assets of the Group. These assets under administration at September 30, 2023 totaled $55.9 billion (2022: $52.0 billion).

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

t Earnings per share

Data on basic earnings per share has been computed by dividing the net profit attributable to equity holders of the Parent by the weighted average number of ordinary shares in issue during the year.

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has one category of dilutive potential ordinary shares, which are share options granted to Executive Management.

The difference between the weighted average number of shares used as the denominator in calculating basic earnings per share and that used for calculating diluted earnings per share is due to share options granted during the year.

u Foreign currency translation

The individual financial statements of each Group entity is presented in the currency of the primary economic environment, in which the entity operates (its functional currency). The consolidated financial statements are expressed in Trinidad and Tobago dollars, which is the functional currency of the Parent.

Monetary assets and liabilities of the Parent, which are denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling on September 30. Non-monetary assets and liabilities denominated in foreign currencies are translated at historic rates. All revenue and expenditure transactions denominated in foreign currencies are translated at mid-exchange rates and the resulting profits and losses on exchange from these trading activities are dealt with in the Consolidated statement of income.

The assets and liabilities of subsidiary companies are translated into Trinidad and Tobago dollars at the mid-rates of exchange ruling at the Consolidated statement of financial position date (except for the subsidiary bank in Suriname, where the rates were impacted by the economy of which was considered hyperinflationary on July 1, 2021), and all resulting exchange differences are recognised in OCI. All revenue and expenditure transactions are translated at an average rate.

The results and financial position of a Group entity whose functional currency is the currency of a hyperinflationary economy shall be translated into a different presentation currency using the following procedure: all amounts (i.e. assets, liabilities, equity items, income and expenses, including comparatives) shall be translated at the closing rate at the date of the most recent statement of financial position date.

When amounts are translated into the currency of a non-hyperinflationary economy, comparative amounts shall be those that were presented as current year amounts in the prior year financial statements (i.e. not adjusted for subsequent changes in the price level or subsequent changes in exchange rates).

v Intangible assets

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

v Intangible assets (continued)

The useful lives of intangible assets are assessed as finite and are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated statement of income in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated statement of income when the asset is derecognised.

w Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

The EIR method

Interest income and expense is recorded using the EIR method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

Interest income and expense

The Group calculates interest income and expense by applying the EIR to the gross carrying amount of financial assets and liabilities other than credit-impaired assets. For POCI financial assets a credit-adjusted EIR is applied to the amortised cost of the financial asset.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVPL is recognised using the contractual interest rate in net trading income and net gains or losses on financial assets at FVPL, respectively.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

w Revenue recognition (continued)

Fee and commission income

Unless included in the effective interest calculation, fees and commissions are recognised on an accruals basis as the service is provided. Fees and commissions not integral to effective interest arising from negotiating, or participating in the negotiation of a transaction from a third party are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts. Asset management fees related to investment funds are recognised over the period the service is provided.

Credit card fees and commissions are recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for providing the services. Credit card fees and commissions are therefore net of amounts paid, the expenses for the direct cost of satisfying the performance obligation is netted against the revenues received.

Dividends

Dividend income is recognised when the right to receive the payment is established.

x Fair value

The Group measures financial instruments at fair value at each Consolidated statement of financial position date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value, where fair values are disclosed, are shown in Note 25 to the consolidated financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i In the principal market for the asset or liability, or

ii In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1

Included in the Level 1 category are financial assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

x Fair value (continued)

Level 2

Included in the Level 2 category are financial assets and liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Group's own models whereby the majority of assumptions are market observable.

Level 3

Included in the Level 3 category are financial assets and liabilities that are not quoted as there are no active markets to determine a price. These financial instruments are held at cost, being the fair value of the consideration paid for the acquisition of the investment, and are regularly assessed for impairment.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Where the Group's investments are not actively traded in organised financial markets, the fair value is determined using discounted cash flow analysis, which requires considerable judgement in interpreting market data and developing estimates. Accordingly, estimates contained herein are not necessarily indicative of the amounts that the Group could realise in a current market exchange. The use of different assumptions and/or estimation methodologies may have a material effect on the estimated fair values. The fair value information for available-for-sale investments is based on information available to management as at the dates presented. Management is not aware of any factors that would significantly affect the estimated fair value amounts.

Investments classified as FVPL are actively traded in organised markets and fair value is determined by reference to the market price at year end or on the last trade date prior to year end.

Financial instruments where carrying value is equal to fair value:- Due to their short-term maturity, the carrying value of certain financial instruments is assumed to approximate their fair values. These include cash and cash equivalents, investment interest receivable, customers' deposit accounts, other fund raising instruments, other assets and other liabilities.

Advances are net of specific and other provisions for impairment. The fair values of advances is based on a current yield curve appropriate for the remaining term to maturity.

The fair values of the floating rate debt securities in issue is based on quoted market prices where available and where not available is based on a current yield curve appropriate for the remaining term to maturity. For balances due to banks, where the maturity period is less than one year, the fair value is assumed to equal carrying value. Where the maturity period is in excess of one year, these are primarily floating rate instruments, the interest rates of which reset with market rates, therefore the carrying values are assumed to equal fair values.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

x Fair value (continued)

Level 3 (continued)

The fair values of fixed rate debt securities carried at amortised cost is estimated by comparing market interest rates when they were first recognised with current market rates offered for similar financial instruments. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money market interest rates for facilities with similar credit risk and maturity.

y Segment reporting

A geographical segment is engaged in providing products, or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

A business segment is a group of assets and operations engaged in providing similar products and services that are subject to risks and returns that are different from those of other business segments.

The Group analyses its operations by both geographic and business segments. The primary format is geographic, reflecting its management structure. Its secondary format is that of business segments, reflecting retail and commercial banking and other financial services.

z Customers' liabilities under acceptances, guarantees, indemnities and letters of credit

These represent the Group's potential liability, for which there are equal and offsetting claims against its customers in the event of a call on these commitments. These amounts are not recorded on the Group's Consolidated statement of financial position but are detailed in Note 31 (b) of these consolidated financial statements.

aa Equity reserves

The reserves recorded in equity on the Group's Consolidated statement of financial position include:

Stated capital –	ordinary stated capital is classified within equity and is recognised at the fair value of the consideration received by the Group.
Translation reserves –	used to record exchange differences arising from the translation of the net investment in foreign operations.
Unallocated shares –	used to record the unallocated portion of shares purchased for the staff profit sharing scheme. Such shares are presented in the notes to the consolidated financial statements and are stated at cost.
Other reserves –	represents regulatory reserve requirements for certain subsidiaries in the Group.

Statutory reserves that qualify for treatment as equity are discussed in Note 2.6 (r).

ab Hyperinflation

The Surinamese economy is considered to be hyperinflationary effective 2021 in accordance with IAS 29 'Financial Reporting in Hyperinflationary Economies'. Accordingly, adjustments and reclassifications for the purposes of presentation of IFRS financial statements include restatement, in accordance with IAS 29, for changes in the general purchasing power of the Surinamese dollar. The standard requires that the financial statements prepared in the currency of the hyperinflationary economy be stated in terms of the measuring unit current at the reporting date.

On the application of IAS 29 the Group's wholly-owned subsidiary used the conversion coefficient derived from the consumer price index in Suriname published by the Central Bank of Suriname.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

ab Hyperinflation (continued)

Monetary assets and liabilities are not restated because they are already expressed in terms of the monetary unit current at September 30, 2023. Non-monetary assets and liabilities (items which are not already expressed in terms of the monetary unit as at September 30, 2023) are restated by applying the relevant index. The effect of inflation on the subsidiary's net monetary position is included in the Consolidated statement of income as a loss on net monetary position.

The application of IAS 29 results in an adjustment for the loss of purchasing power of the Surinamese dollar recorded in the Statement of income. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power, which results in a loss on the net monetary position. This loss/gain is derived as the difference resulting from the restatement of non-monetary assets/liabilities, equity and items in the Statement of comprehensive income. Corresponding figures for the year ended September 30, 2022, have also been restated so that they are presented in terms of the purchasing power of the Surinamese dollar as at September 30, 2023.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties include:

a Risk management – Note 22
b Capital management – Note 24

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment losses on financial assets – Note 4 and Note 5

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The estimation of the amount and timing of future cash flows and collateral values when determining impairment losses
- The Group's internal credit grading model, assigns grades for corporate facilities, and this was the basis for grouping PDs
- The Group's criteria for assessing if there has been a significant increase in credit risk and if so, allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- Development of ECL models, including the various formulae and the choice of inputs

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Impairment losses on financial assets – Note 4 and Note 5 (continued)

- Determination of the existence of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- The inclusion of overlay adjustments based on judgement and future expectations.

Other assumptions

Net pension asset/liability – Note 10

In conducting valuation exercises to measure the effect of all employee benefit plans throughout the Group, the Banks' independent actuaries use judgement and assumptions in determining discount rates, salary increases, NIS ceiling increases, pension increases and the rate of return on the assets of the Plans.

Goodwill – Note 9 (a)

The Group's consolidated financial statements include goodwill arising from acquisitions. In accordance with IFRS 3, goodwill was reviewed for impairment, as at September 30, 2023, using the 'value in use' method. This requires the use of estimates for determination of future cash flows expected to arise from each CGU and an appropriate perpetuity discount rate to calculate present value.

Deferred taxes – Note 11

In calculating the provision for deferred taxation, management uses judgement to determine the probability that future taxable profits will be available to facilitate utilisation of temporary tax differences which may arise.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Premises and equipment – Note 7

Management exercises judgement in determining whether costs incurred can accrue sufficient future economic benefits to the Group to enable the value to be treated as a capital expense. Further judgement is used upon annual review of the residual values and useful lives of all capital items to determine any necessary adjustments to carrying value.

Leases – Note 8

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation of the leased asset).

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgements (continued)

Leases – Note 8 (continued)

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its Incremental Borrowing Rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments (such as the subsidiary's stand-alone credit rating, or to reflect the terms and conditions of the lease).

Assessment of control

Management uses judgement in performing a control assessment review on all mutual funds and retirement plans sponsored by the Group and its subsidiaries. This assessment revealed that the Group is unable to exercise power over the activities of the funds/plans and is therefore not deemed to be in control of any of the mutual funds and retirement plans.

4 ADVANCES

a Advances

	Retail Lending	Commercial and Corporate Lending	Mortgages	Overdrafts	Credit Cards	Total
2023						
Performing advances	7,331	15,326	31,426	3,515	1,626	**59,224**
Non-performing advances	282	943	1,776	95	198	**3,294**
	7,613	16,269	33,202	3,610	1,824	**62,518**
Unearned interest/finance charge	(83)	(19)	(5)	–	–	**(107)**
Accrued interest	9	121	93	9	–	**232**
Gross loans	7,539	16,371	33,290	3,619	1,824	**62,643**
Allowance for ECLs – Note 4 (d)	(274)	(693)	(478)	(79)	(217)	**(1,741)**
	7,265	15,678	32,812	3,540	1,607	**60,902**
Unearned loan origination fees	(51)	(63)	(129)	(1)	(2)	**(246)**
Net advances	**7,214**	**15,615**	**32,683**	**3,539**	**1,605**	**60,656**

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

4 ADVANCES (continued)

a Advances (continued)

	Retail Lending	Commercial and Corporate Lending	Mortgages	Overdrafts	Credit Cards	Total
2022						
Performing advances	6,835	14,266	29,781	3,331	1,722	**55,935**
Non-performing advances	252	894	1,406	81	86	**2,719**
	7,087	15,160	31,187	3,412	1,808	**58,654**
Unearned interest/finance charge	(73)	(21)	(5)	–	–	**(99)**
Accrued interest	8	97	76	9	–	**190**
Gross loans	7,022	15,236	31,258	3,421	1,808	**58,745**
Allowance for ECLs – Note 4 (d)	(269)	(676)	(560)	(81)	(110)	**(1,696)**
	6,753	14,560	30,698	3,340	1,698	**57,049**
Unearned loan origination fees	(47)	(53)	(118)	–	(2)	**(220)**
Net advances	**6,706**	**14,507**	**30,580**	**3,340**	**1,696**	**56,829**

	2023	2022
b Net investment in leased assets included in net advances		
Gross investment	**21**	39
Unearned finance charge	**(2)**	(3)
Net investment in leased assets	**19**	**36**
c Net investment in leased assets has the following maturity profile:		
Within one year	**–**	11
One to five years	**19**	5
Over five years	**–**	20
	19	**36**

d Impairment allowance for advances to customers

The table below shows the staging of advances and the related ECLs based on the Group's criteria as explained in Note 22.2.4. Policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 22.2.6.

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

4 ADVANCES (continued)

d Impairment allowance for advances to customers (continued)

	Retail Lending	Commercial and Corporate Lending	Mortgages	Overdrafts	Credit Cards	Total
2023						
Gross loans	7,539	16,371	33,290	3,619	1,824	**62,643**
Stage 1: 12 Month ECL	(101)	(91)	(132)	(35)	(52)	**(411)**
Stage 2: Lifetime ECL	(7)	(143)	(63)	(19)	(31)	**(263)**
Stage 3: Credit-impaired financial assets – Lifetime ECL	(166)	(459)	(283)	(25)	(134)	**(1,067)**
	7,265	**15,678**	**32,812**	**3,540**	**1,607**	**60,902**
Stage 1: 12 Month ECL						
ECL allowance as at October 1, 2022	124	102	154	41	35	**456**
Translation adjustments	(2)	(1)	(7)	(2)	(1)	**(13)**
ECL on new instruments issued during the year	22	26	5	4	5	**62**
Other credit loss movements, repayments etc.	(43)	(36)	(20)	(8)	13	**(94)**
At September 30, 2023	**101**	**91**	**132**	**35**	**52**	**411**
Stage 2: Lifetime ECL						
ECL allowance as at October 1, 2022	8	150	89	14	19	**280**
Translation adjustments	–	(4)	9	6	14	**25**
ECL on new instruments issued during the year	1	3	(6)	2	(2)	**(2)**
Other credit loss movements, repayments etc.	(2)	(6)	(29)	(3)	–	**(40)**
At September 30, 2023	**7**	**143**	**63**	**19**	**31**	**263**
Stage 3: Credit-impaired financial assets – Lifetime ECL						
ECL allowance as at October 1, 2022	137	424	317	25	56	**959**
Translation adjustments	11	(1)	(76)	(2)	5	**(63)**
Charge-offs and write-offs	(52)	(90)	(32)	4	(22)	**(192)**
Credit loss expense	100	159	114	(2)	107	**478**
Recoveries	(30)	(33)	(40)	–	(12)	**(115)**
At September 30, 2023	**166**	**459**	**283**	**25**	**134**	**1,067**
Total	**274**	**693**	**478**	**79**	**217**	**1,741**

Of the total ECL of $1,741 million, 11.7% was on a collective basis and 88.3% was on an individual basis.

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

4 ADVANCES (continued)

d Impairment allowance for advances to customers (continued)

Overdrafts and credit cards are revolving facilities, therefore the ECL on new instruments issued during the year are assumed to be nil.

	Retail Lending	Commercial and Corporate Lending	Mortgages	Overdrafts	Credit Cards	Total
2022						
Gross loans	7,022	15,236	31,258	3,421	1,808	**58,745**
Stage 1: 12 Month ECL	(124)	(102)	(154)	(41)	(35)	**(456)**
Stage 2: Lifetime ECL	(8)	(150)	(89)	(14)	(19)	**(280)**
Stage 3: Credit-impaired financial assets – Lifetime ECL	(137)	(424)	(317)	(26)	(56)	**(960)**
	6,753	**14,560**	**30,698**	**3,340**	**1,698**	**57,049**
Stage 1: 12 Month ECL						
ECL allowance as at October 1, 2021	135	115	156	48	39	**493**
Translation adjustments	(7)	(3)	–	(6)	–	**(16)**
ECL on new instruments issued during the year	20	32	9	3	–	**64**
Other credit loss movements, repayments etc.	(24)	(42)	(11)	(4)	(4)	**(85)**
At September 30, 2022	**124**	**102**	**154**	**41**	**35**	**456**
Stage 2: Lifetime ECL						
ECL allowance as at October 1, 2021	8	91	53	17	37	**206**
Translation adjustments	(1)	(9)	–	(2)	–	**(12)**
ECL on new instruments issued during the year	2	11	2	1	(4)	**12**
Other credit loss movements, repayments etc.	(1)	57	34	(2)	(14)	**74**
At September 30, 2022	**8**	**150**	**89**	**14**	**19**	**280**
Stage 3: Credit-impaired financial assets – Lifetime ECL						
ECL allowance as at October 1, 2021	162	428	347	51	54	**1,043**
Translation adjustments	(8)	(36)	(18)	(12)	–	**(74)**
Charge-offs and write-offs	(78)	(42)	(29)	(4)	(15)	**(168)**
Credit loss expense	108	122	59	(10)	38	**316**
Recoveries	(47)	(48)	(42)	–	(21)	**(158)**
At September 30, 2022	**137**	**424**	**317**	**25**	**56**	**959**
Total	**269**	**676**	**560**	**81**	**110**	**1,696**

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

4 ADVANCES (continued)

e Restructured / Modified loans

Within the retail and credit card portfolios, management will in the normal course of business modify the terms and conditions of facilities in the case of difficulties by the borrower. These modifications rarely result in an impairment loss and if it does, it is not material.

The Group occasionally makes modifications to the original terms of large commercial and corporate loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. These modifications are made only when the Group believes the borrower is likely to meet the modified terms and conditions. Indicators of financial difficulties include defaults on covenants, overdue payments or significant concerns raised by the Credit Risk Department. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms.

Restructured loans are carefully monitored. Restructured large commercial and corporate loans are classified as Stage 2 and amounted to $242.5 million as at September 30, 2023, (2022: $497.0 million).

5 INVESTMENT SECURITIES

		2023	2022
a	**Designated at fair value through profit or loss**		
	Debt instruments	**3**	24
	Equities and mutual funds	**110**	119
		113	**143**
b	**Debt instruments at amortised cost**		
	Government securities	**8,731**	8,254
	State-owned company securities	**2,327**	2,030
	Corporate bonds/debentures	**7,304**	8,234
	Bankers' acceptances	**522**	464
	Other short-term liquid investments	**1,219**	829
		20,103	**19,811**
	Total investment securities	**20,216**	**19,954**

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

5 INVESTMENT SECURITIES (continued)

c Financial investment securities subject to impairment assessment

Debt instruments measured at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit rating system, aging and year-end stage classification.

	Stage 1 12 Month ECL	Stage 2 Lifetime ECL	Stage 3 Credit-impaired Financial Assets – Lifetime ECL	Purchased or Originated Credit-impaired (POCI)	Total
2023					
Gross exposure	16,851	1,128	7	2,308	**20,294**
ECL	(13)	(14)	(5)	(159)	**(191)**
Net exposure	**16,838**	**1,114**	**2**	**2,149**	**20,103**
ECL allowance as at October 1, 2022	12	16	63	142	**233**
Translation adjustments	2	2	4	3	**11**
ECL on new instruments issued during the year	1	4	–	146	**151**
Other credit loss movements, repayments and maturities	–	(6)	(62)	(330)	**(398)**
ECL on old instruments converted in debt restructure	(2)	(2)	–	198	**194**
At September 30, 2023	**13**	**14**	**5**	**159**	**191**
2022					
Gross exposure	16,893	1,432	122	1,597	**20,044**
ECL	(12)	(16)	(63)	(142)	**(233)**
Net exposure	**16,881**	**1,416**	**59**	**1,455**	**19,811**
ECL allowance as at October 1, 2021	9	17	63	146	**235**
Translation adjustments	2	–	(1)	–	**1**
ECL on new instruments issued during the year	5	7	1	–	**13**
Other credit loss movements, repayments and maturities	(4)	(8)	–	(4)	**(16)**
At September 30, 2022	**12**	**16**	**63**	**142**	**233**

The Group accepted the Government of Ghana Debt Exchange offer in the 2023 financial year. The terms of the Exchange Instruments which only consisted of bonds issued or owned by certain state owned enterprises, collectively the 'old' instruments; were significantly different due to extended maturities and lower interest rates. Consequently, the 'old' instruments were derecognised at the carrying value. The Exchanged Instruments were recognised under IFRS 9 at fair value and classified as POCI financial assets. The Group recognised an impairment of $125.4 million on this Debt Exchange program.

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

5 INVESTMENT SECURITIES c(continued)

c Financial investment securities subject to impairment assessment (continued)

Debt instruments measured at amortised cost (continued)

The Group also accepted the Ghana Cocoa Board Debt Exchange offer in the 2023 financial year. The terms of the Exchange Instruments which only consisted of 'Cocoa bills' issued by the Board, collectively the 'old' instruments, were significantly different due to extended maturities and lower interest rates. Consequently, the 'old' instruments were derecognised at the carrying value. The Exchanged Instruments were recognised under IFRS 9 at fair value and classified as POCI financial assets. The Group recognised an impairment of $22.3 million on this Debt Exchange program.

The increase in exposure to POCI was offset by the decrease in the gross exposure to Bonds issued by the Government of Barbados following the Debt Exchange offer in 2019.

d Designated at fair value through profit or loss

Mutual fund securities are quoted and fair value is determined to be the quoted price at the reporting date. Holdings in unquoted equities are insignificant for the Group.

6 INVESTMENT IN ASSOCIATED COMPANIES

	2023	2022
Balance at beginning of year	**63**	56
Share of profit	**6**	7
Balance at end of year	**69**	**63**

The Group's interest in associated companies is as follows:

	Country of Incorporation	Reporting Year-end of Associate	Proportion of Issued Capital Held
G4S Holdings (Trinidad) Limited	Trinidad and Tobago	December	24.50%
InfoLink Services Limited	Trinidad and Tobago	December	25.00%

Summarised financial information in respect of the Group's associates is as follows:

	2023	2022
Total assets	**321**	304
Total liabilities	**49**	54
Net assets/equity	**273**	250
Group's share of associates' net assets	**69**	63
Profit for the period	**27**	21
Group's share of profit of associated companies after tax for the period	**6**	7

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

7 PREMISES AND EQUIPMENT

	Capital Works in Progress	Freehold Premises	Leasehold Premises	Equipment, Furniture and Fittings	Total
2023					
Cost					
At beginning of year	381	2,297	372	3,203	**6,253**
Exchange and other adjustments	(3)	(5)	23	(40)	**(25)**
Additions at cost	292	7	18	77	**394**
Disposal of assets	(2)	(7)	(28)	(180)	**(217)**
Transfer of assets	(144)	9	3	132	**–**
	524	**2,301**	**388**	**3,192**	**6,405**
Accumulated depreciation					
At beginning of year	–	471	231	2,295	**2,997**
Exchange and other adjustments	–	6	(3)	(25)	**(22)**
Charge for the year	–	35	22	247	**304**
Disposal of assets	–	(4)	(22)	(171)	**(197)**
	–	**508**	**228**	**2,346**	**3,082**
Net book value	**524**	**1,793**	**160**	**846**	**3,323**
2022					
Cost					
At beginning of year	461	2,326	372	2,828	**5,987**
Exchange and other adjustments	(4)	(27)	(19)	(27)	**(77)**
Additions at cost	305	8	23	71	**407**
Disposal of assets	(1)	(19)	(6)	(38)	**(64)**
Transfer of assets	(380)	9	2	369	**–**
	381	**2,297**	**372**	**3,203**	**6,253**
Accumulated depreciation					
At beginning of year	–	436	211	2,121	**2,768**
Exchange and other adjustments	–	(1)	(2)	(33)	**(36)**
Charge for the year	–	38	28	239	**305**
Disposal of assets	–	(2)	(6)	(32)	**(40)**
	–	471	231	2,295	**2,997**
Net book value	**381**	**1,826**	**141**	**908**	**3,256**

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

7 PREMISES AND EQUIPMENT (continued)

Capital commitments

	2023	2022
Contracts for outstanding capital expenditure not provided for in the consolidated financial statements	**115**	135
Other capital expenditure authorised by the Directors but not yet contracted for	**82**	**78**

8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	Leasehold Premises 2023	Leasehold Premises 2022
a Right-of-use assets		
Cost		
At beginning of year	**640**	653
Exchange and other adjustments	**(4)**	(24)
Additions at cost	**110**	33
Disposal of assets	**(34)**	(21)
Transfer of assets	**(8)**	–
	704	**640**
Accumulated depreciation		
At beginning of year	**243**	175
Exchange and other adjustments	**(2)**	(11)
Charge for the year – Note 19 (d)	**80**	89
Disposal of assets	**(9)**	(10)
Fully depreciated assets written off	**(26)**	–
	286	**243**
Net book value	**418**	**397**

Leasehold premises generally have lease terms between 3 and 15 years.

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

b Lease liabilities

	Non-current	Current	Total
2023			
At beginning of year	410	10	**420**
Exchange and other adjustments	(1)	(1)	**(2)**
Additions at cost	99	–	**99**
Accretion of interest expense – Note 19 (b)	26	1	**27**
Less: payments	(98)	(3)	**(101)**
Less: disposals	(11)	–	**(11)**
	425	**7**	**432**
2022			
At beginning of year	475	8	**483**
Exchange and other adjustments	(6)	(2)	**(8)**
Additions at cost	26	4	**30**
Accretion of interest expense – Note 19 (b)	22	1	**23**
Less: payments	(94)	(1)	**(95)**
Less: disposals	(13)	–	**(13)**
	410	**10**	**420**

The contractual maturity analysis of lease liabilities are disclosed in Note 22.3.1.

Payments

	Fixed Payments	Variable Payments	Total
2023			
Fixed rent	75	–	**75**
Variable with minimum payment	13	13	**26**
	88	**13**	**101**
2022			
Fixed rent	68	–	**68**
Variable with minimum payment	26	1	**27**
	94	**1**	**95**

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

b Lease liabilities continued

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Within Five Years	More Than Five Years	Total
2023			
Extension options expected not to be exercised	4	–	**4**
Termination options expected to be exercised	6	–	**6**
	10	**–**	**10**
2022			
Extension options expected not to be exercised	38	–	**38**
Termination options expected to be exercised	5	–	**5**
	43	**–**	**43**

9 INTANGIBLE ASSETS

		2023	2022
a	Goodwill	**836**	934
b	Core deposits	**115**	167
c	Trade name	**3**	11
d	Customer base	**24**	32
		978	**1,144**

		2023	2022
a	**Goodwill**		
	Goodwill on acquisition brought forward	**934**	936
	Goodwill impairment expense – Note 19 (d)	**(117)**	(2)
	Goodwill arising from prior period adjustments	**21**	–
	Exchange translations	**(2)**	–
		836	**934**

The residual balance of goodwill arising from business combinations was primarily generated from RFHL's acquisitions of Cayman National Corporation Ltd., Republic Bank (Guyana) Limited, Republic Bank (Grenada) Limited, Republic Bank (EC) Limited and Republic Bank (BVI) Limited and acquisitions by Republic Bank (Ghana) PLC. and Republic Bank (Guyana) Limited.

Impairment testing of goodwill

In accordance with IFRS 3, all assets that gave rise to goodwill were reviewed for impairment using the 'value in use' method. In each case, the cash flow projections are based on financial budgets approved by senior management and the values assigned to key assumptions reflect past performance.

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

9 INTANGIBLE ASSETS (continued)

a Goodwill (continued)

Impairment testing of goodwill (continued)

The impact of the global economy exacerbated by high inflation and rising interest rates, has created uncertainty in the estimation of cash flow projections, discount rates and terminal growth rates. The goodwill impairment tests were conducted using sensitivity analyses, including a range of growth rates, interest rates, recovery assumptions, macro-economic outlooks and discount rates for each entity in arriving at an expected cash flow projection.

Using these assumptions, with the exception of Republic Bank (Ghana) PLC., the value in use of the Cash Generating Units exceeded the carrying values.

The fragility of the economic outlook for Republic Bank (Ghana) PLC. resulted in reduced projections and an increased discount rate of 44.81% (from 24.7%). Using these assumptions, the value in use of the Company was determined to be lower than the carrying value of the Company, resulting in a goodwill impairment expense of $117 million being recorded.

The following table highlights the goodwill and key assumptions used in value in use calculations for each CGU:

	Republic Bank (Grenada) Limited	Republic Bank (Guyana) Limited	Cayman National Corporation Ltd.	Republic Bank (EC) Limited	Republic Bank (BVI) Limited	Total
Carrying amount of goodwill (TT$ million)	67	94	371	125	179	**836**
Basis for recoverable amount	Value in use	Value in use	Value in use	Value in use	Value in use	
Discount rate	11.1%	10.7%	10.3%	13.2%	10.5%	
Cash flow projection term	5 yrs	5 yrs	5 yrs	5 yrs	5 yrs	
Terminal growth rate	2.0%	4.0%	2.0%	1.7%	1.5%	

b Other intangible assets

	Core Deposits	Trade Name	Customer Base	Total
Cost				
At October 1, 2021	282	40	51	**373**
Acquisition of subsidiaries	21	–	–	**21**
At September 30, 2022	303	40	51	**394**
Exchange and other adjustments	(22)	–	–	**(22)**
At September 30, 2023	**281**	**40**	**51**	**372**

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9 INTANGIBLE ASSETS (continued)

b Other intangible assets (continued)

	Core Deposits	Trade Name	Customer Base	Total
Amortisation				
At October 1, 2021	106	21	11	**138**
Amortisation	30	8	8	**46**
At September 30, 2022	136	29	19	**184**
Amortisation	30	8	8	**46**
At September 30, 2023	**166**	**37**	**27**	**230**
Net book value				
At September 30, 2022	167	11	32	**210**
At September 30, 2023	115	3	24	**142**

Core deposit intangibles acquired through business combinations in 2020 have been determined to have a life of 5 years (savings and chequing deposits) and 8.5 years (time deposits) from acquisition date.

Trade name intangibles acquired through business combinations in 2019 have been determined to have a life of 5 years from acquisition date.

Customer base intangibles acquired through business combinations in 2020 have been determined to have a life of 6.2 years from acquisition date.

10 EMPLOYEE BENEFITS

a The amounts recognised in the Consolidated statement of financial position are as follows:

	Defined Benefit Pension Plans			
	Pension Assets		Pension Liability	
	2023	2022	2023	2022
Present value of defined benefit obligation	**(3,668)**	(3,411)	**(6)**	(6)
Fair value of plan assets	**4,627**	4,631	**6**	6
Surplus	**959**	1,220	**-**	-
Effect of asset ceiling	**(13)**	(19)	**-**	-
Net asset recognised in the Consolidated statement of financial position	**946**	**1,201**	**-**	**-**

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10 EMPLOYEE BENEFITS (continued)

a The amounts recognised in the Consolidated statement of financial position are as follows: (continued)

	Post-retirement Medical Benefits 2023	Post-retirement Medical Benefits 2022
Present value of defined benefit obligation	**(41)**	(47)
Fair value of plan assets	**–**	–
Net liability recognised in the Consolidated statement of financial position	**(41)**	**(47)**

b Changes in the present value of the defined benefit obligation are as follows:

	Defined Benefit Pension Plans		Post-retirement Medical Benefits	
	2023	2022	2023	2022
Opening defined benefit obligation	**3,417**	3,286	**47**	67
Exchange adjustments	**(2)**	(1)	**(3)**	(11)
Current service cost	**99**	94	**2**	2
Interest cost	**224**	216	**2**	7
Members' contributions	**2**	2	**–**	–
Remeasurements:				
– Experience adjustments	**94**	(43)	**(3)**	8
– Actuarial losses/(gains) from change in demographic assumptions	**22**	29	**1**	(4)
– Actuarial losses/(gains) from change in financial assumptions	**2**	1	**1**	(17)
Benefits paid	**(184)**	(167)	**(1)**	(1)
Premiums paid by the Group	**–**	–	**(5)**	(4)
Closing defined benefit obligation	**3,674**	**3,417**	**41**	**47**

c Reconciliation of opening and closing Consolidated statement of financial position entries:

	Defined Benefit Pension Plans		Post-retirement Medical Benefits	
	2023	2022	2023	2022
Defined benefit obligation at prior year end	**1,201**	1,390	**47**	67
Exchange adjustments	**–**	2	**(1)**	2
Opening defined benefit obligation	**1,201**	1,392	**46**	69
Net pension (cost)/credit	**(26)**	(10)	**4**	9
Remeasurements recognised in other comprehensive income	**(252)**	(248)	**(4)**	(26)
Contributions/premiums	**23**	67	**(5)**	(5)
Closing net pension asset	**946**	**1,201**	**41**	**47**

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10 EMPLOYEE BENEFITS (continued)

d Liability profile

The defined benefit obligation is allocated amongst the Plan's members as follows:

	Defined Benefit Pension Plans	Post-retirement Medical Benefits
Active members	45% to 77%	10% to 60%
Deferred members	2% to 6%	N/A
Pensioners	21% to 49%	40% to 90%

The weighted duration of the defined benefit obligation ranged from 12.23 to 16.4 years.

29% to 74% of the defined benefit obligation for active members was conditional on future salary increases.

50% to 100% of the benefits for active members were vested.

There are no asset-liability matching strategies used by the Plans.

e Changes in the fair value of plan assets are as follows:

	Defined Benefit Pension Plans	
	2023	2022
Opening fair value of plan assets	**4,637**	4,794
Exchange adjustments	**(3)**	(1)
Interest income	**272**	285
Return on plan assets, excluding interest income	**(113)**	(341)
Contributions by employer	**24**	67
Members' contributions	**2**	2
Benefits paid	**(184)**	(167)
Expense allowance	**(2)**	(2)
Closing fair value of plan assets	**4,633**	**4,637**
Actual return on plan assets	**153**	**(53)**

f Plan asset allocation as at September 30

	Defined Benefit Pension Plans			
	Fair Value		% Allocation	
	2023	2022	2023	2022
Equity securities	**2,402**	2,306	**51.85**	49.74
Debt securities	**1,678**	1,760	**36.22**	37.95
Property	**10**	12	**0.21**	0.26
Mortgages	**3**	4	**0.06**	0.08
Money market instruments/cash	**540**	555	**11.66**	11.97
Total fair value of plan assets	**4,633**	**4,637**	**100.0**	**100.0**

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10 EMPLOYEE BENEFITS (continued)

f Plan asset allocation as at September 30 (continued)

As at September 30, 2023, plan assets of $6.1 million (2022: $6.3 million) for one of the Group's subsidiaries are held by an insurance company that are not separately identifiable. This plan asset allocation is maintained by the insurance company.

Included in the money market instruments/cash are $60.4 million held with the Bank.

g The amounts recognised in the Consolidated statement of income are as follows:

	Defined Benefit Pension Plans		Post-retirement Medical Benefits	
	2023	2022	2023	2022
Current service cost	**99**	94	**2**	2
Interest on defined benefit obligation	**(77)**	(88)	**2**	7
Administration expenses	**4**	4	**–**	–
Total included in staff costs	**26**	**10**	**4**	**9**

h Remeasurements recognised in Other comprehensive income:

	Defined Benefit Pension Plans		Post-retirement Medical Benefits	
	2023	2022	2023	2022
Experience (losses)/gains	**(254)**	(249)	**4**	26
Effect of asset ceiling	**2**	1	**–**	–
Total included in Other comprehensive income	**(252)**	**(248)**	**4**	**26**

i Summary of principal actuarial assumptions as at September 30:

	2023 %	2022 %
Discount rates	**1.00 - 26.00**	1.00 - 26.00
Rate of salary increases	**4.00 - 11.10**	3.50 - 11.10
Pension increases	**1.50 - 11.35**	1.50 - 11.35
Medical cost trend rates	**2.20 - 7.00**	2.20 - 7.00
NIS ceiling rates	**3.00 - 5.00**	3.00 - 5.00

Assumptions regarding future mortality are based on published mortality rates. The life expectancies underlying the value of the defined benefit obligation as at September 30 are as follows:

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10 EMPLOYEE BENEFITS (continued)

i Summary of principal actuarial assumptions as at September 30: (continued)

	Defined Benefit Pension Plans 2023	Defined Benefit Pension Plans 2022
Life expectancy at age 60 – 65 for current pensioner in years:		
– Male	**21.1 to 25.1**	17.6 to 25.0
– Female	**21.6 to 27.1**	21.5 to 27.0
Life expectancy at age 60 – 65 for current members age 40 in years:		
– Male	**18.6 to 36.4**	18.6 to 36.4
– Female	**22.7 to 41.5**	22.7 to 41.5

j Sensitivity analysis

The calculations of the defined benefit and medical obligations are sensitive to the assumptions used. The following table summarises how these obligations as at September 30, 2023, would have changed as a result of a change in the assumptions used.

	Defined Benefit Pension Plans		Post-retirement Medical Benefits	
	1% p.a. Increase	1% p.a. Decrease	1% p.a. Increase	1%p.a. Decrease
– Discount rate	(453)	573	(1)	2
– Future salary increases	(216)	186	–	–
– Future pension cost increases	(317)	267	–	–
– Medical cost increases	–	–	(2)	1

An increase of one year in the assumed life expectancies shown above would increase the defined benefit obligation at September 30, 2023, by $144.47 million and the post-retirement medical benefit by $0.42 million.

These sensitivities were calculated by re-calculating the defined benefit obligations using the revised assumptions.

k Funding

The Group meets the entire cost of funding the defined benefit pension plan. The funding requirements are based on regular actuarial valuations of the Plan made every three years and the assumptions used to determine the funding required may differ from those set out above. The Group expects to pay $60.08 million to the pension plan in the 2024 financial year.

The Group operates the post-retirement medical benefit plan as a self-insured arrangement administered by insurance brokers. The Group expects to pay $5.59 million to the medical plan in the 2024 financial year.

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11 DEFERRED TAX ASSETS AND LIABILITIES

Components of deferred tax assets and liabilities

a Deferred tax assets

	Opening Balance 2022	Exchange and Other Adjustments	Credit/(Charge) Consolidated Statement of Income	OCI	Closing Balance 2023
Post-retirement medical benefits	8	–	(5)	6	**9**
Leased assets	13	(4)	1	–	**10**
Unearned loan origination fees	49	–	5	–	**54**
Provisions	212	–	44	–	**256**
Other	35	(4)	(7)	–	**24**
	317	**(8)**	**38**	**6**	**353**

	Opening Balance 2021	Exchange and Other Adjustments	Credit/(Charge) Consolidated Statement of Income	OCI	Closing Balance 2022
Post-retirement medical benefits	7	–	(1)	2	8
Leased assets	13	1	(1)	–	13
Unearned loan origination fees	46	–	3	–	49
Tax losses	9	–	(9)	–	–
Provisions	164	3	45	–	212
Other	7	20	8	–	35
	246	**24**	**45**	**2**	**317**

b Deferred tax liabilities

	Opening Balance 2022	Exchange and Other Adjustments	Credit/(Charge) Consolidated Statement of Income	OCI	Closing Balance 2023
Pension asset	399	–	(10)	(67)	**322**
Leased assets	2	(8)	–	–	**(6)**
Premises and equipment	118	8	19	–	**145**
Other	16	15	(4)	–	**26**
	535	**15**	**5**	**(67)**	**487**
Net credit to Consolidated statement of income			**(33)**		

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

11 DEFERRED TAX ASSETS AND LIABILITIES (continued)

Components of deferred tax assets and liabilities (continued)

b Deferred tax liabilities (continued)

	Opening Balance 2021	Exchange and Other Adjustments	Credit/(Charge) Consolidated Statement of Income	OCI	Closing Balance 2022
Pension asset	496	–	4	(101)	399
Leased assets	6	–	(4)	–	2
Premises and equipment	84	3	31	–	118
Other	1	15	–	–	16
	587	**18**	**31**	**(101)**	**535**
Net credit to Consolidated statement of income				**(14)**	

12 OTHER ASSETS

	2023	2022
Accounts receivable and prepayments (net of provision)	**974**	836
Accrued income	**7**	5
Deferred commission and fees	**8**	7
Other	**78**	224
	1,067	**1,072**

13 CUSTOMERS' CURRENT, SAVINGS AND DEPOSIT ACCOUNTS

Concentration of customers' current, savings and deposit accounts

	2023	2022
State	**8,079**	7,143
Corporate and commercial	**26,960**	27,552
Personal	**48,540**	46,307
Other financial institutions	**5,313**	6,015
Other	**1,021**	569
	89,913	**87,586**

14 OTHER FUND RAISING INSTRUMENTS

At September 30, 2023, investment securities held to secure other fund raising instruments of the Group amounted to $4.2 billion (2022: $5.4 billion). These other fund raising instruments range for a term up to one year.

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14 OTHER FUND RAISING INSTRUMENTS (continued)

Concentration of other fund raising instruments

	2023	2022
State	**102**	859
Corporate and commercial	**670**	343
Personal	**646**	606
Other financial institutions	**2,232**	2,654
	3,650	**4,462**

15 DEBT SECURITIES IN ISSUE

	2023	2022
Unsecured		
a Fixed rate bonds	**472**	668
b Floating rate bonds	**1,041**	995
	1,513	1,663
Secured		
a Floating rate bonds	**5**	12
Total debt securities in issue	**1,518**	**1,675**

Unsecured obligations

a Republic Bank Limited borrowed the amount of $75 million United States dollars from the Inter-American Development Bank (IADB) and $75 million United States dollars from International Finance Corporation (IFC) both on an unsecured basis. This amount is repayable in full on June 2026, at an interest rate of Secured Overnight Financing Rate (SOFR) plus 450 basis points.

b Republic Financial Holdings Limited has an unsecured fixed rate debt of $150 million United States dollars which becomes repayable at the end of a five year period on April 17, 2024. Interest is accrued at a fixed rate of 5.07%. Principal repayments would be made bi-annually after the first year of the debt, in the amount of $11.25 million United States dollars until repaid. Interest payments would be made bi-annually from inception.

Secured obligations

a Floating rate bonds are denominated in Trinidad and Tobago dollars and are secured by property and equipment under investments in leased assets.

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16 OTHER LIABILITIES

	2023	2022
Accounts payable and accruals	**1,551**	1,535
Deferred income	**3**	1
Claims reserves (insurance companies only)	**161**	92
Other	**174**	443
	1,889	**2,071**

17 STATED CAPITAL

Authorised

An unlimited number of shares of no par value

	Number of Ordinary Shares ('000) 2023	2022	2023	2022
Issued and fully paid				
At beginning of year	**162,992**	162,536	**913**	880
Shares issued/proceeds from shares issued	**141**	250	**13**	26
Shares purchased for profit sharing scheme	**(728)**	(143)	**–**	–
Share-based payments	**–**	–	**6**	7
Allocation of shares	**385**	349	**–**	–
At end of year	**162,790**	**162,992**	**932**	**913**

The following reflects the calculation of the effect of the issue of stock options on the weighted average number of ordinary shares.

	2023	2022
Weighted average number of ordinary shares	**162,906**	162,928
Effect of dilutive stock options	**422**	562
Weighted average number of ordinary shares adjusted for the effect of dilution	**163,328**	**163,490**

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18 OTHER RESERVES

	Translation Reserves	Unallocated Shares	Other Reserves	Total
Balance at October 1, 2021	(311)	(102)	75	**(338)**
Translation adjustments	(293)	–	–	**(293)**
Transfer to other reserves from retained earnings	–	–	91	**91**
Shares purchased for profit sharing scheme	–	(20)	–	**(20)**
Allocation of shares	–	50	–	**50**
Other	–	–	3	**3**
Balance at September 30, 2022	(604)	(72)	169	**(507)**
Translation adjustments	(60)	–	–	**(60)**
Transfer to other reserves from retained earnings	–	–	112	**112**
Shares purchased for profit sharing scheme	–	(100)	–	**(100)**
Allocation of shares	–	52	–	**52**
Other	–	–	(3)	**(3)**
Balance at September 30, 2023	**(664)**	**(120)**	**278**	**(506)**

Other reserves

This balance represents the difference between regulatory reserve requirements and specific provisions under IFRSs and is an appropriation of retained earnings for certain subsidiaries in the Group in accordance with regulatory requirements in those jurisdictions.

Unallocated shares in the staff profit sharing scheme

The Republic Bank Limited staff profit sharing scheme purchases Republic Financial Holdings Limited shares to build its stock for allocation in the annual profit sharing exercise. During the 2023 financial year, $100 million in advances were made by Republic Bank Limited for purchase of shares to the staff profit sharing scheme (2022: $20 million). As at September 30, 2023, shares costing $120 million (2022: $72 million) remain unallocated from the profit sharing scheme.

	Number of Ordinary Shares ('000's)	
	2023	2022
Balance brought forward	**527**	733
Add shares purchased	**728**	143
Allocation of shares	**(385)**	(349)
Balance carried forward	**870**	**527**

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19 OPERATING PROFIT

		2023	2022
a	**Interest income**		
	Advances	**4,361**	3,930
	Investment securities	**779**	735
	Liquid assets	**357**	100
		5,497	**4,765**
b	**Interest expense**		
	Customers' current, savings and deposit accounts	**572**	421
	Other fund raising instruments and debt securities in issue	**213**	168
	Other interest bearing liabilities	**21**	15
	Finance cost lease liability – Note 8 (b)	**27**	23
		833	**627**
c	**Other income**		
	Fees and commission from trust and other fiduciary activities	**358**	392
	Credit card fees and commission (net)	**414**	456
	Other fees and commission income	**729**	505
	Net exchange trading income	**529**	433
	Net gains from investments at fair value through profit or loss	**(2)**	7
	Net gains on derecognition of financial instruments	**4**	2
	Other operating income	**111**	171
		2,143	**1,966**
d	**Operating expenses**		
	Staff costs	**1,490**	1,450
	Staff profit sharing	**186**	148
	Employee benefits pension and medical contribution	**30**	19
	General administrative expenses	**1,346**	1,184
	Other lease expenses	**14**	12
	Property-related expenses	**186**	176
	Depreciation expense – Note 7	**304**	305
	Depreciation expense right-of-use assets – Note 8 (a)	**80**	89
	Advertising and public relations expenses	**142**	102
	Goodwill impairment expense – Note 9 (a)	**117**	2
	Intangible amortisation expense – Note 9 (b)	**46**	46
	Directors' fees	**24**	22
		3,965	**3,555**

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20 CREDIT LOSS EXPENSE/(RECOVERY)

	2023	2022
Advances	**289**	222
Debt instruments measured at amortised cost	**(247)**	(2)
Other assets	**139**	–
	181	**220**

21 TAXATION EXPENSE

Corporation tax	**700**	665
Deferred tax – Note 11	**(33)**	(14)
	667	**651**

Reconciliation between taxation expense and net profit before taxation

Income taxes in the Consolidated statement of income vary from amounts that would be computed by applying the statutory tax rate for the following reasons:

	2023	2022
Net profit before taxation	**2,599**	2,336
Tax at applicable statutory tax rates	**1,065**	977
Tax effect of items that are adjustable in determining taxable profit:		
Tax exempt income	**(522)**	(387)
Non-deductible expenses	**269**	195
Allowable deductions	**(154)**	(198)
Change in tax rates	**4**	23
Provision for other taxes	**5**	41
	667	**651**

The Group has no unutilised tax losses (2022: no unutilised tax losses).

22 RISK MANAGEMENT

22.1 General

The Group's prudent banking practices are founded on solid risk management. In an effort to keep apace with its dynamic environment, the Group has established a comprehensive framework for managing risks, which is continually evolving as the Group's business activities change in response to market, credit, product and other developments.

22 RISK MANAGEMENT (continued)

22.1 General (continued)

The basic principles of risk management followed by the Group include:

- Managing risk within parameters approved by the Board of Directors and Executives;
- Assessing risk initially and then consistently monitoring those risks through their life cycle;
- Abiding by all applicable laws, regulations and governance standards in every country in which we do business;
- Applying high and consistent ethical standards to our relationships with all customers, employees and other stakeholders; and
- Undertaking activities in accordance with fundamental control standards. These controls include the disciplines of planning, monitoring, segregation, authorisation and approval, recording, safeguarding, reconciliation and valuation.

The Board of Directors has ultimate responsibility for the management of risk within the Group. Acting with authority delegated by the Board, the Credit, Audit, Asset/Liability Committee and Enterprise Risk Committee, review specific risk areas.

A Group Enterprise Risk Management unit exists headed by a Chief Risk Officer, with overall responsibility for ensuring compliance with all risk management policies, procedures and limits.

The Internal Audit function audits Risk Management processes throughout the Group by examining both the adequacy of the procedures and the Group's compliance with these procedures. Internal Audit discusses the results of all assessments with Management and reports its findings and recommendations to the Audit Committees of the Parent and respective subsidiaries.

The Group's activities are primarily related to the use of financial instruments. The Group accepts funds from customers and seeks to earn above average interest margins by investing in high quality assets such as government and corporate securities as well as equity investments and seeks to increase these margins by lending for longer periods at higher rates, while maintaining sufficient liquidity to meet all claims that might fall due.

The main risks arising from the Group's financial instruments are credit risk, interest rate and market risk, liquidity risk, foreign currency risk and operational risk. The Group reviews and agrees policies for managing each of these risks as follows:

22.2 Credit risk

Credit risk is the potential that a borrower or counterparty will fail to meet its stated obligations in accordance with agreed terms. The objective of the Group's credit risk management function is to maximise the Group's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters. The effective management of credit risk is a key element of a comprehensive approach to risk management and is considered essential to the long-term success of the Group.

The Group's credit risk management process operates on the basis of a hierarchy of discretionary authorities. A Board Credit Committee, including executive and non-executive directors, is in place, with the authority to exercise the powers of the Board on all risk management decisions.

The Risk Management unit is accountable for the general management and administration of the Group's credit portfolio, ensuring that lendings are made in accordance with current legislation, sound banking practice and in accordance with the applicable general policy of the Board of Directors. The Risk Management function is kept separate from and independent of the business development aspect of the operations.

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22 RISK MANAGEMENT (continued)

22.2 Credit risk (continued)

The Group uses a risk rating system which groups commercial/corporate accounts and overdrafts into various risk categories to facilitate the management of risk on both an individual account and portfolio basis. Retail lending, mortgages and retail overdrafts are managed by product type. Preset risk management criteria is in place at all branches to facilitate decision-making for all categories of loans including credit cards. Trend indicators are also used to evaluate risk as improving, static or deteriorating. The evaluation of the risk and trend inform the credit decision and determines the intensity of the monitoring process.

The debt securities within the Group's investment security portfolio are exposed to credit risk and are managed by investment grading or country exposure with preset exposure limits as approved by the Board of Directors. The credit quality of each individual security is assessed based on the financial strength, reputation and market position of the issuing entity and the ability of that entity to service the debt.

The Group avoids exposure to undue concentrations of risk by placing limits on the amount of risk accepted from a number of borrowers engaged in similar business activities, or activities in the same geographic region or with similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Such risks are controlled and monitored on a revolving basis and are subject to an annual or more frequent review. Limits on the level of credit risk by product, industry sector, client and geography are approved by the Board of Directors.

The Group's credit control processes emphasise early detection of deterioration and prompt implementation of remedial action and where it is considered that recovery of the outstanding balance may be doubtful or unduly delayed, such accounts are transferred from performing to non-performing status.

22.2.1 Analysis of risk concentration

The Group's concentrations of risk are managed by client/counterparty, geographical region and industry sector. The table below shows the Group's maximum exposure to any client or counterparty before taking into account collateral or other credit enhancements.

	Gross Maximum Exposure	
	2023	2022
Statutory deposits with Central Banks	**7,781**	7,508
Due from banks	**7,629**	9,179
Treasury Bills	**7,808**	8,400
Advances	**60,656**	56,829
Investment securities	**20,108**	19,834
Investment interest receivable	**209**	203
Total	**104,191**	**101,953**

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22 RISK MANAGEMENT (continued)

22.2 Credit risk (continued)

22.2.1 Analysis of risk concentration (continued)

	Gross Maximum Exposure 2023	2022
Undrawn commitments	**8,744**	7,291
Acceptances	**2,044**	2,583
Guarantees and indemnities	**474**	431
Letters of credit	**694**	789
Total	**11,956**	**11,094**
Total credit risk exposure	**116,147**	**113,047**

Where financial instruments are recorded at fair value, the amounts shown represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

a Industry sectors

The following table shows the risk concentration by industry for the components of the Consolidated statement of financial position. Additional disclosures for credit quality and the maximum exposure for credit risk per categories based on the Group's internal credit rating system and year-end stage classification are further disclosed in Notes 4 (d) and 5 (c).

	2023	2022
Government and Central Government Bodies	**27,616**	27,974
Financial sector	**13,938**	15,244
Energy and mining	**2,401**	2,352
Agriculture	**409**	382
Electricity and water	**648**	1,181
Transport, storage and communication	**1,686**	1,843
Distribution	**5,529**	6,008
Real estate	**8,221**	6,816
Manufacturing	**2,948**	2,334
Construction	**4,336**	4,298
Hotel and restaurant	**1,440**	1,524
Personal	**35,092**	33,260
Other services	**11,883**	9,831
	116,147	**113,047**

Credit exposure with state-owned bodies have been categorised according to the service offered by the organisation rather than within 'Government and Central Government Bodies'.

b Geographical sectors

The Group's maximum credit exposure, after taking account of credit loss provisions established but before taking into account any collateral held or other credit enhancements, can be analysed by the following geographical regions based on the country of domicile of its counterparties:

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

22 RISK MANAGEMENT (continued)

22.2 **Credit risk** (continued)

22.2.1 Analysis of risk concentration (continued)

b Geographical sectors (continued)

	2023	2022
Trinidad and Tobago	**48,733**	47,235
Barbados	**10,252**	10,330
Eastern Caribbean	**12,300**	11,150
Guyana	**9,832**	8,090
United States	**9,212**	10,703
Europe	**2,962**	3,180
Suriname	**2,173**	1,136
Ghana	**3,322**	2,778
Cayman Islands	**8,563**	8,693
Other Countries	**8,798**	9,752
	116,147	**113,047**

22.2.2 Impairment assessment

Financial asset provisions are reviewed quarterly in accordance with established guidelines and recommended provisions arising out of this review are submitted to the Board for approval. Non-performing debts recommended for write-off are also reviewed annually and action taken in accordance with prescribed guidelines. The Group's impairment assessment and measurement approach is set out below.

22.2.3 Default and recovery

The Group generally considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the Group's policy to consider a financial instrument as 'recovered' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least six consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once recovered depends on the updated credit grade at the time of recovery.

22.2.4 The Group's internal rating and PD estimation process

Commercial and corporate lending and mortgages

The Group has an independent internal credit risk department. Risk ratings were selected as cohorts for PD analyses. A vintage approach was applied looking at the movements of ratings over a period of time. Historical PDs were developed and using statistical correlation between macroeconomic trends and historical default rates, management applied overlays based on expectations. As previously mentioned, LGD percentage estimates were developed based on historical loss trends for non-performing loans which are assessed on an individual level including estimating the present value of future cash flows. EAD equals the loan balance outstanding plus accrued interest.

22 RISK MANAGEMENT (continued)

22.2 Credit risk (continued)

22.2.4 The Group's internal rating and PD estimation process (continued)

Retail lending and mortgages

Product types were selected as the cohorts for PD analyses for retail lending and retail mortgages. A vintage approach was applied looking at the number of defaults by segment over a period of time. Historical PDs were developed and using correlation between macroeconomic trends, management applied overlays based on expectations. LGD percentage estimates were developed based on historical loss trends for non-performing loans which are assessed on both an individual and collective level. EAD equals the loan balance outstanding plus accrued interest.

Overdrafts and credit cards

Many corporate customers are extended overdraft facilities and the PDs developed for the corporate portfolio were therefore applied. LGDs for the corporate portfolio were also utilised for overdrafts. EADs were developed based on historical trends in utilisation of overdraft limits. ECL percentages for the retail portfolio were utilised for retail overdrafts. PDs for the credit card portfolio were developed using default percentages over a period of time. EADs were developed based on historical trends in utilisation of credit card limits and LGD percentage estimates were developed based on historical loss trends for a sample of credit card non-performing facilities.

Management judgmentally applied overlays as required as there was no noted correlation between macroeconomic trends and historical default rates.

Investment securities

PDs and LGDs for traded instruments were based on the global credit ratings assigned to the instrument or the country for sovereign exposures. PDs and LGDs for non-traded instruments were based on one notch below the credit rating of the sovereign in which the instrument is issued or on company ratings where they existed. Management applied judgmental overlays on local debt instruments. EAD equals the amortised security balance plus accrued interest.

Treasury Bills and Due from banks

Treasury Bills, Statutory deposits with Central Banks and Due from banks are short-term funds placed with Central Banks and correspondent banks and the Group therefore considers the risk of default to be very low. These facilities are highly liquid and without restriction and based on management's review of the underlying instruments the ECL on these instruments were determined to be zero. For the Government of Barbados, PDs and LGDs were developed based on countries in the region who have defaulted in the past.

Financial guarantees, letters of credit and undrawn loan commitments

The Group issues financial guarantees, letters of credit and loan commitments.

Financial guarantees, letters of credit and loan commitments are off-balance sheet instruments and have no history of default. As a result, the Group considers the risk of default to be very low and the ECLs on these instruments were determined to be zero.

22.2.5 Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition.

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

22 RISK MANAGEMENT (continued)

22.2 Credit risk (continued)

22.2.5 Significant increase in credit risk (continued)

The Group also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a group of similar assets (as set out in Note 22.2.6), the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

22.2.6 Grouping financial assets measured on a collective basis

As explained in Note 2.6 (g) (i) dependent on the factors below, the Group calculates ECLs either on a collective or an individual basis. Asset classes where the Group calculates ECL on an individual basis include:

- All Stage 3 assets, regardless of the class of financial assets
- The commercial and corporate lending and overdraft portfolio
- The mortgage portfolio
- The retail lending portfolio
- The credit card portfolio.

Asset classes where the Group calculates ECL on a collective basis include:

- The retail overdraft portfolio
- Subsidiaries with small, homogeneous retail portfolios
- Past due not yet relegated credit facilities.

22.2.7 Analysis of gross carrying amount and corresponding ECLs are as follows:

Advances

	2023 %	2022 %
Stage 1	**87.6**	85.4
Stage 2	**7.1**	10.0
Stage 3	**5.3**	4.6
	100.0	**100.0**

In response to global economic uncertainty exacerbated by high inflation and rising interest rates, the Group undertook a review of its loan portfolios, determining the high-risk sectors and the ECL for each. The review considered the macroeconomic outlook, customer credit quality, type and value of collateral held, exposure at default and the effect of payment deferral options as at the reporting date.

The ECL methodology and definition of default remained consistent with prior periods. Calculation inputs, including forward looking information, together with the determination of the staging of exposures were however revised.

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

22 RISK MANAGEMENT (continued)

22.2 Credit risk (continued)

22.2.7 Analysis of gross carrying amount and corresponding ECLs are as follows: (continued)

Advances (continued)

	Retail Lending	Commercial and Corporate Lending	Mortgages	Overdrafts	Credit Cards	Total
2023						
Stage 1						
Gross loans	7,141	13,671	29,712	3,024	1,320	**54,868**
ECL	(101)	(91)	(132)	(35)	(52)	**(411)**
	7,040	**13,580**	**29,580**	**2,989**	**1,268**	**54,457**
ECL as a % of Gross loans	1.4	0.7	0.4	1.2	3.9	**0.7**
2022						
Stage 1						
Gross loans	6,590	12,369	27,269	2,685	1,239	**50,152**
ECL	(124)	(102)	(154)	(41)	(35)	**(456)**
	6,466	**12,267**	**27,115**	**2,644**	**1,204**	**49,696**
ECL as a % of Gross loans	1.9	0.8	0.6	1.5	2.8	**0.9**

The decrease in Stage 1 ECLs is reflective of the improvement in the credit quality of the portfolio resulting in lower PDs and LGDs.

	Retail Lending	Commercial and Corporate Lending	Mortgages	Overdrafts	Credit Cards	Total
2023						
Stage 2						
Gross loans	117	1,754	1,788	500	306	**4,465**
ECL	(7)	(143)	(63)	(19)	(31)	**(263)**
	110	**1,611**	**1,725**	**481**	**275**	**4,202**
ECL as a % of Gross loans	6.3	8.2	3.5	3.8	10.1	**5.9**
2022						
Stage 2						
Gross loans	179	1,971	2,570	655	482	**5,857**
ECL	(8)	(150)	(89)	(14)	(19)	**(280)**
	171	**1,821**	**2,481**	**641**	**463**	**5,577**
ECL as a % of Gross loans	4.2	7.6	3.5	2.1	4.0	**4.8**

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

22 RISK MANAGEMENT (continued)

22.2 Credit risk (continued)

22.2.7 Analysis of gross carrying amount and corresponding ECLs are as follows: (continued)

Advances (continued)

The increase in Stage 2 ECLs as a percentage of Gross loans is due to an overall increase in both PDs and LGDs in some territories due to economic uncertainties such as geopolitical issues.

	Retail Lending	Commercial and Corporate Lending	Mortgages	Overdrafts	Credit Cards	Total
2023						
Stage 3						
Gross loans	283	946	1,790	95	198	**3,312**
ECL	(166)	(459)	(283)	(25)	(134)	**(1,067)**
	117	**487**	**1,507**	**70**	**64**	**2,245**
ECL as a % of Gross loans	58.7	48.5	15.8	26.5	68.0	**32.2**
2022						
Stage 3						
Gross loans	253	896	1,419	81	87	**2,736**
ECL	(137)	(424)	(317)	(26)	(56)	**(960)**
	116	**472**	**1,102**	**55**	**31**	**1,776**
ECL as a % of Gross loans	54.4	47.3	22.3	32.3	65.2	**35.1**

The decrease in Stage 3 ECLs as a percentage of Gross loans is due to the active measures implemented to maintain and improve the overall credit quality.

Investment securities

	2023 %	2022 %
Stage 1	**83.0**	84.3
Stage 2	**5.6**	7.1
Stage 3	**0.0**	0.6
POCI	**11.4**	8.0
	100.0	**100.0**

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

22 RISK MANAGEMENT (continued)

22.2 Credit risk (continued)

22.2.7 Analysis of gross carrying amount and corresponding ECLs are as follows: (continued)

Investment securities (continued)

	Stage 1	Stage 2	Stage 3	POCI	Total
2023					
Gross balance	16,851	1,128	7	2,308	**20,294**
ECL	(13)	(14)	(5)	(159)	**(191)**
	16,838	**1,114**	**2**	**2,150**	**20,103**
ECL as a % of Gross investments	0.1	1.2	74.4	6.9	**0.9**
2022					
Gross balance	16,893	1,432	122	1,597	**20,044**
ECL	(12)	(16)	(63)	(142)	**(233)**
	16,881	**1,416**	**59**	**1,455**	**19,811**
ECL as a % of Gross investments	0.1	1.1	52.0	8.9	**1.2**

Despite the increase in the overall portfolio, the ECLs remain relatively stable, reflective of a decision to purchase higher grade investments to improve the credit quality of the portfolio.

22.3 Liquidity risk

Liquidity risk is defined as the risk that the Group either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access these only at excessive cost.

Liquidity management is therefore primarily designed to ensure that funding requirements can be met, including the replacement of existing funds as they mature or are withdrawn, or to satisfy the demands of customers for additional borrowings. Liquidity management focuses on ensuring that the Group has sufficient funds to meet all of its obligations.

Three primary sources of funds are used to provide liquidity – retail deposits, wholesale deposits and the capital market. A substantial portion of the Group is funded with 'core deposits'. The Group maintains a core base of retail and wholesale funds, which can be drawn on to meet ongoing liquidity needs. The capital markets are accessed for medium to long-term funds as required, providing diverse funding sources to the Group. Facilities are also established with correspondent banks, which can provide additional liquidity as conditions demand.

The Asset/Liability Committee (ALCO) sets targets for daily float, allowable liquid assets and funding diversification in line with system liquidity trends. While the primary asset used for short-term liquidity management is the Treasury Bill, the Group also holds significant investments in other Government securities, which can be used for liquidity support. The Group continually balances the need for short-term assets, which have lower yields, with the need for higher asset returns.

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

22 RISK MANAGEMENT (continued)

22.3 Liquidity risk (continued)

22.3.1 Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities at September 30 based on contractual undiscounted repayment obligations, over the remaining life of those liabilities. These balances include interest to be paid over the remaining life of the liabilities and will therefore be greater than the carrying amounts on the Consolidated statement of financial position. Refer to Note 28 for a maturity analysis of assets and liabilities.

Financial liabilities – on Consolidated statement of financial position

	On Demand	Up to One Year	1 to 5 Years	Over 5 Years	Total
2023					
Customers' current, savings and deposit accounts	77,448	11,001	2,002	–	**90,451**
Other fund raising instruments	–	2,961	752	–	**3,713**
Debt securities in issue	–	605	1,217	45	**1,867**
Due to banks	295	3	–	–	**298**
Lease liabilities	5	104	172	260	**541**
Other liabilities	625	284	79	66	**1,054**
Total un-discounted financial liabilities	**78,373**	**14,958**	**4,222**	**371**	**97,924**
2022					
Customers' current, savings and deposit accounts	70,251	12,988	1,206	1,088	**85,533**
Other fund raising instruments	–	3,854	677	–	**4,531**
Debt securities in issue	–	261	1,726	52	**2,039**
Due to banks	433	12	–	–	**445**
Lease liabilities	1	81	234	245	**561**
Other liabilities	901	211	83	1	**1,196**
Total un-discounted financial liabilities	**71,586**	**17,407**	**3,926**	**1,386**	**94,305**

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

22 RISK MANAGEMENT (continued)

22.3 Liquidity risk (continued)

22.3.1 Analysis of financial liabilities by remaining contractual maturities (continued)

Financial liabilities – off Consolidated statement of financial position

	On Demand	Up to One Year	1 to 5 Years	Over 5 Years	Total
2023					
Acceptances	708	906	399	31	**2,044**
Guarantees and indemnities	51	338	60	25	**474**
Letters of credit	309	385	–	–	**694**
Total	**1,068**	**1,629**	**459**	**56**	**3,212**
2022					
Acceptances	639	1,596	318	30	**2,583**
Guarantees and indemnities	37	232	138	24	**431**
Letters of credit	304	415	70	–	**789**
Total	**980**	**2,243**	**526**	**54**	**3,803**

The Group expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments.

22.4 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

22.4.1 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group has an ALCO which reviews on a monthly basis the non-credit and non-operational risk for the Parent and each subsidiary. Asset and Liability management is a vital part of the risk management process of the Group. The mandate of the Committee is to approve strategies for the management of the non-credit risks of the Group, including interest rate, foreign exchange, liquidity and market risks.

The primary tools currently in use are gap analysis, interest rate sensitivity analysis and exposure limits for financial instruments. The limits are defined in terms of amount, term, issuer, depositor and country. The Group is committed to refining and defining these tools to be in line with international best practice.

Interest on financial instruments classified as floating is repriced at intervals of less than one year while interest on financial instruments classified as fixed is fixed until the maturity of the instrument.

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

22 RISK MANAGEMENT (continued)

22.4 Market risk (continued)

22.4.1 Interest rate risk (continued)

An interest rate sensitivity analysis was performed to determine the impact on net profit of a reasonably possible change in the interest rates prevailing as at September 30, with all other variables held constant. The impact on net profit is the effect of changes in interest rates on the floating interest rates of financial assets and liabilities. This impact is illustrated on the following table:

		Impact on Net Profit			
		2023		2022	
	Change in Basis Points	Increase	Decrease	Increase	Decrease
TT$ Instruments	+/- 50	**71**	**(71)**	68	(68)
US$ Instruments	+/- 50	**34**	**(34)**	28	(28)
KYD$ Instruments	+/- 50	**17**	**(17)**	24	(24)
Other currency instruments	+/- 50	**21**	**(21)**	22	(22)

22.4.2 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's exposure to the effects of fluctuations in foreign currency exchange rates arises mainly from its investments and overseas subsidiaries and associates. The Group's policy is to match the initial net foreign currency investment with funding in the same currency. The Group also monitors its foreign currency position for both overnight and intra-day transactions.

Changes in foreign exchange rates affect the Group's earnings and equity through differences on the re-translation of the net assets and related funding of overseas subsidiaries and associates, from the respective local currency to Trinidad and Tobago dollars (TTD). Gains or losses on foreign currency investment in subsidiary and associated undertakings are recognised in reserves. Gains or losses on related foreign currency funding are recognised in the Consolidated statement of income.

The principal currencies of the Group's subsidiary and associated company investments are TTD, United States dollars (USD), Guyana dollars (GYD), Eastern Caribbean dollars (XCD), Barbados dollars (BDS), Ghana cedi (GHS), Suriname dollars (SRD) and Cayman Island dollars (KYD).

The following tables indicate the currencies to which the Group had significant exposure at September 30 on its non-trading monetary assets and liabilities and its forecast cash flows. The analysis also calculates the effect of a reasonably possible movement of each currency rate against the TTD, with all other variables held constant.

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

22 RISK MANAGEMENT (continued)

22.4 Market risk (continued)

22.4.2 Currency risk (continued)

	TTD	USD	BDS	GHS	SRD	KYD	Other	Total
2023								
Financial assets								
Cash on hand	580	177	111	133	9	68	339	**1,417**
Statutory deposits with Central Banks	4,576	445	413	190	95	–	2,062	**7,781**
Due from banks	366	3,866	1,018	14	137	–	2,228	**7,629**
Treasury Bills	1,703	1,684	–	612	16	–	3,793	**7,808**
Advances	26,130	11,030	5,610	956	235	5,382	11,313	**60,656**
Investment securities	6,274	10,930	1,816	662	–	–	534	**20,216**
Investment interest receivable	66	85	1	47	1	–	9	**209**
Total financial assets	**39,695**	**28,217**	**8,969**	**2,614**	**493**	**5,450**	**20,278**	**105,716**
Financial liabilities								
Due to banks	1	159	24	2	–	–	112	**298**
Customers' current, savings and deposit accounts	32,425	22,337	7,908	1,888	322	5,365	19,668	**89,913**
Other fund raising instruments	2,654	644	–	352	–	–	–	**3,650**
Debt securities in issue	5	1,468	–	45	–	–	–	**1,518**
Accrued interest payable	33	86	–	–	1	16	10	**146**
Lease liabilities	241	9	35	7	1	94	45	**432**
Total financial liabilities	**35,359**	**24,703**	**7,967**	**2,294**	**324**	**5,475**	**19,835**	**95,957**
Net currency risk exposure		**3,514**	**1,002**	**320**	**169**	**(25)**	**443**	
Reasonably possible change in currency rate		**1%**	**1%**	**3%**	**1%**	**1%**	**1%**	
Effect on profit before taxation		**35**	**10**	**10**	**2**	**–**	**4**	

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22 RISK MANAGEMENT (continued)

22.4 Market risk (continued)

22.4.2 Currency risk (continued)

	TTD	USD	BDS	GHS	SRD	KYD	Other	Total
2022								
Financial assets								
Cash on hand	575	197	96	77	17	80	363	**1,405**
Statutory deposits with Central Banks	4,357	369	392	255	127	–	2,008	**7,508**
Due from banks	1,712	2,858	2,007	7	161	–	2,434	**9,179**
Treasury Bills	2,711	2,377	–	205	–	–	3,107	**8,400**
Advances	24,315	10,567	4,931	900	339	5,305	10,472	**56,829**
Investment securities	5,492	11,942	1,437	631	–	–	452	**19,954**
Investment interest receivable	64	78	–	56	–	–	5	**203**
Total financial assets	**39,226**	**28,388**	**8,863**	**2,131**	**644**	**5,385**	**18,841**	**103,478**
Financial liabilities								
Due to banks	1	346	18	–	–	–	80	**445**
Customers' current, savings and deposit accounts	32,325	21,182	8,148	1,360	435	5,388	18,748	**87,586**
Other fund raising instruments	3,364	857	–	241	–	–	–	**4,462**
Debt securities in issue	12	1,611	–	52	–	–	–	**1,675**
Accrued interest payable	33	47	–	–	3	4	8	**95**
Lease liabilities	284	13	39	16	1	13	54	**420**
Total financial liabilities	**36,019**	**24,056**	**8,205**	**1,669**	**439**	**5,405**	**18,890**	**94,683**
Net currency risk exposure		**4,332**	**658**	**462**	**205**	**(20)**	**(49)**	
Reasonably possible change in currency rate		**1%**	**1%**	**3%**	**1%**	**1%**	**1%**	
Effect on profit before taxation		**43**	**7**	**14**	**2**	**–**	**–**	

22.5 Operational risk

The growing sophistication of the financial industry has made the Group's operational risk profile more complex. Operational risk is inherent within all business activities and is the potential for financial or reputational loss arising from inadequate or failed internal controls, operational processes or the systems that support them. It includes errors, omissions, disasters and deliberate acts such as fraud.

The Group recognises that such risk can never be entirely eliminated and manages the risk through a combination of systems and procedures to monitor and document transactions. The Group's operational risk department oversees this and where appropriate, risk is transferred by the placement of adequate insurance coverage.

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

22 RISK MANAGEMENT (continued)

22.5 Operational risk (continued)

The Group has developed contingency arrangements and established facilities to support operations in the event of disasters. Independent checks on operational risk issues are also undertaken by the internal audit function.

Managing cybersecurity related threats across the RFHL Group remains a major priority. As part of the Group's business strategy in reducing cyber risk exposure, cybersecurity is embedded in the design of technology and services prior to deployment. The Group's Enterprise Risk Management Committee is responsible for overseeing cybersecurity risks and maintaining cybersecurity risk appetite. Mechanisms are in place across the Group to predict, prevent, detect and respond against cyber threats and where appropriate, risk is transferred by the placement of adequate insurance coverage.

23 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 are both secured and unsecured and were carried out on commercial terms and conditions, at market rates. The advances, investments and other assets are gross of ECLs.

	2023	2022
Advances, investments and other assets		
Associates	**2**	–
Directors and key management personnel	**412**	343
Other related parties	**178**	65
	592	**408**
Deposits and other liabilities		
Directors and key management personnel	**156**	106
Other related parties	**147**	744
	303	**850**
Interest and other income		
Associates	**12**	–
Directors and key management personnel	**32**	15
Other related parties	**17**	12
	61	**27**
Interest and other expense		
Directors and key management personnel	**20**	19
Other related parties	**14**	9
	34	**28**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

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23 RELATED PARTIES (continued)

Key management compensation

	2023	2022
Short-term benefits	**66**	65
Post employment benefits	**11**	4
Share-based payment	**6**	6
	83	**75**

24 CAPITAL MANAGEMENT

The Group's policy is to diversify its sources of capital, to allocate capital within the Group efficiently and to maintain a prudent relationship between capital resources and the risk of its underlying business. Equity increased by $0.9 billion to $14.2 billion during the year under review.

Capital adequacy is monitored by each member of the Group, employing techniques based on the guidelines developed by the Basel Committee on Banking Regulations and Supervisory Practice (the Basel Committee), as implemented by the respective Central Banks for supervisory purposes.

In Trinidad and Tobago, the Basel II Regulations were promulgated in May 2020 and adopted by RFHL and its main subsidiary, Republic Bank Limited (RBL). Under these regulations, the risk-based capital guidelines require a minimum ratio of core capital (Tier I) to risk-weighted assets of 6%, with a minimum total qualifying capital (Tier I plus Tier II) ratio of 10%. Tier I capital comprises mainly of shareholders' equity.

Capital adequacy ratio

	2023 %	2022 %
Institutions under Basel II regulations		
Republic Financial Holdings Limited	**14.18**	13.76
Republic Bank Limited	**14.04**	15.04
Republic Bank (Cayman) Limited	**–**	27.55
Republic Bank (Barbados) Limited	**16.64**	19.12
Republic Bank (Ghana) PLC.	**17.48**	21.49
Cayman National Bank	**26.03**	26.54
Republic Bank (Guyana) Limited	**20.25**	16.81
Institutions under Basel I regulations		
Republic Bank (Grenada) Limited	**12.70**	12.08
Republic Bank (Suriname) N.V.	**15.09**	13.55
Atlantic Financial Limited	**68.81**	74.28
Republic Bank (EC) Limited	**16.66**	14.57
Republic Bank (BVI) Limited	**27.79**	29.86

At September 30, 2023, RBL and each of RFHL's banking subsidiaries exceeded the minimum levels required for adequately capitalised financial institutions.

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

24 CAPITAL MANAGEMENT (continued)

At September 30, 2022, Republic Bank (Cayman) Limited exceeded the minimum levels required for adequately capitalised institutions. Effective May 1, 2023, the Bank merged with Cayman National Bank Ltd. as disclosed under Note 34, and as such, the capital adequacy requirements are no longer relevant to the Bank.

25 FAIR VALUE

25.1 Carrying values and fair values

The following table summarises the carrying amounts and the fair values of the Group's financial assets and liabilities:

	Carrying Value	Fair Value	Un-recognised (Loss)/Gain
2023			
Financial assets			
Cash, due from banks and Treasury Bills	16,853	16,853	–
Advances	60,656	59,032	(1,624)
Investment securities	20,216	19,801	(415)
Investment interest receivable	209	209	–
Other financial assets	305	305	–
Financial liabilities			
Customers' current, savings and deposit accounts	89,913	89,929	(16)
Borrowings and other fund raising instruments	3,949	3,901	48
Debt securities in issue	1,518	1,605	(87)
Accrued interest payable	146	146	–
Other financial liabilities	612	612	–
Total unrecognised change in unrealised fair value			**(2,094)**
2022			
Financial assets			
Cash, due from banks and Treasury Bills	18,984	18,984	–
Advances	56,829	54,918	(1,911)
Investment securities	19,954	19,733	(221)
Investment interest receivable	203	203	–
Other financial assets	32	32	–
Financial liabilities			
Customers' current, savings and deposit accounts	87,586	87,462	124
Borrowings and other fund raising instruments	4,907	4,907	–
Debt securities in issue	1,675	1,775	(100)
Accrued interest payable	95	95	–
Other financial liabilities	695	695	–
Total unrecognised change in unrealised fair value			**(2,108)**

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

25 FAIR VALUE (continued)

25.2 Fair value and fair value hierarchies

25.2.1 Determination of fair value and fair value hierarchies

The following table shows the fair value measurement hierarchy of the Group's assets and liabilities:

	Level 1	Level 2	Level 3	Total
2023				
Financial assets measured at fair value				
Investment securities	56	5	52	**113**
Financial assets for which fair value is disclosed				
Advances	912	3,709	54,411	**59,032**
Investment securities	8,588	8,889	2,212	**19,689**
Financial liabilities for which fair value is disclosed				
Customers' current, savings and deposit accounts	2,425	8,376	79,129	**89,930**
Borrowings and other funding instruments	–	1,560	45	**1,605**
2022				
Financial assets measured at fair value				
Investment securities	58	34	51	**143**
Financial assets for which fair value is disclosed				
Advances	–	–	54,918	**54,918**
Investment securities	9,679	7,962	1,949	**19,590**
Financial liabilities for which fair value is disclosed				
Customers' current, savings and deposit accounts	4,589	7,478	75,395	**87,462**
Borrowings and other funding instruments	–	1,724	52	**1,776**

25.2.2 Description of significant unobservable inputs to valuation

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy as at September 30, 2023, are as shown below:

	Valuation Technique	Significant Unobservable Inputs	Range
Advances	Discounted Cash Flow Method	Growth rate for cash flows for subsequent years	2.5% – 11.0%
Customers' chequing, savings and deposit accounts	Discounted Cash Flow Method	Growth rate for cash flows for subsequent years	0.05% – 3.0%

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

25 FAIR VALUE (continued)

25.2 Fair value and fair value hierarchies (continued)

25.2.3 Transfers between Level 1 and 2

For the year ended September 30, 2023, $111.5 million of assets were transferred between Level 1 and Level 2 (2022: $95.1 million).

25.2.4 Reconciliation of movements in Level 3 financial assets measured at fair value

	Balance at Beginning of Year	Additions	Disposals/ Transfers to Level 2	Balance at End of Year
2023				
Financial assets designated at fair value through profit or loss	51	1	–	**52**
	51	1	–	**52**
2022				
Financial assets designated at fair value through profit or loss	44	7	–	**51**
	44	7	–	**51**

26 MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of Incorporation and Operation	2023	2022
Republic Bank (Ghana) PLC.	Ghana	**33.46%**	33.46%
Republic Bank (Guyana) Limited	Guyana	**49.00%**	49.00%
Cayman National Corporation Ltd.	Cayman Islands	**25.01%**	25.01%
Accumulated balances of material non-controlling interests:			
Republic Bank (Ghana) PLC.		**155**	183
Republic Bank (Guyana) Limited		**540**	488
Cayman National Corporation Ltd.		**451**	358
Profit/(loss) allocated to material non-controlling interests:			
Republic Bank (Ghana) PLC.		**(6)**	31
Republic Bank (Guyana) Limited		**81**	70
Cayman National Corporation Ltd.		**103**	51

The summarised financial information of these subsidiaries is provided in Note 27 (i) of these consolidated financial statements.

Corporate Information | Board of Directors | Executive Reports | Group's Subsidiaries | Environmental, Social & Governance | Financials

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27 SEGMENTAL INFORMATION

The Group is organised into two main business segments: retail and commercial banking and other financial services. The Group's primary reporting format comprises geographical segments, reflecting its management structure and the secondary segment is by class of business. The following is an analysis by respective segments:

i By geographic segment

	Trinidad & Tobago	Barbados	Suriname	Eastern Caribbean	Guyana	Ghana	Cayman Islands	British Virgin Islands	Eliminations and Other Adjust-ments	Total
2023										
Interest income	2,428	381	133	725	399	499	824	138	(30)	**5,497**
Interest expense	(313)	(16)	(11)	(137)	(29)	(218)	(125)	(14)	30	**(833)**
Net interest income	2,115	365	122	588	370	281	699	124	–	**4,664**
Other income	2,631	612	69	288	181	114	306	51	(2,109)	**2,143**
Share of profits of associated companies	6	–	–	–	–	–	–	–	–	**6**
Operating income	4,752	977	191	876	551	395	1,005	175	(2,109)	**6,813**
Other operating expenses	(1,975)	(311)	(102)	(605)	(237)	(233)	(523)	(95)	116	**(3,965)**
Operating profit	2,777	666	89	271	314	162	482	80	(1,993)	**2,848**
Credit loss (expense) /recovery on financial assets	(340)	354	53	(32)	(24)	(170)	(6)	(16)	–	**(181)**
Net monetary loss in hyperinflationary economies	–	–	(68)	–	–	–	–	–	–	**(68)**
Net profit/(loss) before taxation	**2,437**	**1,020**	**74**	**239**	**290**	**(8)**	**476**	**64**	**(1,993)**	2,599
Taxation	(360)	(15)	(54)	(65)	(125)	(48)	–	–	–	**(667)**
Net profit/(loss) after taxation	**2,077**	**1,005**	**20**	**174**	**165**	**(56)**	**476**	**64**	**(1,993)**	1,932

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

27 SEGMENTAL INFORMATION (continued)

i By geographic segment (continued)

	Trinidad & Tobago	Barbados	Suriname	Eastern Caribbean	Guyana	Ghana	Cayman Islands	British Virgin Islands	Eliminations and Other Adjust-ments	Total
2023										
Investment in associated companies	69	–	–	–	–	–	–	–	–	**69**
Total assets	51,307	9,890	2,773	16,428	9,690	3,569	15,364	3,433	474	**112,928**
Total liabilities	46,588	8,345	2,523	14,291	8,622	3,093	13,177	2,038	(17)	**98,660**
Depreciation	250	23	11	22	13	20	41	3	1	**384**
Capital expenditure on premises and equipment	226	33	6	20	31	31	47	–	–	**394**
Cash flow (used in)/from operating activities	(3,125)	(598)	169	728	625	922	195	896	–	**(190)**
Cash flow from/(used in) investing activities	873	39	71	(67)	(631)	(533)	(18)	(658)	–	**(924)**
Cash flow (used in)/from financing activities	(119)	(474)	–	(193)	(47)	1	(329)	(45)	–	**(1,206)**
2022										
Interest income	2,218	378	96	642	348	504	471	118	(10)	**4,765**
Interest expense	(245)	(18)	(14)	(128)	(26)	(183)	(20)	(3)	10	**(627)**
Net interest income	1,973	360	82	514	322	321	451	115	–	**4,138**
Other income	2,079	178	65	255	132	159	278	42	(1,222)	**1,966**
Share of profits of associated companies	7	–	–	–	–	–	–	–	–	**7**
Operating income	4,059	538	147	769	454	480	729	157	(1,222)	**6,111**
Other operating expenses	(1,668)	(306)	(77)	(487)	(218)	(284)	(461)	(68)	14	**(3,555)**
Operating profit	2,391	232	70	282	236	196	268	89	(1,208)	**2,556**
Credit loss (expense) /recovery on financial assets	(190)	50	(4)	(4)	(15)	(57)	2	(2)	–	**(220)**
Net profit before taxation	**2,201**	**282**	**66**	**278**	**221**	**139**	**270**	**87**	**(1,208)**	2,336
Taxation	(365)	(70)	(41)	(48)	(77)	(50)	–	–	–	**(651)**
Net profit after taxation	**1,836**	**212**	**25**	**230**	**144**	**89**	**270**	**87**	**(1,208)**	1,685

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

27 SEGMENTAL INFORMATION (continued)

i By geographic segment (continued)

	Trinidad & Tobago	Barbados	Suriname	Eastern Caribbean	Guyana	Ghana	Cayman Islands	British Virgin Islands	Eliminations and Other Adjust-ments	Total
2022										
Investment in										
associated companies	62	–	1	–	–	–	–	–	–	**63**
Total assets	52,600	9,941	2,917	15,223	8,592	2,895	15,328	2,702	780	**110,978**
Total liabilities	47,368	8,718	2,700	13,499	7,685	2,354	13,077	2,166	41	**97,608**
Depreciation	245	20	14	25	15	26	43	3	3	**394**
Capital expenditure on										
premises and equipment	301	17	4	22	6	26	30	1	–	**407**
Cash flow from/(used in)										
operating activities	1,552	14	284	509	275	(26)	(537)	(391)	–	**1,680**
Cash flow (used in)/from										
investing activities	(1,801)	579	(102)	(783)	(1,613)	75	(133)	233	–	**(3,545)**
Cash flow (used in)/from										
financing activities	(282)	(200)	(1)	(11)	(41)	(41)	(80)	42	–	**(614)**

ii By class of business

	Retail and Commercial Banking	Other Financial Services	Eliminations and Other Adjustments	Total
2023				
Interest income	5,207	320	(30)	**5,497**
Interest expense	(796)	(67)	30	**(833)**
Net interest income	4,411	253	–	**4,664**
Other income	3,508	744	(2,109)	**2,143**
Share of profit of associated companies	–	–	6	**6**
Operating income	7,919	997	(2,103)	**6,813**
Other operating expenses	(4,019)	(62)	116	**(3,965)**
Operating profit	3,900	935	(1,987)	**2,848**
Credit loss (expense)/recovery on financial assets	(179)	(2)	–	**(181)**
Net monetary loss in hyperinflationary economies	(68)	–	–	**(68)**
Net profit before taxation	**3,653**	**933**	**(1,987)**	**2,599**
Taxation	(582)	(85)	–	**(667)**
Net profit after taxation	**3,071**	**848**	**(1,987)**	**1,932**

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

27 SEGMENTAL INFORMATION (continued)

ii **By class of business** (continued)

	Retail and Commercial Banking	Other Financial Services	Eliminations and Other Adjustments	Total
2023				
Investment in associated companies	–	–	69	**69**
Total assets	120,466	7,580	(15,118)	**112,928**
Total liabilities	98,977	3,907	(4,225)	**98,660**
Depreciation	381	2	2	**384**
Capital expenditure on premises and equipment	394	–	–	**394**
Cash flow from/(used in) operating activities	924	(1,110)	–	**(186)**
Cash flow (used in)/from investing activities	(3,671)	2,748	–	**(923)**
Cash flow from/(used in) financing activities	473	(1,679)	–	**(1,206)**
2022				
Interest income	4,448	327	(10)	**4,765**
Interest expense	(580)	(57)	10	**(627)**
Net interest income	3,868	270	–	**4,138**
Other income	2,886	302	(1,222)	**1,966**
Share of profit of associated companies	–	–	7	**7**
Operating income	6,754	572	(1,215)	**6,111**
Other operating expenses	(3,503)	(66)	14	**(3,555)**
Operating profit	3,252	506	(1,201)	**2,556**
Credit loss (expense)/recovery on financial assets	(235)	15	–	**(220)**
Net profit before taxation	**3,017**	**521**	**(1,201)**	**2,336**
Taxation	(563)	(88)	–	**(651)**
Net profit after taxation	**2,454**	**433**	**(1,201)**	**1,685**
Investment in associated companies	–	–	63	**63**
Total assets	114,956	10,633	(14,611)	**110,978**
Total liabilities	94,747	6,686	(3,825)	**97,608**
Depreciation	387	3	3	**394**
Capital expenditure on premises and equipment	407	–	–	**407**
Cash flow from operating activities	779	901	–	**1,680**
Cash flow (used in)/from investing activities	(3,700)	155	–	**(3,545)**
Cash flow from/(used in) financing activities	632	(1,246)	–	**(614)**

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

28 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below analyses the discounted assets and liabilities of the Group based on the remaining period at September 30 to the contractual maturity date. See Note 22.3 – 'Liquidity risk' – for an analysis of the financial liabilities based on contractual undiscounted repayment obligations.

	Within One Year	After One Year	Total
2023			
ASSETS			
Cash on hand	1,417	–	**1,417**
Statutory deposits with Central Banks	7,781	–	**7,781**
Due from banks	7,629	–	**7,629**
Treasury Bills	7,808	–	**7,808**
Advances	10,804	49,852	**60,656**
Investment securities	5,897	14,319	**20,216**
Investment interest receivable	200	9	**209**
Investment in associated companies	–	69	**69**
Premises and equipment	86	3,237	**3,323**
Right-of-use assets	17	401	**418**
Intangible assets	–	978	**978**
Pension assets	–	946	**946**
Deferred tax assets	18	335	**353**
Taxation recoverable	3	55	**58**
Other assets	1,065	2	**1,067**
	42,725	**70,203**	**112,928**
LIABILITIES			
Due to banks	298	–	**298**
Customers' current, savings and deposit accounts	87,608	2,305	**89,913**
Other fund raising instruments	2,917	733	**3,650**
Debt securities in issue	471	1,047	**1,518**
Lease liabilities	20	412	**432**
Provision for post-retirement medical benefits	–	41	**41**
Taxation payable	286	–	**286**
Deferred tax liabilities	34	453	**487**
Accrued interest payable	110	36	**146**
Other liabilities	1,630	259	**1,889**
	93,374	**5,285**	**98,660**

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

28 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (continued)

	Within One Year	After One Year	Total
2022			
ASSETS			
Cash on hand	1,405	–	**1,405**
Statutory deposits with Central Banks	7,508	–	**7,508**
Due from banks	9,179	–	**9,179**
Treasury Bills	8,400	–	**8,400**
Advances	11,030	45,799	**56,829**
Investment securities	5,818	14,136	**19,954**
Investment interest receivable	184	19	**203**
Investment in associated companies	–	63	**63**
Premises and equipment	32	3,224	**3,256**
Right-of-use assets	32	365	**397**
Intangible assets	–	1,144	**1,144**
Pension assets	–	1,201	**1,201**
Deferred tax assets	49	268	**317**
Taxation recoverable	5	45	**50**
Other assets	986	86	**1,072**
	44,628	**66,350**	**110,978**
LIABILITIES			
Due to banks	445	–	**445**
Customers' current, savings and deposit accounts	82,665	4,921	**87,586**
Other fund raising instruments	3,837	625	**4,462**
Debt securities in issue	12	1,663	**1,675**
Lease liabilities	40	380	**420**
Provision for post-retirement medical benefits	–	47	**47**
Taxation payable	272	–	**272**
Deferred tax liabilities	11	524	**535**
Accrued interest payable	56	39	**95**
Other liabilities	1,789	282	**2,071**
	89,128	**8,481**	**97,608**

29 EQUITY COMPENSATION BENEFITS

Stock option plan

The Group has a stock option plan for senior executives. Under this arrangement, the holder has the right to purchase a specified number of ordinary shares of Republic Financial Holdings Limited at a pre-determined price on or before a pre-determined date. Options are granted only when certain pre-determined individual, corporate and strategic objectives are realised.

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

29 EQUITY COMPENSATION BENEFITS (continued)

Stock option plan (continued)

The plan provides that the maximum number of ordinary shares that may be purchased on the exercise of options is 7,950,650 shares and the maximum entitlement for any one executive is no more than 50 percent of the shares comprising the plan. There is a three-year waiting period after the grant date of options before the grantee may exercise the right to purchase the shares represented by the options. The maximum period within which an option may be exercised is ten years.

The option price shall be RFHL's share price at the beginning of the performance period during which the option is earned. The price is calculated as the average closing share price on all trading days during the calendar month, prior to the beginning of the performance period. The process of assessment, calculation of options and approval by the Board of Directors takes place in the first quarter following the end of the financial year.

The movement in outstanding options is outlined below:

	Weighted Average Exercise Price		Number of Shares	
	2023	2022	2023	2022
At the beginning of the year	**$111.99**	$105.70	**2,631**	2,445
Granted	**$135.64**	$142.24	**478**	445
Forfeited	**–**	$80.00	**–**	(9)
Exercised	**$95.00**	$105.40	**(141)**	(250)
At end of year	**$116.61**	**$111.99**	**2,968**	**2,631**
Exercisable at end of year	**$109.31**	**$107.48**	**2,230**	**1,885**

Expiry Date	Exercise Price	2023	2022
13-Dec-23	$85.94	**17**	38
08-Dec-24	$72.99	**23**	54
14-Dec-25	$92.67	**94**	94
14-Dec-26	$104.41	**185**	185
11-Dec-27	$110.03	**191**	205
11-Dec-28	$121.74	**289**	289
12-Dec-30	$110.00	**339**	339
07-Dec-31	$101.92	**396**	396
09-Dec-32	$103.65	**511**	586
17-Dec-34	$142.24	**445**	445
12-Dec-35	$135.64	**478**	–
		2,968	**2,631**

As at September 30, 2023, 923,321 (2022: 444,937) of the outstanding options were anti-dilutive and therefore not included in the calculation of diluted earnings per share.

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

29 EQUITY COMPENSATION BENEFITS (continued)

Stock option plan (continued)

The weighted average share price for share options exercised during the year was $95.00. For options outstanding at September 30, 2023, the exercise price ranged from $72.99 to $142.24 and the weighted average remaining contractual life was 7.7 years.

The total expense for the share option plan was $5.582 million (2022: $6.419 million).

30 DIVIDENDS PAID AND PROPOSED

	2023	2022
Declared and paid during the year		
Equity dividends on ordinary shares:		
Final dividend for 2022: $3.45 (2021: $3.00)	**564**	490
Interim dividend for 2023: $1.10 (2022: $1.05)	**180**	171
Total dividends paid	**744**	**661**
Proposed		
Equity dividends on ordinary shares:		
Final dividend for 2023: $4.10 (2022: $3.45)	**671**	**564**

31 CONTINGENT LIABILITIES

a Litigation

As at September 30, 2023, there were certain tax and 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 the eventuality.

b Customers' liability under acceptances, guarantees, indemnities and letters of credit

	2023	2022
Acceptances	**2,044**	2,583
Guarantees and indemnities	**474**	431
Letters of credit	**694**	789
	3,212	**3,803**

c Sectoral information

	2023	2022
State	**100**	160
Corporate and commercial	**2,711**	2,872
Personal	**266**	422
Other financial institutions	**72**	80
Other	**63**	269
	3,212	**3,803**

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

31 CONTINGENT LIABILITIES (continued)

d Pledged assets

The table below illustrates the distribution of pledged assets in the Group's Consolidated statement of financial position:

	Carrying Amount 2023	Carrying Amount 2022	Related Liability 2023	Related Liability 2022
Financial assets	**4,087**	**5,428**	**3,670**	**4,403**

The assets pledged by the Group relate to a pool of investment securities, treasury bills and advances, held for the purpose of providing collateral for the counterparty. Individual securities within the pool may be sold by the Group once the total value of the pool exceeds the value of the liability. In the event of the Group's default, the counterparty is entitled to apply the collateral in order to settle the liability.

32 STRUCTURED ENTITIES

The Group sponsors several structured entities which are not Consolidated as the Group is not deemed to be in control of those entities. The Group considers itself to be sponsor of a structured entity when it facilitates the establishment of the structured entity. The Group may hold an interest in some of these entities but does not provide any financial support to these entities.

These structured entities include Mutual Funds and Retirement Benefit Plans which are financed through the issue of units to investors in the funds. The Group generates fees from managing the assets of these funds on behalf of the third party investors. For the year ended September 30, 2023, the Group earned $32.8 million (2022: $38.4 million) in management fees from the retirement plans and $197.4 million (2022: $188.8 million) from the mutual funds.

The Group holds an interest of $29.7 million (2022: $31.1 million) in sponsored funds as at September 30, 2023. The maximum exposure to loss in these funds is the carrying value of the assets held by the Group. These values are all included in the investment securities portfolio of the Group as at September 30, 2023.

33 SUBSIDIARY COMPANIES

Name of Company	Country of Incorporation	% Equity Interest
Republic Bank (Barbados) Limited *Commercial Bank*	Barbados	100.00
Republic Bank Trinidad and Tobago (Barbados) Limited *Offshore Bank*	Barbados	100.00
Republic Bank (BVI) Limited *Commercial Bank*	British Virgin Islands	100.00
Republic Insurance Company (Cayman) Limited *Insurance Company*	Cayman Islands	100.00
Cayman National Corporation Ltd. *Banking and Fiduciary Services*	Cayman Islands	74.99

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

33 SUBSIDIARY COMPANIES (continued)

Name of Company	Country of Incorporation	% Equity Interest
Republic Bank (Ghana) PLC. *Commercial Bank*	Ghana	66.54
Republic Bank (Grenada) Limited *Commercial Bank*	Grenada	84.90
Republic Bank (Guyana) Limited *Commercial Bank*	Guyana	51.00
Republic Bank (EC) Limited *Commercial Bank*	Saint Lucia	100.00
Atlantic Financial Limited *International Business Company*	Saint Lucia	100.00
Republic Caribbean Investments Limited *Investment Company*	Saint Lucia	100.00
Republic (Suriname) Holding Limited *Investment Company*	Saint Lucia	100.00
Republic Bank (Suriname) N.V. *Commercial Bank*	Suriname	100.00
Republic Bank Limited *Commercial Bank*	Trinidad and Tobago	100.00
London Street Project Company Limited *Facilitate Financing of Property Development Projects*	Trinidad and Tobago	100.00
Republic Investments Limited *Investment Management Company*	Trinidad and Tobago	100.00
Republic Wealth Management Limited *Securities Brokerage Company*	Trinidad and Tobago	100.00
Republic Trustee Services Limited *Investment Advisory Company*	Trinidad and Tobago	100.00
Republic Life Insurance Company Limited *Insurance Company*	Trinidad and Tobago	100.00

Expressed in Millions of Trinidad and Tobago Dollars, Except where Otherwise Stated.

34 BUSINESS REORGANISATION

Acquisition of Republic Bank (Cayman) Limited

On May 1, 2023, the Cayman National Bank Ltd. completed the acquisition of Republic Bank (Cayman) Limited. Prior to the acquisition both entities were indirectly owned by Republic Financial Holdings Limited. The acquisition streamlined its operations in the Cayman Islands and provides clients with access to a wider array of products and services.

The Bank has elected to apply the book value method of accounting for the acquisition of subsidiaries under common control, on the condition that the accounting policies of the combining entities and the parent are aligned. The acquisition of a subsidiary under common control is one in which the combining entities are ultimately controlled by the same parent, both before and after the acquisition. All acquired assets and liabilities are accounted for at book value at the date of acquisition, including the transfer of any existing goodwill. No new goodwill can be generated. Impairment of any acquired goodwill is determined by assessing the recoverable amount of the merged cash-generating unit post-acquisition.

The fair values of the identifiable assets and liabilities of Republic Bank (Cayman) Limited, as at the date of acquisition were:

	Book Value on Acquisition	Fair Value Acquisition	Unrecognised Gain/(Loss)
Assets			
Due from banks	21	21	–
Investment securities	1,967	1,884	83
Advances	9	9	–
Intangible assets	34	34	–
Premises and equipment	4	4	–
Right-of-use assets	3	3	–
Other assets	118	118	–
	2,156	**2,073**	**83**
Liabilities			
Customer deposits and due to banks	1,940	1,940	–
Lease liabilities	3	3	–
Other liabilities	3	3	–
	1,946	**1,946**	**–**
Total identifiable net assets	210	127	
Purchase consideration			
Amount settled in cash			210
Analysis of cash flows on acquisition			
Net cash acquired (included in cash flows from investing activities)			21
Consideration transferred			(210)
Net cash outflow			**(189)**

The net assets recognised as at May 1, 2023, were based on the audited financial statements of Republic Bank (Cayman) Limited.

34 BUSINESS REORGANISATION (continued)

Acquisition of Republic Bank (Cayman) Limited (continued)

Due to the method of acquisition, the addition to revenue arising from the merger cannot be practicably determined. Transaction costs of $0.6 million including legal and valuation expenses are included in the total of operating expenses on the Consolidated statement of income.

No contingent liabilities were recognised from the acquisition.

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