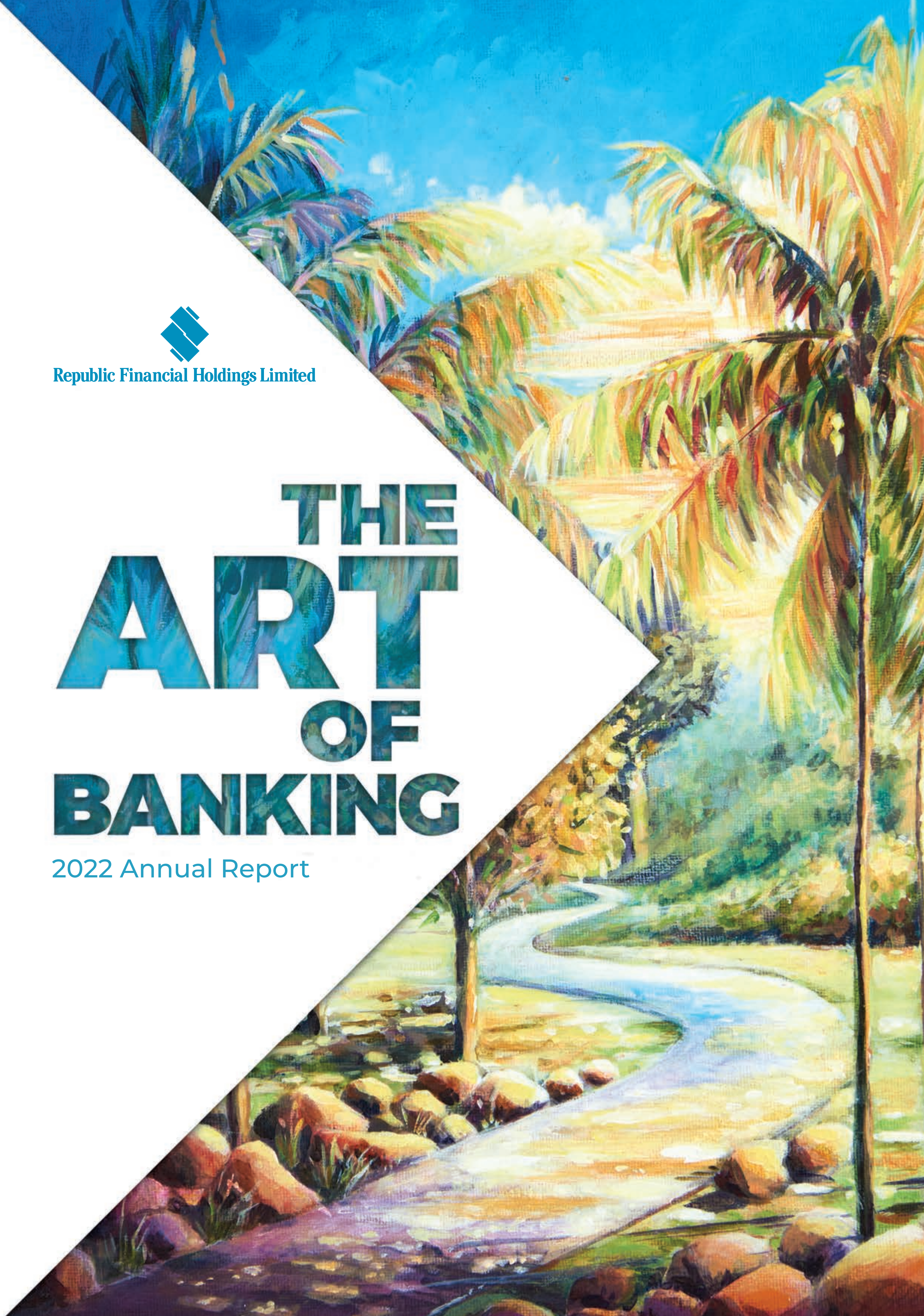


Republic Financial Holdings Limited

THE ART OF BANKING

2022 Annual Report

"To create
a work of art
is to create
the world."

Wassily Kandinsky

THE ART OF BANKING

We are inspired by new and creative viewpoints of the Republic brand. This year, artwork from different cultures, ages and genders are featured throughout this report. Each one a winning selection from our Group-wide Art of Banking competition. Each one a unique and imaginative expression of our products and services. Creating awareness of these artists and their ideas aligns with our commitment to educate a wide audience about art and the benefits of different perspectives.

Supporting the artistic community fosters innovation. As a leading bank, we understand innovation because we create the cutting edge for the rest to follow. From the Principles for Responsible Banking to the new ways we find everyday to elevate our service, we are consistently perfecting the art of banking.

*As part of our commitment to reduce our carbon footprint,
this Annual Report is available on our website, rfhl.com/investor-relations*

CONTENTS

ON OUR COVER

“On My Way Home’”

Mortgages: Finally, Home

ST. KITTS & NEVIS

Marina Simmons

Following your path, a mortgage from Republic Bank leads to the home of your dreams.

Corporate Information

Board of Directors

Executive Reports

The Group’s Subsidiaries

Environmental, Social & Governance

The Financials

OUR GROUP

Who We Are

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

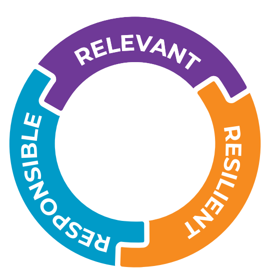
Republic Financial Holdings Limited (RFHL) is the registered owner of all of the Banks in the Republic Group:

- 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
- Republic Bank (Cayman) Limited
- Cayman National Corporation
- 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 Are

1 Cayman Islands
2 British Virgin Islands
3 Anguilla
4 St Maarten
5 St Kitts & Nevis
6 Dominica
7 Saint Lucia
8 Barbados
9 St. Vincent & the Grenadines
10 Grenada
11 Trinidad & Tobago
12 Guyana
13 Suriname
14 Ghana

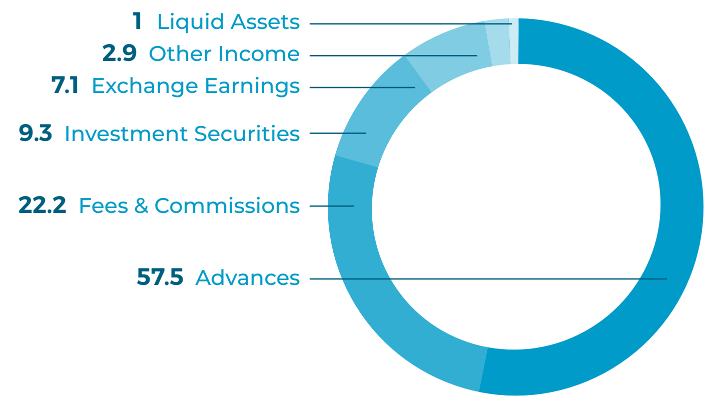
14 COUNTRIES

125 BRANCHES

353 ATMS

Our Performance

Sources of Revenue (%)



	2022	2021
TOTAL ASSETS (TT$ MILLION)	110,978	109,169
PROFIT AFTER TAX & NCI (TT$ MILLION)	1,526	1,308
SHARE PRICE (TT$)	140.01	136.31
DIVIDEND YIELD (%)	3.21	2.93
EARNINGS PER SHARE (TT$)	9.37	8.05
PE RATIO	14.9	16.9

NOTICE OF MEETING

NOTICE is hereby given that the Seventh Annual Meeting of Republic Financial Holdings Limited will be held at the Ballroom of the Hilton Trinidad and Conference Centre, Lady Young Road, Port of Spain on Monday December 12, 2022 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, 2022 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, 2022.
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 4, 2022

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 17, 2022 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 $3.45 declared for the financial year ended September 30, 2022 will be payable on December 1, 2022, to Shareholders on record at the close of business on November 17, 2022.

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.)*

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*

Terrence W. Farrell, *LLB, LEC, PhD*

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 (Maths and Comp. Sc.) MBA*

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

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

Kristine G. Thompson, *B.Comm., MBA*

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

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 *(until November 14, 2022)*
P. Vic. Salickram, *FCCA, ACMA, CGMA, CA, CFA, FRM*

Chief Risk Officer Designate
(appointed CRO effective November 15, 2022)
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

Registrar

Trinidad and Tobago Central Depository Limited
10th Floor, Nicholas Tower
63-65 Independence Square, Port of Spain
Trinidad and Tobago, West Indies

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

CONSOLIDATED FINANCIAL SUMMARY

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), Except where Otherwise Stated

	2022	2021	2020	2019	2018
Total assets	**110,977,703**	109,168,895	104,276,614	87,483,888	70,465,620
Advances	**56,829,415**	55,515,628	53,300,181	44,630,109	36,558,137
Customers' deposits	**87,586,189**	86,609,634	81,847,168	65,023,102	52,656,548
Stated capital	**912,693**	879,962	862,115	803,064	790,102
Equity	**13,369,209**	12,855,502	11,342,473	11,231,760	10,097,782
Actual number of shares in issue	**162,992**	162,536	163,147	162,648	162,537
Weighted average number of shares - diluted	**163,490**	163,080	163,107	162,430	162,076
Profit after taxation and non-controlling interest	**1,525,894**	1,308,054	904,056	1,581,124	1,322,850
Dividends based on the results of the financial year	**735,773**	654,314	439,063	732,204	715,148
Dividends paid during the year	**661,476**	505,846	626,387	715,589	714,861
Dividend per share based on the results of the financial year ($)	**4.50**	4.00	2.70	4.50	4.40
Dividend per share paid during the year ($)	**4.05**	3.10	3.85	4.50	4.40
Earnings per share (basic) ($)	**9.37**	8.05	5.57	9.75	8.17
Return on average assets (%)	**1.53**	1.35	1.05	2.17	2.00
Return on average equity (%)	**12.73**	11.87	8.78	16.01	13.80

GROUP FINANCIAL CALENDAR

Dividend Payments

Final dividend for year ended September 30, 2022	December 2022
Dividend for half year ending March 31, 2023	May 2023

Results

Publication of results for first quarter to December 31, 2022	February 2023
Publication of results for half year to March 31, 2023	May 2023
Publication of results for third quarter to June 30, 2023	August 2023
Publication of results for year ending September 30, 2023	November 2023
Report and Accounts mailing	November 2023
Annual Meeting	December 2023

"Saving Towards the Dream" RightStart: From Young

ST. VINCENT & THE GRENADINES

Jadiel Foster

Aspiring to your future career—little deposits can turn into a big lumpsum in a RightStart account.

BOARD OF DIRECTORS

1 2 3 4

1 **VINCENT A. PEREIRA**
Chairman

2 **NIGEL M. BAPTISTE**
President and Chief Executive Officer

3 **IAN L. BENJAMIN**
Senior Counsel and Head,
Bethany Chambers

4 **DAWN V. CALLENDER**
Consultant, Investment Executive

BOARD OF DIRECTORS

5 6 7 8 9 10 11 12 13

5 **TERRENCE W. FARRELL**
Consultant

6 **PETER R. INGLEFIELD**
Consultant

7 **ALISON G. LEWIS**
Consultant

8 **SHAMEER R. MOHAMMED**
Executive Director, Nutrimix Group

9 **MICHAEL A. NOEL**
Founder, Chief Executive Officer,
BridgeValue Consulting

10 **ROBERT B. RILEY**
Executive Director,
Robert Riley Leadership and Energy Consulting

11 **WALTNEL X. SOSA**
Consultant

12 **KRISTINE G. THOMPSON**
Chief Executive Officer, Cabot Saint Lucia
Director, Yay! Entertainment Limited

13 **GREGORY I. THOMSON**
Retired Banker

BOARD OF DIRECTORS

Vincent A. Pereira

Appointed to the Board 2019

Age 67

Credentials

- Bachelor of Sciences 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

Internal Appointments

- Chairman, Republic Bank Limited

External Appointments

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

Nigel M. Baptiste

Appointed to the Board 2016

Age 56

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 two decades of experience
- Managing Director, Republic Bank Limited
- Past General Manager, Human Resources Republic Bank Limited
- Past Managing Director, Republic Bank (Guyana) Limited

Internal Appointments

- Chairman, Republic Bank (Guyana) Limited, Cayman National Corporation
- Board Member, Republic Bank Limited, Republic Bank (Ghana) Plc.

Ian L. Benjamin

Appointed to the Board 2016

Age 59

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

Subcommittees

- 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

Appointed to the Board 2011

Age 65

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
- Enterprise Risk

External Appointments

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

Terrence W. Farrell

Appointed to the Board 2008

Age 69

Credentials

- Bachelor of Laws, University of London
- Legal Education Certificate, Hugh Wooding Law School
- Master of Economics, University of the West Indies
- Doctor of Philosophy in Economics, University of Toronto,
- Certified Mediator, Chartered Institute of Arbitration and Mediation Council of Trinidad and Tobago
- Fellow, Institute of Banking and Finance of Trinidad and Tobago

Professional Summary

- Business development and strategy consultant and Attorney-at-law
- Former Deputy Governor, Central Bank of Trinidad and Tobago
- Senior executive positions, Guardian Holdings Limited (GHL), One Caribbean Media Limited

Subcommittees

- Chairman, Governance and Nomination
- Member, Enterprise Risk

Peter R. Inglefield

Appointed to the Board 2020

Age 70

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
- Member, Enterprise Risk

External Appointments

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

Alison G. Lewis

Appointed to the Board 2014

Age 68

Credentials

- Bachelor of Arts in Economics and Management

Professional Summary

- Past Governor, Heritage and Stabilisation Fund
- Past Advisor, Office of Executive Director, World Bank
- Permanent Secretary, Ministry of Finance, Trinidad and Tobago
- Past Commissioner, Trinidad and Tobago Securities and Exchange Commission
- Two decades on several Boards including the Central Bank of Trinidad and Tobago, Trinidad Cement Limited, the Sovereign Wealth Funds Group, the Economic Development Advisory Board
- Former Chairman, Port Authority of Trinidad and Tobago

Awards

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

BOARD OF DIRECTORS

External Appointments

- Director, NiQuan Energy Trinidad Limited, Kamfra Development Limited

Shameer R. Mohammed

Appointed to the Board 2019

Age 43

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

Subcommittees

- 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

Appointed to the Board 2021

Age 50

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
- 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
- Former Chief Operating Officer, LeadingAgile

Subcommittees

- Member, Enterprise Risk

Robert B. Riley

Appointed to the Board 2016

Age 65

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 (Internet Software Company) and several corporate organisations

Awards

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

Subcommittees

- Chairman, Enterprise Risk
- Member, Governance and Nomination

Waltnel X. Sosa

Appointed to the Board 2018

Age 45

Credentials

- Bachelor of Science 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

Subcommittees

- Member, Enterprise Risk

Kristine G. Thompson

Appointed to the Board 2011

Age 51

Credentials

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

Professional Summary

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

Subcommittees

- Member, Governance and Nomination

External Appointments

- Member, Beverage Leadership Council, ANSA McAl Group

Gregory I. Thomson

Appointed to the Board 2014

Age 70

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

- Member, Enterprise Risk
- Member, Audit

Internal Appointments

- Chairman, Republic Bank (Grenada) 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, 2022.

Financial Results and Dividends

The Directors report that the Group's profit after taxation and non-controlling interest for the year ended September 30, 2022 amounted to $1.526 billion.

The Directors have declared a dividend of $3.45 per share for the year ended September 30, 2022. A half-year dividend of $1.05 per share was paid on May 31, 2022, making a total dividend on each share of $4.50. (2021: $4.00).

Set out below are the names of the Directors and Senior Officers with an interest in the Company as at September 30, 2022, together with their connected parties and our ten largest shareholders.

Directors and Senior Officers

Director	Personal Shareholding	Connected Party
Nigel M. Baptiste	25,604	
Ian L. Benjamin	Nil	8,159
Dawn V. Callender	1,000	
Terrence W. Farrell	Nil	
Alison G. Lewis	Nil	
Peter R. Inglefield	Nil	14
Shameer R. Mohammed	Nil	
Vincent A. Pereira	Nil	27,222
Michael A. Noel	Nil	
Robert B. Riley	Nil	
Waltnel X. Sosa	Nil	
Kristine G. Thompson	Nil	
Gregory I. Thomson	346	
Wendy A. Bosse *(up till 18.09.2022)*	14,933	
Kimberly G. Erriah-Ali	6,308	
Marsha A. Mc Leod-Marshall	3,906	
P. Vic. Salickram	16,640	
Hamant Lalla *(from 29.8.2022)*	9,029	

10 Largest Shareholders

	Name	Ordinary Shares	%
1	National Investment Fund Holding Company Limited	42,475,362	25.98
2	Clico Trust Corporation Limited	40,072,299	24.51
3	National Insurance Board of Trinidad and Tobago	29,944,942	18.31
4	Trintrust Limited	10,260,101	6.24
5	Republic Bank Limited	5,358,656	3.27
6	RBC Trust (Trinidad & Tobago) Limited	5,214,078	3.21
7	First Citizens Asset Management Limited	3,304,899	2.02
8	Trinidad and Tobago Unit Trust Corporation	2,902,269	1.78
9	Guardian Life of the Caribbean Limited	2,576,368	1.58
10	Central Bank of Trinidad and Tobago – Pension Scheme	782,039	0.48

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, Kristine Thompson, Waltnel Sosa and Shameer Ronnie Mohammed retire from the Board by rotation and, being eligible, offer themselves for re-election for a term expiring at the close of the third Annual Meeting following this appointment.

During this fiscal, Director Peter Inglefield attained the age of 70 years. The Board at its meeting in April 2022 supported a proposal for an extension of his term to serve on the Board of Directors for a term not exceeding December 2023.

Community Involvement – Stronger Together

From 2021 to 2022, the Group strengthened long-standing bonds with communities in the Caribbean, South America, and Ghana, supporting programmes that engage and challenge diverse individuals and groups to explore their talents and take greater agency in creating sustainable societies. In its second year as a signatory to the United Nations (UN) Principles for Responsible Banking, in close alignment with the UN Sustainable Development Goals (SDGs), the Group continued to invest significantly in initiatives that advocate youth empowerment, social progress, and environmental protection.

The Group invested significantly in business development and female empowerment to launch entrepreneurship training, aimed at assisting established women entrepreneurs with creating technology-enabled, sustainable and profitable businesses across the Caribbean. The programme broke ground in reaching 150 women entrepreneurs from Anguilla, Barbados, British Virgin Islands, Dominica, Grenada, Guyana, St. Maarten, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines, Trinidad and Tobago and Suriname.

Similarly, with a focus on economic diversification, the Group expanded investment in the arts and culture as a means of strengthening and enriching societies. In 2022, with the launch of an international art competition entitled 'The Art of Banking', the Group discovered a new way to provide emerging artists, residing in each of Republic Bank's operating territories, the opportunity to hone their talents and showcase them to the world.

DIRECTORS' REPORT

Maintaining the drive to spearhead environmental protection and sustainability programmes, the Group lent support as a title sponsor of the Caribbean ESG and Climate Financing Summit in 2021. This investment represented a Group-wide initiative to lead the regional charge for sustainable financial ecosystems; a critical emerging space that the Bank augments by actively investing in the wider usage of electric and hybrid cars, promotion of cleaner fuels and renewable energy technologies; and improving energy efficiency.

With a single-minded approach to regional youth empowerment through sport, a collaboration with Cricket West Indies (CWI) provided the inspiration for the 'Five for Fun' initiative for boys and girls, aged 8 to 10 years. With the pilot programme launching in St. Lucia in 2021, 'Five for Fun' furthered the Group's ambitions of embedding diversity, equity and inclusion within the community with its launch in Guyana, in 2022, in partnership with the Ministry of Education Allied Arts Unit, the Ministry of Culture, Youth and Sport, and the Guyana Cricket Board.

As the Group continues to build on these successes, 'Five for Fun' will continue reaching out to markets across the wider Caribbean, including Grenada and St. Kitts and Nevis, with the goal being to expand and maintain this programme, understanding fully well how passionate we are as a people about our cricket and youth empowerment.

United by the fundamental promise to be each other's keepers and the pursuit of building successful societies, the Group, inspired by each alliance formed, remains focused on the road ahead; eager to explore and continue to journey forward, growing stronger, together, with the communities we proudly serve.

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 Erriah-Ali
Corporate Secretary

"Credit Card in 3D" Credit Cards: A New World Of Opportunity

TRINIDAD & TOBAGO
Alaysha Alleyne-Jack

A whole new way of looking at the world and enjoying its opportunities—that's what the Republic Bank range of credit cards gives you.

CHAIRMAN'S REVIEW

By continuing our focus on responsible banking and sustainability, we hope to actively shape a more sustainable future for all.

Vincent A. Pereira

CHAIRMAN'S REVIEW

Dear Shareholders,

The last financial year, 2022, was indeed another remarkable year, defined in many ways by levels of global uncertainty that were in some ways, unheralded. On the positive side, globally and throughout the many countries where Republic Financial Holdings Group (RFHL) operates, there has been an overall relaxation of COVID-19 protocols with borders re-opening, restrictions being lifted and commercial activity resuming. Much of this good news has been overshadowed however, by the impacts of the Russian invasion of Ukraine which has led to global spikes in energy costs, supply chain disruptions, rapidly rising inflation and food security challenges.

Despite these turbulent times, the performance of the RFHL Group has continued to be robust. Leveraging our strengths and the competitive advantages inherent in our fortress balance sheet and our geographically diverse portfolio, we were able to deliver a strong set of results. The characteristics that make our Group resilient, our approach to ensuring fiscal discipline, nurturing a strong risk management culture and managing a solid capital position, continue to serve us well, and have created an excellent foundation from which we can deliver distinctive, sustainable results now and into the future.

Over the past year, we have continued to focus on serving our stakeholders, providing support to our customers as they navigated the new challenges to their own business model and also working to improve the customer experience through increased investment in our digital offerings. Although some of these did not initially deliver to expectations, we are committed to correcting, enhancing and expanding these services and experiences as we go forward.

During 2022, we continued to strengthen and more powerfully embed our sustainability focus, adding capacity and execution capability to the Group through the creation of an Office of Sustainability. Additionally, through our flagship Power to Make A Difference Programme we have begun forging new, valued partnerships with Non-Governmental Organisations (NGOs) and groups whose specific strategies align to the pillars of our sustainability and Environmental, Social and Governance (ESG) effort. By continuing our focus on responsible banking and sustainability, we hope to actively shape a more sustainable future for all.

None of this would be possible without the talented and committed RFHL team members in all 14 countries where we operate. They are truly an inspiration, turning possibility to reality as they live the Group's Purpose and Values every day. On behalf of the Board, I wish to say how immensely proud I am of our entire team. Regardless of the most challenging times, they have never wavered in their commitment and belief in the crucial role they play in supporting our many clients and helping so many to enable their dreams.

Results

It is against this backdrop that RFHL has reported profit attributable to equity holders of the Parent of $1.53 billion for the year ended September 30, 2022. This represents an increase of $217.8 million or 16.7% over the 2021 reported profits of $1.308 million, and $55 million or 3.5% below the 2019 reported profits of $1.58 billion.

This performance reflects the strength of the Group's portfolio, which provides for revenue diversification and cost management strategies. It also reflects the recovery of interest rates, particularly for the US dollar-denominated financial instruments across the Group.

A full discussion of the Group's financial performance can be found in the President's Discussion and Analysis contained on pages 30 to 43 of this report.

110.98
TOTAL ASSETS (TT$B)

1.53
NET PROFIT (TT$B)

4.50
TOTAL DIVIDENDS (TT$)

THE CHARACTERISTICS THAT MAKE OUR GROUP RESILIENT, OUR APPROACH TO ENSURING FISCAL DISCIPLINE, NURTURING A STRONG RISK MANAGEMENT CULTURE AND MANAGING A SOLID CAPITAL POSITION, CONTINUE TO SERVE US WELL AND HAVE CREATED AN EXCELLENT FOUNDATION FROM WHICH WE CAN DELIVER DISTINCTIVE, SUSTAINABLE RESULTS NOW AND INTO THE FUTURE.

The Board of Directors has declared a final dividend of $3.45 (2021: $3.00) per share, which brings the total dividend to $735.8 million or $4.50 (2021: $4.00) per share for the fiscal year, an increase of 12.5% in total dividend payment over 2021, and in line with the 2019 dividend payment. At a closing share price of $140.01, this dividend represents a dividend yield of 3.21% (2021: 2.93%). The Group's capital adequacy ratios across all countries and at the consolidated level remain quite robust.

The final dividend will be paid on December 1, 2022, to all shareholders of record at November 17, 2022.

The Global Economy

Despite the challenges confronting the global economy at the turn of the year in January 2022, the International Monetary Fund (IMF) still projected an encouraging 4.4% growth in real Gross Domestic Product (GDP) for the year. However, the events following the outbreak of the Russia-Ukraine war, just a month later, forced the multi-lateral agency to twice cut its outlook, with its latest estimate in October placing global growth in 2022 at 3.2%. The war intensified the challenges caused by the COVID-19 pandemic and introduced disruptions of its own, which fuelled energy crises in Europe and food shortages in several regions. This resulted in the significant acceleration of global inflation, particularly in the second quarter, with the surges in food and energy prices inflicting the most harm. Although global prices relented in the second half of 2022, they remained quite high. While commodity-producing countries benefitted from high prices, major central banks in North America and Europe increased their policy rates, aggressively in some cases, to combat inflationary pressures. This resulted in significant capital flight from many emerging and developing nations, given the more attractive interest rates in the US, for example. It also placed significant downward pressure on these countries' domestic currencies, increasing the value of their external debt in the process and causing further deterioration in their fiscal accounts. The IMF expects the global economy to expand by 2.7% in 2023, a year it predicts will be very difficult for many people. With more than a third of the global economy expected to contract in 2022 or 2023 and the weak performances of the US, EU and China economies expected to continue for some time, the IMF suggests that the worst of the global economic challenges is yet before us.

The Regional Economy and Ghana

The combination of pent-up demand and the re-opening of the global economy drove the resurgence of the tourism sector in 2022, with most destinations registering significant growth in both stay-over and cruise ship arrivals. As encouraging as this has been, data from the United Nations World Tourism Organisation indicates that the total number of stay-over visitors received by the Caribbean in the first seven months of the year, was still 18% below pre-pandemic levels. At this rate, regional tourism activity is unlikely to fully recover pandemic-related losses before 2023, at best. Even so, the Caribbean's tourism recovery has thus far been among the fastest in the world, second only to Southern and Mediterranean Europe, where arrivals were 15% below 2019 levels between January and July 2022. With the winter months approaching, the sector could receive a further boost, as gas shortages in Europe could push more of its citizens to visit the Caribbean. While elevated prices provided a boost to the region's commodity producers, they also imposed significant hardships on the average household, forcing some governments to implement temporary relief measures. On the positive side, these challenges seem to have spurred regional states to seriously evaluate avenues through which they can take credible action to enhance their food security.

In Ghana, preliminary data suggests a fall in oil production during the first six months of 2022, a trend that likely continued in the second half of the year. This contraction means that the country was not able to fully benefit from the elevated global energy prices that characterised much of 2022. Activity in the non-energy sector was hampered by the considerable depreciation of the Cedi (37.5% year-to-date in September) and the robust acceleration of inflation.

Summary of the Economies in which RFHL Operates

Country	Economic Review	Outlook
Anguilla	After expanding by 11.1% in 2021, real GDP is projected to expand further in 2022. Growth was driven by construction and the ongoing recovery of tourism. Government expects the fiscal surplus to fall to EC$11.1 million from EC$55.2 million (6.9% of GDP) in 2021. Public debt is also expected to fall from the 54.1% of GDP recorded in 2021.	Economic activity in 2023 is expected to be driven by tourism and construction. The new private jet terminal will support the long-term growth of tourism. However, global regulations are expected to continue to squeeze the financial services sector.
Barbados	The tourism sector provided the bulk of the impetus for the economic activity in 2022 (IMF estimates real GDP growth of 10.5%). However, arrivals in the first half of 2022 were 44% below 2019 levels. A fiscal deficit equivalent to 4.8% of GDP was incurred in the 2021/2022 fiscal year, while public debt fell to 129.4% of GDP in June 2022.	A global recession could suppress tourism activity and ultimately real GDP. Government reached a staff level agreement with the IMF for a Resilience and Sustainability Trust (RST) programme, to be accompanied by Extended Fund Facility (EFF) for 36 months. This is expected to strengthen public finances in the long-term.
British Virgin Islands	A positive performance is estimated in 2022 despite a difficult global environment and domestic political challenges, with growth powered mainly by tourism. Public debt is likely to stay at low levels after measuring 15.6% of GDP in 2021. The fiscal deficit is also estimated to have fallen from the 6.3% of GDP recorded in 2021.	Despite continued growth in 2023, the tourism sector and the wider economy may not return to pre-pandemic levels before 2024. The country's fiscal accounts are expected to remain well within manageable levels over the next few years.
Cayman Islands	The country benefitted from a broad-based increase in economic activity, led by tourism and the transport, storage, and communication sectors. Real GDP is anticipated to expand by 3.4% in 2022. Nonetheless, the number of visitors is still below 2019 levels. The signs suggest a further strengthening of the fiscal accounts after a surplus and public debt equal to 0.3% of GDP and 5% of GDP, respectively in 2021.	The economy is expected to expand further in 2023, although key sectors may be impeded by weak global economic conditions. The nation's strong fiscal accounts will support growth.
Eastern Caribbean (excluding Grenada)	The Eastern Caribbean Currency Union (ECCU) is projected to register a 7.2% increase in real GDP in 2022, due largely to the tourism and construction sectors. Total tourist arrivals remain well below pre-pandemic levels. While improved revenue flows are estimated to have provided some ease to the region's fiscal challenges, three nations continue to be saddled by debt close to or above 90% of GDP.	The continued recovery of the tourism sector and ongoing construction sector activity are expected to produce another positive performance in 2023. However, slowing growth in key tourism source markets represents a major risk. The ECCU fiscal accounts are expected to improve gradually.

Summary of the Economies in which RFHL Operates

Country	Economic Review	Outlook
Grenada	Real GDP growth slipped from 5.7% to an estimated 3.6% in 2022. Construction, agriculture and tourism were the main contributors to growth. After years of surpluses, the IMF expects a fiscal deficit equal to 3.3% of GDP in 2022. On the other hand, public debt is expected to fall slightly to 69% of GDP.	The recovery of the tourism sector is expected to support growth rates just below 4% over the next two years. The country's fiscal accounts are expected to strengthen in 2023, as the Government returns to its pre-pandemic policy stance.
Ghana	Economic activity slowed in 2022, due mainly to spiraling inflation, domestic monetary tightening, and the depreciation of the cedi. Real GDP growth is anticipated to fall to 3.6% compared to 5.4% in 2021. Ghana's fiscal challenges persist, with public debt rising to an estimated 90.7% of GDP in 2022 from 82.1% in 2021. The fiscal deficit is projected to decrease to 9.2% of GDP.	The country is expected to register a slower rate of real GDP growth in 2023. Ghana has sought the support of an IMF programme for the second time in three years. The associated reforms could constrain medium-term growth but are expected to gradually strengthen the country's fiscal accounts.
Guyana	Increased oil output and high global prices impelled the economy to an estimated 57.8% rise in real GDP in 2022. With the massive expansion in GDP, debt and the fiscal deficit likely fell to 22.8% of GDP and 0.7% of GDP, respectively.	Guyana's vast petroleum reserves underpin its extremely positive medium-term economic prospects. The Yellowtail offshore project is expected to add a further 250,000 barrels of oil per day in 2025.
Sint Maarten	The Central Bank expects real GDP growth to fall to 5.8% in 2022, down from 8.2% a year earlier. Growth was driven by the recovery of the tourism sector, as stay-over arrivals exceeded pre-pandemic levels in the first half of the year. Public debt is estimated by the IMF to have increased to 63.1% of GDP, while the fiscal deficit likely contracted to 4.2% of GDP from 6.6% in 2021.	The economy is expected to register another positive performance in 2023, driven by construction activity and the continued growth of tourism. However, project delays and weaker economic growth in key tourism source markets present downside risks. No major improvement in the fiscal accounts is expected in 2023.
Suriname	The economy is projected to post a modest recovery (1.3%) in 2022, aided by high commodity prices. Growth was restricted by intense price pressures, with inflation averaging 55.8% to August 2022. The country is facing severe fiscal challenges, with debt estimated at 134% of GDP in 2022. The fiscal deficit is estimated to have declined to 3.7% of GDP.	Suriname's return to pre-pandemic levels of economic activity will take longer than most regional peers. However, increased energy sector investment and output are expected to facilitate stronger growth after 2025. Reforms under the 36-month IMF programme are expected to improve the stability of the country's fiscal accounts.

CHAIRMAN'S REVIEW

THROUGHOUT THESE CHALLENGING TIMES THE RFHL GROUP HAS DEMONSTRATED RESILIENCE AND CAPABILITY TO WEATHER THE ONGOING STORMS AND IS VERY WELL POSITIONED TO RESPOND TO THE OPPORTUNITIES AND CHALLENGES THAT UNDOUBTEDLY LIE AHEAD.

Summary of the Economies in which RFHL Operates

Country	Economic Review	Outlook
Trinidad and Tobago	Notwithstanding the low production levels, high energy prices facilitated an anticipated 2% expansion in real GDP in 2022. The projected rise in current price GDP will see public debt fall to 70% of GDP from 80% in 2021. The fiscal deficit is expected to fall to 1.3% of GDP in 2022 from 7.5%.	Real GDP growth of 3% is expected in 2023, with no major increase in energy production envisaged. The performance of the non-energy sector is expected to improve during the year. Government projects the fiscal deficit to fall further to 0.8% of GDP. If energy prices fall, these forecasts could prove to be optimistic.

Outlook

The focus of certain major central banks, including the US Federal Reserve and the Bank of England, is expected to remain on containing inflation for the foreseeable future. Against this backdrop, emerging and developing economies are not likely to experience any substantial ease in the external challenges they currently face. Despite some ease, high inflation and other factors may limit growth among such countries in 2023. With no end in sight, the ongoing Russia-Ukraine war, and its surrounding events, are expected to significantly influence the prospects of the global economy over the short-term. Continued fuel shortages in Europe will constrain GDP growth heading into 2023 and impose extremely difficult living conditions on citizens during the winter. One positive to be drawn from the conflict, is the sharpened focus on global food security and intensified efforts to generate energy from sustainable sources. Although the main benefits of these initiatives will accrue over the long-term, the related activities will provide some short and medium-term stimulus to the global economy.

Throughout these challenging times, the RFHL Group has demonstrated resilience and capability to weather the ongoing storms and is very well positioned to respond to the opportunities and challenges that undoubtedly lie ahead. The Group's very strong balance sheet and geographic diversity have served us well in the recent past and will continue to do so going forward. Though there is still much uncertainty ahead, the Group's foundations are strong. Along with our sustainability initiatives and our commitment to ensuring more diverse and inclusive outcomes, I believe we are on track for a more sustainable and prosperous future.

Board

During this past financial year, the Board resumed in-person Board meetings in the second half of the year—a welcomed return. Whether meeting virtually or in person, we always ensured that we remained focused on the primary responsibilities of the Board: ensuring that we were executing on the right strategy, with the right talent and the right risk appetite given the rapidly evolving macro events.

A major focus for the Board this past year was in ensuring the smooth and successful transition of our two Executive Directors, Roopnarine Oumade Singh 'Roop' and Derwin Howell as a result of their retirements. Both Roop and Derwin served the Group with distinction and we are immensely grateful for their enormous contribution over many years. Given this significant change, the Board worked with our President and Chief Executive Officer to ensure that the structure of the senior leadership team appropriately reflected the scale and reach of the Group, whilst ensuring the availability of sufficient leadership capacity and capability now and into the future. We believe the new structure provides a model for continued success going forward. The Group's robust talent management process, along with a deep talent pool, ensured that the newly created senior executive roles were able to be filled from within. These changes build strength and capacity in our senior leadership team and at the same time reinforce the Group's stated desire to enhance its leadership diversity.

I would like to express my deep gratitude to my fellow Board members for their support, counsel, unswerving commitment and insight during 2022. As a Board, we remain steadfast in our view that greater levels of diversity, inclusivity and belonging mean a stronger Board and a Board that makes better, more enlightened decisions. Our commitment remains that all our actions are undertaken in a manner that demonstrates fairness and always takes into account the interests of all our stakeholders.

On behalf of the Board of RFHL, I would like to offer my thanks and support for our President and Chief Executive Officer, Nigel Baptiste, for his very steady hand at the wheel and the executive team for their leadership. It is through their collective leadership that RFHL has achieved the significant successes that it has. Their leadership ensures that at all times, and through the outcomes that are delivered, we are creating value for all our stakeholders.

I want to again recognise and thank our people, the thousands of extraordinary women and men of Team Republic, who across 14 countries and in the face of great challenges, continue to serve our clients with grace, fortitude and care. They give life to our Purpose every day and I am so very happy to be able to thank them for all that they have accomplished.

Thank you shareholders, for your continued support of Republic Financial Holdings Limited and our customers for the privilege of serving you.

Vincent A. Pereira
Chairman

PRESIDENT'S DISCUSSION & ANALYSIS

The performance of the Group has seen creditable improvement over the past fiscal, as the economic outlook continues to improve.

Nigel M. Baptiste

Introduction

Republic Financial Holdings Limited (RFHL) recorded a profit attributable to equity holders of the Parent of $1.526 billion for the year ended September 30, 2022, an increase of $218 million or 16.7% over the profit of $1.308 billion reported in the prior year. These results reflect the impact of solid growth in the returns from the Group's loan and investment portfolios, prudent expense management and reduced credit loss expenses.

Based on these results, the Board of Directors has declared a final dividend of $3.45 per share for the year ended September 30, 2022. When combined with the interim dividend of $1.05 per share, this brings the total dividend for the year to $4.50 per share, an increase of $0.50 or 12.5% over the amount declared for 2021. At a share price of $140.01 as at September 30, 2022, this results in a dividend yield of 3.21% on an RFHL share.

Net Profit

All figures are stated in TT$ millions

	2022	2021	Change 2021 to 2022
Profitability			
Net interest income	**4,138**	3,970	168
Other income	**1,966**	1,832	134
Share of profits of associated companies	**7**	4	3
Less:			
- Operating expenses	**3,556**	3,513	(43)
- Credit loss expense on financial assets	**220**	348	128
Profit before taxation	**2,335**	**1,945**	**390**
Less taxation	**651**	500	(151)
Profit after taxation	**1,684**	**1,445**	**239**
Less non-controlling interest	**158**	137	(21)
Profit attributable to equity holders of the Parent	**1,526**	**1,308**	**218**
Trinidad and Tobago	**727**	672	55
Barbados	**143**	128	15
Guyana	**73**	70	3
Cayman Islands	**199**	179	20
Eastern Caribbean	**225**	133	92
Suriname	**23**	20	3
Ghana	**57**	66	(9)
British Virgin Islands	**79**	40	39
Total	**1,526**	**1,308**	**218**
Percentage change			**16.7%**

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 95 to 184 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

	2022	2021	Change 2021 to 2022
Interest income	**4,765**	4,644	121
Less interest expense	**627**	674	47
Net interest income	**4,138**	**3,970**	**168**
Trinidad and Tobago	**1,973**	1,922	51
Barbados	**360**	383	(23)
Guyana	**321**	286	35
Cayman Islands	**452**	381	71
Eastern Caribbean	**514**	479	35
Suriname	**82**	76	6
Ghana	**321**	333	(12)
British Virgin Islands	**115**	110	5
Total	**4,138**	**3,970**	**168**
Percentage change			***4.2%***
Average total assets	**110,073**	**106,723**	**3,350**
Percentage change			***3.1%***
Net interest margin	**3.76%**	**3.72%**	

The Group earned net interest income of $4.1 billion for year ended September 30, 2022, an increase of $168 million or 4.2% above the prior year.

Average total assets increased by $3.4 billion or 3.1% in the fiscal, with the net interest margin increasing from 3.72% in 2021 to 3.76% in 2022.

- In Trinidad and Tobago (T&T), net interest income grew by $51 million, being a combination of a $37 million increase in interest income and a $14 million decrease in interest expenses. The increase in interest income was generated primarily from the growth in the investments and advances portfolios, coupled with higher interest rates on US dollar-denominated investments.

  The $14 million decrease in interest expense stemmed from lower yields on funding in Republic Investments Limited.

- In Barbados, net interest income declined by $23 million, the net result of a $30 million decline in interest income and a $7 million decline in interest expense. The $30 million fall in interest income was the result of a decline of $25 million on interest on advances and $5 million on investments, resulting from lower yields and lower average advances balances in Barbados and lower investment balances in Republic Bank (Trinidad and Tobago) Barbados Limited.

- The Cayman Islands recorded increased net interest income of $71 million, the net effect of increases in interest income of $73 million and $2 million in interest expense. The increases were the result of increased yields in investment securities and deposits in the Cayman market.

- The Eastern Caribbean recorded growth in net interest income by $35 million due to increases in interest income and interest expense by $36 million and $1 million respectively. This resulted from increased portfolio balances for advances and investment securities.

- In Suriname, the increase of $6 million was the net effect of a $2 million increase in interest income and $4 million decline in interest expenses. The increase in interest income was due to growth in the investment and loan portfolios, while the decreased interest expense was a result of a reduction in deposit yields.

- In Ghana, the $12 million decrease in net interest income resulted from declines in interest income and interest expense of $35 million and $23 million respectively. This decline was mainly due to a reduction in average interest rates for loans and deposits and a depreciation in the Cedi exchange rate during the year.

- In BVI, the increase of $5 million in net interest income was due to an increase of $3 million in interest income and a decrease in interest expense of $2 million. Increased yields on US denominated investments accounted for the increased income, while the reduction in interest expense was due to a lower deposit portfolio.

Other Income

All figures are stated in TT$ millions

	2022	**2021**	**Change**	**Change %**
Fees and commission income	**1,354**	1,203	151	12.6
Net exchange trading income	**433**	365	68	18.6
Gains from disposal of investments	**9**	23	(14)	(60.9)
Other operating income	**170**	241	(71)	(29.5)
Total other income	**1,966**	**1,832**	**134**	**7.3**
Trinidad and Tobago	**927**	902	25	2.8
Barbados	**109**	110	(1)	(0.9)
Guyana	**132**	115	17	14.8
Cayman Islands	**278**	261	17	6.5
Eastern Caribbean	**254**	204	50	24.5
Suriname	**65**	64	1	1.6
Ghana	**159**	140	19	13.6
British Virgin Islands	**42**	36	6	16.7
Total	**1,966**	**1,832**	**134**	**7.3**

Other income increased by $134 million or 7.3%, from $1.83 billion in 2021, to $1.97 billion in 2022.

- In T&T, the increase of $25 million is mainly due to the net effect of the following:
  - A $26 million increase in fees and commissions coupled with a $30 million increase in net commissions on credit card services, both of which resulted from increased transaction volumes following the continued resumption of activity from COVID-19 lockdowns in the prior year.
  - Other income decreased by $43 million, mainly due to one-off other income received in RFHL in 2021 which was not repeated in 2022.

- In Guyana, the increase of $17 million was mainly due to higher exchange earnings due to increased foreign exchange volumes from the energy sector.

- In the Cayman Islands, the increase of $17 million was the result of increased fee and commission, exchange and other income, due to a resurgence of economic activity.

- The increase of $50 million in the Eastern Caribbean was mainly due to increased credit card fees and commission, because of higher tourism volumes following the relaxation of COVID-19 restrictions.

- In Ghana, the increase of $19 million was due to higher exchange income and fee and commission income following the introduction of credit cards in 2021.

Total Operating Expenses

All figures are stated in TT$ millions

	2022	**2021**	**Change**	**Change %**
Staff costs	**1,618**	1,666	48	2.9
General administrative expenses	**1,184**	1,121	(63)	(5.6)
Property related expenses	**188**	200	12	6.0
Depreciation	**394**	367	(27)	(7.4)
Advertising and public relations	**102**	86	(16)	(18.6)
Other	**70**	73	3	4.1
Total operating expenses	**3,556**	**3,513**	**(43)**	**(1.2)**
Trinidad and Tobago	**1,624**	1,692	68	4.0
Barbados	**305**	310	5	1.6
Guyana	**218**	193	(25)	(13.0)
Cayman Islands	**482**	440	(42)	(9.5)
Eastern Caribbean	**487**	460	(27)	(5.9)
Suriname	**79**	51	(28)	(54.9)
Ghana	**285**	289	4	1.4
British Virgin Islands	**76**	78	2	2.6
Total operating expenses	**3,556**	**3,513**	**(43)**	**(1.2)**

The Group incurred total operating expenses of $3.6 billion for the year ended September 30, 2022. This reflects an increase of $43 million or 1.2% above the prior year. This increase is due to the net effect of several areas as follows:

- The $48 million decrease in staff costs is primarily due to decreases in T&T of $71 million mainly due to the reduction in pension expenses and a decrease in Barbados of $10 million, net off by increases in Cayman of $21 million due to increased salaries and profit sharing, and increases in the Eastern Caribbean and Guyana of $6 million each.

- General administrative expenses increased by $63 million or 5.6% mainly due to the net effect of the following across the Group:
  - In T&T, total administrative expenses increased by $18 million, mainly due to an increase in professional fees related to IT consultancy.
  - In the Cayman Islands, general administrative costs increased by $19 million mainly due to higher claims expenses in the Cayman captive insurance subsidiary, Republic Insurance Company (Cayman) Limited (RICCL).
  - In Suriname, these costs increased by $15 million, mainly due to higher technology costs and regulatory expenses.
  - Expenses increased in the Eastern Caribbean by $11 million mainly due to technical services fees.

- Property related expenses decreased by $12 million or 6.0% mainly due to a reversal of accrued property taxes in T&T.

- Depreciation increased by $27 million or 7.4%, being the impact of capitalisation of Computer Hardware and Software and properties in T&T as the main IT centre of the Group.

Credit Loss Expense on Financial Assets

All figures are stated in TT$ millions

	2022	2021	Change	Change %
Loans and advances	**224**	291	67	23.0
Debt instruments measured at amortised cost	**(4)**	57	61	107.0
Total	**220**	**348**	**128**	**36.8**

For the year ended September 30, 2022, the Group incurred total credit loss expense on financial assets of $220 million, a decrease of $128 million or 36.8%.

Of the decrease for 2022, $67 million represents decreased Expected Credit Losses (ECLs) on loans and advances and a $61 million decrease in ECLs for debt security instruments measured at amortised cost.

Credit Loss Expense – Loans and Advances

All figures are stated in TT$ millions

	2022	2021	Change	Change %
Retail lending	**53**	169	116	68.6
Corporate and commercial lending	**125**	47	(78)	(166.0)
Mortgages	**46**	75	29	(38.7)
	224	**291**	**67**	**23.0**
Trinidad and Tobago	**190**	134	(56)	(41.8)
Barbados	**(41)**	30	71	236.7
Guyana	**15**	12	(3)	(25.0)
Cayman Islands	**(5)**	(5)	–	0.0
Eastern Caribbean	**3**	57	54	94.7
Suriname	**4**	5	1	20.0
Ghana	**56**	31	(25)	(80.6)
British Virgin Islands	**2**	27	25	92.6
Total	**224**	**291**	**67**	**23.0**

Credit loss expense on loans and advances for the year ended September 30, 2022, totaled $224 million, a decrease of $67 million or 23.0% compared to the previous year. This decrease was the impact of reductions in Barbados of $71 million mainly due to the write-back of a portion of the Purchased or Originated Credit Impaired (POCI) provision on the restructured government bond in accordance with the accounting standard, and the Eastern Caribbean for $54 million due to reductions of stage 2 provisions folllowing improvement in the credit quality of the portfolio.

These declines were net off by an increase in T&T of $56 million due to a higher stage 2 provision in the current year.

Credit Loss (Recovery)/Expense on Debt Security Instruments Measured at Amortised Cost

All figures are stated in TT$ millions

	2022	2021	Change	Change %
Trinidad and Tobago	–	1	1	100.0
Barbados	**(9)**	19	28	147.4
Guyana	**–**	(1)	(1)	(100.0)
Ghana	**1**	1	–	0.0
Suriname	**–**	51	51	100.0
Eastern Caribbean	**1**	(2)	(3)	(150.0)
Cayman Islands	**3**	(12)	(15)	(125.0)
Total	**(4)**	**57**	**61**	**107.0**

For the year ended September 30, 2022, the Group experienced a net recovery of $4 million in credit losses on debt security instruments measured at amortised cost. This represents a reduction of $61 million or 107.0% when compared to the previous year.

$28 million of the decrease emanated in Barbados and $51 million in Suriname due to improvement in the credit quality of the investment portfolios maintained by those subsidiaries. The change in Cayman Islands of $15 million is mainly due to higher stage 2 provisions for 2022.

Review of the Consolidated Statement of Financial Position

All figures are stated in TT$ millions

	2022	2021	Change	Change %
Total assets	**110,978**	109,169	1,809	1.7
Liquid assets	**26,492**	26,936	(444)	(1.6)
Investments	**19,954**	19,260	694	3.6
Advances	**56,829**	55,516	1,313	2.4
Deferred tax assets	**317**	246	71	28.9
Total deposits and other funding instruments	**92,048**	91,228	(820)	(0.9)
Total equity	**13,369**	12,856	513	4.0

Total Assets

At September 30, 2022, the Group's total assets stood at $111.0 billion, an increase of $1.8 billion or 1.7% over the asset base of 2021. This increase was mainly due to the combined effect of a $0.7 billion growth in investments and a $1.3 billion growth in advances.

Investments

Investments increased by $0.7 billion, the effect of increases of $1.3 billion in T&T, $0.7 billion in the Eastern Caribbean and $0.1 billion in Suriname, offset by decreases in Ghana, Barbados and BVI for $0.7 billion, $0.6 billion and $0.2 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 $0.8 billion or 0.9% over the prior year. $0.9 billion of the growth emanated from T&T, $0.6 billion from Guyana and $0.5 billion from the Eastern Caribbean, offset by a decline in Ghana of $1 billion due to the depreciation of the Ghanaian Cedi against the TT dollar, along with smaller variances in other countries.

Total Equity

Total equity as at September 30, 2022, increased by $0.5 billion or 4.0% from the prior year, the net effect of profits and dividend payments. The Group's capital adequacy ratio remains robust at 13.76% (Basel II) at September 30, 2022, underscoring the Group's ability to maintain adequate capital levels.

111.0
TOTAL ASSETS (TT$B)

19.9
INVESTMENTS (TT$B)

92.1
DEPOSITS & FUNDING (TT$B)

13.4
TOTAL EQUITY (TT$B)

Loans and Advances

All figures are stated in TT$ millions

	2022	2021	Change	Change %
Retail lending	**8,403**	8,514	(111)	(1.3)
Corporate and commercial lending	**17,847**	17,367	480	2.8
Mortgages	**30,579**	29,635	944	3.2
	56,829	**55,516**	**1,313**	**2.4**
Trinidad and Tobago	**28,062**	27,509	553	2.0
Barbados	**4,931**	5,010	(79)	(1.6)
Guyana	**3,256**	2,962	294	9.9
Cayman Islands	**7,320**	6,756	564	8.3
Eastern Caribbean	**9,013**	8,656	357	4.1
Suriname	**917**	783	134	17.1
Ghana	**1,296**	1,816	(520)	(28.6)
British Virgin Islands	**2,034**	2,024	10	0.5
Total	**56,829**	**55,516**	**1,313**	**2.4**

Loans and advances increased by $1.3 billion or 2.4%, from $55.5 billion in 2021 to $56.8 billion in 2022.

- In T&T, total loans increased by $0.5 billion or 2.0%, mainly through growth in the mortgages portfolio.
- In Guyana, total loans increased by $0.3 billion or 9.9%, reflective of growth across all segments.
- The growth in the Cayman Islands portfolio of $0.6 billion or 8.3% emanated from the corporate and commercial and mortgages portfolios, offset by minor declines in the retail portfolio.
- In the Eastern Caribbean, total loans increased by $0.4 billion or 4.1%, reflective of growth in the corporate and commercial and mortgages portfolios, offset by declines in the retail and credit card portfolios.
- The $0.5 billion or 28.6% decline in Ghana reflects a decline in all sectors, with a small increase in credit cards.

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.

PRESIDENT'S DISCUSSION AND ANALYSIS

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 2022	TOTAL 2021
Performing loans	28,056	4,709	3,196	7,306	8,718	926	1,162	1,952	**56,025**	54,544
Non-performing loans (NPLs)	1,054	406	94	116	605	15	271	159	**2,720**	2,904
Gross loans	29,110	5,115	3,290	7,422	9,323	941	1,433	2,111	**58,745**	57,448
Allowance for ECL losses	(926)	(176)	(19)	(68)	(297)	(21)	(129)	(60)	**(1,696)**	(1,741)
Unearned loan origination fees	(123)	(7)	(13)	(33)	(16)	(3)	(8)	(17)	**(220)**	(191)
Net loans	**28,061**	**4,932**	**3,258**	**7,321**	**9,010**	**917**	**1,296**	**2,034**	**56,829**	**55,516**
Allowances for ECL										
Stage 1	217	28	12	25	116	8	22	30	**458**	493
Stage 2	195	26	1	1	29	10	11	8	**281**	206
Stage 3	514	122	6	42	152	3	96	22	**957**	1,042
Total ECL	**926**	**176**	**19**	**68**	**297**	**21**	**129**	**60**	**1,696**	**1,741**
Non-performing loans to gross loans (%)	**3.6**	**7.9**	**2.9**	**1.6**	**6.5**	**1.6**	**18.9**	**7.5**	**4.6**	**5.1**
Stage 3 ECLs as a % of NPLs	**48.8**	**30.0**	**6.4**	**36.2**	**25.1**	**20.0**	**35.4**	**13.8**	**35.2**	**35.9**
Total ECL as a % of gross loans	**3.2**	**3.4**	**0.6**	**0.9**	**3.2**	**2.2**	**9.0**	**2.8**	**2.9**	**3.0**

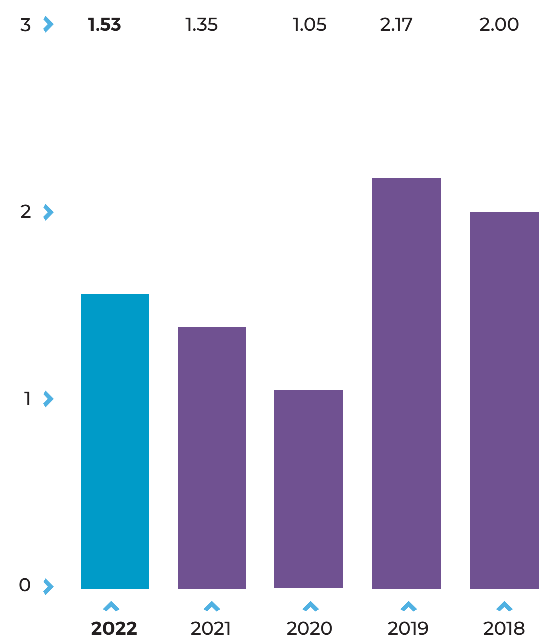
As at September 30, 2022, the Non-Performing Loans (NPLs) to gross loans ratio for the Group stands at 4.6%, a small decline of 0.5% below the 5.1% reported in 2021.

The Group recorded a provision coverage ratio of 35.2% for its non-performing (Stage 3) facilities as at September 2022, slightly down from 35.9% in September 2021, with T&T maintaining coverage ratios in excess of 40%.

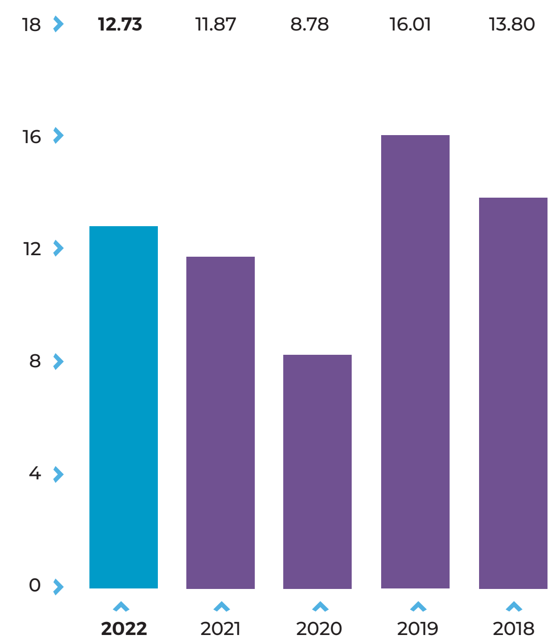
Including expected credit losses for the Group's performing portfolio designated as Stage 1 and Stage 2 under IFRS 9, the Group maintains total provisions of $1.7 billion, which represents 2.9% of gross loans, relatively stable with the 3.0% in 2021.

Performance Ratios

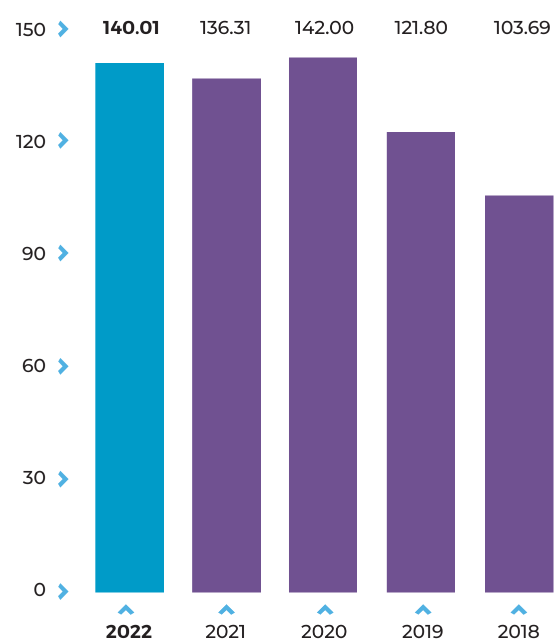
Return on Assets (%)



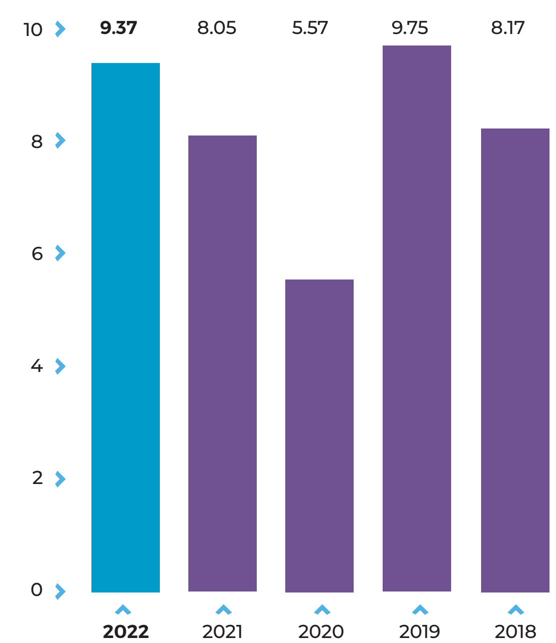
Return on Equity (%)



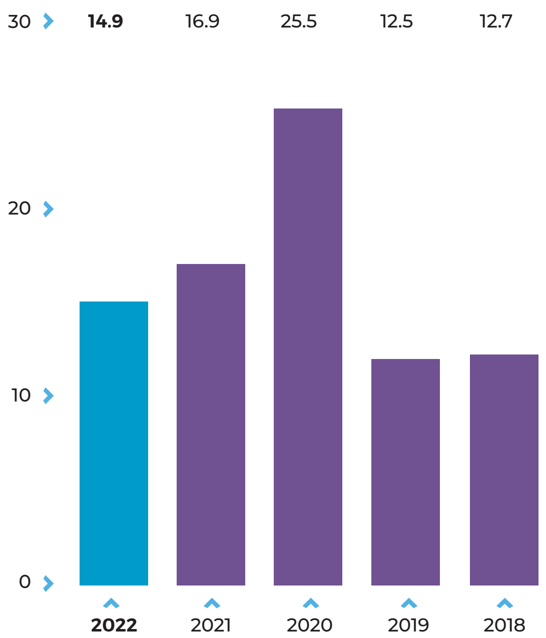
Share Price ($)



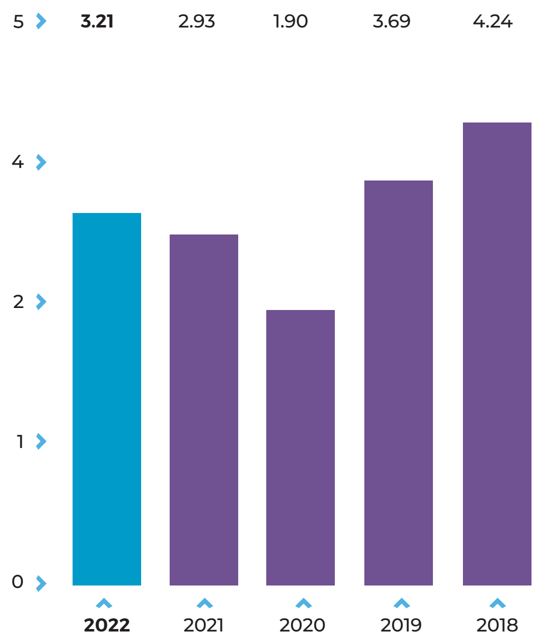
Earnings Per Share ($)



Price Earnings Ratio



Dividend Yield (%)



The increase in profitability in 2022 is reflected in the rise in most key ratios in 2022, with the Return on Average Assets (ROA) ratio increasing from 1.35% in 2021 to 1.53% in 2022, and the Return on Average Equity (ROE) ratio increasing from 11.87% in 2021 to 12.73% in 2022.

Earnings per Share (EPS) also increased, from $8.05 in 2021 to $9.37 in 2022, an increase of $1.32 per share. Combined with a closing share price of $140.01 as at September 30, 2022, which increased by $3.70 or 2.7% over the past year, the price/earnings (P/E) ratio decreased from 16.9 times in 2021 to 14.9 times in 2022.

Based on these results, the Group has declared a final dividend payment of $3.45, bringing the total dividend for the year to $4.50. Assessed against RFHL's closing share price of $140.01, this represents a dividend yield to shareholders of 3.21%.

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 T&T, 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%, with a minimum total qualifying capital (Tier I plus Tier II) ratio of 10%. 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 13.76% as at September 2022, well in excess of the 10% minimum requirement under Basel II.

The Group submits an Internal Capital Adequacy Assessment Process (ICAAP) to the Central Bank of Trinidad and Tobago annually.

Capital Structure

Capital adequacy ratio	2022 %	2021 %
Basel II		
Republic Financial Holdings Limited	**13.76**	13.64
Republic Bank Limited	**15.04**	14.77
Republic Bank (Cayman) Limited	**27.55**	26.33
Republic Bank (Ghana) Plc.	**21.49**	26.36
Cayman National Bank	**26.54**	22.27
Republic Bank (Barbados) Limited	**19.12**	18.42
Republic Bank (Guyana) Limited	**16.81**	N/A
Basel I		
Republic Bank (Grenada) Limited	**12.08**	16.50
Republic Bank (Guyana) Limited	**N/A**	22.29
Republic Bank (Suriname) N.V.	**13.55**	11.17
Republic Bank (EC) Limited	**14.57**	15.79
Republic Bank (BVI) Limited	**29.86**	27.01

Outlook

The performance of the Group has seen creditable improvement over the past fiscal, as the economic outlook continues to improve following the gradual reopening of all economies within which we operate. We however remain conscious of the increasing inflation, high energy prices and supply chain issues that continue to plague the world.

During the year, conversion of the IT systems was completed for four islands in the Eastern Caribbean, the British Virgin Islands and the two acquired Scotiabank branches in Grenada, with work on Grenada (existing Republic Bank (Grenada) Limited branches) and Barbados scheduled for completion during fiscal 2023. 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 for improved efficiency and reduced cost.

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.

THANK YOU FOR YOUR LEGACY

DERWIN

Derwin Howell began his career with the Bank in 1997 when he was appointed General Manager, Information Technology Management. He continued on an impressive trajectory over the next twenty-five years taking on executive roles and directorships including Director at Republic Bank Limited and Chairman of the Boards of Republic Bank (Barbados) Limited, Republic Bank (Suriname) N.V. and Republic Bank (EC) Limited.

A critical thinker, articulate and fearless in his application of expertise to any area of operation, Mr. Howell's valuable service extended beyond the Group into roles which include Chairman of Habitat for Humanity Trinidad and Tobago and of the Filmmakers Collaborative of Trinidad and Tobago (FILMCO). He is also a passionate follower of West Indies cricket, loves the steelpan and enjoys jazz, soca music and cultural travel.

> A CRITICAL THINKER, ARTICULATE AND FEARLESS IN HIS APPLICATION OF EXPERTISE TO ANY AREA OF OPERATION

In 2022, he was awarded a Fellowship from the Institute of Banking and Finance of Trinidad and Tobago for Distinguished and Meritorious Service to the Banking and Financial Industry—a proud moment for us that continues to inspire the future generation of leaders at Republic Bank.

Derwin, we look forward to your next chapter as you continue to leave your mark on the landscape of Trinidad and Tobago. With admiration and appreciation, we say, 'Thank you for your indelible legacy of service.'

ROOP

Fondly known as 'Roop', Mr. Roopnarine Oumade Singh joined the Republic Bank family in 1996 and retired in 2022 after twenty-six years of sterling service. In his career with the Bank, he served in several executive management positions as well as on Group Boards including Republic Bank (Cayman) Limited, Cayman National Bank Limited, and Republic Wealth Management Limited. He was also the first Chairman of Republic Life Insurance Company Limited which is the newest member of the Republic family. Roop was a driving force in guiding the Bank into this new avenue for growth. He is also a former Director of Republic Finance and Merchant Bank Limited and has served as the Trinidad and Tobago User Group Chairperson for the Society of Worldwide Interbank Financial Telecommunications (SWIFT).

> ROOP'S PASSION FOR THE BANK WAS EVIDENT IN ALL THAT HE DID, AND WE ARE SURE THAT HE WILL APPROACH HIS RETIREMENT WITH THE SAME ENERGY

Throughout Roop's admirable professional journey, he has displayed a strong personal ethos and remained a very down-to-earth person, who mentored many of his staff throughout his career and took great pride in seeing them succeed. He has also always prioritised family time, loves travelling and fast cars and is an avid diver. Roop's passion for the Bank was evident in all that he did, and we are sure that he will approach his retirement with the same energy. It is with great fondness that we say, 'Thank you for your legacy of excellence.'

GROUP VICE PRESIDENTS

P. VIC SALICKRAM **KAREN YIP CHUCK** **RICHARD SAMMY**

WE ARE PLEASED TO INTRODUCE OUR GROUP VICE PRESIDENTS OF REPUBLIC FINANCIAL HOLDINGS LIMITED (RFHL). AS A RESULT OF THE GROWTH AND DEVELOPMENT OF THE GROUP, THE BOARD OF DIRECTORS HAS IMPLEMENTED STRATEGIC RESTRUCTURING, VIA WHICH EXECUTIVE DIRECTORS ARE APPOINTED TO THE POSITION OF VICE PRESIDENT, EFFECTIVE NOVEMBER 15, 2022.

Our leadership structure has remained relatively unchanged since 1994. From that time to present, the size and role of the Group has expanded signficantly prompting a need to optimise our leadership effectiveness. Since 1994, the growth we have seen includes:

- Overseas subsidiaries increased from 2 to 9
- Total number of employees increased from 1,950 to 7,500
- Total assets grew from US$0.9 billion to US$15.5 billion
- Operation and regulatory complexity of the Group has expanded (e.g. Life Insurance business) and profitability has increased.

Meet Our Group Vice Presidents:

P. Vic Salickram

P. Vic has experience across four countries: Guyana, Trinidad and Tobago, Barbados and the Dominican Republic. In his 18 years with the Group, he has served in key finance roles including: Senior Manager, then General Manager of Planning and Financial Control, General Manager, Group Risk, Republic Bank (Trinidad) Limited; Head, then Second Vice President, Finance, Treasury and Administration, Republic Bank (DR) S.A.; Corporate Controller, Republic Bank (Barbados) Limited. He also served as Chief Financial Officer and Chief Risk Officer of Republic Financial Holdings Limited.

"I THINK LEADING BY EXAMPLE IS KEY – KNOWING THE WAY, SHOWING THE WAY."

Karen Yip Chuck

Karen's career in banking spans more than 30 years, during which time she has acquired expert knowledge of the Bank's core operations. She has held a number of senior positions within the bank serving as General Manager of: Internal Audit; Trust and Asset Management; Corporate and Investment Banking; Wealth Management, and Commercial and Retail Banking.

"FOR ME, LEADERSHIP MEANS SERVING WITH EMPATHY AND EMPOWERING OTHERS TO SUCCEED."

Richard Sammy

Richard is a distinguished banker with significant regional experience. He joined Republic Bank in 2009 as Regional Manager, Merchant Banking and has since held positions as: Regional Corporate Manager-South; Managing Director, Republic Bank (Guyana) Limited and General Manager, Corporate and Investment Banking, Republic Bank Limited.

"LEADERSHIP IS ABOUT EMPOWERMENT, AND CHALLENGING THE STATUS QUO."

We wish them a brilliant future and look forward to their wealth of insight in taking the Group to greater heights.

"New Beginnings, More Adventure" RSTeen: Out In The World

GRENADA

Julia Francis

Hold to the vision of what you want, and know that with the right bank and the right account, you can get the support to start young, dream big, save well, and make a difference.

TRINIDAD AND TOBAGO

NIGEL M. BAPTISTE
Managing Director

Date Joined: March 1, 1991

DERWIN M. HOWELL
Executive Director

BSc (Hons.) (Elec. Eng.), MSc (Tele. Systems), EMBA, MIET, SMIEEE, C.Eng.

Date Joined: May 17, 1997

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 network spanning 38 branches—the largest across the twin island republic—includes the most extensive Automated Teller Machine (ATM) network with 127 ATMs in 83 locations and 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

Managing Director

Nigel M. Baptiste

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

Internal Appointments

- Chairman, Republic Bank (Guyana) Limited, Cayman National Corporation
- Board Member, Republic Financial Holdings Limited, Republic Bank (Ghana) Plc.

Professional Summary

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

TRINIDAD AND TOBAGO

P. VIC. SALICKRAM
Vice President (Designate)
General Manager, Group Risk
FCCA, ACMA, CGMA, CA, CFA, FRM

Date Joined: June 14, 2004

RICHARD S. SAMMY
Vice President (Designate)
General Manager,
Corporate and Investment Banking
BSc (Hons.) (Mgmt. Studies), MBA

Date Joined: March 1, 2009

KAREN T. YIP CHUCK
Vice President (Designate)
General Manager,
Commercial and Retail Banking
BSc (Hons.) (Econ.), MBA,
Dip. (Business Admin.), ACIB, CIA

Date Joined: October 1, 1990

HAMANT LALLA
General Manager,
Internal Audit
MBA, Cert. IFRS, FCCA

Date Joined: February 27, 2007

MARSHA MC LEOD-MARSHALL
General Manager,
Planning and Financial Control
MSc (Dist.) (Int'l Fin.), FCCA, CA

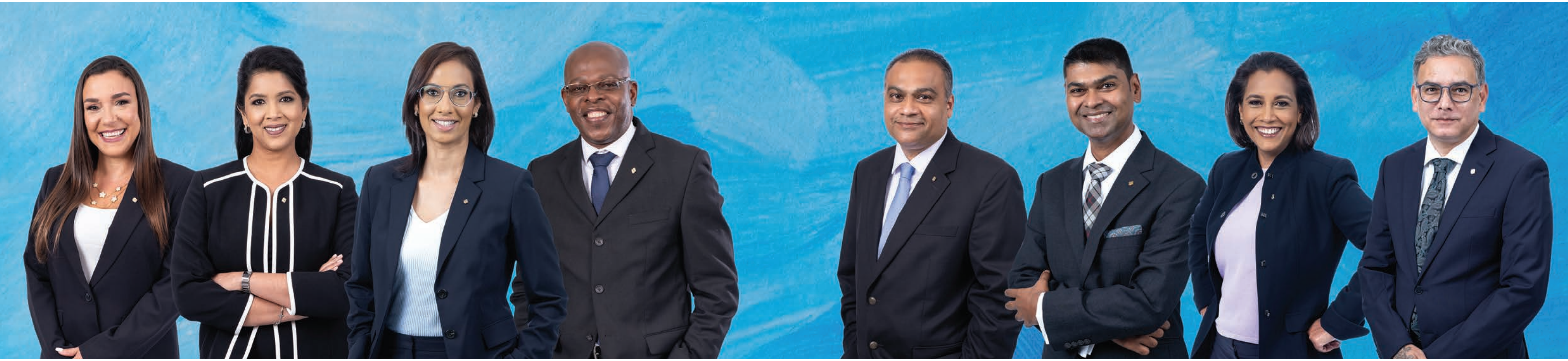
Date Joined: November 1, 2006

SHAZARD MOHAMMED
General Manager,
Commercial and Retail Banking (Designate)
BSc (Hons.) (Econ.), PgDip. (Mktg.),
NPS, EMBA

Date Joined: July 19, 2010

MARLON PERSAD
General Manager,
IT Consolidation
BSc (Computer Studies),
MSc (Computer Science),
EMBA (Dist.), CGEIT, AMLCA

Date Joined: January 1, 2007



TRACY-ANNE BARTHOLOMEW
General Manager,
Group Treasury (Designate)
BSc (Math. and Econ.), PgDip.
(Actuarial Mgmt. and Actuarial
Science), Dip. (Actuarial Techniques)

Date Joined: April 1, 2017

RIAH DASS-MUNGAL
General Manager,
Corporate and Investment Banking (Designate)
BSc (Hons.) (Acct.), FCCA

Date Joined: March 8, 2004

KIMBERLY ERRIAH-ALI
Group General Counsel
and Corporate Secretary
LLB (Hons.), LEC, MBA, ACAMS

Date Joined: April 1, 2002

PRESTON GEORGE
General Manager,
Group Human Resources (Designate)
BSc (Hons.) (Sociology), LLB (Hons.),
EMBA (Dist.)

Date Joined: January 2, 2014

ALDRIN RAMGOOLAM
General Manager,
Information Technology Management
BSc (Computer Science), MBA,
Dip. (Business Mgmt.)

Date Joined: December 18, 1989

BALDATH RAMKISSOON
General Manager,
Group Risk (Designate)
BSc (Hons.) (Mgmt.), MSc (Dist.) (Fin.),
MBA

Date Joined: June 1, 1993

DENYSE RAMNARINE
General Manager,
Electronic Channels
and Payments
BSc (Computer Science and Physics),
MSc (Telecom.), MBA, P.Grad
(Info Tech.), Dip. (Business Mgmt.)

Date Joined: March 4, 1996

DAVID ROBINSON
General Manager,
Wealth Management
BA (Econ.), EMBA, CFA

Date Joined: February 26, 1996

TRINIDAD AND TOBAGO

CARLENE SEUDAT
General Manager,
Shared Services

BSc (Acct. and Business Mgmt.)

Date 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.)

Date Joined: November 13, 1995

MICHAEL WALCOTT
General Manager,
Overseas Operations

BA (Acct.)

Date Joined: November 5, 2007

TRINIDAD AND TOBAGO

ROBERT L. SOVERALL
Managing Director, Republic Life Insurance Company Limited
General Manager, Creditor Protection, Republic Bank Limited

Date Joined: February 10, 2020

Republic Life Insurance Company Limited

Republic Life Insurance Company Limited (RLIC), formerly Republic Evolve Limited, was incorporated on December 10, 2020, in Trinidad and Tobago. The company was registered under the Insurance Act, 2018 on August 16, 2021 to carry on long-term insurance class of business. RLIC is a wholly owned subsidiary of Republic Financial Holdings Limited (RFHL). 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. RLIC commenced writing business in January 2022.

Registered Office

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

Managing Director

Robert L. Soverall

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

Professional Summary

- An experienced financial services executive with demonstrated industry expertise in insurance, risk management, investment management, governance and business-planning built-up over the course of more than two decades
- 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

TRINIDAD AND TOBAGO

CARLA KELSHALL
Senior Manager
BSc (Math. and Econ.), CFA

Date Joined: September 16, 2013

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

BARBADOS

ANTHONY P.S. CLERK
Managing Director,
Chief Executive Officer

Date Joined: September 13, 1982

JOHN PETER ELLIS CLARKE
General Manager,
Credit and Enterprise Risk
MA (Cantab)

Date Joined: November 18, 2013

JOY INNISS
General Manager,
Finance and Administration
MSc (Intl. Fin.), FCCA, ACCA

Date Joined: September 3, 2007

SHARON ZEPHIRIN
General Manager,
Retail and Operations
BSc (Acct.), EMBA

Date Joined: October 10, 1989

Republic Bank (Barbados) Limited

Republic Bank (Barbados) Limited is one of the longest serving banks in Barbados, having proudly served the nation for more than 40 years. Formerly Barbados National Bank Inc. (BNB), Republic Bank (Barbados) Limited operates one of the largest networks in the country and has a network that includes 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
Fax: (246) 429-2606
Swift: BNBABBBB
Email: info@republicbarbados.com
Website: www.republicbarbados.com

Managing Director
Chief Executive Officer

Anthony P.S. Clerk

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

BRITISH VIRGIN ISLANDS

MARION A. BLYDEN
Managing Director

Date Joined: November 7, 2018

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 six 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

Managing Director

Marion A. Blyden

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, Canadian Institute of 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 Honour Society
- Charter member, Zonta Club of Tortola
- Past Director and current member, Rotary Club Sunrise of Road Town

CAYMAN ISLANDS

RAVI MYKOO
Country Manager

Date Joined: December 1, 2007

Republic Bank (Cayman) Limited

Republic Bank (Cayman) Limited is a private bank offering comprehensive offshore wealth management services to clients in the Caribbean region and around the globe. As a strong contributor to the Group's profits, Republic Bank (Cayman) Limited offers banking services in major international currencies, investment management advice, registered office and company management services.

Registered Office

3rd Floor, Citrus Grove
106 Goring Avenue
P.O. Box 2004
George Town, KY1-1104
Cayman Islands
Tel: (345) 949-7844
Fax: (345) 949-2795

Country Manager

Ravi Mykoo

Credentials

- Bachelor of Science in Economics and Management with First Class Honours, University of the West Indies
- Chartered Financial Analyst
- Professional Certificates: Treasury Risk Management, Understanding and Transitioning to Basel II and Basel II and Transit, Corporate Tax Training

Professional Summary

- Over a decade of service in leadership roles with the Bank as an analyst and manager
- Significant regional experience in fixed income and equity investments, foreign exchange trading, treasury and liquidity management, AML and regulatory compliance and banking operations
- Past Manager, Money Market, Group Treasury Department, responsible for managing liquidity and market risk

CAYMAN ISLANDS

STUART J. DACK
President and
Chief Executive Officer
ACIB, MBA

Date Joined: January 20, 1992

JANET HISLOP
Bank President
BSc (Hons.) (Fin. Services), Bsc (Hons) Molecular Biology and Genetics, ACIB, TEP, CAMS

Date Joined: April 1, 2019

RYAN BAHADUR
Executive Vice President
BSc (Hons.) (Mgmt. and Fin.), CAMS, FRM, CIPM

Date Joined: September 1, 2016

BRIAN ESAU
Executive Vice President
BA, Dip. (Fin. Mgmt.), CSC, TEP, FICB

Date Joined: January 7, 2008

Cayman National Corporation

Established in 1974, Cayman National Corporation Ltd. is the largest financial services company based in the Cayman Islands, providing banking, trust and company management, fund administration, and wealth management services to clients locally and around the world, from the Cayman Islands and the Isle of Man, with a representative office in Dubai. Cayman National is publicly traded on the Cayman Islands Stock Exchange. Cayman National is part of the Republic Group. Established in the Caribbean in 1837 as the Colonial Bank and becoming Barclays Bank of Trinidad and Tobago, the Republic Group is today one of the region's largest and most successful financial institutions. Republic Bank Trinidad and Tobago (Barbados) Limited (RBTTBL), a wholly-owned subsidiary of Republic Financial Holdings Limited acquired a 74.99% shareholding in Cayman National Corporation (csx: CNC), a publicly traded entity on the Cayman Islands Stock Exchange.

Registered Office

Peter A. Tomkins Building
200 Elgin Avenue
PO Box 1097
Grand Cayman, KY1–1102
Cayman Islands
Tel: (345) 949-4655
Fax: (345) 949-0774
Email: cnb@caymannational.com
Website: www.caymannational.com

President and Chief Executive Officer

Stuart J. Dack

Credentials

- Master of Business Administration with Merit, Southampton University
- Associate with Distinction, Chartered Institute of Bankers

Professional Summary

- A career banker for five decades
- Twenty-two years with the Midland Bank Group with numerous managerial roles at branch, area and regional levels
- Past Internal Auditor and past Executive Vice President, Cayman National Corporation, Manager and International Premier Manager, CIBC

EAST CARIBBEAN

MICHELLE I. PALMER
Managing Director

Date Joined: November 28, 1983

JANELLE BERNARD
General Manager,
Legal Services/Corporate Secretary
LLB (Hons.), MBA, CAMS, IRMCert

Date Joined: August 19, 2002

IDRIS FIDELA HAYNES
General Manager, Corporate Services
BSc (Acct.), MBA (Fin.), CPA, CAMS-Audit

Date Joined: November 28, 2013

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. RBEC is also the sole shareholder of Republic Bank (St. Maarten) N.V. and Republic Bank (Anguilla) Limited. 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

Managing Director

Michelle I. Palmer

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

- A marketing executive with expertise in credit card business, specialising in research development and financial product management
- Extensive experience in product development, operational management and strategic management
- A senior member of the Republic Group for more than three decades
- Former General Manager, Group Marketing and Communications and led the Bank's digital and data transformation efforts toward customer-centric banking services including integrating business intelligence, analytics and social media platforms for better customer engagement and service
- Former Board member, Vision on Mission
- Past President of the Trinidad Hotels, Restaurant and Tourism Association

Internal Appointments

- Director, Republic Bank (Anguilla) Limited

Awards

- ABE World Prize for Quantitative Methods

GHANA

BENJAMIN DZOBOKU
Managing Director
MBA (Fin. and Mgmt.), MPA, ICA, ACFE, IFA, MIA, CIT
Date Joined: January 15, 2007

RAY TRISTYN KLIEN
Chief Operating Officer
BA (Econ.), MBA (Fin.)
Date Joined: October 1, 2016

JOSEPH LARYEA ASHONG
General Manager, Commercial and Retail Banking
MBA (Fin.), ICA, ACFE
Date Joined: July 2, 2008

BEATRIX AMA AMOAH
Company Secretary
LLB, MBA, BL
Date Joined: November 1, 2006

GABRIEL KWAMINA BONNEY
Internal Auditor
BA (Math.), CEMBA, ICA
Date Joined: May 5, 2014

TETTEH MAMAH
Head, Human Resources
BSc (Biological Science), MSc (Environmental Science), MBA, Advanced Cert. (HR Mgmt.), HR Professional (Bkg.)
Date Joined: June 3, 2019

MADELINE NETTEY
General Manager, Republic Investments (Ghana) Limited
BSc (Math), MPhil (Fin.) Certified Pensions Specialist
Date 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
Date Joined: March 1, 2007

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 49 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

Managing Director

Benjamin Dzoboku

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)
- 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, Internal Audit; Head, Risk Management; Financial Controller; Treasurer; General Manager, Banking Operations; General Manager, Finance and Strategy; Chief Operating Officer

External Appointments

- Former Chairman, Mepe Rural Bank

GRENADA

NAOMI E. DE ALLIE
Managing Director

Date Joined: August 1, 1995

CLIFFORD D. BAILEY
General Manager, Operations

BSc (Computing and Info Systems), MSc (IT and Mgmt.), Cert (Corp Gov.)

Date Joined: June 18, 2007

KALAWATEE A. BICKRAMSINGH
General Manager, Credit

MBA, Dip. (Fin. Mgmt.), Dip. (Business Programmes), CPA, ICATT

Date Joined: July 19, 1982

Republic Bank (Grenada) Limited

Republic Bank (Grenada) Limited is a visionary organisation, with a long history of 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 seven branches, 18 ATMs, and an asset base of $1.9 billion.

Having faithfully served Grenada for over four decades, the Bank has built a solid reputation as both a comprehensive financial services provider and an outstanding socially responsible corporate citizen, through the 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

P.O. Box 857
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

Managing Director

Naomi E. De Allie

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

Professional Summary

- Career banker with a wealth of experience in commercial credit, corporate credit, and risk management streams, gathered over her 27 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

GUYANA

STEPHEN R. GRELL
Managing Director

Date Joined: March 1, 2021

DENISE HOBBS
General Manager, Operations

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

Date Joined: August 20, 1979

VENUS FRITH
General Manager, Credit

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

Date Joined: October 1, 2003

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 18 decades. 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 50 ATMs. Currently, in addition to the suite of services already provided, the Bank has placed significant emphasis on growing its lending portfolio, in particular 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

Managing Director

Stephen R. Grell

Qualifications

- 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 Partners LLP
- Past Senior Investment Manager, Hartmann Capital Limited
- Past Investment Manager, Republic Bank (Cayman) Limited

External Appointments

- Chairman, Guyana Association of Bankers Inc.

SURINAME

KEITH A. JOHNSON
Managing Director

Date Joined: August 18, 1976

MONTAGUE MC LEOD
Director, Corporate Banking

Date Joined: October 1, 1996

SHANTIE RAMOUTAR
Director, Retail Banking
MBA, ACIB

Date Joined: August 5, 1981

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

Managing Director

Keith A. Johnson

Credentials
- Bachelor of Science in Accountancy, University of Guyana
- Executive Master of Business Administration, University of the West Indies
- Associate, Institute of Canadian Bankers

Professional Summary
- A career banker for over four decades
- Numerous leadership roles in the Bank's Guyana operations
- Former Managing Director of Republic Bank (Grenada) Limited

"In the Multitude of Digital Technologies"
Republic*Online*: Freedom Through Tech

GHANA
Alexander Reynolds

Republic Bank's digital technologies give you the freedom to know more, do more and enjoy a smarter, faster, and better online banking experience.

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 Limited, Republic Bank (Barbados) Limited, Republic Bank (BVI) Limited, Republic Bank (Cayman) 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, 2022

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.

Objectives

The role of the Board is to provide leadership, enterprise, integrity, and good judgement 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 President and Chief Executive Officer 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 ten 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

CORPORATE GOVERNANCE PRACTICES

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 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 and Belonging

We are committed to gender, geographic, ethnic, age and thought diversity. Over time we will be transitioning our model to reflect this diversity throughout the organisation, whilst ensuring that the dynamics and skills set of the Board continues to meet the expectations of our stakeholders. At present gender diversity on the Board is 25% and we are committed to achieving a higher diversity target over time where that is consistent with skills and diversity requirements. The Group continues its work to align policies with several diversity factors demonstrating the Group's commitment to an inclusive and tolerant workplace and operating model.

Composition

The Board comprises a maximum of 15 Directors, of which no more than two shall be Executive 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 President and CEO 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 be able to work constructively in a collegial environment.

In identifying nominees for the position of Director, the Governance and Nomination Committee determines whether an individual meets the characteristics above, assesses 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 Directors 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.

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 judgement, 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 judgement.

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 judgement 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	•	
Alison G. Lewis	•	
Peter R. Inglefield	•	
Ian L. Benjamin	•	
Gregory I. Thomson	•	
Kristine G. Thompson	•	
Robert B. Riley	•	
Waltnel X. Sosa	•	
Shameer R. Mohammed	•	
Michael A. Noel	•	

The Board considers that the quality, skills, and experience of its Directors enhances the Board's effectiveness, and the core set of skills and experience identified effectively provide the Group with 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 skillset of the Board of Republic Financial Holdings Limited within the current skills matrix.

CORPORATE GOVERNANCE PRACTICES

Board Member	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, Cybersecurity, Digital Capability	Global Experience	Legal	Risk Management
Vincent A. Pereira		•	•	•		•		•
Terrence W. Farrell	•	•					•	
Dawn V. Callender	•	•		•		•		•
Robert B. Riley	•	•	•	•	•	•	•	•
Kristine G. Thompson	•	•	•	•		•		
Gregory I. Thomson	•	•						•
Alison G. Lewis	•	•	•	•		•		•
Michael A. Noel	•	•		•	•	•		•
Waltnel X. Sosa	•	•	•			•		
Shameer R. Mohammed		•	•	•		•		•
Ian L. Benjamin	•	•	•	•			•	
Peter R. Inglefield	•	•		•				
Nigel M. Baptiste	•	•		•	•	•		•

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 chairs. 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.

Directors' Remuneration

Non-Executive Directors, including the Chairman, do not participate in performance-based incentive plans; they are remunerated by money payment only. Committee Chairmen 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 President and Chief Executive Officer of Republic Financial Holdings Limited. Explicit authorities and responsibilities of the President and Chief Executive Officer 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.

During this fiscal, Director Peter Inglefield attained the age of 70 years. The Board at its meeting in April 2022, supported a proposal for an extension of his term to serve on the Board of Directors for a term not exceeding December 2023.

Republic Financial Holdings Limited scheduled nine meetings within the period October 2021 to September 2022, and the attendance record of each Director is detailed in the following table:

Board Meetings	**7**
Special Board Meetings	**2**

Directors	Attendance	Eligible to Attend
Nigel M. Baptiste	9	9
Ian L. Benjamin	9	9
Dawn V. Callender	9	9
Terrence W. Farrell	8	9
Peter R. Inglefield	9	9
Alison G. Lewis	9	9
Shameer R. Mohammed	9	9
Vincent A. Pereira	9	9
Robert B. Riley	8	9
Waltnel X. Sosa	9	9
Kristine G. Thompson	9	9
Gregory I. Thomson	9	9
Michael A. Noel	8	8

(appointed w.e.f. October 18, 2021)

Focus Areas of the Board for Fiscal Year 2021-2022

The Board's focus for the fiscal year 2021-2022 is embodied within the 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 its 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	5
(appointed member and Chairman September 20, 2020)	
Dawn V. Callender	5
Alison G. Lewis *(appointed w.e.f. February 3, 2022)*	2
Shameer R. Mohammed	5
Robert B. Riley *(resigned w.e.f. February 3, 2022)*	3
Gregory I. Thomson	5

The Audit Committee receives financial reports, internal audit reports, external auditor reports and statistics related to whistleblower 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 subcommittee 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. Five meetings were held this fiscal, and the attendance of Committee members is detailed in the following.

The Committee comprises a majority of Independent Directors and is chaired by an independent Director:

Directors	Attendance
Robert Riley, Chairman	4
(appointed member and Chairman May 6, 2020)	
Nigel M. Baptiste	5
Dawn V. Callender	5
Terrence W. Farrell	5
Peter R. Inglefield	5
Michael A. Noel *(appointed w.e.f. November 8, 2021)*	5
Vincent A. Pereira	5
Waltnel X. Sosa	4
Gregory I. Thomson	5

The Enterprise Committee receives the Group's risk reports, 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. Eight meetings were held for the fiscal year, 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
Terrence W. Farrell, Chairman	8
(appointed Chairman May 6, 2020)	
(appointed January 1, 2016)	
Ian L. Benjamin	8
Vincent A. Pereira	8
Kristine G. Thompson	7
Robert B. Riley *(appointed w.e.f. November 8, 2021)*	6

The governance and nomination committee has oversight of key nominations and appointments as well as governance policy changes.

At this Annual Meeting Kristine Thompson, Waltnel Sosa and Shameer Ronnie Mohammed, retire from the Board by rotation and being eligible, offer themselves for re-election for a term expiring at the close of the third annual meeting following this appointment. The profiles of these directors are available at pages 14-17.

The Board recommends that all 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 this fiscal year the Board received and benefitted from insights from international experts delivering on the topics of the Macro-Economic Landscape, Leadership and Talent Management, Customer Experience, Strategies of Global Financial Institutions and Fintech on Platform Economies. As customary, the Directors were also exposed to the annual Health and Safety Training and Anti-Money Laundering (AML) training in-house.

Evaluations of the Board continue at three-year intervals. These are conducted by external parties. At the last evaluation, all Directors were found to be performing effectively. The next evaluation is scheduled for 2023.

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 judgements, these represent the best estimate and judgement 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, 2022

OUR ESG COMMITMENT

Our Commitment

We are committed to the Principles for Responsible Banking. We aim to increase positive impacts on people and the environment, to encourage and facilitate sustainable practices and economic activities and be transparent and accountable for our impact and contribution to societal goals.

Our People

We are harnessing the strength of **DIVERSITY**, **EQUITY**, and **INCLUSION** through our entire value chain: staff, suppliers, partners, stakeholders, and customers. As we continue our thrust to **empower a breadth of cultures, nationalities, and perspectives** - we are uplifting our operating model to create **true empowerment and a sense of belonging** in our Group.

6,035
EMPLOYEES

4,097
FEMALE

1,938
MALE

Our Communities

Corporate Social Responsibility

Guided by the pillars – **the Power to Care, the Power to Help, the Power to Learn, and the Power to Succeed** – our Power to Make A Difference programme brings us closer to the communities we serve. As we partner with NGOs in social investment advocacy and outreach programmes, **we aim to improve the lives of many**.

13
SOCIETIES SERVED

180+
PROJECTS ASSISTED

Our Planet

As part of the UN-convened Net-Zero Banking Alliance, we are working to reduce carbon emissions and consumption in our operations, and we are **aligning with businesses committed to sustainability in their operations**. We have also approved our Climate Financing Goal to provide US$200 million in loans to support our commitment.

Our Climate Financial Goal

We will lend, invest and arrange US$200 million by 2025 by increasing the proportion of:

- **Loans for electric cars**
- **Loans linked to promotion of clean fuels, renewable energy use and technology**
- **Loans contributing to an improvement in energy efficiency**
- **New construction loans that deploy climate resilient technology**

Our Progress

- **Establishment of our Group Sustainability Office, tasked with developing and mainstreaming an ESG strategy for RFHL, coordinating the United Nations Environment Programme Finance Initiative (UNEP FI) and reporting on the Group's sustainability journey locally, regionally and internationally.**
- **Establishment of an RFHL Net-Zero Intermediary Target of 26.4% of the current estimated emission intensity from the commercial real estate sector by 2030.**
- **Attainment of 17.7% of project financing associated with our US$200M climate finance goal.**
- **Completion of RFHL's first Principles for Responsible Banking Self Assessment, approved by UNEP FI.**

Scan to view the Report

WORKING TOGETHER TO MOVE COMMUNITIES FORWARD

13
SOCIETIES SERVED

180+
PROJECTS ASSISTED

$20M+
DONATIONS GIFTED

THE POWER TO MAKE A DIFFERENCE PROGRAMME CONTINUES TO BRING THE REPUBLIC GROUP CLOSER TO THE COMMUNITIES WHICH IT SERVES, BY FORGING ALLIANCES WITH MANY NGOS IN PURSUIT OF BUILDING SUCCESSFUL SOCIETIES, THROUGH VARIOUS OUTREACH PROGRAMMES WHICH AIM TO IMPROVE THE STANDARD OF LIVING FOR MANY.

In 2021–2022, guided by our pillars, the Power to Care, the Power to Help, the Power to Learn, and the Power to Succeed, the Republic Group marked its second consecutive year as a signatory to the United Nations Principles for Responsible Banking, and as a global ally in social investment advocacy.

In the wake of the COVID-19 pandemic, the Group remains focused on strengthening ties, building partnerships and creating opportunities that yield the most promise for a better, more inclusive and sustainable society.

The Power To Care

THE POWER TO CARE IS COMPASSION AT WORK

An innovative partnership with Blue Waters Products Limited, Coca-Cola Caribbean Bottlers (Trinidad and Tobago), and Container Recycling Services Limited led to the launch of the Every Bottle Back TT initiative that encouraged people to collect and recycle plastic beverage bottles. From 2021–2022, as part of the first phase, 220 eco-bins were placed in multiple locations around downtown Port of Spain, reflecting the Bank's commitment to helping Trinidad and Tobago reach a 20% plastic bottle recycling rate by 2025.

With public health and wellness at the forefront, in 2021–2022, the Bank strengthened alliances with the Trinidad and Tobago Cancer Society, the Diabetes and Hypertension Association of Barbados (formerly the Diabetes Association of Barbados); and the Barbados Diabetes Foundation.

In Suriname, sponsorship of the Kidney Dialysis Centre for Kids, in partnership with the St. Vincentius Hospital, helped provide much needed specialised treatment, and a bus donation gave hope to the Wan Okasi Foundation, a support centre for people with disabilities.

Building communities in Grenada, Carriacou and Petite Martinique, the Bank worked with more than 15 NGOs, making annual contributions in support of a variety of relief programmes and NGOs, including the Cadrona Home for the Aged, Grenada Diabetes Association, and the Grenada Cancer Society.

Partnerships in Saint Lucia with the Rotary Club, the Salvation Army, the St. Lucia Dove Club, and the Millennium Heights Medical Complex; and in St. Maarten, with Meals on Wheels, the Still Beautiful Foundation, and the Foundation Judicial Institutes St. Maarten signalled a strong start as the Power to Make A Difference took its first steps in the East Caribbean.

As Women Across Differences (WAD) and their Comprehensive Empowerment Programme for Adolescent Mothers in Guyana continued to care and provide for those in need, strategic partnerships were also formed in Ghana in support of the Infanta Malaria Prevention Foundation towards the equipment of a CHPS Compound Clinic and the rehabilitation works for the Asankragua Nursing and Midwifery Training College.

The Power To Help

THE POWER TO HELP IS THE SERVICE TO OTHERS

The Down Syndrome Family Network in Trinidad and Tobago continued its advocacy of a message of friendship, acceptance, and respect for everyone, with the Bank's support as a main sponsor of the Annual World Down Syndrome Day Conference in 2022. Similarly, in St. Vincent and the Grenadines, collaborations with the National Society of Persons with Disabilities and the Autism Foundation proved critical in giving opportunities and assistance to many.

The St. Andrew's Presbyterian Church, a landmark in St. George's for almost 200 years, has been in disrepair following the passage of Hurricane Ivan in 2004. Much needed support from the Bank helped to restore the lower level which, upon completion, will provide a comfortable space for community-level and local activities, and a centre for larger functions like graduations and public lectures.

For the second consecutive year, Republic Bank and Crime Stoppers Barbados partnered to bring the 'Cool Yuh Head' Programme to at-risk students from secondary schools across the island, accelerating their personal development in conflict resolution, anger management, and managing peer pressure.

A new partnership with Conservation International through the supporters of Friends of Green Suriname (FOGS) honed the focus on facilitating agricultural sustainability programmes that conserve Suriname's rich biodiversity. Similarly, collaboration with the Guyana Marine Conservation Society (GMCS) led to the production of a marketing video that promotes the rich biodiversity in the Barima-Mora Passage mangrove ecosystem, the important role of the indigenous communities, and the Imbotero Research Centre's academic opportunities for local and international universities.

In Ghana, continued sponsorship went to the National Partnership for Children's Trust, a child focused NGO to grant scholarships to bright but needy children in public educational institutions across the country. Similarly, the Bank provided support to the Takoradi Senior High School towards the purchase of laboratory stools and for the Koforidua Technical University, support was given to construct a Polyclinic on Campus to serve the health needs of the university community and the public at large.

The Power To Learn

THE POWER TO LEARN ENCOURAGES EXPLORATION AND GROWTH

Literacy and education continuously reveal ways to reach out to young minds and provide the right platforms for them to explore and grow.

The Loveuntil Foundation in Trinidad and Tobago continued to bring out young people's academic and creative best with their Power of One Competition programme. Work with the Sint Maarten Lions Club, under the Readers Make Great Leaders initiative, as well as partnerships with the Belair Government School and Vide Boutielle Primary School in St. Vincent and the Grenadines leveraged literacy as a means to motivate hundreds of schoolchildren to learn and aspire.

In Barbados, support of the Schools Block Programme created opportunities to offer financial, technical and educational resource assistance to schoolchildren.

Teamwork with Hands Across the Sea added five new schools to their pilot (Phase II) initiative that promotes literacy and a love for reading in preschoolers in Grenada. In Ghana, support for the Ghana International School was given towards the school's Art and Educational creation – 'Death and the King's Horseman'. Continued sponsorship of the Read for Life project in collaboration with Infinity970 aided the reading culture among children of school-going age as a means of self-improvement and possibility of access to enhanced opportunities.

The Power To Succeed

THE POWER TO SUCCEED AWAKENS POTENTIAL

The Power to Succeed awakens our people's greatest potential through a variety of avenues—sport, culture, music, and the arts. Showing a world beyond their imaginations, it also promotes environmental conservation as the foundation of sustainable communities.

In 2021-2022 in Trinidad and Tobago, the Bank partnered with the National Association of Athletics Administrations to host the Republic Bank NAAATT National Relays Festival, building on the nation's rich sporting tradition and its significant success at the international level.

In Grenada, the Republic Bank Inter-Secondary Schools Athletic Championship successfully made its debut at the Kirani James Athletics Stadium in April 2022, where 17 secondary schools competed for top honours in the Boys' and Girls' divisions, signalling to the nation and the world, the return of INTERCOL in Grenada. The Bank also carried on long standing traditions in the sponsorship of the Carriacou Regatta Festival, which, for the past 37 years, has showcased the island's remarkable boat building and sailing talent.

The 'One Tree for Every Bajan' initiative provided opportunities for many to improve their environment, grow food, and build climate resilience in Barbados. In 2022, the Bank and the Optimist Club of Barbados planted 55 trees in commemoration of the 55th Anniversary of Independence. Additionally, more than 500 garden herb trees and varieties of fruit trees were also donated to staff to plant, while staff volunteers participated in a tree seed planting drive at Walkers Reserve.

In Guyana, continued sponsorship of the Annual Republic Bank Mashramani Panorama Steel Band Competition, added further momentum to the Bank's drive to imbue greater appreciation for music learning and steelpan in the nation's youth. In 2022, the event returned to its roots as an in-person event, hosted to the enjoyment of a live audience as well as thousands overseas via radio and television and social media.

Successful collaborations with the Culturama Secretariat in St. Kitts and Nevis, the Resolution Run and Carnival Miss Mature Queen Pageant in St. Maarten, and the Anguilla Premier Cricket League paved the way for future opportunities to empower those communities. Partnership with the Dominica Solid Waste Management Corporation afforded a unique means to launch a new community-wide environmental clean-up initiative.

Support of the Ghana Garden and Flower Movement, the Green Republic Annual Climate Benefit Ball towards planting trees and continued support in maintaining the African Union Square furthered efforts to promote climate action in Ghana and spearhead environmental and heritage site preservation.

WORKING TOGETHER TO MOVE COMMUNITIES FORWARD

As our Group continues to grow in step with the communities we serve, new partnerships are formed, while existing ones continue to be strengthened by the test of time. With sustainable development as the shared goal, our Group makes the promise to remain vigilant in exploring as many avenues as possible to unlock the true power to care, help, learn, and succeed.

It is the promise of working together to move our people forward.
It is the promise of 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 Industrial Research Institute (CARIRI)
- Chosen Hands
- Community Parenting Programme for Fathers
- Diabetes Association of Trinidad and Tobago
- Down Syndrome Family Network
- Drug Rehabilitation Centre Rebirth House
- Emancipation Support Committee
- Etienne Charles/Monlo Music Limited
- Families in Action
- Family Planning Association of Trinidad and Tobago
- Female Entrepreneurship Training
- '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
- HERO – Film Premiere
- Holy Rosary RC Church
- Horses Helping Humans
- In Full Flight!
- Institute of Marine Affairs
- John Hayes Memorial Kidney Foundation
- Lifeline
- Love Movement Christmas Concert
- Loveuntil Foundation
- National Association of Athletics Administrations of Trinidad and Tobago
- Nature Seekers
- Our Lady of Assumption R.C. Church
- Patrons of The Arts Foundation
- Pennacool.com 123
- Pennacool VCCE Community Challenge
- Rape Crisis Society of Trinidad and Tobago
- Rapidfire Kidz Foundation
- Republic Bank Extraordinaires Tassa Group
- Republic Bank Exodus Steelband
- Republic Bank Junior Golf Open (Trinidad)
- Republic Bank Laventille Netball League
- Republic Bank Love Movement Youth Outreach Programme
- Republic Cup Youth Football Tournament
- Restore a Sense of I Can (RSC) Tech Club
- Roman Catholic Archdiocese of Port of Spain
- RSS Phoenix Youth and Sport Club
- Salvation Army of Trinidad and Tobago
- Sanatan Dharma Maha Sabha – Baal Vikaas Vihaar
- Scout Association of Trinidad and Tobago
- SearchLIGHT Learning Limited – We Are the World Programme
- Servol Junior Life Centre St. Anns/Cascade
- Servol Limited
- SickKids Foundation
- Society of St. Vincent de Paul
- Society of St. Vincent de Paul – St Andrew's Home for the Aged
- St. Joseph's Convent, POS, Past Pupils' Association
- Syrian-Lebanese Women's Association
- The Cotton Tree Foundation
- The Esimaje Foundation
- The National Aids Hotline of Trinidad and Tobago
- 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
- United Way Trinidad and Tobago
- WE Say Y.E.S. Foundation
- YAHWEH Foundation Youth Support Programme – Tobago
- Youth Business Trinidad and Tobago

Barbados

- Barbados Adventure Race
- Barbados Diabetes Foundation
- Crime Stoppers Barbados
- Heart & Stroke Foundation of Barbados
- One Tree For Every Bajan Project
- Pharma Wellness International Inc.
- SickKids Foundation
- St. Ambrose Primary School
- The Diabetes and Hypertension Association of Barbados
- Transplant Links Community

Cayman Islands

- Alex Panton All Stars Netball Club
- Breakfast Club Basketball
- Cayman Compass Arrive Alive 345
- Cayman Islands Cricket Association
- Cayman Islands Crisis Centre
- Cayman Islands Golf Association (CIGA)
- Cayman Islands International Fishing Tournament (Diamond Sponsor)
- Cayman Islands Little League's Co-Ed Softball Team
- Cayman Islands Softball Association
- Cayman Islands Strongman Competition
- Cayman Tennis Club – Tennis for Cure
- Cayman Islands Chamber of Commerce
- Cayman Islands Department of Education Services
- Circle of Love Women's Ministry
- Clifton Hunter High School
- Discovery Day Adventure Challenge
- DMS Corporate Cup
- Dreamchasers Cayman
- ICCI 49th Commencement Programme
- Inaja Productions – Cayman Kids Got Talent
- John Gray High School
- Lean on Me Foundation
- Meals on Wheels
- Mustang Track Club
- Queen Elizabeth II Botanic Park
- Red Bay Primary School
- Special Olympics Annual Golf Classic
- The Family Resource Centre (FRC)
- The New Self Help Foundation – Talent Exposition
- UCCI Student Consulting Programme

Eastern Caribbean

Anguilla

- Anguilla Premier T20 Cricket League
- Arijah Children's Foundation

Dominica

- Dominica Solid Waste Management Corporation
- The Silver Lake Community

Saint Lucia

- Holy Family Children's Home
- Millennium Heights Medical Complex
- Rotary Club of St. Lucia
- Royal St. Lucia Police Force
- Sea Jays Legends Swim Club
- St. Lucia Chamber of Commerce, Industry and Agriculture
- The Salvation Army
- The St. Lucia Dove Club
- Vide Boutielle Primary School

St. Kitts and Nevis

- Cotton Thomas Comprehensive School
- Culturama Secretariat

St. Maarten

- New Start for Children Foundation

St. Vincent and the Grenadines

- Autism Foundation
- Belair Government School
- Liberty Lodge Training Centre
- National Society of Persons with Disabilities

Ghana

- Adabraka Police Command of the Ghana Police Service
- AME Zion Basic School, Berase – ICT Centre
- African Union Square – Maintenance
- Asankragua Nursing and Midwifery Training College
- Asunafo North Municipal Assembly
- Christ the King School
- Efutu Sanitation Project
- GA Mantse Cup for Educational Excellence
- Ghana Association of Reconstruction and Insolvency Advisors
- Ghana Garden and Flower Movement
- Ghana International School
- Green Republic Climate Benefit Ball 2022 - Tree Planting Exercise
- Infanta Malaria Prevention Foundation
- Infinity970 Read for Life Project
- Koforidua Technical University – Clinic Construction
- Korle Klottey Municipal Assembly
- Ministry of Youth and Sports
- National Partnership for Children's Trust – Scholarship
- St. Luke's Clinic
- Takoradi Senior High School – laboratory stools for Science lab

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
- Hands Across the Sea Literacy Programme
- Hillview Home for the Aged
- Lupus Foundation of Grenada
- Missionaries of Charity
- National Learn to Swim Week
- 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

Guyana

- 'Five for Fun' Youth Cricket
- Guyana Marine Conservation Society – Promotional Conservation Video
- 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
- University of Guyana – Scholarship
- Women Across Differences (WAD) – Comprehensive Empowerment Programme for Adolescent Mothers

Suriname

- Conservation International Suriname
- Foundation Wan Okasi
- St. Vincentius Hospital – Kidney Dialysis Center for Children

"Through Technology"
Republic*Online*: Freedom Through Tech

TRINIDAD & TOBAGO
Rebecca Denoon

Experience the world of online banking with Republic*Online* where you can bank anywhere, at anytime from the palm of your hand.

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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, 2022, 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 complies 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
President and Chief Executive Officer

November 4, 2022

Marsha A. Mc Leod-Marshall
Chief Financial Officer

November 4, 2022

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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, 2022, 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, 2022 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.

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

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.

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.

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.

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 $934 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 2022 Annual Report

Other information consists of the information included in the Group's 2022 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2022 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.
- 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.

The signature "EY" in this report represents only Ernst & Young Services Limited, a limited liability company established under the laws of Trinidad and Tobago.
The contents of this document are provided solely by Ernst & Young Services Limited and any liability arising therefrom is limited to Ernst & Young Services Limited.

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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)

- 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.

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

EY

TRINIDAD:
November 4, 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2022. Expressed in Thousands of Trinidad and Tobago Dollars ($'000)

	Notes	2022	2021
ASSETS			
Cash on hand		**1,404,561**	2,529,876
Statutory deposits with Central Banks		**7,508,221**	7,045,773
Due from banks		**9,178,784**	12,425,341
Treasury Bills		**8,400,605**	4,934,664
Advances	4	**56,829,415**	55,515,628
Investment securities	5	**19,953,780**	19,259,501
Investment interest receivable		**203,693**	205,204
Investment in associated companies	6	**62,603**	55,961
Premises and equipment	7	**3,255,758**	3,218,670
Right-of-use assets	8 (a)	**398,405**	477,858
Intangible assets	9	**1,143,560**	1,171,222
Pension assets	10 (a)	**1,200,717**	1,415,216
Deferred tax assets	11 (a)	**316,556**	246,214
Taxation recoverable		**49,290**	72,817
Other assets	12	**1,071,755**	594,950
TOTAL ASSETS		**110,977,703**	**109,168,895**
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks		**445,410**	155,985
Customers' current, savings and deposit accounts	13	**87,586,189**	86,609,634
Other fund raising instruments	14	**4,461,931**	4,618,554
Debt securities in issue	15	**1,674,719**	1,865,895
Lease liabilities	8 (b)	**420,088**	482,867
Pension liability	10 (a)	**40**	25,356
Provision for post-retirement medical benefits	10 (a)	**47,056**	66,777
Taxation payable		**272,205**	157,343
Deferred tax liabilities	11 (b)	**535,201**	587,712
Accrued interest payable		**94,440**	86,451
Other liabilities	16	**2,071,215**	1,656,819
TOTAL LIABILITIES		**97,608,494**	**96,313,393**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2022.   Expressed in Thousands of Trinidad and Tobago Dollars ($'000)

	Notes	2022	2021
EQUITY			
Stated capital	17	**912,693**	879,962
Statutory reserves		**1,887,876**	1,751,552
Other reserves	18	**(507,408)**	(337,569)
Retained earnings		**9,946,081**	9,438,206
Attributable to equity holders of the Parent		**12,239,242**	11,732,151
Non-controlling interests		**1,129,967**	1,123,351
TOTAL EQUITY		**13,369,209**	**12,855,502**
TOTAL LIABILITIES AND EQUITY		**110,977,703**	**109,168,895**

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 4, 2022, and signed on its behalf by:

Vincent A. Pereira
Chairman

Nigel M. Baptiste
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, 2022.
Expressed in Thousands of Trinidad and Tobago Dollars ($'000), Except where Otherwise Stated

	Notes	2022	2021
Interest income	19 (a)	**4,765,009**	4,643,764
Interest expense	19 (b)	**(626,922)**	(673,668)
Net interest income		**4,138,087**	3,970,096
Other income	19 (c)	**1,965,781**	1,832,426
		6,103,868	**5,802,522**
Operating expenses	19 (d)	**(3,555,301)**	(3,514,061)
Share of profit of associated companies	6	**6,745**	4,123
Operating profit		**2,555,312**	**2,292,584**
Credit loss expense on financial assets	20	**(220,215)**	(347,985)
Net profit before taxation		**2,335,097**	**1,944,599**
Taxation expense	21	**(651,211)**	(499,878)
Net profit after taxation		**1,683,886**	**1,444,721**
Attributable to:			
Equity holders of the Parent		**1,525,894**	1,308,054
Non-controlling interests		**157,992**	136,667
		1,683,886	**1,444,721**
Earnings per share (expressed in $ per share)			
Basic		**9.37**	8.05
Diluted		**9.33**	8.02
Weighted average number of shares ('000)			
Basic	17	**162,928**	162,528
Diluted	17	**163,490**	163,080

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ending September 30, 2022. Expressed in Thousands of Trinidad and Tobago Dollars ($'000)

	2022	2021
Net profit after taxation	**1,683,886**	**1,444,721**
Other comprehensive (loss)/income:		
Other comprehensive loss (net of tax) that will be reclassified to the Consolidated Statement of Income in subsequent periods:		
Translation adjustments	**(408,648)**	(81,110)
Total items that will be reclassified to the Consolidated Statement of Income in subsequent periods	**(408,648)**	**(81,110)**
Other comprehensive income/(loss) (net of tax) that will not be reclassified to the Consolidated Statement of Income in subsequent periods:		
Remeasurement (losses)/gains on defined benefit plans	**(222,021)**	1,057,325
Income tax related to above	**102,921**	(375,193)
Total items that will not be reclassified to the Consolidated Statement of Income in subsequent periods	**(119,100)**	**682,132**
Other comprehensive (loss)/income for the year, net of tax	**(527,748)**	**601,022**
Total comprehensive income for the year, net of tax	**1,156,138**	**2,045,744**
Attributable to:		
Equity holders of the Parent	**1,109,658**	1,920,702
Non-controlling interests	**46,480**	125,042
	1,156,138	**2,045,744**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended September 30, 2022. Expressed in Thousands of Trinidad and Tobago Dollars ($'000)

	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, 2020	862,115	1,544,858	(250,315)	8,156,616	10,313,274	1,029,199	**11,342,473**
Total comprehensive (loss)/income for the year	–	–	(69,513)	1,990,215	1,920,702	125,042	**2,045,744**
Issue of shares	12,232	–	–	–	12,232	–	**12,232**
Share-based payments	5,615	–	–	–	5,615	–	**5,615**
Shares purchased for profit sharing scheme	–	–	(17,627)	–	(17,627)	–	**(17,627)**
Transfer to other reserves	–	–	1,168	(1,168)	–	–	**-**
Transfer to statutory reserves	–	206,694	–	(206,694)	–	–	**-**
Share of changes in equity	–	–	–	–	–	1,382	**1,382**
Dividends – Note 30	–	–	–	(505,846)	(505,846)	–	**(505,846)**
Dividends paid to non-controlling interests	–	–	–	–	–	(29,579)	**(29,579)**
Other	–	–	(1,282)	5,083	3,801	(2,693)	**1,108**
Balance at September 30, 2021	**879,962**	**1,751,552**	**(337,569)**	**9,438,206**	**11,732,151**	**1,123,351**	**12,855,502**
Total comprehensive (loss)/income for the year	–	–	(293,397)	1,403,055	1,109,658	46,480	**1,156,138**
Issue of shares	26,312	–	–	–	26,312	–	**26,312**
Share-based payments	6,419	–	–	–	6,419	–	**6,419**
Shares purchased for profit sharing scheme	–	–	(20,422)	–	(20,422)	–	**(20,422)**
Allocation of shares	–	–	50,204	–	50,204	–	**50,204**
Transfer to other reserves	–	–	91,099	(91,099)	–	–	**-**
Transfer to statutory reserves	–	136,324	–	(136,324)	–	–	**-**
Share of changes in equity	–	–	–	–	–	(4,260)	**(4,260)**
Dividends – Note 30	–	–	–	(661,476)	(661,476)	–	**(661,476)**
Dividends paid to non-controlling interests	–	–	–	–	–	(35,134)	**(35,134)**
Other	–	–	2,677	(6,281)	(3,604)	(470)	**(4,074)**
Balance at September 30, 2022	**912,693**	**1,887,876**	**(507,408)**	**9,946,081**	**12,239,242**	**1,129,967**	**13,369,209**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2022. Expressed in Thousands of Trinidad and Tobago Dollars ($'000)

	Notes	2022	2021
Operating activities			
Net profit before taxation		**2,335,097**	**1,944,599**
Adjustments for:			
Depreciation of premises and equipment and right-of-use assets	7 and 8 (a)	**393,576**	366,698
Credit loss expense on financial assets	20	**220,215**	347,985
Goodwill impairment expense	9 (a)	**1,605**	492
Investment securities' impairment expense		**108**	406
Amortisation of intangibles	9 (b)	**46,626**	51,700
Translation differences		**483,982**	249,752
Loss/(gain) on sale of premises and equipment		**31,949**	(26,246)
Realised (gain)/loss on investment securities		**(31,316)**	13,735
Share of net profit of associated companies	6	**(6,745)**	(4,123)
Stock option expense	17	**6,419**	5,615
(Increase)/decrease in employee benefits		**(53,359)**	79,647
Increase in advances		**(1,537,468)**	(2,506,667)
Increase in customers' deposits and other fund raising instruments		**819,932**	3,881,962
(Increase)/decrease in statutory deposits with Central Banks		**(462,449)**	1,764,709
Increase in other assets and investment interest receivable		**(475,294)**	(89,037)
Increase/(decrease) in other liabilities and accrued interest payable		**422,385**	(6,151)
Taxes paid, net of refund		**(515,121)**	(449,210)
Net cash provided by operating activities		**1,680,142**	**5,625,866**
Investing activities			
Purchase of investment securities		**(21,125,255)**	(23,439,836)
Redemption of investment securities		**17,989,887**	19,291,362
Dividends from associated companies	6	**–**	4,900
Additions to premises and equipment	7	**(407,491)**	(421,204)
Proceeds from sale of premises and equipment		**(2,145)**	93,882
Net cash used in investing activities		**(3,545,004)**	**(4,470,896)**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

As at September 30, 2022. Expressed in Thousands of Trinidad and Tobago Dollars ($'000)

	Notes	2022	2021
Financing activities			
Increase/(decrease) in balances due to other banks		**289,425**	(651,207)
Repayment of debt securities		**(191,176)**	(158,495)
Repayment of lease liabilities (net)		**(72,048)**	(75,839)
Proceeds from share issue	17	**26,312**	12,232
Shares purchased for profit sharing scheme	18	**(20,422)**	(17,627)
Allocation of shares to profit sharing plan	18	**50,204**	–
Dividends paid to shareholders of the Parent	30	**(661,476)**	(505,846)
Dividends paid to non-controlling shareholders of the subsidiaries		**(35,134)**	(29,579)
Net cash used in financing activities		**(614,315)**	**(1,426,361)**
Net decrease in cash and cash equivalents		**(2,479,177)**	**(271,391)**
Net foreign exchange difference		**(240,587)**	**(234,081)**
Cash and cash equivalents at beginning of year		**16,267,211**	**16,772,683**
Cash and cash equivalents at end of year		**13,547,447**	**16,267,211**
Cash and cash equivalents at end of year are represented by:			
Cash on hand		**1,404,561**	2,529,876
Due from banks		**9,178,784**	12,425,341
Treasury Bills – original maturities of three months or less		**2,615,335**	1,057,237
Bankers' acceptances – original maturities of three months or less		**348,767**	254,757
		13,547,447	**16,267,211**
Supplemental information:			
Interest received during the year		**5,021,286**	4,762,178
Interest paid during the year		**(618,933)**	(696,144)
Dividends received	19 (c)	**322**	721

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended September 30, 2022.
Expressed in Thousands of Trinidad and Tobago Dollars ($'000), 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 an 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 financial statements provide information on the accounting estimates and judgements made by the Group. These estimates and judgements are reviewed on an ongoing basis. The continued impact of the COVID-19 pandemic, in addition to global economic uncertainty exacerbated by the Ukraine/Russia war, has increased the estimation uncertainty in the preparation of these consolidated financial statements. The estimation uncertainty is associated with:

- the extent and duration of disruption to business as a result of actions from consumers, businesses and governments to contain the spread of the virus;
- the extent and duration of the expected economic downturn 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, 2022, 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.

2 Significant Accounting Policies *(continued)*

2.2 Basis of consolidation *(continued)*

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.

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, 2021, except for the adoption of new standards and interpretations below.

Several amendments and interpretations apply for the first time in 2022, 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.

Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (effective January 1, 2021)
The amendments provide temporary reliefs which address the financial reporting effects when an Interbank Offered Rate (IBOR) is replaced with an alternative nearly Risk-Free interest Rate (RFR).

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating rate, equivalent to a movement in a market rate of interest. Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on an economically equivalent basis with no value transfer having occurred.

The amendments are mandatory, with earlier application permitted. Hedging relationships must be reinstated if the hedging relationship was discontinued solely due to changes required by IBOR reform and it would not have been discontinued if the phase two amendments had been applied at that time. While application is retrospective, an entity is not required to restate prior periods.

2 Significant Accounting Policies *(continued)*

2.3 Changes in accounting policies *(continued)*

Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (effective January 1, 2021) (continued)

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

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 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.

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.

2 Significant Accounting Policies *(continued)*

2.4 Standards in issue not yet effective *(continued)*

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.

IAS 1 Presentation of Financial Statements – Amendments to IAS 1 (effective January 1, 2023)

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 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

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), Except where Otherwise Stated

2 Significant Accounting Policies *(continued)*

2.4 Standards in issue not yet effective *(continued)*

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

- 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

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

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides 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

Replacement of the term 'significant' with 'material'

In the absence of a definition of the term 'significant' in IFRS, the IASB decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in IFRS and is widely understood by the users of financial statements, according to the IASB. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them.

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.

2 Significant Accounting Policies *(continued)*

2.4 Standards in issue not yet effective *(continued)*

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

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 (effective January 1, 2023)

The amendments to IAS 12, narrows 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 IASB 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.

2.5 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. The following amendments are applicable to annual periods beginning on or after January 1, 2022:

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)*

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 $7.5 billion (2021: $7.0 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, 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, 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 (for example, 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.

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)

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.

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.

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)*

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.

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.

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

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.

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 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.

vi Forward looking information

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

- Currency rates
- 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.

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

Effective October 1, 2021, Republic Bank Limited, a subsidiary of the Group, revisited its depreciation method which resulted in a change from the declining balance method to the straight-line basis for furniture and fittings:

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

2 Significant Accounting Policies *(continued)*

2.6 Summary of significant accounting policies *(continued)*

n Impairment of non-financial assets *(continued)*

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.

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. 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)*

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, 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.

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.

2 Significant Accounting Policies *(continued)*

2.6 Summary of significant accounting policies *(continued)*

p Employee benefits *(continued)*

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 $1.9 billion (2021: $1.8 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, 2022, totaled $52.0 billion (2021: $54.3 billion).

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.

2 Significant Accounting Policies *(continued)*

2.6 Summary of significant accounting policies *(continued)*

t Earnings per share *(continued)*

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.

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.

2 Significant Accounting Policies *(continued)*

2.6 Summary of significant accounting policies *(continued)*

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.

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.

2 Significant Accounting Policies *(continued)*

2.6 Summary of significant accounting policies *(continued)*

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.

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.

2 Significant Accounting Policies *(continued)*

2.6 Summary of significant accounting policies *(continued)*

x Fair value *(continued)*

Level 3 *(continued)*

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.

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.

2 Significant Accounting Policies *(continued)*

2.6 Summary of significant accounting policies *(continued)*

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).

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.

3 Significant Accounting Judgements, Estimates and Assumptions *(continued)*

Estimates and assumptions *(continued)*

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

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
- 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, 2022 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.

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), Except where Otherwise Stated

3 Significant Accounting Judgements, Estimates and Assumptions *(continued)*

Estimates and assumptions *(continued)*

Other assumptions *(continued)*

Leases – Note 8 ***(continued)***

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).

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
2022						
Performing advances	6,835,036	14,266,296	29,781,158	3,331,261	1,722,105	**55,935,856**
Non-performing advances	252,201	893,828	1,405,559	81,181	85,783	**2,718,552**
	7,087,237	15,160,124	31,186,717	3,412,442	1,807,888	**58,654,408**
Unearned interest/finance charge	(73,038)	(21,361)	(5,296)	–	–	**(99,695)**
Accrued interest	7,776	97,251	76,067	8,797	–	**189,891**
Gross loans	7,021,975	15,236,014	31,257,488	3,421,239	1,807,888	**58,744,604**
Allowance for ECLs – Note 4 (d)	(268,621)	(676,376)	(559,676)	(80,570)	(110,317)	**(1,695,560)**
	6,753,354	14,559,638	30,697,812	3,340,669	1,697,571	**57,049,044**
Unearned loan origination fees	(46,598)	(52,606)	(117,997)	(725)	(1,703)	**(219,629)**
Net advances	**6,706,756**	**14,507,032**	**30,579,815**	**3,339,944**	**1,695,868**	**56,829,415**

4 Advances *(continued)*

a Advances *(continued)*

	Retail Lending	Commercial and Corporate Lending	Mortgages	Overdrafts	Credit Cards	Total
2021						
Performing advances	6,968,228	13,943,321	28,754,653	3,032,163	1,648,543	**54,346,908**
Non-performing advances	292,305	974,514	1,381,964	118,225	136,808	**2,903,816**
	7,260,533	14,917,835	30,136,617	3,150,388	1,785,351	**57,250,724**
Unearned interest/finance charge	(72,231)	(27,409)	(8,894)	–	–	**(108,534)**
Accrued interest	18,517	112,521	159,432	9,485	6,662	**306,617**
Gross loans	7,206,819	15,002,947	30,287,155	3,159,873	1,792,013	**57,448,807**
Allowance for ECLs – Note 4 (d)	(304,743)	(634,172)	(556,156)	(116,314)	(130,576)	**(1,741,961)**
	6,902,076	14,368,775	29,730,999	3,043,559	1,661,437	**55,706,846**
Unearned loan origination fees	(47,925)	(44,121)	(96,621)	(1,159)	(1,392)	**(191,218)**
Net advances	**6,854,151**	**14,324,654**	**29,634,378**	**3,042,400**	**1,660,045**	**55,515,628**

		2022	2021
b	**Net investment in leased assets included in net advances**		
	Gross investment	**38,884**	68,602
	Unearned finance charge	**(3,093)**	(5,588)
	Net investment in leased assets	**35,791**	**63,014**
c	**Net investment in leased assets has the following maturity profile**		
	Within one year	**10,856**	2,145
	One to five years	**5,011**	37,901
	Over five years	**19, 924**	22,968
		35,791	**63,014**

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), Except where Otherwise Stated

4 Advances *(continued)*

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.

	Retail Lending	Commercial and Corporate Lending	Mortgages	Overdrafts	Credit Cards	Total
2022						
Gross loans	7,021,975	15,236,014	31,257,488	3,421,239	1,807,888	**58,744,604**
Stage 1: 12 Month ECL	(123,622)	(102,561)	(153,704)	(41,354)	(34,730)	**(455,971)**
Stage 2: Lifetime ECL	(7,576)	(149,559)	(88,872)	(14,987)	(19,179)	**(280,173)**
Stage 3: Credit-impaired financial assets - Lifetime ECL	(137,423)	(424,256)	(317,100)	(24,229)	(56,408)	**(959,416)**
	6,753,354	**14,559,638**	**30,697,812**	**3,340,669**	**1,697,571**	**57,049,044**
Stage 1: 12 Month ECL						
ECL allowance as at October 1, 2021	134,670	115,252	155,926	47,981	39,165	**492,994**
Translation adjustments	(6,888)	(2,747)	(298)	(5,984)	(73)	**(15,990)**
ECL on new instruments issued during the year	19,729	32,082	9,050	3,408	(601)	**63,668**
Other credit loss movements, repayments etc.	(23,889)	(42,026)	(10,974)	(4,051)	(3,761)	**(84,701)**
At September 30, 2022	**123,622**	**102,561**	**153,704**	**41,354**	**34,730**	**455,971**
Stage 2: Lifetime ECL						
ECL allowance as at October 1, 2021	8,118	91,007	52,766	17,212	37,040	**206,143**
Translation adjustments	(697)	(9,285)	(181)	(1,841)	(16)	**(12,020)**
ECL on new instruments issued during the year	1,235	11,403	1,998	1,452	(4,313)	**11,775**
Other credit loss movements, repayments etc.	(1,080)	56,434	34,289	(1,836)	(13,532)	**74,275**
At September 30, 2022	**7,576**	**149,559**	**88,872**	**14,987**	**19,179**	**280,173**

4 Advances *(continued)*

d Impairment allowance for advances to customers *(continued)*

	Retail Lending	Commercial and Corporate Lending	Mortgages	Overdrafts	Credit Cards	Total
2022						
Stage 3: Credit-impaired financial assets – Lifetime ECL						
ECL allowance as at October 1, 2021	161,955	427,913	347,464	51,121	54,371	**1,042,824**
Translation adjustments	(7,620)	(35,806)	(17,892)	(12,415)	78	**(73,655)**
Charge-offs and write-offs	(77,800)	(42,069)	(29,149)	(4,218)	(15,180)	**(168,416)**
Credit loss expense	107,726	122,072	59,415	(10,275)	38,379	**317,317**
Recoveries	(46,838)	(47,854)	(42,738)	16	(21,240)	**(158,654)**
At September 30, 2022	**137,423**	**424,256**	**317,100**	**24,229**	**56,408**	**959,416**
Total	**268,621**	**676,376**	**559,676**	**80,570**	**110,317**	**1,695,560**

Of the total ECL of $1,696 million, 15.3% was on a collective basis and 84.7% was on an individual basis.

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
2021						
Gross loans	7,206,819	15,002,947	30,287,155	3,159,873	1,792,013	**57,448,807**
Stage 1: 12 Month ECL	(134,670)	(115,252)	(155,926)	(47,981)	(39,165)	**(492,994)**
Stage 2: Lifetime ECL	(8,118)	(91,007)	(52,766)	(17,212)	(37,040)	**(206,143)**
Stage 3: Credit-impaired financial assets – Lifetime ECL	(161,955)	(427,913)	(347,464)	(51,121)	(54,371)	**(1,042,824)**
	6,902,076	**14,368,775**	**29,730,999**	**3,043,559**	**1,661,437**	**55,706,846**
Stage 1: 12 Month ECL						
ECL allowance as at October 1, 2020	76,481	70,643	103,073	35,221	66,896	**352,314**
Translation adjustments	(579)	(2,377)	(638)	(1,565)	(168)	**(5,327)**
ECL on new instruments issued during the year	16,855	17,848	18,325	6,660	551	**60,239**
Other credit loss movements, repayments etc.	41,913	29,138	35,166	7,665	(28,114)	**85,768**
At September 30, 2021	**134,670**	**115,252**	**155,926**	**47,981**	**39,165**	**492,994**

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4 Advances *(continued)*

d Impairment allowance for advances to customers *(continued)*

	Retail Lending	Commercial and Corporate Lending	Mortgages	Overdrafts	Credit Cards	Total
2021						
Stage 2: Lifetime ECL						
ECL allowance as at						
October 1, 2020	33,515	178,393	58,469	11,954	42,097	**324,428**
Translation adjustments	(89)	(4,139)	(157)	(932)	(66)	**(5,383)**
ECL on new instruments issued						
during the year	1,637	27,249	12,331	4,259	118	**45,594**
Other credit loss movements,						
repayments etc.	(26,945)	(110,496)	(17,877)	1,931	(5,109)	**(158,496)**
At September 30, 2021	**8,118**	**91,007**	**52,766**	**17,212**	**37,040**	**206,143**
Stage 3: Credit-impaired						
financial assets – Lifetime ECL						
ECL allowance as at						
October 1, 2020	137,314	448,758	338,015	47,294	55,814	**1,027,195**
Translation adjustments	101	(3,352)	(3,303)	(1,477)	(412)	**(8,443)**
Charge-offs and write-offs	(80,482)	(68,253)	(14,236)	(6,241)	(64,255)	**(233,467)**
Credit loss expense	141,491	91,733	63,203	11,545	93,046	**401,018**
Recoveries	(36,469)	(40,973)	(36,215)	–	(29,822)	**(143,479)**
At September 30, 2021	**161,955**	**427,913**	**347,464**	**51,121**	**54,371**	**1,042,824**
Total	**304,743**	**634,172**	**556,156**	**116,314**	**130,576**	**1,741,961**

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 $497.0 million as at September 30, 2022 (2021: $594.0 million).

5 Investment Securities

	2022	2021
a Designated at fair value through profit or loss		
Debt instruments	**23,792**	19,189
Equities and mutual funds	**119,404**	154,125
	143,196	**173,314**
b Debt instruments at amortised cost		
Government securities	**8,254,021**	8,030,136
State-owned company securities	**2,029,960**	2,272,359
Corporate bonds/debentures	**8,234,490**	7,414,836
Bankers' acceptances	**463,358**	380,317
Other short-term liquid investments and venture capital funds	**828,755**	988,539
	19,810,584	**19,086,187**
Total investment securities	**19,953,780**	**19,259,501**

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
2022					
Gross exposure	16,892,636	1,431,702	121,074	1,596,996	**20,042,408**
ECL	(12,428)	(15,738)	(62,490)	(141,168)	**(231,824)**
Net exposure	**16,880,208**	**1,415,964**	**58,584**	**1,455,828**	**19,810,584**
ECL allowance as at October 1, 2021	9,381	17,012	62,303	145,644	**234,340**
Translation adjustments	1,512	28	(592)	–	**948**
ECL on new instruments issued					
during the year	5,292	6,534	900	–	**12,726**
Other credit loss movements,					
repayments and maturities	(3,757)	(7,836)	(121)	(4,476)	**(16,190)**
At September 30, 2022	**12,428**	**15,738**	**62,490**	**141,168**	**231,824**

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5 Investment Securities *(continued)*

c Financial investment securities subject to impairment assessment *(continued)*

Debt instruments measured at amortised cost (continued)

	Stage 1 12 Month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired Financial Assets Lifetime ECL	Purchased or Originated Credit-impaired (POCI)	Total
2021					
Gross exposure	16,268,560	1,335,128	127,736	1,589,103	**19,320,527**
ECL	(9,381)	(17,012)	(62,303)	(145,644)	**(234,340)**
Net exposure	**16,259,179**	**1,318,116**	**65,433**	**1,443,459**	19,086,187
ECL allowance as at October 1, 2020	9,136	38,888	6,097	139,630	**193,751**
Translation adjustments	5	(5,676)	1,213	(12,294)	**(16,752)**
ECL on new instruments issued during the year	4,948	7,311	51,788	–	**64,047**
Other credit loss movements, repayments and maturities	(4,708)	(23,511)	3,205	18,308	**(6,706)**
At September 30, 2021	**9,381**	**17,012**	**62,303**	**145,644**	234,340

The increase in investment securities classified as POCI reflects an increase in the 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.

In 2021, Republic Wealth Management Limited, a subsidiary of the Group, established an asset book of investment securities. These securities were held at fair value amounting to $23.8 million in 2022 (2021: $19.2 million).

6 Investment in Associated Companies

	2022	2021
Balance at beginning of year	55,961	56,971
Share of profit	6,745	4,123
Dividends received	–	(4,900)
Exchange adjustments	(103)	(233)
Balance at end of year	**62,603**	**55,961**

6 Investment in Associated Companies *(continued)*

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:

	2022	2021
Total assets	**303,863**	263,691
Total liabilities	**53,595**	38,539
Net assets/equity	**250,268**	225,152
Group's share of associates' net assets	**62,603**	55,961
Profit for the period	**20,786**	21,760
Group's share of profit of associated companies after tax for the period	**6,745**	4,123
Dividends received during the year	–	4,900

7 Premises and Equipment

	Capital Works in Progress	Freehold Premises	Leasehold Premises	Equipment, Furniture and Fittings	Total
2022					
Cost					
At beginning of year	461,019	2,326,275	371,694	2,827,745	**5,986,733**
Exchange and other adjustments	(4,759)	(26,881)	(18,829)	(26,943)	**(77,412)**
Additions at cost	305,222	7,785	23,046	71,438	**407,491**
Disposal of assets	(726)	(18,717)	(6,447)	(38,288)	**(64,178)**
Transfer of assets	(379,216)	8,620	1,634	368,962	**–**
	381,540	**2,297,082**	**371,098**	**3,202,914**	**6,252,634**
Accumulated depreciation					
At beginning of year	–	435,968	211,355	2,120,740	**2,768,063**
Exchange and other adjustments	–	(597)	(2,904)	(32,432)	**(35,933)**
Charge for the year	–	38,364	28,212	238,096	**304,672**
Disposal of assets	–	(2,217)	(6,011)	(31,698)	**(39,926)**
	–	**471,518**	**230,652**	**2,294,706**	**2,996,876**
Net book value	**381,540**	**1,825,564**	**140,446**	**908,208**	**3,255,758**

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), Except where Otherwise Stated

7 Premises and Equipment *(continued)*

	Capital Works in Progress	Freehold Premises	Leasehold Premises	Equipment, Furniture and Fittings	Total
2021					
Cost					
At beginning of year	495,279	2,276,098	345,657	2,539,465	**5,656,499**
Exchange and other adjustments	(19,898)	52,212	(1,264)	(4,903)	**26,147**
Additions at cost	313,046	5,291	425	102,442	**421,204**
Disposal of assets	(3,188)	(57,981)	(8,623)	(47,325)	**(117,117)**
Transfer of assets	(324,220)	50,655	35,499	238,066	**–**
	461,019	**2,326,275**	**371,694**	**2,827,745**	**5,986,733**
Accumulated depreciation					
At beginning of year	–	398,111	193,217	1,958,219	**2,549,547**
Exchange and other adjustments	–	7,269	(17)	(14,438)	**(7,186)**
Charge for the year	–	37,523	19,644	219,092	**276,259**
Disposal of assets	–	(6,935)	(1,489)	(42,133)	**(50,557)**
	–	**435,968**	**211,355**	**2,120,740**	**2,768,063**
Net book value	**461,019**	**1,890,307**	**160,339**	**707,005**	**3,218,670**

Capital commitments

	2022	2021
Contracts for outstanding capital expenditure not provided for in the consolidated financial statements	**135,300**	50,083
Other capital expenditure authorised by the Directors but not yet contracted for	**78,498**	59,722

8 Right-of-use Assets and Lease Liabilities

a Right-of-use assets

	Leasehold Premises 2022	Leasehold Premises 2021
Cost		
At beginning of year	**652,561**	688,819
Exchange and other adjustments	**(23,061)**	(2,390)
Additions at cost	**32,981**	16,136
Disposal of assets	**(21,426)**	(50,004)
	641,054	**652,561**

8 Right-of-use Assets and Lease Liabilities *(continued)*

a Right-of-use assets *(continued)*

	Leasehold Premises 2022	Leasehold Premises 2021
Accumulated depreciation		
At beginning of year	**174,703**	85,963
Exchange and other adjustments	**(11,353)**	(469)
Charge for the year – Note 19 (b)	**88,904**	90,439
Disposal of assets	**(9,605)**	(1,230)
	242,649	**174,703**
Net book value	**398,405**	**477,858**

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

b Lease liabilities

	Non-current	Current	Total
2022			
At beginning of year	475,353	7,514	**482,867**
Exchange and other adjustments	(6,138)	(1,163)	**(7,301)**
Additions at cost	26,391	3,618	**30,009**
Accretion of interest expense – Note 19 (b)	21,942	957	**22,899**
Less: payments	(93,598)	(1,349)	**(94,947)**
Less: disposals	(13,439)	–	**(13,439)**
	410,512	**9,577**	**420,088**
2021			
At beginning of year	588,742	4,676	**593,418**
Exchange and other adjustments	(1,780)	(190)	**(1,970)**
Additions at cost	9,891	1,491	**11,382**
Accretion of interest expense – Note 19 (b)	23,329	3,285	**26,614**
Less: payments	(100,705)	(1,748)	**(102,453)**
Less: disposals	(44,124)	–	**(44,124)**
	475,353	**7,514**	**482,867**

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

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), Except where Otherwise Stated

8 Right-of-use Assets and Lease Liabilities *(continued)*

b Lease liabilities *(continued)*

	Fixed Payments	Variable Payments	Total
2022			
Payments			
Fixed rent	67,985	–	**67,985**
Variable with minimum payment	25,874	1,088	**26,962**
	93,859	**1,088**	**94,947**
2021			
Fixed rent	99,389	–	**99,389**
Variable with minimum payment	–	3,064	**3,064**
	99,389	**3,064**	**102,453**

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
2022			
Extension options expected not to be exercised	38,120	–	**38,120**
Termination options expected to be exercised	5,328	–	**5,328**
	43,448	**–**	**43,448**
2021			
Extension options expected not to be exercised	50,478	58,518	**108,996**
	50,478	**58,518**	**108,996**

9 Intangible Assets

		2022	2021
a	Goodwill	**934,481**	936,086
b	Core deposits	**165,816**	175,628
c	Trade name	**11,304**	19,283
d	Customer base	**31,959**	40,225
		1,143,560	**1,171,222**

9 Intangible Assets *(continued)*

a Goodwill

	2022	2021
Goodwill on acquisition brought forward	**936,086**	936,578
Goodwill impairment expense – Note 19 (d)	**(1,605)**	(492)
	934,481	**936,086**

Goodwill arising from business combinations was primarily generated from the acquisitions of Republic Bank (Ghana) Plc., Cayman National Corporation, Republic Bank (Cayman) Limited, Republic Bank (Guyana) Limited, Republic Bank (Grenada) Limited, Republic Bank (EC) Limited and Republic Bank (BVI) 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.

The impact of COVID-19 and the global economy exacerbated by the Ukraine/Russia war, has created uncertainty in the estimation of cash flow projections, discount rates and terminal growth rates. The goodwill impairment tests were conducted using sensitivity analysis, 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.

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

	Republic Bank (Ghana) Plc.	Republic Bank (Grenada) Limited	Republic Bank (Cayman) Limited	Republic Bank (Guyana) Limited	Cayman National Corp.	Republic Bank (EC) Limited	Republic Bank (BVI) Limited	Total
	TT$ million	TT$ million	TT$ million	TT$ million	TT$ million	TT$ million	TT$ million	TT$ million
Carrying amount of goodwill	119	61	35	94	336	110	179	**934**
Basis for recoverable amount	Value in use	Value in use	Value in use	Value in use	Value in use	Value in use	Value in use	
Discount rate (%)	24.7	11.6	11.4	12.7	11.4	12.7	9.1	
Cash flow projection term	5 yrs	5 yrs	5 yrs	5 yrs	5 yrs	5 yrs	5 yrs	
Terminal growth rate (%)	4.0	2.6	2.0	4.0	2.0	1.7	1.5	

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9 Intangible Assets *(continued)*

b Other intangible assets

	Core Deposits	Trade Name	Customer Base	Banking License	Total
Cost					
At October 1, 2020	282,066	39,896	–	–	**321,962**
Acquisition of subsidiaries	–	–	51,246	1,997	**53,243**
At September 30, 2021	282,066	39,896	51,246	1,997	**375,205**
Exchange and other adjustments	20,569	–	–	–	**20,569**
At September 30, 2022	**302,635**	**39,896**	**51,246**	**1,997**	**395,774**
Amortisation					
At October 1, 2020	75,735	12,634	–	–	**88,369**
Amortisation	30,703	7,979	11,021	1,997	**51,700**
At September 30, 2021	106,438	20,613	11,021	1,997	**140,069**
Amortisation	30,381	7,979	8,266	–	**46,626**
At September 30, 2022	**136,819**	**28,592**	**19,287**	**1,997**	**186,695**
Net book value					
At September 30, 2021	175,628	19,283	40,225	–	**235,136**
At September 30, 2022	165,816	11,304	31,959	–	**209,079**

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	
	2022	2021	2022	2021
Present value of defined benefit obligation	**(3,411,033)**	(3,022,288)	**(6,297)**	(263,859)
Fair value of plan assets	**4,630,608**	4,451,093	**6,257**	342,873
Surplus/(deficit)	**1,219,575**	1,428,805	**(40)**	79,014
Effect of asset ceiling	**(18,858)**	(13,589)	**–**	(104,370)
Net asset/(liability) recognised in the Consolidated Statement of Financial Position	**1,200,717**	**1,415,216**	**(40)**	**(25,356)**

	Post-retirement Medical Benefits	
	2022	2021
Present value of defined benefit obligation	**(47,056)**	(66,777)
Fair value of plan assets	**–**	–
Net liability recognised in the Consolidated Statement of Financial Position	**(47,056)**	**(66,777)**

b Changes in the present value of the defined benefit obligation are as follows:

	Defined Benefit Pension Plans		Post-retirement Medical Benefits	
	2022	2021	2022	2021
Opening defined benefit obligation	**3,286,147**	3,875,519	**66,777**	66,524
Exchange adjustments	**(1,471)**	(2,329)	**(11,468)**	(316)
Current service cost	**93,852**	130,603	**1,935**	1,717
Interest cost	**216,441**	221,003	**7,199**	2,481
Members' contributions	**1,651**	1,610	**–**	–
Past service cost	**368**	–	**–**	–
Remeasurements:				
– Experience adjustments	**(42,782)**	(135,563)	**7,893**	(5,723)
– Actuarial losses/(gains) from change in demographic assumptions	**29,400**	(6,579)	**(3,950)**	(1,428)
– Actuarial losses/(gains) from change in financial assumptions	**770**	(637,847)	**(16,554)**	7,948
Benefits paid	**(167,045)**	(160,270)	**(1,217)**	(1,055)
Premiums paid by the Group	**–**	–	**(3,559)**	(3,371)
Closing defined benefit obligation	**3,417,331**	**3,286,147**	**47,056**	**66,777**

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), Except where Otherwise Stated

10 Employee Benefits *(continued)*

c Reconciliation of opening and closing Consolidated Statement of Financial Position entries:

	Defined Benefit Pension Plans		Post-retirement Medical Benefits	
	2022	2021	**2022**	2021
Defined benefit obligation at prior year end	**1,389,860**	411,929	**66,777**	66,524
Exchange adjustments	**2,000**	741	**2,232**	(316)
Opening defined benefit obligation	**1,391,860**	412,670	**69,009**	66,208
Net pension (cost)/credit	**(9,990)**	(114,766)	**9,134**	4,198
Remeasurements recognised in other comprehensive income	**(248,332)**	1,058,121	**(26,312)**	796
Contributions/premiums	**67,139**	33,835	**(4,775)**	(4,425)
Closing net pension asset	**1,200,677**	**1,389,860**	**47,056**	**66,777**

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	42% to 77%	13% to 57%
- Deferred members	2% to 6%	N/A
- Pensioners	21% to 52%	43% to 87%

The weighted duration of the defined benefit obligation ranged from 11.5 to 21.0 years.

29% to 78% of the defined benefit obligation for active members was conditional on future salary increases.

34% to 100% of the benefits for active members were vested.

10 Employee Benefits *(continued)*

e Changes in the fair value of plan assets are as follows:

	Defined Benefit Pension Plans	
	2022	2021
Opening fair value of plan assets	**4,793,966**	4,386,134
Exchange adjustments	**(1,445)**	(1,843)
Interest income	**285,404**	221,497
Return on plan assets, excluding interest income	**(340,613)**	315,173
Contributions by employer	**67,135**	33,830
Members' contributions	**1,651**	1,610
Benefits paid	**(167,041)**	(160,265)
Expense allowance	**(2,192)**	(2,170)
Closing fair value of plan assets	**4,636,865**	**4,793,966**
Actual return on plan assets	**(53,202)**	**504,952**

f Plan asset allocation as at September 30

	Defined Benefit Pension Plans			
	Fair Value		% Allocation	
	2022	2021	**2022**	2021
Equity securities	**2,306,241**	2,460,637	**49.74**	51.33
Debt securities	**1,759,618**	1,783,954	**37.95**	37.21
Property	**11,917**	11,134	**0.26**	0.23
Mortgages	**3,580**	4,317	**0.08**	0.09
Money market instruments/cash	**555,509**	533,924	**11.98**	11.14
Total fair value of plan assets	**4,636,865**	**4,793,966**	**100.0**	**100.0**

As at September 30, 2022, plan assets of $6.3 million (2021: $6.5 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.

g The amounts recognised in the Consolidated Statement of Income are as follows:

	Defined Benefit Pension Plans		Post-retirement Medical Benefits	
	2022	2021	**2022**	2021
Current service cost	**93,971**	130,603	**1,935**	1,717
Interest on defined benefit obligation	**(88,280)**	(19,139)	**7,199**	2,481
Past service cost	**368**	–	**–**	–
Administration expenses	**3,931**	3,457	**–**	–
Total included in staff costs	**9,990**	**114,921**	**9,134**	**4,198**

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10 Employee Benefits *(continued)*

h Remeasurements recognised in other comprehensive income

	Defined Benefit Pension Plans		Post-retirement Medical Benefits	
	2022	**2021**	**2022**	**2021**
Experience (losses)/gains	**(249,108)**	1,059,435	**26,312**	(5,001)
Effect of asset ceiling	**775**	(1,314)	**–**	4,205
Total included in other comprehensive income	**(248,333)**	**1,058,121**	**26,312**	**(796)**

i Summary of principal actuarial assumptions as at September 30

	2022 %	**2021 %**
Discount rate	**1.00 - 26.00**	1.00 - 16.10
Rate of salary increase	**3.50 - 11.10**	3.50 - 9.20
Pension increases	**1.50 - 11.35**	0.00 - 16.00
Medical cost trend rates	**2.20 - 7.00**	5.75 - 16.00
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:

	Defined Benefit Pension Plans	
	2022	**2021**
Life expectancy at age 60 - 65 for current pensioner in years:		
- Male	**17.6 to 25.0**	17.5 to 24.9
- Female	**21.5 to 27.0**	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**	22.6 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, 2022, would have changed as a result of a change in the assumptions used.

10 Employee Benefits *(continued)*

j Sensitivity analysis *(continued)*

	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	377,661	(529,530)	1,897	(2,692)
- Future salary increases	(188,290)	158,827	(54)	49
- Future pension cost increases	(296,985)	250,044	165	87
- Medical cost increases	–	–	(1,814)	1,503

An increase of one year in the assumed life expectancies shown above would increase the defined benefit obligation at September 30, 2022 by $121.45 million and the post-retirement medical benefit by $27.15 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 $27.7 million to the pension plan in the 2023 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 $6.9 million to the medical plan in the 2023 financial year.

11 Deferred Tax Assets and Liabilities

Components of deferred tax assets and liabilities

a Deferred tax assets

		Credit/(Charge)			
	Opening Balance 2021	**Exchange and Other Adjustments**	**Consolidated Statement of Income**	**Other Comprehensive Income**	**Closing Balance 2022**
Post-retirement medical benefits	7,313	1	(913)	1,732	**8,133**
Leased assets	12,878	960	(784)	–	**13,054**
Unearned loan origination fees	45,832	–	3,154	–	**48,986**
Tax losses	8,573	72	(8,645)	–	**–**
Provisions	164,088	2,842	44,674	–	**211,604**
Other	7,530	19,918	7,331	–	**34,779**
	246,214	**23,793**	**44,817**	**1,732**	**316,556**

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), Except where Otherwise Stated

11 Deferred Tax Assets and Liabilities *(continued)*

Components of deferred tax assets and liabilities ***(continued)***

a Deferred tax assets ***(continued)***

	Opening Balance 2020	Exchange and Other Adjustments	Credit/(Charge) Consolidated Statement of Income	Credit/(Charge) Other Comprehensive Income	Closing Balance 2021
Pension liability	2,152	13	(2,165)	–	–
Post-retirement medical benefits	11,437	(12)	(1,245)	(2,867)	**7,313**
Leased assets	11,859	(96)	1,115	–	**12,878**
Unearned loan origination fees	45,929	(1)	(96)	–	**45,832**
Tax losses	12,197	(36)	(3,588)	–	**8,573**
Provisions	160,735	607	2,746	–	**164,088**
Other	9,619	(1,115)	(998)	24	**7,530**
	253,928	**(640)**	**(4,231)**	**(2,843)**	**246,214**

b Deferred tax liabilities

	Opening Balance 2021	Exchange and Other Adjustments	Charge/(Credit) Consolidated Statement of Income	Charge/(Credit) Other Comprehensive Income	Closing Balance 2022
Pension asset	496,074	–	4,402	(101,189)	**399,287**
Leased assets	6,375	(262)	(4,488)	–	**1,625**
Premises and equipment	84,161	2,598	30,976	–	**117,735**
Other	1,102	15,327	125	–	**16,554**
	587,712	**17,663**	**31,015**	**(101,189)**	**535,201**
Net credit to Consolidated Statement of Income			**(13,802)**		

	Opening Balance 2020	Exchange and Other Adjustments	Charge/(Credit) Consolidated Statement of Income	Charge/(Credit) Other Comprehensive Income	Closing Balance 2021
Pension asset	159,396	(27)	(35,621)	372,326	**496,074**
Leased assets	11,331	4	(4,960)	–	**6,375**
Premises and equipment	39,080	14,506	30,575	–	**84,161**
Other	(646)	1,721	3	24	**1,102**
	209,161	**16,204**	**(10,003)**	**372,350**	**587,712**
Net credit to Consolidated Statement of Income			**(5,772)**		

12 Other Assets

	2022	2021
Accounts receivable and prepayments	**835,643**	491,044
Accrued income	**5,279**	2,297
Project financing reimbursables	**1,285**	9,565
Deferred commission and fees	**6,786**	7,390
Other	**222,762**	84,654
	1,071,755	**594,950**

13 Customers' Current, Savings and Deposit Accounts

Concentration of customers' current, savings and deposit accounts

	2022	2021
State	**7,142,594**	7,343,927
Corporate and commercial	**27,552,211**	27,467,744
Personal	**46,306,695**	46,260,504
Other financial institutions	**6,014,980**	5,261,907
Other	**569,709**	275,552
	87,586,189	**86,609,634**

14 Other Fund Raising Instruments

At September 30, 2022 investment securities held to secure other fund raising instruments of the Group amounted to $5.4 billion (2021: $4.7 billion).

Concentration of other fund raising instruments

	2022	2021
State	**858,530**	784,123
Corporate and commercial	**343,350**	312,836
Personal	**605,717**	662,875
Other financial institutions	**2,654,334**	2,858,720
	4,461,931	**4,618,554**

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15 Debt Securities in Issue

	2022	2021
Unsecured		
a Fixed rate bonds	**668,187**	848,462
b Floating rate bonds	**994,347**	992,260
	1,662,534	**1,840,722**
Secured		
a Floating rate bonds	**12,185**	25,173
Total debt securities in issue	**1,674,719**	**1,865,895**

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 7.01% plus six month Interbank Offered Rate (IBOR).

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.

16 Other Liabilities

	2022	2021
Accounts payable and accruals	**1,534,698**	1,309,604
Deferred income	**1,427**	6,104
Other	**535,090**	341,111
	2,071,215	**1,656,819**

17 Stated Capital

Authorised

An unlimited number of shares of no par value

	Number of Ordinary Shares ('000)			
	2022	2021	**2022**	2021
Issued and fully paid				
At beginning of year	**162,536**	162,543	**879,962**	862,115
Shares issued/proceeds from shares issued	**250**	123	**26,312**	12,232
Shares purchased for profit sharing scheme	**(143)**	(130)	**–**	–
Share-based payment	**–**	–	**6,419**	5,615
Allocation of shares	**349**	–	**–**	–
At end of year	**162,992**	**162,536**	**912,693**	**879,962**

The following reflects the calculation of the effect of the issue of stock options on the weighted average number of ordinary shares.

	2022	2021
Weighted average number of ordinary shares	**162,928**	162,528
Effect of dilutive stock options	**562**	552
Weighted average number of ordinary shares adjusted for the effect of dilution	**163,490**	**163,080**

18 Other Reserves

	Translation Reserves	Unallocated Shares	Other Reserves	Total
Balance at October 1, 2020	(241,047)	(84,856)	75,588	**(250,315)**
Translation adjustments	(69,513)	–	–	**(69,513)**
Transfer to other reserves from retained earnings	–	–	1,168	**1,168**
Shares purchased for profit sharing scheme	–	(17,627)	–	**(17,627)**
Other	–	–	(1,282)	**(1,282)**
Balance at September 30, 2021	**(310,560)**	**(102,483)**	**75,474**	**(337,569)**
Translation adjustments	(293,397)	–	–	**(293,397)**
Transfer to other reserves from retained earnings	–	–	91,099	**91,099**
Shares purchased for profit sharing scheme	–	(20,422)	–	**(20,422)**
Allocation of shares	–	50,204	–	**50,204**
Other	–	–	2,677	**2,677**
Balance at September 30, 2022	**(603,957)**	**(72,701)**	**169,250**	**(507,408)**

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18 Other Reserves *(continued)*

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.

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 2022 financial year, $20.4 million in advances were made by Republic Bank Limited for purchase of shares to the staff profit sharing scheme (2021: $17.6 million). As at September 30, 2022, shares costing $72.7 million (2021: $102.5 million) remain unallocated from the profit sharing scheme.

	Number of Ordinary Shares (000's)	
	2022	**2021**
Balance brought forward	**733**	603
Add shares purchased	**143**	130
Allocation of shares	**(349)**	–
Balance carried forward	**527**	**733**

19 Operating Profit

	2022	**2021**
a Interest income		
Advances	**3,929,558**	3,837,472
Investment securities	**735,325**	697,559
Liquid assets	**100,126**	108,733
	4,765,009	**4,643,764**
b Interest expense		
Customers' current, savings and deposit accounts	**420,503**	421,259
Other fund raising instruments and debt securities in issue	**167,589**	203,329
Other interest bearing liabilities	**15,931**	22,466
Finance cost lease liability – Note 8 (b)	**22,899**	26,614
	626,922	**673,668**

19 Operating Profit *(continued)*

	2022	**2021**
c Other income		
Fees and commission from trust and other fiduciary activities	**392,152**	368,335
Credit card fees and commission (net)	**456,476**	327,446
Other fees and commission income	**505,222**	507,227
Net exchange trading income	**433,245**	365,497
Dividends	**322**	721
Net gains from investments at fair value through profit or loss	**7,213**	21,165
Net gains on derecognition of financial instruments	**1,543**	1,676
Other operating income	**169,608**	240,359
	1,965,781	**1,832,426**
d Operating expenses		
Staff costs	**1,450,366**	1,420,813
Staff profit sharing	**148,053**	126,416
Employee benefits pension and medical contribution	**19,124**	119,119
General administrative expenses	**1,184,227**	1,122,785
Other lease expenses	**12,463**	12,559
Property-related expenses	**175,412**	187,172
Depreciation expense – Note 7	**304,672**	276,259
Depreciation expense right-of-use assets – Note 8 (a)	**88,904**	90,439
Advertising and public relations expenses	**102,129**	85,675
Goodwill impairment expense – Note 9 (a)	**1,605**	492
Intangible amortisation expense – Note 9 (b)	**46,626**	51,700
Investment impairment expense	**108**	406
Directors' fees	**21,612**	20,226
	3,555,301	**3,514,061**

20 Credit Loss Expense/(Recovery)

	2022	**2021**
Advances	**223,680**	290,644
Debt instruments measured at amortised cost	**(3,465)**	57,341
	220,215	**347,985**

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), Except where Otherwise Stated

21 Taxation Expense

	2022	2021
Corporation tax	**665,013**	505,650
Deferred tax – Note 11	**(13,802)**	(5,772)
	651,211	**499,878**

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:

	2022	2021
Net profit before taxation	**2,335,097**	1,944,599
Tax at applicable statutory tax rates	**977,620**	767,894
Tax effect of items that are adjustable in determining taxable profit:		
Tax exempt income	**(387,354)**	(271,838)
Non-deductible expenses	**195,363**	159,815
Allowable deductions	**(198,441)**	(171,915)
Change in tax rates	**22,985**	3,939
Provision for other taxes	**41,038**	11,983
	651,211	**499,878**

The Group has no unutilised tax losses (2021: one of its subsidiaries amounting to $323.1 million).

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.

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.

22 Risk Management *(continued)*

22.1 General *(continued)*

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.

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.

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22 Risk Management *(continued)*

22.2 Credit risk *(continued)*

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	
	2022	**2021**
Statutory deposits with Central Banks	**7,508,221**	7,045,773
Due from banks	**9,178,784**	12,425,341
Treasury Bills	**8,400,605**	4,934,664
Advances	**56,829,415**	55,515,628
Investment securities	**19,834,376**	19,105,376
Investment interest receivable	**203,693**	205,204
Total	**101,955,094**	**99,231,986**
Undrawn commitments	**5,366,224**	4,668,590
Acceptances	**2,582,522**	3,297,413
Guarantees and indemnities	**431,436**	470,057
Letters of credit	**789,256**	422,123
Total	**9,169,438**	**8,858,183**
Total credit risk exposure	**111,124,532**	**108,090,169**

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.

22 Risk Management *(continued)*

22.2 Credit risk *(continued)*

22.2.1 Analysis of risk concentration *(continued)*

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).

	2022	**2021**
Government and Central Government Bodies	**24,099,550**	24,710,009
Financial sector	**19,117,982**	18,597,520
Energy and mining	**2,352,471**	1,622,336
Agriculture	**381,914**	476,106
Electricity and water	**1,181,358**	1,574,882
Transport, storage and communication	**1,842,889**	1,470,209
Distribution	**6,008,491**	5,574,875
Real estate	**6,815,525**	7,989,998
Manufacturing	**2,333,609**	2,324,678
Construction	**4,298,210**	3,299,826
Hotel and restaurant	**1,524,095**	2,819,719
Personal	**31,338,460**	29,245,307
Other services	**9,829,978**	8,384,704
	111,124,532	**108,090,169**

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'.

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), Except where Otherwise Stated

22 Risk Management *(continued)*

22.2 Credit risk *(continued)*

22.2.1 Analysis of risk concentration *(continued)*

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:

	2022	2021
Trinidad and Tobago	**45,313,218**	44,524,306
Barbados	**10,330,480**	9,507,903
Eastern Caribbean	**11,149,996**	10,279,127
Guyana	**8,089,725**	7,545,547
United States	**10,702,681**	8,755,581
Europe	**3,179,810**	4,237,363
Suriname	**1,135,887**	1,257,272
Ghana	**2,777,557**	4,008,587
Cayman Islands	**8,693,415**	8,505,302
Other Countries	**9,751,763**	9,469,181
	111,124,532	**108,090,169**

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 Risk Management *(continued)*

22.2 Credit risk *(continued)*

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.

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.

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), Except where Otherwise Stated

22 Risk Management *(continued)*

22.2 Credit risk *(continued)*

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.

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) dependant 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

	2022 %	2021 %
Stage 1	**85.4**	80.0
Stage 2	**10.0**	15.0
Stage 3	**4.6**	5.0
	100.0	**100.0**

In response to the continuing impact of COVID-19 and the global economic uncertainty exacerbated by the Ukraine/Russia war, 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.

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 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.

	Retail Lending	Commercial and Corporate Lending	Mortgages	Overdrafts	Credit Cards	Total
2022						
Stage 1						
Gross loans	6,589,680	12,369,377	27,268,094	2,685,486	1,239,364	**50,152,001**
ECL	(123,622)	(102,561)	(153,704)	(41,354)	(34,730)	**(455,971)**
	6,466,058	**12,266,816**	**27,114,390**	**2,644,132**	**1,204,634**	**49,696,030**
ECL as a % of Gross loans	1.9	0.8	0.6	1.5	2.8	**0.9**
2021						
Stage 1						
Gross loans	6,465,367	10,355,703	25,661,486	2,208,972	1,294,263	**45,985,791**
ECL	(134,670)	(115,252)	(155,926)	(47,981)	(39,165)	**(492,994)**
	6,330,697	**10,240,451**	**25,505,560**	**2,160,991**	**1,255,098**	**45,492,797**
ECL as a % of Gross loans	2.1	1.1	0.6	2.2	3.0	**1.1**

The decrease in Stage 1 ECLs is reflective of the growth in the new loans portfolio and improvement in the credit quality of the portfolio as loans have moved from Stage 2 into the Stage 1 portfolio.

	Retail Lending	Commercial and Corporate Lending	Mortgages	Overdrafts	Credit Cards	Total
2022						
Stage 2						
Gross loans	179,483	1,971,390	2,570,215	654,572	481,974	**5,857,634**
ECL	(7,576)	(149,559)	(88,872)	(14,987)	(19,179)	**(280,173)**
	171,907	**1,821,831**	**2,481,343**	**639,585**	**462,795**	**5,577,461**
ECL as a % of Gross loans	4.2	7.6	3.5	2.3	4.0	**4.8**

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), 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
2021						
Stage 2						
Gross loans	449,148	3,672,760	3,243,703	832,675	360,912	**8,559,198**
ECL	(8,118)	(91,007)	(52,766)	(17,212)	(37,040)	**(206,143)**
	441,030	**3,581,753**	**3,190,937**	**815,463**	**323,872**	**8,353,055**
ECL as a % of Gross loans	1.8	2.5	1.6	2.1	10.3	**2.4**

The increase in Stage 2 ECL's is reflective of the ongoing adverse economic impact first occasioned by COVID-19, but now exacerbated by China's economic slowdown and ongoing global geopolitical events, which have increased the risk of economic decline across the region.

	Retail Lending	Commercial and Corporate Lending	Mortgages	Overdrafts	Credit Cards	Total
2022						
Stage 3						
Gross loans	252,812	895,247	1,419,179	81,181	86,550	**2,734,969**
ECL	(137,423)	(424,256)	(317,100)	(24,229)	(56,408)	**(959,416)**
	115,389	**470,991**	**1,102,079**	**56,952**	**30,142**	**1,775,553**
ECL as a % of Gross loans	54.4	47.4	22.3	29.8	65.2	**35.1**
2021						
Stage 3						
Gross loans	292,305	974,484	1,381,964	118,225	136,839	**2,903,817**
ECL	(161,955)	(427,913)	(347,464)	(51,121)	(54,371)	**(1,042,824)**
	130,350	**546,571**	**1,034,500**	**67,104**	**82,468**	**1,860,993**
ECL as a % of Gross loans	55.4	43.9	25.1	43.2	39.7	**35.9**

The decrease in Stage 3 ECLs is due to the active measures implemented to maintain and improve the overall credit quality, which is reflective of a declining non-performing portfolio.

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

	2022 %	2021 %
Stage 1	**84.3**	84.2
Stage 2	**7.1**	6.9
Stage 3	**0.6**	0.7
POCI	**8.0**	8.2
	100.0	**100.0**

	Stage 1	Stage 2	Stage 3	POCI	Total
2022					
Gross balance	16,892,636	1,431,702	121,074	1,596,996	**20,042,408**
ECL	(12,428)	(15,738)	(62,490)	(141,168)	**(231,824)**
	16,880,208	**1,415,964**	**58,584**	**1,455,828**	**19,810,584**
ECL as a % of Gross investments	0.1	1.1	51.6	8.8	**1.2**
2021					
Gross balance	16,268,560	1,335,128	127,736	1,589,103	**19,320,527**
ECL	(9,381)	(17,012)	(62,303)	(145,644)	**(234,340)**
	16,259,179	**1,318,116**	**65,433**	**1,443,459**	**19,086,187**
ECL as a % of Gross investments	0.1	1.3	48.8	9.2	**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.

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), Except where Otherwise Stated

22 Risk Management *(continued)*

22.3 Liquidity risk *(continued)*

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.

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
2022					
Customers' current, savings and deposit accounts	70,250,890	12,987,959	1,205,859	1,088,226	**85,532,934**
Other fund raising instruments	–	3,853,802	676,636	–	**4,530,438**
Debt securities in issue	–	261,104	1,725,998	51,617	**2,038,719**
Due to banks	432,709	12,701	–	–	**445,410**
Lease liabilities	694	81,294	234,063	244,896	**560,947**
Other liabilities	901,126	211,270	82,729	629	**1,195,754**
Total un-discounted financial liabilities	**71,585,419**	**17,408,130**	**3,925,285**	**1,385,368**	**94,304,202**
2021					
Customers' current, savings and deposit accounts	71,416,704	13,187,461	1,730,338	329,076	**86,663,579**
Other fund raising instruments	–	4,388,434	223,008	42,627	**4,654,069**
Debt securities in issue	–	115,499	1,256,202	88,781	**1,460,482**
Due to banks	70,634	85,351	–	–	**155,985**
Lease liabilities	348	82,862	280,532	263,851	**627,593**
Other liabilities	536,605	183,294	78,813	925	**799,637**
Total un-discounted financial liabilities	**72,024,291**	**18,042,901**	**3,568,893**	**725,260**	**94,361,345**

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
2022					
Acceptances	637,709	1,596,149	318,429	30,235	**2,582,522**
Guarantees and indemnities	37,094	231,793	138,333	24,216	**431,436**
Letters of credit	304,332	415,223	69,701	–	**789,256**
Total	**979,135**	**2,243,165**	**526,463**	**54,451**	**3,803,214**
2021					
Acceptances	728,094	2,305,824	263,412	83	**3,297,413**
Guarantees and indemnities	66,139	263,407	115,758	24,753	**470,057**
Letters of credit	282,878	139,245	–	–	**422,123**
Total	**1,077,111**	**2,708,476**	**379,170**	**24,836**	**4,189,593**

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 Thousands of Trinidad and Tobago Dollars ($'000), 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			
		2022		2021	
	Change in Basis Points	Increase	Decrease	Increase	Decrease
TT$ Instruments	+/- 50	**68,248**	**(68,248)**	64,814	(64,814)
US$ Instruments	+/- 50	**27,870**	**(27,870)**	28,472	(28,472)
KYD$ Instruments	+/- 50	**23,621**	**(23,621)**	23,652	(23,652)
Other Currency Instruments	+/- 50	**21,936**	**(21,936)**	4,789	(4,789)

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 tables below 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 Trinidad and Tobago dollar, with all other variables held constant.

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	574,744	197,241	95,560	77,069	17,013	80,142	362,792	**1,404,561**
Statutory deposits with Central Banks	4,356,694	368,535	392,736	254,941	127,213	–	2,008,102	**7,508,221**
Due from banks	1,711,986	2,857,598	2,007,418	6,948	161,055	–	2,433,779	**9,178,784**
Treasury Bills	2,710,842	2,377,168	–	205,119	–	–	3,107,476	**8,400,605**
Advances	24,315,793	10,566,726	4,931,305	900,091	338,774	5,304,552	10,472,174	**56,829,415**
Investment securities	5,491,617	11,942,274	1,437,419	630,934	–	–	451,536	**19,953,780**
Investment interest receivable	64,048	78,315	415	55,778	–	–	5,137	**203,693**
Total financial assets	**39,225,724**	**28,387,857**	**8,864,853**	**2,130,880**	**644,055**	**5,384,694**	**18,840,996**	**103,479,059**
Financial liabilities								
Due to banks	804	346,422	17,764	–	–	–	80,420	**445,410**
Customers' current, savings and deposit accounts	32,324,356	21,182,003	8,148,363	1,360,436	435,419	5,387,579	18,748,033	**87,586,189**
Other fund raising instruments	3,364,240	856,954	–	240,737	–	–	–	**4,461,931**
Debt securities in issue	12,185	1,610,917	–	51,617	–	–	–	**1,674,719**
Accrued interest payable	33,034	46,782	208	–	2,251	3,959	8,205	**94,439**
Lease liabilities	283,927	13,352	38,605	16,379	1,211	13,125	53,489	**420,088**
Total financial liabilities	**36,018,546**	**24,056,430**	**8,204,940**	**1,669,169**	**438,881**	**5,404,663**	**18,890,147**	**94,682,776**
Net currency risk exposure		**4,331,427**	**659,913**	**461,711**	**205,174**	**(19,969)**	**(49,151)**	
Reasonably possible change in currency rate (%)		1	1	3	1	1	1	
Effect on profit before taxation		**43,314**	**6,599**	**13,851**	**2,052**	**(200)**	**(492)**	

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), 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
2021								
Financial assets								
Cash on hand	467,563	685,923	88,460	147,455	17,049	90,933	1,032,493	**2,529,876**
Statutory deposits with Central Banks	4,413,320	325,768	384,860	172,540	88,423	–	1,660,862	**7,045,773**
Due from banks	2,699,492	4,476,405	1,574,236	16,991	103,064	265	3,554,888	**12,425,341**
Treasury Bills	2,115,270	738,190	–	307,194	–	–	1,774,010	**4,934,664**
Advances	23,651,869	9,985,879	4,996,482	1,252,467	273,249	5,100,719	10,254,963	**55,515,628**
Investment securities	5,305,728	10,730,283	1,387,087	1,311,703	–	–	524,700	**19,259,501**
Investment interest receivable	61,121	60,645	415	77,196	272	17	5,538	**205,204**
Total financial assets	**38,714,363**	**27,003,093**	**8,431,540**	**3,285,546**	**482,057**	**5,191,934**	**18,807,454**	**101,915,987**
Financial liabilities								
Due to banks	2	8,254	15,009	71,359	121	–	61,240	**155,985**
Customers' current, savings and deposit accounts	31,683,846	22,692,242	7,671,518	2,080,882	421,417	4,683,578	17,376,151	**86,609,634**
Other fund raising instruments	3,305,067	836,227	116,246	361,014	–	–	–	**4,618,554**
Debt securities in issue	25,173	1,752,554	–	88,168	–	–	–	**1,865,895**
Accrued interest payable	31,672	43,153	1,119	–	3,568	203	6,734	**86,451**
Lease liabilities	318,726	12,039	41,980	17,465	114	32,192	60,351	**482,867**
Total financial liabilities	**35,364,486**	**25,344,469**	**7,845,872**	**2,618,888**	**425,220**	**4,715,973**	**17,504,476**	**93,819,386**
Net currency risk exposure		**1,658,624**	**585,668**	**666,658**	**56,837**	**475,961**	**1,302,978**	
Reasonably possible change in currency rate (%)		1	1	3	1	1	1	
Effect on profit before taxation		**16,586**	**5,857**	**20,000**	**568**	**4,760**	**13,030**	

22 Risk Management *(continued)*

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.

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.

	2022	2021
Advances, investments and other assets		
Directors and key management personnel	**343,136**	306,976
Other related parties	**65,360**	138,083
	408,496	**445,059**
Deposits and other liabilities		
Directors and key management personnel	**105,588**	165,182
Other related parties	**744,185**	617,604
	849,773	**782,786**
Interest and other income		
Directors and key management personnel	**14,968**	3,604
Other related parties	**12,106**	17,976
	27,074	**21,580**

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), Except where Otherwise Stated

23 Related Parties *(continued)*

	2022	2021
Interest and other expense		
Directors and key management personnel	**19,043**	17,359
Other related parties	**9,304**	7,137
	28,347	**24,496**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

Key management compensation

	2022	2021
Short-term benefits	**51,697**	47,235
Post employment benefits	**4,163**	(8,404)
Share-based payment	**6,419**	5,615
	62,279	**44,446**

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 $0.5 billion to $13.4 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.

24 Capital Management *(continued)*

Capital adequacy ratio

	2022 %	2021 %
Institutions under Basel II regulations		
Republic Financial Holdings Limited	**13.76**	13.64
Republic Bank Limited	**15.04**	14.77
Republic Bank (Cayman) Limited	**27.55**	26.33
Republic Bank (Barbados) Limited	**19.12**	18.42
Republic Bank (Ghana) Plc.	**21.49**	26.36
Cayman National Bank	**26.54**	22.27
Republic Bank (Guyana) Limited	**16.81**	–
Institutions under Basel I regulations		
Republic Bank (Grenada) Limited	**12.08**	16.50
Republic Bank (Guyana) Limited	**–**	22.29
Republic Bank (Suriname) N.V.	**13.55**	11.17
Atlantic Financial Limited	**74.28**	96.99
Republic Bank (EC) Limited	**14.57**	15.79
Republic Bank (BVI) Limited	**29.86**	27.01

At September 30, 2022, RBL and each of RFHL's banking subsidiaries exceeded the minimum levels required for adequately capitalised financial institutions.

As of March 31, 2022, Republic Bank (Guyana) Limited implemented Basel II/III under the directive from the Bank of Guyana.

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), Except where Otherwise Stated

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	Unrecognised (Loss)/Gain
2022			
Financial assets			
Cash, due from banks and Treasury Bills	18,983,950	18,983,950	–
Advances	56,829,415	54,917,976	(1,911,439)
Investment securities	19,953,780	19,733,377	(220,403)
Investment interest receivable	203,693	203,693	–
Other financial assets	32,472	32,472	–
Financial liabilities			
Customers' current, savings and deposit accounts	87,586,189	87,462,205	123,984
Borrowings and other fund raising instruments	4,907,341	4,907,341	–
Debt securities in issue	1,674,719	1,775,385	(100,666)
Accrued interest payable	94,440	94,440	–
Other financial liabilities	694,800	694,800	–
Total unrecognised change in unrealised fair value			**(2,108,524)**
2021			
Financial assets			
Cash, due from banks and Treasury Bills	19,889,881	19,889,881	–
Advances	55,515,628	54,517,162	(998,465)
Investment securities	19,259,501	19,910,964	651,463
Investment interest receivable	205,204	205,204	–
Other financial assets	117,881	117,881	–
Financial liabilities			
Customers' current, savings and deposit accounts	86,609,634	86,638,370	(28,736)
Borrowings and other fund raising instruments	4,774,539	4,742,978	31,561
Debt securities in issue	1,865,895	2,009,712	(143,817)
Accrued interest payable	86,451	86,451	–
Other financial liabilities	704,667	704,667	–
Total unrecognised change in unrealised fair value			**(487,994)**

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
2022				
Financial assets measured at fair value				
Investment securities	58,493	33,920	50,783	**143,196**
Financial assets for which fair value is disclosed				
Advances	–	–	54,917,976	**54,917,976**
Investment securities	9,679,165	7,961,517	1,949,499	**19,590,181**
Financial liabilities for which fair value is disclosed				
Customers' current, savings and deposit accounts	4,589,434	7,477,565	75,395,206	**87,462,205**
Borrowings and other funding instruments	–	1,723,766	51,619	**1,775,385**
2021				
Financial assets measured at fair value				
Investment securities	33,374	96,412	43,528	**173,314**
Financial assets for which fair value is disclosed				
Advances	–	–	54,517,162	**54,517,162**
Investment securities	7,602,017	9,749,277	2,386,356	**19,737,650**
Financial liabilities for which fair value is disclosed				
Customers' current, savings and deposit accounts	–	6,798,025	79,840,345	**86,638,370**
Borrowings and other funding instruments	–	1,921,544	88,168	**2,009,712**

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), Except where Otherwise Stated

25 Fair Value *(continued)*

25.2 Fair value and fair value hierarchies *(continued)*

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, 2022, are as shown below:

	Valuation Technique	Significant Unobservable Inputs	Range
Advances	Discounted Cash Flow Method	Growth rate for cash flows for subsequent years	2.38% - 11.75%
Customers' current, savings and deposit accounts	Discounted Cash Flow Method	Growth rate for cash flows for subsequent years	0.05% - 3.0%

25.2.3 Transfers between Level 1 and 2

For the year ended September 30, 2022, $95.1 million of assets were transferred between Level 1 and Level 2 (2021: $399.6 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
2022				
Financial assets designated at fair value through profit or loss	43,528	7,255	–	50,783
	43,528	**7,255**	**–**	**50,783**
2021				
Financial assets designated at fair value through profit or loss	37,655	6,410	(537)	43,528
	37,655	**6,410**	**(537)**	**43,528**

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	2022 %	2021 %
Republic Bank (Ghana) Plc.	Ghana	**33.46**	33.46
Republic Bank (Guyana) Limited	Guyana	**49.00**	49.00
Cayman National Corporation	Cayman Islands	**25.01**	25.01

Name	2022	2021
Accumulated balances of material non-controlling interests:		
Republic Bank (Ghana) Plc.	**183,300**	268,084
Republic Bank (Guyana) Limited	**488,047**	441,856
Cayman National Corporation	**357,700**	315,197
Profit allocated to material non-controlling interests:		
Republic Bank (Ghana) Plc.	**31,388**	34,670
Republic Bank (Guyana) Limited	**70,317**	59,130
Cayman National Corporation	**51,251**	40,588

The summarised financial information of these subsidiaries is provided in Note 27 (i) of these consolidated financial statements.

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), Except where Otherwise Stated

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 and Tobago	Barbados	Suriname	Eastern Caribbean	Guyana	Ghana	Cayman Islands	British Virgin Islands	Total
2022									
Interest income	2,207,336	378,299	96,032	641,703	347,721	504,446	471,470	118,002	**4,765,009**
Interest expense	(234,651)	(18,303)	(14,147)	(127,650)	(26,289)	(182,851)	(19,764)	(3,267)	**(626,922)**
Net interest income	1,972,685	359,996	81,885	514,053	321,432	321,595	451,706	114,735	**4,138,087**
Other income	925,696	108,912	64,625	254,646	132,155	159,373	278,142	42,232	**1,965,781**
Share of profits of associated companies	6,745	–	–	–	–	–	–	–	**6,745**
Operating income	2,905,126	468,908	146,510	768,699	453,587	480,968	729,848	156,967	**6,110,613**
Other operating expenses	(1,624,300)	(305,202)	(78,716)	(486,725)	(217,559)	(284,895)	(482,026)	(75,878)	**(3,555,301)**
Operating profit	1,280,826	163,706	67,794	281,974	236,028	196,073	247,822	81,089	**2,555,312**
Credit loss (expense)/recovery on financial assets	(189,571)	49,654	(4,051)	(4,120)	(15,183)	(57,258)	2,387	(2,073)	**(220,215)**
Net profit before taxation	**1,091,255**	**213,360**	**63,743**	**277,854**	**220,845**	**138,815**	**250,209**	**79,016**	2,335,097
Taxation	(364,901)	(70,046)	(40,773)	(47,721)	(77,341)	(50,437)	8	–	**(651,211)**
Net profit after taxation	**726,354**	**143,314**	**22,970**	**230,133**	**143,504**	**88,378**	**250,217**	**79,016**	1,683,886

27 Segmental Information *(continued)*

i By geographic segment *(continued)*

	Trinidad and Tobago	Barbados	Suriname	Eastern Caribbean	Guyana	Ghana	Cayman Islands	British Virgin Islands	Total
2022									
Investment in associated companies	62,180	–	423	–	–	–	–	–	**62,603**
Total assets	52,632,793	9,912,493	2,944,755	15,156,293	8,585,397	3,022,329	15,807,593	2,916,050	**110,977,703**
Total liabilities	47,418,843	8,718,452	2,700,088	13,498,646	7,684,746	2,344,253	13,077,073	2,166,393	**97,608,494**
Depreciation	244,804	20,091	15,206	25,293	14,524	26,610	43,873	3,175	**393,576**
Capital expenditure on premises and equipment	302,979	17,424	3,587	21,501	5,602	26,121	29,696	581	**407,491**
Cash flow from operating activities	1,552,415	13,611	284,248	509,428	274,565	(25,968)	(536,720)	(391,437)	**1,680,142**
Cash flow from investing activities	(1,800,911)	579,028	(101,618)	(783,350)	(1,612,825)	74,758	(132,684)	232,598	**(3,545,004)**
Cash flow from financing activities	(282,163)	(199,655)	(1,271)	(11,405)	(40,639)	(41,113)	(79,609)	41,540	**(614,315)**
2021									
Interest income	2,171,463	408,085	94,222	606,056	311,369	539,676	398,401	114,492	**4,643,764**
Interest expense	(249,080)	(25,214)	(18,564)	(126,782)	(25,317)	(206,088)	(17,786)	(4,837)	**(673,668)**
Net interest income	1,922,383	382,871	75,658	479,274	286,052	333,588	380,615	109,655	**3,970,096**
Other income	901,985	110,209	63,938	204,624	114,876	139,678	260,814	36,302	**1,832,426**
Share of profits of associated companies	3,970	–	153	–	–	–	–	–	**4,123**
Operating income	2,828,338	493,080	139,749	683,898	400,928	473,266	641,429	145,957	**5,806,645**
Other operating expenses	(1,693,096)	(310,293)	(50,871)	(459,601)	(192,617)	(289,330)	(440,407)	(77,846)	**(3,514,060)**
Operating profit	1,135,242	182,787	88,878	224,297	208,311	183,936	201,022	68,111	**2,292,584**
Credit loss (expense)/recovery on financial assets	(135,676)	(49,221)	(55,876)	(55,215)	(10,929)	(31,688)	18,819	(28,199)	**(347,985)**
Net profit before taxation	**999,566**	**133,566**	**33,002**	**169,082**	**197,382**	**152,248**	**219,841**	**39,912**	1,944,599
Taxation	(327,827)	(5,272)	(13,313)	(33,394)	(68,291)	(51,588)	(193)	–	**(499,878)**
Net profit after taxation	**671,739**	**128,294**	**19,689**	**135,688**	**129,091**	**100,660**	**219,648**	**39,912**	1,444,721

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), Except where Otherwise Stated

27 Segmental Information *(continued)*

i **By geographic segment** *(continued)*

	Trinidad and Tobago	Barbados	Suriname	Eastern Caribbean	Guyana	Ghana	Cayman Islands	British Virgin Islands	Total
2021									
Investment in associated companies	55,434	–	527	–	–	–	–	–	**55,961**
Total assets	51,204,653	10,088,508	2,667,969	13,892,800	7,797,275	4,411,889	15,900,515	3,205,286	**109,168,895**
Total liabilities	46,620,768	8,276,874	2,425,449	12,428,347	6,956,600	3,466,681	13,501,300	2,637,374	**96,313,393**
Depreciation	222,728	19,966	11,340	25,058	16,688	24,819	42,832	3,267	**366,698**
Capital expenditure on premises and equipment	323,736	19,794	3,796	14,211	5,497	35,564	18,165	441	**421,204**
Cash flow from operating activities	798,416	1,161,154	401,618	921,421	713,946	18,613	1,470,088	140,610	**5,625,866**
Cash flow from investing activities	(3,066,783)	343,960	(10,676)	(166,189)	(663,972)	(21,459)	(412,276)	(473,501)	**(4,470,896)**
Cash flow from financing activities	(750,229)	(109,052)	(1,233)	(423,182)	(42,098)	74,499	(111,767)	(63,299)	**(1,426,361)**

ii **By class of business**

	Retail and Commercial Banking	Other Financial Services	Total
2022			
Interest income	4,437,681	327,328	**4,765,009**
Interest expense	(569,490)	(57,432)	**(626,922)**
Net interest income	3,868,191	269,896	**4,138,087**
Other income	1,663,671	302,110	**1,965,781**
Share of profit of associated companies	6,745	–	**6,745**
Operating income	5,538,607	572,006	**6,110,613**
Other operating expenses	(3,489,458)	(65,843)	**(3,555,301)**
Operating profit	2,049,149	506,163	**2,555,312**
Credit loss (expense)/recovery on financial assets	(235,330)	15,115	**(220,215)**
Net profit before taxation	**1,813,819**	**521,278**	**2,335,097**
Taxation	(562,887)	(88,324)	**(651,211)**
Net profit after taxation	**1,250,932**	**432,954**	**1,683,886**

27 Segmental Information *(continued)*

ii **By class of business** *(continued)*

	Retail and Commercial Banking	Other Financial Services	Total
2022			
Investment in associated companies	62,603	–	**62,603**
Total assets	100,344,270	10,633,433	**110,977,703**
Total liabilities	90,922,940	6,685,554	**97,608,494**
Depreciation	390,285	3,291	**393,576**
Capital expenditure on premises and equipment	407,357	134	**407,491**
Cash flow from operating activities	779,226	900,916	**1,680,142**
Cash flow from investing activities	(3,699,896)	154,892	**(3,545,004)**
Cash flow from financing activities	632,425	(1,246,740)	**(614,315)**
2021			
Interest income	4,285,134	358,630	**4,643,764**
Interest expense	(595,168)	(78,500)	**(673,668)**
Net interest income	3,689,966	280,130	**3,970,096**
Other income	1,518,624	313,802	**1,832,426**
Share of profit of associated companies	4,123	–	**4,123**
Operating income	5,212,713	593,932	**5,806,645**
Other operating expenses	(3,465,099)	(48,962)	**(3,514,061)**
Operating profit	1,747,614	544,970	**2,292,584**
Credit loss expense on financial assets	(339,937)	(8,048)	**(347,985)**
Net profit before taxation	**1,407,677**	**536,922**	**1,944,599**
Taxation	(425,088)	(74,790)	**(499,878)**
Net profit after taxation	**982,589**	**462,132**	**1,444,721**
Investment in associated companies	55,961	–	**55,961**
Total assets	98,205,463	10,963,432	**109,168,895**
Total liabilities	89,395,275	6,918,118	**96,313,393**
Depreciation	363,088	3,610	**366,698**
Capital expenditure on premises and equipment	418,682	2,522	**421,204**
Cash flow from operating activities	6,058,260	(432,394)	**5,625,866**
Cash flow from investing activities	(4,654,856)	183,960	**(4,470,896)**
Cash flow from financing activities	(518,445)	(907,916)	**(1,426,361)**

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), 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
2022			
ASSETS			
Cash on hand	1,404,561	–	**1,404,561**
Statutory deposits with Central Banks	7,508,221	–	**7,508,221**
Due from banks	9,178,784	–	**9,178,784**
Treasury Bills	8,400,605	–	**8,400,605**
Advances	11,030,662	45,798,753	**56,829,415**
Investment securities	5,817,818	14,135,962	**19,953,780**
Investment interest receivable	184,310	19,383	**203,693**
Investment in associated companies	–	62,603	**62,603**
Premises and equipment	31,782	3,223,976	**3,255,758**
Right-of-use assets	32,179	366,226	**398,405**
Intangible assets	–	1,143,560	**1,143,560**
Pension assets	–	1,200,717	**1,200,717**
Deferred tax assets	49,046	267,510	**316,556**
Taxation recoverable	5,263	44,027	**49,290**
Other assets	985,862	85,893	**1,071,755**
	44,629,093	**66,348,610**	**110,977,703**
LIABILITIES			
Due to banks	445,410	–	**445,410**
Customers' current, savings and deposit accounts	82,664,761	4,921,428	**87,586,189**
Other fund raising instruments	3,836,594	625,337	**4,461,931**
Debt securities in issue	12,185	1,662,534	**1,674,719**
Lease liabilities	40,165	379,923	**420,088**
Pension liability	40	–	**40**
Provision for post-retirement medical benefits	–	47,056	**47,056**
Taxation payable	272,205	–	**272,205**
Deferred tax liabilities	11,027	524,174	**535,201**
Accrued interest payable	55,489	38,951	**94,440**
Other liabilities	1,788,829	282,386	**2,071,215**
	89,126,705	**8,481,789**	**97,608,494**

28 Maturity Analysis of Assets and Liabilities *(continued)*

	Within One Year	After One Year	Total
2021			
ASSETS			
Cash on hand	2,529,876	–	**2,529,876**
Statutory deposits with Central Banks	7,045,773	–	**7,045,773**
Due from banks	12,425,341	–	**12,425,341**
Treasury Bills	4,934,664	–	**4,934,664**
Advances	11,962,463	43,553,165	**55,515,628**
Investment securities	7,445,072	11,814,429	**19,259,501**
Investment interest receivable	204,914	290	**205,204**
Investment in associated companies	–	55,961	**55,961**
Premises and equipment	27,517	3,191,153	**3,218,670**
Right-of-use assets	13,426	464,432	**477,858**
Intangible assets	–	1,171,222	**1,171,222**
Pension assets	–	1,415,216	**1,415,216**
Deferred tax assets	34	246,180	**246,214**
Taxation recoverable	18,400	54,417	**72,817**
Other assets	578,310	16,640	**594,950**
	47,185,790	**61,983,105**	**109,168,895**
LIABILITIES			
Due to banks	155,985	–	**155,985**
Customers' current, savings and deposit accounts	84,785,236	1,824,398	**86,609,634**
Other fund raising instruments	4,352,684	265,870	**4,618,554**
Debt securities in issue	–	1,865,895	**1,865,895**
Lease liabilities	10,759	472,108	**482,867**
Pension liability	286	25,070	**25,356**
Provision for post-retirement medical benefits	–	66,777	**66,777**
Taxation payable	157,343	–	**157,343**
Deferred tax liabilities	–	587,712	**587,712**
Accrued interest payable	64,909	21,542	**86,451**
Other liabilities	1,545,461	111,358	**1,656,819**
	91,072,663	**5,240,730**	**96,313,393**

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 Thousands of Trinidad and Tobago Dollars ($'000), 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% 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	
	2022	**2021**	**2022**	**2021**
At the beginning of the year	**$105.70**	$105.42	**2,444,930**	2,567,508
Granted	**$142.24**	–	**444,937**	–
Forfeited	**$80.00**	–	**(8,918)**	–
Exercised	**$105.40**	$99.79	**(249,654)**	(122,578)
At end of year	**$111.99**	**$105.70**	**2,631,295**	**2,444,930**
Exercisable at end of year	**$107.48**	**$107.18**	**1,884,805**	**1,613,558**

Expiry Date	Exercise Price	2022	2021
20-Dec-21	$80.00	**–**	8,918
13-Dec-23	$85.94	**37,721**	37,721
8-Dec-24	$72.99	**54,327**	54,327
14-Dec-25	$92.67	**93,503**	100,725
14-Dec-26	$104.41	**185,201**	191,852
11-Dec-27	$110.03	**204,702**	231,095
11-Dec-28	$121.74	**289,150**	314,298
12-Dec-30	$110.00	**338,935**	364,363
7-Dec-31	$101.92	**396,465**	555,277
9-Dec-32	$103.65	**586,354**	586,354
17-Dec-34	$142.24	**444,937**	–
		2,631,295	**2,444,930**

29 Equity Compensation Benefits *(continued)*

Stock option plan *(continued)*

As at September 30, 2022, 444,937 (2021: none) of the outstanding options were anti-dilutive and therefore not included in the calculation of diluted earnings per share.

The weighted average share price for share options exercised during the year was $105.40. For options outstanding at September 30, 2022, the exercise price ranged from $72.99 to $142.24 and the weighted average remaining contractual life was 7.8 years.

The total expense for the share option plan was $6.419 million (2021: $5.615 million).

30 Dividends Paid and Proposed

	2022	2021
Declared and paid during the year		
Equity dividends on ordinary shares:		
Final dividend for 2021: $3.00 (2020: $2.10)	**489,844**	341,340
Interim dividend for 2022: $1.05 (2021: $1.00)	**171,632**	164,506
Total dividends paid	**661,476**	**505,846**
Proposed		
Equity dividends on ordinary shares:		
Final dividend for 2022: $3.45 (2021: $3.00)	**564,141**	**489,844**

31 Contingent Liabilities

a Litigation

As at September 30, 2022, 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

	2022	2021
Acceptances	**2,582,522**	3,297,413
Guarantees and indemnities	**431,436**	470,057
Letters of credit	**789,256**	422,123
	3,803,214	**4,189,593**

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), Except where Otherwise Stated

31 Contingent Liabilities *(continued)*

	2022	2021
c Sectoral information		
State	**160,251**	1,123,805
Corporate and commercial	**2,871,761**	2,427,036
Personal	**422,305**	584,306
Other financial institutions	**79,973**	53,903
Other	**268,924**	543
	3,803,214	**4,189,593**

d Pledged assets

The table below illustrates the distribution of pledged assets in the Group's Consolidated Statement of Financial Position:

	Carrying Amount		Related Liability	
	2022	**2021**	**2022**	**2021**
Financial assets	**5,427,757**	**4,776,932**	**4,402,749**	**4,364,575**

The assets pledged by the Group relate to a pool of securities 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 the 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, 2022, the Group earned $38.4 million (2021: $34.4 million) in management fees from the retirement plans and $188.8 million (2021: $170.5 million) from the mutual funds.

The Group holds an interest of $31.1 million (2021: $55.8 million) in sponsored funds as at September 30, 2022. 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, 2022.

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 Bank (Cayman) Limited *Offshore Bank*	Cayman Islands	100.00
Republic Insurance Company (Cayman) Limited *Insurance Company*	Cayman Islands	100.00
Cayman National Corporation *Banking and Fiduciary Services*	Cayman Islands	74.99
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

Expressed in Thousands of Trinidad and Tobago Dollars ($'000), Except where Otherwise Stated

33 Subsidiary Companies *(continued)*

Name of Company	Country of Incorporation	% Equity Interest
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

Cayman National Corporation

On August 29, 2022, it was announced that Cayman National Corporation will acquire, by way of merger, Republic Bank (Cayman) Limited. The consummation of the merger remains subject to certain other conditions including, without limitation, receipt of necessary regulatory approvals.

Republic Bank Trinidad and Tobago (Barbados) Limited

Following the enactment of The Companies (Economic Substance) Act, 2019 (CESA), Republic Bank Trinidad and Tobago (Barbados) Limited has sought the written approval of the Central Bank of Barbados (CBB) for a voluntary cessation of banking business and transition to a "single purpose equity holding company" as defined under Section 2 of the CESA. This will allow for reduced economic substance test requirements and allow the Company to focus on achievement of its strategic objectives. At the date of approval of the consolidated financial statements, the Company is still awaiting the CBB approval for this change.

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