



REPUBLIC FINANCIAL HOLDINGS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

SEPTEMBER 30, 2025



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# REPUBLIC FINANCIAL HOLDINGS LIMITED

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2025

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REPUBLIC FINANCIAL HOLDINGS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2025

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## Statement of Management Responsibilities

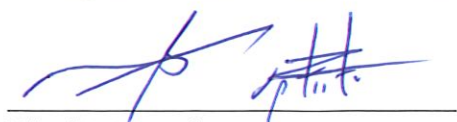
Management is responsible for the following:

- 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, 2025, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including material accounting policy information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group’s assets, detection/prevention of fraud, and the achievement of Group operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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



Nigel M. Baptiste  
Group President and Chief Executive Officer  
November 7, 2025



Marsha A. McLeod-Marshall  
Chief Financial Officer  
November 7, 2025

## 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, 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

##### **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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Key Audit Matters**

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

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

## 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Allowance for Expected Credit Losses (ECLs)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p>Refer to Notes 2.6g, 4d, 5b, 20 and 22.2.</p> <p>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.</p> <p>Advances (loans) and other financial assets held at amortised cost comprise 93% of the Group's total assets.</p> <p>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.</p> | <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> |

## 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Allowance for Expected Credit Losses (ECLs) (continued)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p>Key areas of judgment included:</p> <ul style="list-style-type: none"> <li>- the interpretation of the requirements to determine impairment under the application of IFRS 9, which is reflected in the Group's ECL models;</li> <li>- the application of assumptions where there was limited or incomplete data;</li> <li>- the identification of exposures with a significant deterioration in credit quality;</li> <li>- assumptions used in the ECL model such as the financial condition of the counterparty or valuation of security;</li> <li>- 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</li> <li>- 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.</li> </ul> <p>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.</p> | <p>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.</p> <p>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.</p> <p>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.</p> <p>Finally, we assessed the disclosure in the consolidated financial statements considering whether it satisfies the requirements of IFRS Accounting Standards.</p> |

## 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Goodwill impairment assessment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p>Refer to Notes 2.6n, 2.6o and 9. The Group has recorded goodwill of \$835 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.</p> <p>As required by IAS 36: "Impairment of Assets", management performs an annual impairment assessment on goodwill.</p> <p>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.</p> <p>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.</p> <p>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.</p> | <p>We evaluated and tested the Group's process for goodwill impairment assessment.</p> <p>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.</p> <p>We evaluated Management's judgements used in its assessments, including growth assumptions, by applying our own sensitivity analyses to account for market volatility.</p> <p>We also assessed whether appropriate and complete disclosures have been included in the consolidated financial statements consistent with the requirements of IAS 36.</p> |

## 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 2025 Annual Report**

Other information consists of the information included in the Group's 2025 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2025 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 IFRS Accounting Standards, 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.

## 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.

## INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF REPUBLIC FINANCIAL HOLDINGS LIMITED

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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 partner in charge of the audit resulting in this independent auditor's report is Chantal Bachu.



Port of Spain  
TRINIDAD:  
November 7, 2025

REPUBLIC FINANCIAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2025

Expressed in millions of Trinidad & Tobago dollars

| <b>ASSETS</b>                         | <b>Notes</b> | <b>2025</b>    | <b>2024</b>    |
|---------------------------------------|--------------|----------------|----------------|
| Cash on hand                          |              | 1,589          | 1,452          |
| Statutory deposits with Central Banks |              | 7,683          | 7,281          |
| Due from banks                        |              | 6,923          | 6,802          |
| Treasury Bills                        |              | 9,423          | 7,682          |
| Advances                              | 4            | 74,118         | 67,299         |
| Investment securities                 | 5            | 19,934         | 20,516         |
| Investment interest receivable        |              | 212            | 221            |
| Other assets                          | 12           | 1,111          | 1,072          |
| Investment in associated companies    | 6            | 88             | 78             |
| Premises and equipment                | 7            | 3,383          | 3,361          |
| Right-of-use assets                   | 8 (a)        | 432            | 491            |
| Intangible assets                     | 9            | 898            | 937            |
| Net employee defined benefit asset    | 10 (a)       | 943            | 945            |
| Deferred tax assets                   | 11 (a)       | 326            | 336            |
| Taxation recoverable                  |              | 69             | 67             |
| <b>TOTAL ASSETS</b>                   |              | <b>127,132</b> | <b>118,540</b> |

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

REPUBLIC FINANCIAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2025

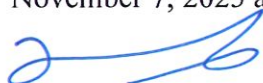
Expressed in millions of Trinidad & Tobago dollars

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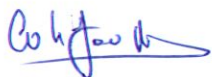
| LIABILITIES & EQUITY                             | Notes  | 2025           | 2024           |
|--------------------------------------------------|--------|----------------|----------------|
| <b>LIABILITIES</b>                               |        |                |                |
| Due to banks                                     |        | 407            | 463            |
| Customers' current, savings and deposit accounts | 13     | 101,022        | 94,404         |
| Other fund raising instruments                   | 14     | 4,123          | 3,465          |
| Debt securities in issue                         | 15     | 1,040          | 1,031          |
| Lease liabilities                                | 8 (b)  | 459            | 517            |
| Taxation payable                                 |        | 370            | 298            |
| Accrued interest payable                         |        | 243            | 203            |
| Other liabilities                                | 16     | 2,334          | 2,120          |
| Pension liability                                | 10 (a) | 5              | —              |
| Net employee defined benefit liabilities         | 10 (a) | 32             | 33             |
| Deferred tax liabilities                         | 11 (b) | 485            | 521            |
| <b>TOTAL LIABILITIES</b>                         |        | <b>110,520</b> | <b>103,055</b> |
| <b>EQUITY</b>                                    |        |                |                |
| Stated capital                                   | 17     | 959            | 943            |
| Statutory reserves                               |        | 2,339          | 2,185          |
| Other reserves                                   | 18     | (278)          | (334)          |
| Retained earnings                                |        | 12,250         | 11,283         |
| Attributable to equity holders of the Parent     |        | 15,270         | 14,077         |
| Non-controlling interests                        |        | 1,342          | 1,408          |
| <b>TOTAL EQUITY</b>                              |        | <b>16,612</b>  | <b>15,485</b>  |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>            |        | <b>127,132</b> | <b>118,540</b> |

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 7, 2025 and signed on its behalf by:



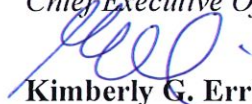
**Vincent A. Pereira**, *Chairman*



**Colin A. Soo Ping Chow**, *Director*



**Nigel M. Baptiste**, *Group President and Chief Executive Officer*



**Kimberly G. Erriah-Ali**, *Corporate Secretary*

REPUBLIC FINANCIAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF INCOME  
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Expressed in millions of Trinidad & Tobago dollars except where otherwise stated

|                                                       | Notes  | 2025                | 2024                |
|-------------------------------------------------------|--------|---------------------|---------------------|
| Interest income                                       | 19 (a) | 6,535               | 6,136               |
| Interest expense                                      | 19 (b) | <u>(1,073)</u>      | <u>(1,070)</u>      |
| <b>Net interest income</b>                            |        | 5,462               | 5,066               |
| Other income                                          | 19 (c) | <u>2,257</u>        | <u>2,101</u>        |
|                                                       |        | 7,719               | 7,167               |
| Operating expenses                                    | 19 (d) | (4,292)             | (4,034)             |
| Share of profit of associated companies               | 6      | <u>10</u>           | <u>9</u>            |
| <b>Operating profit</b>                               |        | 3,437               | 3,142               |
| Credit loss expense on financial assets               | 20     | (165)               | (109)               |
| Net monetary loss in hyperinflationary economies      |        | <u>–</u>            | <u>(25)</u>         |
| <b>Net profit before taxation</b>                     |        | 3,272               | 3,008               |
| Taxation expense                                      | 21     | <u>(824)</u>        | <u>(736)</u>        |
| <b>Net profit after taxation</b>                      |        | <u><b>2,448</b></u> | <u><b>2,272</b></u> |
| <i>Attributable to:</i>                               |        |                     |                     |
| Equity holders of the Parent                          |        | 2,202               | 2,005               |
| Non-controlling interests                             |        | <u>246</u>          | <u>267</u>          |
|                                                       |        | <u><b>2,448</b></u> | <u><b>2,272</b></u> |
| <b>Earnings per share (expressed in \$ per share)</b> |        |                     |                     |
| Basic                                                 |        | \$13.44             | \$12.25             |
| Diluted                                               |        | \$13.49             | \$12.29             |
| <b>Weighted average number of shares ('000)</b>       |        |                     |                     |
| Basic                                                 | 17     | 162,851             | 163,007             |
| Diluted                                               | 17     | 163,238             | 163,185             |

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

REPUBLIC FINANCIAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Expressed in millions of Trinidad & Tobago dollars

|                                                                                                                                                    | Notes  | 2025                | 2024                |
|----------------------------------------------------------------------------------------------------------------------------------------------------|--------|---------------------|---------------------|
| <b>Net profit after taxation</b>                                                                                                                   |        | <b>2,448</b>        | <b>2,272</b>        |
| <b>Other comprehensive income/(loss):</b>                                                                                                          |        |                     |                     |
| <i>Other comprehensive income/(loss) (net of tax) that will be reclassified to the consolidated statement of income in subsequent periods:</i>     |        |                     |                     |
| Translation adjustments                                                                                                                            |        | <u>56</u>           | <u>(54)</u>         |
| <b>Total items that will be reclassified to the consolidated statement of income in subsequent periods</b>                                         |        | <u><b>56</b></u>    | <u><b>(54)</b></u>  |
| <i>Other comprehensive (loss)/income (net of tax) that will not be reclassified to the consolidated statement of income in subsequent periods:</i> |        |                     |                     |
| Remeasurement (losses)/gains on defined benefit plans                                                                                              | 10 (c) | (23)                | 30                  |
| Income tax related to above                                                                                                                        | 11 (b) | <u>10</u>           | <u>(8)</u>          |
| <b>Total items that will not be reclassified to the consolidated statement of income in subsequent periods</b>                                     |        | <u><b>(13)</b></u>  | <u><b>22</b></u>    |
| <b>Other comprehensive income/(loss) for the year, net of tax</b>                                                                                  |        | <u><b>43</b></u>    | <u><b>(32)</b></u>  |
| <b>Total comprehensive income for the year, net of tax</b>                                                                                         |        | <u><b>2,491</b></u> | <u><b>2,240</b></u> |
| <b>Attributable to:</b>                                                                                                                            |        |                     |                     |
| Equity holders of the Parent                                                                                                                       |        | 2,216               | 2,022               |
| Non-controlling interests                                                                                                                          |        | <u>275</u>          | <u>218</u>          |
|                                                                                                                                                    |        | <u><b>2,491</b></u> | <u><b>2,240</b></u> |

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

REPUBLIC FINANCIAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Expressed in millions of Trinidad & Tobago dollars

|                                                                     | Stated<br>capital<br>(Note 17) | Statutory<br>reserves | Other<br>reserves<br>(Note 18) | Retained<br>earnings | Total equity<br>attributable<br>to equity<br>holders of<br>the Parent | Non-<br>controlling<br>interests | Total<br>equity |
|---------------------------------------------------------------------|--------------------------------|-----------------------|--------------------------------|----------------------|-----------------------------------------------------------------------|----------------------------------|-----------------|
| <b>Balance at September 30,<br/>2023 as previously<br/>reported</b> | <b>932</b>                     | <b>2,093</b>          | <b>(506)</b>                   | <b>10,498</b>        | <b>13,017</b>                                                         | <b>1,251</b>                     | <b>14,268</b>   |
| Impact of initial<br>application of IFRS 17                         | —                              | —                     | —                              | 17                   | 17                                                                    | —                                | 17              |
| <b>Restated opening balance<br/>under IFRS 17</b>                   | <b>932</b>                     | <b>2,093</b>          | <b>(506)</b>                   | <b>10,515</b>        | <b>13,034</b>                                                         | <b>1,251</b>                     | <b>14,285</b>   |
| Total comprehensive<br>(loss)/income for the year                   | —                              | —                     | (15)                           | 2,037                | 2,022                                                                 | 218                              | 2,240           |
| Issue of shares                                                     | 6                              | —                     | —                              | —                    | 6                                                                     | —                                | 6               |
| Share-based payments                                                | 5                              | —                     | —                              | —                    | 5                                                                     | —                                | 5               |
| Shares purchased for<br>profit sharing scheme                       | —                              | —                     | (25)                           | —                    | (25)                                                                  | —                                | (25)            |
| Allocation of shares                                                | —                              | —                     | 57                             | —                    | 57                                                                    | —                                | 57              |
| Transfer to other reserves                                          | —                              | —                     | 151                            | (151)                | —                                                                     | —                                | —               |
| Transfer to statutory<br>reserves                                   | —                              | 92                    | —                              | (92)                 | —                                                                     | —                                | —               |
| Transfer to contingency<br>reserves                                 | —                              | —                     | 3                              | (3)                  | —                                                                     | —                                | —               |
| Share of changes in equity                                          | —                              | —                     | —                              | —                    | —                                                                     | 3                                | 3               |
| Dividends (Note 30)                                                 | —                              | —                     | —                              | (1,023)              | (1,023)                                                               | —                                | (1,023)         |
| Dividends paid to non-<br>controlling interests<br>(Note 26)        | —                              | —                     | —                              | —                    | —                                                                     | (64)                             | (64)            |
| Other                                                               | —                              | —                     | 1                              | —                    | 1                                                                     | —                                | 1               |
| <b>Balance at September 30,<br/>2024</b>                            | <b>943</b>                     | <b>2,185</b>          | <b>(334)</b>                   | <b>11,283</b>        | <b>14,077</b>                                                         | <b>1,408</b>                     | <b>15,485</b>   |

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

REPUBLIC FINANCIAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Expressed in millions of Trinidad & Tobago dollars

(Continued)

|                                                              | Stated<br>capital<br>(Note 17) | Statutory<br>reserves | Other<br>reserves<br>(Note 18) | Retained<br>earnings | Total equity<br>attributable<br>to equity<br>holders of<br>the Parent | Non-<br>controlling<br>interests | Total<br>equity |
|--------------------------------------------------------------|--------------------------------|-----------------------|--------------------------------|----------------------|-----------------------------------------------------------------------|----------------------------------|-----------------|
| <b>Balance at September 30,<br/>2024</b>                     | <b>943</b>                     | <b>2,185</b>          | <b>(334)</b>                   | <b>11,283</b>        | <b>14,077</b>                                                         | <b>1,408</b>                     | <b>15,485</b>   |
| Total comprehensive<br>income for the year                   | –                              | –                     | 30                             | 2,186                | 2,216                                                                 | 275                              | 2,491           |
| Issue of shares                                              | 11                             | –                     | –                              | –                    | 11                                                                    | –                                | 11              |
| Share-based payments                                         | 5                              | –                     | –                              | –                    | 5                                                                     | –                                | 5               |
| Shares purchased for<br>profit sharing scheme                | –                              | –                     | (137)                          | –                    | (137)                                                                 | –                                | (137)           |
| Allocation of shares                                         | –                              | –                     | 66                             | –                    | 66                                                                    | –                                | 66              |
| Transfer to other reserves                                   | –                              | –                     | 102                            | (102)                | –                                                                     | –                                | –               |
| Transfer to statutory<br>reserves                            | –                              | 154                   | –                              | (154)                | –                                                                     | –                                | –               |
| Share of changes in equity                                   | –                              | –                     | –                              | (38)                 | (38)                                                                  | (214)                            | (252)           |
| Acquisition of non-<br>controlling interests<br>(Note 34)    | –                              | –                     | –                              | 8                    | 8                                                                     | (8)                              | –               |
| Dividends (Note 30)                                          | –                              | –                     | –                              | (933)                | (933)                                                                 | –                                | (933)           |
| Dividends paid to non-<br>controlling interests<br>(Note 26) | –                              | –                     | –                              | –                    | –                                                                     | (119)                            | (119)           |
| Unclaimed dividends                                          | –                              | –                     | (5)                            | –                    | (5)                                                                   | –                                | (5)             |
| <b>Balance at September 30,<br/>2025</b>                     | <b>959</b>                     | <b>2,339</b>          | <b>(278)</b>                   | <b>12,250</b>        | <b>15,270</b>                                                         | <b>1,342</b>                     | <b>16,612</b>   |

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

REPUBLIC FINANCIAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Expressed in millions of Trinidad & Tobago dollars

|                                                                        | Notes     | 2025         | 2024         |
|------------------------------------------------------------------------|-----------|--------------|--------------|
| <b>Operating activities</b>                                            |           |              |              |
| Net profit before taxation                                             |           | 3,272        | 3,008        |
| Adjustments for:                                                       |           |              |              |
| Depreciation of premises and equipment and right-of-use assets         | 7 & 8 (a) | 437          | 429          |
| Credit loss expense on financial assets                                | 20        | 165          | 109          |
| Amortisation of intangibles                                            | 9 (b)     | 38           | 41           |
| Translation differences                                                |           | (345)        | 155          |
| Gain on sale of premises and equipment                                 |           | –            | (1)          |
| Realised gain on disposal of investment securities                     |           | (100)        | (58)         |
| Share of net profit of associated companies                            | 6         | (10)         | (9)          |
| Stock option expense                                                   | 17        | 5            | 5            |
| (Decrease)/increase in employee benefits                               |           | (25)         | 18           |
| Increase in advances                                                   |           | (7,033)      | (6,783)      |
| Increase in customers' deposits and other fund raising instruments     |           | 7,276        | 4,306        |
| (Increase)/decrease in statutory deposits with Central Banks           |           | (402)        | 500          |
| Decrease/(increase) in other assets and investment interest receivable |           | 58           | (17)         |
| Increase in other liabilities and accrued interest payable             |           | 254          | 288          |
| Taxes paid, net of refund                                              |           | (762)        | (693)        |
| <b>Net cash from operating activities</b>                              |           | <u>2,828</u> | <u>1,298</u> |
| <b>Investing activities</b>                                            |           |              |              |
| Purchase of investment securities                                      |           | (34,777)     | (22,920)     |
| Redemption of investment securities                                    |           | 34,789       | 22,511       |
| Acquisition of additional interest in a subsidiary                     | 34        | (262)        | –            |
| Additions to premises and equipment                                    | 7         | (368)        | (387)        |
| Proceeds from sale of premises and equipment                           |           | <u>16</u>    | <u>7</u>     |
| <b>Net cash used in investing activities</b>                           |           | <u>(602)</u> | <u>(789)</u> |

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

REPUBLIC FINANCIAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Expressed in millions of Trinidad & Tobago dollars

(Continued)

|                                                                     | Notes  | 2025                 | 2024                 |
|---------------------------------------------------------------------|--------|----------------------|----------------------|
| <b>Financing activities</b>                                         |        |                      |                      |
| (Decrease)/increase in balances due to other banks                  |        | (56)                 | 165                  |
| Issue of debt securities                                            |        | 9                    | 1,000                |
| Repayment of debt securities                                        |        | —                    | (1,487)              |
| Repayment of lease liabilities (net)                                |        | (78)                 | (70)                 |
| Proceeds from share issue                                           | 17     | 11                   | 6                    |
| Shares purchased for profit sharing scheme                          | 18     | (137)                | (25)                 |
| Allocation of shares to profit sharing plan                         | 18     | 66                   | 57                   |
| Dividends paid to shareholders of the Parent                        | 30     | (933)                | (1,023)              |
| Dividends paid to non-controlling shareholders of the subsidiaries  |        | (119)                | (64)                 |
| Unclaimed dividends                                                 |        | <u>5</u>             | <u>—</u>             |
| <b>Net cash used in financing activities</b>                        |        | <u>(1,232)</u>       | <u>(1,441)</u>       |
| <b>Net increase/(decrease) in cash and cash equivalents</b>         |        | 994                  | (932)                |
| <b>Net foreign exchange difference</b>                              |        | 3                    | 52                   |
| <b>Cash and cash equivalents at beginning of year</b>               |        | <u>10,084</u>        | <u>10,964</u>        |
| <b>Cash and cash equivalents at end of year</b>                     |        | <u><b>11,081</b></u> | <u><b>10,084</b></u> |
| <b>Cash and cash equivalents at end of year are represented by:</b> |        |                      |                      |
| Cash on hand                                                        |        | 1,589                | 1,452                |
| Statutory deposits with Central Banks - above statutory limit       |        | 1,558                | 1,256                |
| Due from banks                                                      |        | 5,365                | 5,546                |
| Treasury Bills - original maturities of three months or less        |        | 2,330                | 1,723                |
| Bankers' acceptances - original maturities of three months or less  |        | <u>239</u>           | <u>107</u>           |
|                                                                     |        | <u><b>11,081</b></u> | <u><b>10,084</b></u> |
| <b>Supplemental information:</b>                                    |        |                      |                      |
| Interest received during the year                                   |        | 6,549                | 6,150                |
| Interest paid during the year                                       |        | (1,032)              | (1,013)              |
| Dividends received                                                  | 19 (c) | 6                    | 5                    |

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

# REPUBLIC FINANCIAL HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2025

Expressed in millions of Trinidad & Tobago dollars except where otherwise stated

### **1. Corporate information**

Republic Financial Holdings Limited (the 'Company' or 'RFHL'), the financial holding company for the Republic Group and the ultimate Parent of the Group, is incorporated in the Republic of Trinidad and Tobago and its registered office is located at Republic House, 9-17 Park Street, Port of Spain. RFHL is listed on the Trinidad and Tobago Stock Exchange.

The RFHL Group (the 'Group') is a financial services group comprising several subsidiaries and associated companies. The Group is engaged in a wide range of banking, financial and related activities mainly in the Caribbean Community (CARICOM) region, Cayman Islands, Ghana, St. Maarten, Anguilla Isle of Man and the British Virgin Islands. It has most recently launched a life insurance subsidiary in Trinidad and Tobago. A full listing of the Group's subsidiary companies is detailed in Note 33 while the associate companies are listed in Note 6.

### **2. Material accounting policies**

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

The Group has formed estimates based on information that was available on September 30, 2025, 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.

## REPUBLIC FINANCIAL HOLDINGS LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2025

Expressed in millions of Trinidad & Tobago dollars except where otherwise stated

## **2. Material accounting policies (continued)**

### **2.1 Basis of preparation**

The Group has prepared its consolidated financial statements on the basis that it will continue to operate as a going concern. The consolidated financial statements of the Group are prepared in accordance with IFRS Accounting Standards, and are stated in Trinidad and Tobago Dollars. These consolidated financial statements have been prepared on a historical cost basis, except for investments in associates measured using the equity method, employee benefits measured as fair value of plan assets less the present value of defined benefit obligation, insurance contract balances measured using the General Measurement Model ('GMM') and Premium Allocation Approach ('PAA') and financial instruments measured at fair value through profit or loss (FVPL). The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions. Actual results could differ from those estimates. Significant accounting judgements and estimates in applying the Group's accounting policies have been described in Note 3.

### **2.2 Basis of consolidation**

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

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

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

An associate is an entity over which the Group has significant influence. 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.

## REPUBLIC FINANCIAL HOLDINGS LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Expressed in millions of Trinidad & Tobago dollars except where otherwise stated

## 2. Material accounting policies (continued)

### 2.2 Basis of consolidation (continued)

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

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

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

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

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

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

### 2.3 Changes in accounting policies

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended September 30, 2024, except for the adoption of new standards and interpretations below.

Several amendments and interpretations apply for the first time in 2025. 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.

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

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

REPUBLIC FINANCIAL HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Expressed in millions of Trinidad & Tobago dollars except where otherwise stated

**2. Material accounting policies (continued)**

**2.3 Changes in accounting policies (continued)**

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

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
- Disclosures

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

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

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

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

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

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

REPUBLIC FINANCIAL HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Expressed in millions of Trinidad & Tobago dollars except where otherwise stated

**2. Material accounting policies (continued)**

**2.3 Changes in accounting policies (continued)**

***IFRS 16 Leases - Amendments to IFRS 16 (effective January 1, 2024) (continued)***

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

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

***IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Amendments to IAS 7 and IFRS 7 (effective January 1, 2024)***

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

*Characteristics*

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

*Disclosure requirements*

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

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

## REPUBLIC FINANCIAL HOLDINGS LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Expressed in millions of Trinidad & Tobago dollars except where otherwise stated

## 2. Material accounting policies (continued)

### 2.4 Standards in issue not yet effective

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

#### ***IAS 21 The Effects of Changes in Foreign Exchange Rates - Amendments to IAS 21 (effective January 1, 2025)***

The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

REPUBLIC FINANCIAL HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Expressed in millions of Trinidad & Tobago dollars except where otherwise stated

**2. Material accounting policies (continued)**

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

***IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Amendments to IFRS 9 and IFRS 7 (effective January 1, 2026)***

The amendments:

- Clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met
- Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features
- Clarify the treatment of non-recourse assets and contractually linked instruments
- Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income (FVOCI).

The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.

REPUBLIC FINANCIAL HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Expressed in millions of Trinidad & Tobago dollars except where otherwise stated

**2. Material accounting policies (continued)**

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

***Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (effective January 1, 2026)***

The amendments:

- Update the 'own-use' requirements for in-scope contracts. Under the amendments, the sale of unused nature-dependent electricity will be in accordance with an entity's expected purchase or usage requirements, if specified criteria are met
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments will allow an entity to designate a variable nominal volume of forecast electricity transactions as a hedged item, if specified criteria are met
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. IFRS 7 has been amended to require specific disclosures relating to contracts that have been excluded from the scope of IFRS 9 as a result of the amendments

The amendments only apply to contracts that reference nature-dependent electricity. These are contracts that expose an entity to variability in an underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions, typically associated with renewable electricity sources such as sun and wind.

The amendments relating to the own-use exception must be applied retrospectively. An entity is not required to restate prior periods, and it is only permitted to do so if this can be done without using hindsight.

The hedge accounting amendments must be applied prospectively to new hedging relationships designated on or after the date of initial application.

The IFRS 7 disclosure amendments must be applied when the IFRS 9 amendments are applied. If an entity does not restate comparative information, then the entity must not present comparative disclosures.

REPUBLIC FINANCIAL HOLDINGS LIMITED

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**2. Material accounting policies (continued)**

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

***IFRS 18 Presentation and Disclosure in Financial Statements (effective January 1, 2027)***

IFRS 18 introduces new categories and subtotals in the statement of income. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

*Statement of income*

An entity will be required to classify all income and expenses within its statement of income into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, IFRS 18 requires an entity to present subtotals and totals for ‘operating profit or loss’, ‘profit or loss before financing and income taxes’ and ‘profit or loss’.

*Main business activities*

For the purposes of classifying its income and expenses into the categories required by IFRS 18, an entity will need to assess whether it has a ‘main business activity’ of investing in assets or providing financing to customers, as specific classification requirements will apply to such entities. Determining whether an entity has such a specified main business activity is a matter of fact and circumstances which requires judgement. An entity may have more than one main business activity.

*Management-defined performance measures*

IFRS 18 introduces the concept of a management-defined performance measure (MPM) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management’s view of an aspect of the financial performance of the entity as a whole to users. IFRS 18 requires disclosure of information about all of an entity’s MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM, including how the measure is calculated and a reconciliation to the most comparable subtotal specified by IFRS 18 or another IFRS Accounting Standard.

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**2. Material accounting policies (continued)**

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

***IFRS 18 Presentation and Disclosure in Financial Statements (effective January 1, 2027) (continued)***

*Location of information, aggregation and disaggregation*

IFRS 18 differentiates between ‘presenting’ information in the primary financial statements and ‘disclosing’ it in the notes, and introduces a principle for determining the location of information based on identified ‘roles’ of the primary financial statements and the notes. IFRS 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics. Guidance is also provided for determining meaningful descriptions, or labels, for items that are aggregated in the financial statements.

*Consequential amendments to other accounting standards*

Narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method from ‘profit or loss’ to ‘operating profit or loss’. The optionality around classification of cash flows from dividends and interest in the statement of cash flows has also largely been removed.

IAS 33 Earnings per Share is amended to include additional requirements that permit entities to disclose additional amounts per share, only if the numerator used in the calculation meets specified criteria. The numerator must be:

- An amount attributable to ordinary equity holders of the parent entity; and
- A total or subtotal identified by IFRS 18 or an MPM as defined by IFRS 18.

Some requirements previously included within IAS 1 Presentation of Financial Statements have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which has been renamed IAS 8 Basis of Preparation of Financial Statements. IAS 34 Interim Financial Reporting has been amended to require disclosure of MPMs.

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**2. Material accounting policies (continued)**

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

***IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective January 1, 2027)***

IFRS 19 Subsidiaries without Public Accountability: Disclosures, allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS Accounting Standards.

An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS Accounting Standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS Accounting Standards including IFRS 19 to make an explicit and unreserved statement of such compliance.

*Eligible entities*

An entity may elect to apply IFRS 19 if at the end of the reporting period:

- It is a subsidiary as defined in IFRS 10 Consolidated Financial Statements;
- It does not have public accountability; and
- It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS Accounting Standards.

*Public accountability*

An entity has public accountability if:

- Its debt or equity instruments are traded in a public market, or it is in the process of issuing such instruments for trading in a public market; or
- It holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (i.e., not for reasons incidental to its primary business).

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**2. Material accounting policies (continued)**

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

***IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective January 1, 2027) (continued)***

*Disclosure requirements and references to other IFRS Accounting Standards*

The disclosure requirements in IFRS 19 are organised into subheadings per IFRS Accounting Standards and where disclosure requirements in other IFRS Accounting Standards remain applicable, these are specified under the subheading of each IFRS Accounting Standard.

IFRS 19 disclosures exclude IFRS 8 Operating Segments, IFRS 17 Insurance Contracts and IAS 33 Earnings per Share. Therefore, if an entity that applies IFRS 19 is required to apply IFRS 17 or elects to apply IFRS 8 and/or IAS 33, that entity would be required to apply all the relevant disclosure requirements in those standards.

*Expected 'catch-up' amendments*

In developing the disclosure requirements in IFRS 19, the Board considered the disclosure requirements in other IFRS Accounting Standards as at February 28, 2021. Disclosure requirements in IFRS Accounting Standards that have been added or amended subsequent to this date have been included in IFRS 19 unchanged. Consequently, the Board indicated it will publish an exposure draft setting out whether and how to reduce the disclosure requirements of any amendments and additions made to other IFRS Accounting Standards post February 28, 2021, for the purpose of updating IFRS 19.

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(Continued)

**2. Material accounting policies (continued)**

**2.5 Improvements to IFRS Accounting Standards**

The annual improvements process of the International Accounting Standards Board deals with non-urgent but necessary clarifications and amendments to IFRS Accounting Standards. The following amendments are applicable to annual periods beginning on or after January 1, 2026.

| <b>IFRS</b> | <b>Subject of Amendment</b> |
|-------------|-----------------------------|
|-------------|-----------------------------|

|        |                                                                                                               |
|--------|---------------------------------------------------------------------------------------------------------------|
| IFRS 1 | First-time Adoption of International Financial Reporting Standards – Hedge accounting by a first-time adopter |
|--------|---------------------------------------------------------------------------------------------------------------|

|        |                                                                    |
|--------|--------------------------------------------------------------------|
| IFRS 7 | Financial Instruments: Disclosures – Gain or loss on derecognition |
|--------|--------------------------------------------------------------------|

|        |                                                                                                                 |
|--------|-----------------------------------------------------------------------------------------------------------------|
| IFRS 7 | Financial Instruments: Disclosures – Disclosure of deferred difference between fair value and transaction price |
|--------|-----------------------------------------------------------------------------------------------------------------|

|        |                                                                               |
|--------|-------------------------------------------------------------------------------|
| IFRS 7 | Financial Instruments: Disclosures – Introduction and credit risk disclosures |
|--------|-------------------------------------------------------------------------------|

|        |                                                                   |
|--------|-------------------------------------------------------------------|
| IFRS 9 | Financial Instruments – Lessee derecognition of lease liabilities |
|--------|-------------------------------------------------------------------|

|        |                                           |
|--------|-------------------------------------------|
| IFRS 9 | Financial Instruments – Transaction price |
|--------|-------------------------------------------|

|         |                                                                         |
|---------|-------------------------------------------------------------------------|
| IFRS 10 | Consolidated Financial Statements – Determination of a ‘de facto agent’ |
|---------|-------------------------------------------------------------------------|

|       |                                       |
|-------|---------------------------------------|
| IAS 7 | Statement of Cash Flows – Cost method |
|-------|---------------------------------------|

**2.6 Summary of material 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 on 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 \$7.7 billion (2024: \$7.3 billion). The Group has \$1.6 billion (2024: \$1.3 billion) held with Central Banks above the statutory limit and is disclosed in cash and cash equivalents.

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**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 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.

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**d) Financial assets and liabilities**

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

The Group only measures Other assets, 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.

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 FVOCI without recycling.

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**d) Financial assets and liabilities (continued)**

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

*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.

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**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**d) Financial assets and liabilities (continued)**

**ii) Financial assets at fair value through profit or loss**

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

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

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.

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**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.

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**2. Material accounting policies (continued)**

**2.6 Summary of material 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

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**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**f) Derecognition of financial assets and liabilities (continued)**

***Derecognition other than for substantial modification*** (continued)

*Financial assets* (continued)

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.

*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 the consolidated statement of income.

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**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.

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**g) Impairment of financial assets (continued)**

**i) Overview of the ECL principles (continued)**

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.

*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.

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**g) Impairment of financial assets (continued)**

**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 (PD) 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 (EAD) 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 (LGD) 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.

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material 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 other financial assets 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 other financial assets and using Global Credit Loss tables for traded investments and modified with management overlays when not traded.

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**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**g) Impairment of financial assets (continued)**

**ii) The calculation of ECLs (continued)**

*Stage 3*

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

*POCI*

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

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

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

**iii) Credit cards, overdrafts and other revolving facilities**

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

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**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**g) Impairment of financial assets (continued)**

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

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

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

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

Treasury Bills, Statutory deposits with Central Banks and Due from banks are short-term funds placed with Central Banks in the countries where the Group is engaged in the full range of banking and financial activities and correspondent banks. These financial assets have a short contractual term and a highly liquid counterparty; the expected credit loss is estimated to be zero. This is due to the instruments' short remaining contractual life and the counter party's readily available liquid assets that ensure repayment.

**v) Other assets**

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

**vi) Financial guarantees, letters of credit and undrawn loan commitments**

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

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

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**g) Impairment of financial assets (continued)**

**vii) Forward looking information**

The Group integrates forward-looking indicators (FLIs) and macroeconomic factors into its ECL calculations to estimate potential future credit risks. Key FLIs include interest rates, inflation trends, unemployment rates, and industry-specific forecasts, which help assess the probability of default for financial assets. Broader macroeconomic factors such as GDP growth, current account balance, fiscal deficit and foreign exchange reserves are also considered. The Group uses scenario analysis and probability-weighted outcomes, best to worst case, to model different economic conditions, ensuring more accurate and robust ECL estimates.

**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.

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**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.

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**k) Investment in associates (continued)**

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

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

The Group 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.

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**1) Leases (continued)**

*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).

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**l) Leases (continued)**

*Lease liabilities (continued)*

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.

*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.

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**m) Premises and equipment (continued)**

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                                                      | 15% - 33.33%                   |
| Equipment (computers, software, servers, other hardware, etc.) | Straight line<br>4 - 8 years   |
| Furniture and fittings                                         | Straight line<br>10 - 60 years |

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

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

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

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

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

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

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

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

**o) Business combinations and goodwill**

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

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

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**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**o) Business combinations and goodwill (continued)**

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.

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

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**p) Employee benefits**

**i) Pension obligations**

The Group operates defined benefit plans, the assets of which are generally held in separate trustee-administered funds. The pension plans are generally 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.

The starting point for this year's IAS 19, 'Employee Benefits' disclosures is the corresponding disclosures for the year ended September 30, 2024. An actuarial valuation of the Plan's liabilities has been carried out at September 30, 2023 rolled forward using a combination of asset, liabilities, person-by-person, and global data to September 30, 2025. In doing this the actuaries have allowed for the further accrual of benefits and the increase in liabilities arising from actual and outstanding salary increases and pension increases during the period under review. The actuaries have assumed that the Plans' membership changes during the period under review have followed the demographic assumptions adopted for previous year's IAS 19 disclosures rather than allowing for the actual changes in membership. These calculations have been carried out using the Projected Unit actuarial method as required by IAS 19.

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.

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**p) Employee benefits (continued)**

**i) Pension obligations (continued)**

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.

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material 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 Republic Bank Limited 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.

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**r) Statutory reserves**

There is a requirement in the jurisdictions of Trinidad and Tobago, Barbados, the Eastern Caribbean, Guyana, and Ghana where a portion of net profit after deduction of taxes in each year be transferred to a statutory reserve account. Statutory reserves amounted to \$2.3 billion (2024: \$2.2 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, 2025 totaled \$55.9 billion (2024: \$57.4 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.

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.

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**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 the economy of the entity ceases to be hyperinflationary, the entity shall discontinue the application of IAS 29 'Financial Reporting in Hyperinflationary Economies' prospectively from that date. The amounts expressed in the measuring unit current at the end of the last period in which IAS 29 was applied become the basis for carrying amounts in subsequent financial statements. Thereafter, these amounts are translated into the presentation currency using the normal translation procedures that is, assets and liabilities are translated at rates of exchange ruling on September 30, and income and expenses are translated at the mid-exchange rates where appropriate.

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).

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**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.

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material 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/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.

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**w) Revenue recognition (continued)**

*Exchange trading income*

Foreign exchange income represents gains or losses arising from the buying and selling of foreign currencies, revaluation of foreign currency-denominated assets and liabilities, and retranslation of foreign currency positions at the reporting date.

Revenue from the sale of foreign currency to the public is recognised when the transaction occurs, that is, when the Group delivers the foreign currency and receives payment in local currency. The difference between the exchange rate charged to the customer and the prevailing interbank rate represents the trading margin, which is recognised as foreign exchange income in the consolidated statement of income.

Unrealised gains and losses on revaluation of foreign currency-denominated monetary items at the reporting date are also recognised in the consolidated statement of income in accordance with IAS 21 'The Effects of Changes in Foreign Exchange Rates'.

*Fee income*

The Group earns fee and commission income from a diverse range of financial services it provides to its customers. Fee income is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for providing the services. The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract.

When the Group provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

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.

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material 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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**x) Fair value (continued)**

***Level 2***

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

***Level 3***

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

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

Where the Group's investments are not actively traded in organised financial markets, the fair value is determined using discounted cash flow analysis, which requires considerable judgement in interpreting market data and developing estimates. Accordingly, estimates contained herein are not necessarily indicative of the amounts that the Group could realise in a current market exchange. The use of different assumptions and/or estimation methodologies may have a material effect on the estimated fair values. 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, due from banks and Treasury Bills, investment securities, investment interest receivable and payable, customers' deposit accounts, other fund raising instruments, other assets and other liabilities.

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material accounting policies (continued)**

**x) Fair value (continued)**

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.

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FOR THE YEAR ENDED SEPTEMBER 30, 2025

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(Continued)

**2. Material accounting policies (continued)**

**2.6 Summary of material 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).

**ab) Hyperinflation**

In 2021 the economy of Suriname was classified as a hyperinflationary economy under IAS 29 'Financial Reporting in Hyperinflationary Economies'. Starting from July 2025, the economy of Suriname ceased to be classified as a hyperinflationary economy. Therefore, all non-monetary items are presented in units of measure as of September 30, 2025.

**ac) Comparative information**

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. These changes had no impact on the Group's net assets, profit for the year and retained earnings for the year ended September 30, 2024.

REPUBLIC FINANCIAL HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Expressed in millions of Trinidad & Tobago dollars except where otherwise stated

(Continued)

**3. Significant accounting judgements, estimates and assumptions in applying the Group's accounting policies**

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

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

- a. Risk management (Note 22)
- b. Capital management (Note 24)

**Estimates and assumptions**

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

*Impairment losses on financial assets (Note 4 and Note 5)*

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

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

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

REPUBLIC FINANCIAL HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Expressed in millions of Trinidad & Tobago dollars except where otherwise stated

(Continued)

**3. Significant accounting judgements, estimates and assumptions in applying the Group's accounting policies (continued)**

**Estimates and assumptions (continued)**

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

***Other assumptions***

*Net pension asset/liability (Note 10)*

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

*Goodwill (Note 9a)*

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, 2025 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.

REPUBLIC FINANCIAL HOLDINGS LIMITED

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(Continued)

**3. Significant accounting judgements, estimates and assumptions in applying the Group's accounting policies (continued)**

**Judgements (continued)**

*Leases (Note 8)*

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

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

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.

# REPUBLIC FINANCIAL HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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(Continued)

### 4. Advances

|                                  | September 30, 2025 |                                      |               |              |                 |               |
|----------------------------------|--------------------|--------------------------------------|---------------|--------------|-----------------|---------------|
|                                  | Retail<br>lending  | Commercial<br>& Corporate<br>lending | Mortgages     | Overdrafts   | Credit<br>Cards | Total         |
| a) Advances                      |                    |                                      |               |              |                 |               |
| Performing advances              | 9,592              | 19,301                               | 37,913        | 3,749        | 1,860           | 72,415        |
| Non-performing advances          | 300                | 941                                  | 1,985         | 91           | 195             | 3,512         |
|                                  | 9,892              | 20,242                               | 39,898        | 3,840        | 2,055           | 75,927        |
| Unearned interest/finance charge | (152)              | (5)                                  | (3)           | –            | –               | (160)         |
| Accrued interest                 | 6                  | 124                                  | 76            | 9            | –               | 215           |
| Gross loans                      | 9,746              | 20,361                               | 39,971        | 3,849        | 2,055           | 75,982        |
| Allowance for ECLs               |                    |                                      |               |              |                 |               |
| - Note 4(d)                      | (313)              | (477)                                | (412)         | (121)        | (234)           | (1,557)       |
|                                  | 9,433              | 19,884                               | 39,559        | 3,728        | 1,821           | 74,425        |
| Unearned loan origination fees   | (66)               | (77)                                 | (161)         | (1)          | (2)             | (307)         |
| <b>Net advances</b>              | <b>9,367</b>       | <b>19,807</b>                        | <b>39,398</b> | <b>3,727</b> | <b>1,819</b>    | <b>74,118</b> |
|                                  | September 30, 2024 |                                      |               |              |                 |               |
| Performing advances              | 8,149              | 17,469                               | 34,655        | 3,648        | 1,817           | 65,739        |
| Non-performing advances          | 258                | 890                                  | 1,889         | 76           | 172             | 3,285         |
|                                  | 8,407              | 18,359                               | 36,544        | 3,724        | 1,988           | 69,023        |
| Unearned interest/finance charge | (102)              | (18)                                 | (2)           | –            | –               | (122)         |
| Accrued interest                 | 8                  | 121                                  | 70            | 9            | –               | 208           |
| Gross loans                      | 8,313              | 18,462                               | 36,612        | 3,733        | 1,989           | 69,109        |
| Allowance for ECLs               |                    |                                      |               |              |                 |               |
| - Note 4(d)                      | (267)              | (534)                                | (413)         | (108)        | (213)           | (1,535)       |
|                                  | 8,046              | 17,928                               | 36,199        | 3,625        | 1,776           | 67,574        |
| Unearned loan origination fees   | (59)               | (64)                                 | (149)         | (1)          | (2)             | (275)         |
| <b>Net advances</b>              | <b>7,987</b>       | <b>17,864</b>                        | <b>36,050</b> | <b>3,624</b> | <b>1,774</b>    | <b>67,299</b> |

| b) Net investment in leased assets included in net advances | 2025      | 2024      |
|-------------------------------------------------------------|-----------|-----------|
| Gross investment                                            | 11        | 15        |
| Unearned finance charge                                     | (1)       | (1)       |
| <b>Net investment in leased assets</b>                      | <b>10</b> | <b>14</b> |

# REPUBLIC FINANCIAL HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2025

Expressed in millions of Trinidad & Tobago dollars except where otherwise stated  
(Continued)

### 4. Advances (continued)

| <b>c) Net investment in leased assets has the following maturity profile:</b> | <b>2025</b> | <b>2024</b> |
|-------------------------------------------------------------------------------|-------------|-------------|
| Within one year                                                               | —           | —           |
| One to five years                                                             | 10          | 14          |
| Over five years                                                               | —           | —           |
|                                                                               | <b>10</b>   | <b>14</b>   |

### 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.

|                                                                | September 30, 2025        |                                                   |                  |                   |                         |               |
|----------------------------------------------------------------|---------------------------|---------------------------------------------------|------------------|-------------------|-------------------------|---------------|
|                                                                | <b>Retail<br/>lending</b> | <b>Commercial<br/>&amp; Corporate<br/>lending</b> | <b>Mortgages</b> | <b>Overdrafts</b> | <b>Credit<br/>Cards</b> | <b>Total</b>  |
| <b>Gross loans</b>                                             | 9,746                     | 20,361                                            | 39,971           | 3,849             | 2,055                   | 75,982        |
| Stage 1: 12 Month ECL                                          | (105)                     | (73)                                              | (111)            | (53)              | (58)                    | (400)         |
| Stage 2: Lifetime ECL                                          | (7)                       | (70)                                              | (40)             | (43)              | (9)                     | (169)         |
| Stage 3: Credit-impaired<br>financial assets - Lifetime<br>ECL | (201)                     | (334)                                             | (261)            | (25)              | (167)                   | (988)         |
|                                                                | <b>9,433</b>              | <b>19,884</b>                                     | <b>39,559</b>    | <b>3,728</b>      | <b>1,821</b>            | <b>74,425</b> |
| <b>Stage 1: 12 Month ECL</b>                                   |                           |                                                   |                  |                   |                         |               |
| ECL allowance as at                                            |                           |                                                   |                  |                   |                         |               |
| October 1, 2024                                                | 103                       | 82                                                | 112              | 41                | 44                      | 382           |
| Translation adjustments                                        | 1                         | 2                                                 | (1)              | —                 | 2                       | 4             |
| ECL on new instruments<br>issued during the year               | 24                        | 16                                                | 9                | 1                 | 1                       | 51            |
| Other credit loss movements,<br>repayments etc.                | (23)                      | (27)                                              | (9)              | 11                | 11                      | (37)          |
| At September 30, 2025                                          | <b>105</b>                | <b>73</b>                                         | <b>111</b>       | <b>53</b>         | <b>58</b>               | <b>400</b>    |
| <b>Stage 2: Lifetime ECL</b>                                   |                           |                                                   |                  |                   |                         |               |
| ECL allowance as at                                            |                           |                                                   |                  |                   |                         |               |
| October 1, 2024                                                | 7                         | 56                                                | 43               | 46                | 18                      | 170           |
| Translation adjustments                                        | —                         | 3                                                 | —                | —                 | —                       | 3             |
| ECL on new instruments<br>issued during the year               | 1                         | 34                                                | 4                | —                 | —                       | 39            |
| Other credit loss movements,<br>repayments etc.                | (1)                       | (23)                                              | (7)              | (3)               | (9)                     | (43)          |
| At September 30, 2025                                          | <b>7</b>                  | <b>70</b>                                         | <b>40</b>        | <b>43</b>         | <b>9</b>                | <b>169</b>    |

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(Continued)

4. Advances (continued)

d) Impairment allowance for advances to customers (continued)

|                                                                 | September 30, 2025 |                                      |            |            |                 |              |
|-----------------------------------------------------------------|--------------------|--------------------------------------|------------|------------|-----------------|--------------|
|                                                                 | Retail<br>lending  | Commercial<br>& Corporate<br>lending | Mortgages  | Overdrafts | Credit<br>Cards | Total        |
| <i>Stage 3: Credit-impaired financial assets - Lifetime ECL</i> |                    |                                      |            |            |                 |              |
| ECL allowance as at                                             |                    |                                      |            |            |                 |              |
| October 1, 2024                                                 | 157                | 396                                  | 258        | 21         | 151             | 983          |
| Translation adjustments                                         | 3                  | 6                                    | 6          | 5          | —               | 20           |
| Charge-offs and write-offs                                      | (60)               | (124)                                | (9)        | (6)        | (20)            | (219)        |
| Credit loss expense                                             | 124                | 178                                  | 38         | 5          | 58              | 403          |
| Recoveries                                                      | (23)               | (122)                                | (32)       | —          | (22)            | (199)        |
| At September 30, 2025                                           | 201                | 334                                  | 261        | 25         | 167             | 988          |
| <b>Total</b>                                                    | <b>313</b>         | <b>477</b>                           | <b>412</b> | <b>121</b> | <b>234</b>      | <b>1,557</b> |

Of the total ECL of \$1,557 million, 36.3% was on a collective basis and 63.7% 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.

|                                                                | September 30, 2024 |                                      |               |              |                 |               |
|----------------------------------------------------------------|--------------------|--------------------------------------|---------------|--------------|-----------------|---------------|
|                                                                | Retail<br>lending  | Commercial<br>& Corporate<br>lending | Mortgages     | Overdrafts   | Credit<br>Cards | Total         |
| <b>Gross loans</b>                                             | 8,313              | 18,462                               | 36,612        | 3,733        | 1,989           | 69,109        |
| Stage 1: 12 Month ECL                                          | (103)              | (82)                                 | (112)         | (41)         | (44)            | (382)         |
| Stage 2: Lifetime ECL                                          | (7)                | (56)                                 | (43)          | (46)         | (18)            | (170)         |
| Stage 3: Credit-impaired<br>financial assets - Lifetime<br>ECL | (157)              | (396)                                | (258)         | (21)         | (151)           | (983)         |
|                                                                | <b>8,046</b>       | <b>17,928</b>                        | <b>36,199</b> | <b>3,625</b> | <b>1,776</b>    | <b>67,574</b> |

*Stage 1: 12 Month ECL*

|                                                  |      |      |      |    |      |      |
|--------------------------------------------------|------|------|------|----|------|------|
| ECL allowance as at                              |      |      |      |    |      |      |
| October 1, 2023                                  | 101  | 91   | 132  | 35 | 52   | 411  |
| Translation adjustments                          | (2)  | (2)  | —    | —  | 3    | (1)  |
| ECL on new instruments<br>issued during the year | 26   | 27   | 10   | 3  | 1    | 67   |
| Other credit loss movements,<br>repayments etc.  | (22) | (34) | (30) | 3  | (12) | (95) |
| At September 30, 2024                            | 103  | 82   | 112  | 41 | 44   | 382  |

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(Continued)

4. Advances (continued)

d) Impairment allowance for advances to customers (continued)

|                                                                 | September 30, 2024 |                                      |            |            |                 |              |
|-----------------------------------------------------------------|--------------------|--------------------------------------|------------|------------|-----------------|--------------|
|                                                                 | Retail<br>lending  | Commercial<br>& Corporate<br>lending | Mortgages  | Overdrafts | Credit<br>Cards | Total        |
| <b>Stage 2: Lifetime ECL</b>                                    |                    |                                      |            |            |                 |              |
| ECL allowance as at October 1, 2023                             | 7                  | 143                                  | 63         | 19         | 31              | 263          |
| Translation adjustments                                         | –                  | 2                                    | –          | 2          | (1)             | 3            |
| ECL on new instruments issued during the year                   | 2                  | 14                                   | 4          | 1          | –               | 21           |
| Other credit loss movements, repayments etc.                    | (2)                | (103)                                | (24)       | 24         | (12)            | (117)        |
| At September 30, 2024                                           | 7                  | 56                                   | 43         | 46         | 18              | 170          |
| <b>Stage 3: Credit-impaired financial assets - Lifetime ECL</b> |                    |                                      |            |            |                 |              |
| ECL allowance as at October 1, 2023                             | 166                | 459                                  | 283        | 25         | 134             | 1,067        |
| Translation adjustments                                         | (7)                | (9)                                  | (9)        | (6)        | 2               | (29)         |
| Charge-offs and write-offs                                      | (93)               | (180)                                | (15)       | (4)        | (27)            | (319)        |
| Credit loss expense                                             | 124                | 164                                  | 32         | 6          | 65              | 391          |
| Recoveries                                                      | (33)               | (38)                                 | (33)       | –          | (23)            | (127)        |
| At September 30, 2024                                           | 157                | 396                                  | 258        | 21         | 151             | 983          |
| <b>Total</b>                                                    | <b>267</b>         | <b>534</b>                           | <b>413</b> | <b>108</b> | <b>213</b>      | <b>1,535</b> |

Of the total ECL of \$1,535 million, 35.7% was on a collective basis and 64.3% was on an individual basis.

# REPUBLIC FINANCIAL HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2025

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(Continued)

### 4. Advances (continued)

#### e) Restructured / Modified loans

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

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

Restructured loans are carefully monitored. Restructured large commercial and corporate loans are classified as Stage 2 and amounted to \$70.5 million as at September 30, 2025 (2024: \$139.8 million).

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**5. Investment securities** **2025** **2024**

**a) Designated at fair value through profit or loss**

|                           |                   |                   |
|---------------------------|-------------------|-------------------|
| Debt instruments          | 101               | 95                |
| Equities and mutual funds | <u>106</u>        | <u>98</u>         |
|                           | <u><b>207</b></u> | <u><b>193</b></u> |

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.

**b) Debt instruments at amortised cost**

|                                     |                      |                      |
|-------------------------------------|----------------------|----------------------|
| Government securities               | 9,593                | 9,706                |
| State-owned company securities      | 2,493                | 1,910                |
| Corporate bonds/debentures          | 6,000                | 6,636                |
| Bankers' acceptances                | 529                  | 547                  |
| Other short-term liquid investments | <u>1,112</u>         | <u>1,524</u>         |
|                                     | <u>19,727</u>        | <u>20,323</u>        |
| <b>Total investment securities</b>  | <u><b>19,934</b></u> | <u><b>20,516</b></u> |

***Financial investment securities subject to impairment assessment***

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.

|                | <b>September 30, 2025</b>  |                            |                                                                  |                                                       |                      |
|----------------|----------------------------|----------------------------|------------------------------------------------------------------|-------------------------------------------------------|----------------------|
|                | Stage 1<br>12 Month<br>ECL | Stage 2<br>Lifetime<br>ECL | Stage 3<br>Credit-impaired<br>financial assets -<br>Lifetime ECL | Purchased or<br>originated credit-<br>impaired (POCI) | Total                |
| Gross exposure | 16,890                     | 864                        | 9                                                                | 2,037                                                 | 19,800               |
| ECL            | <u>(4)</u>                 | <u>(97)</u>                | <u>(5)</u>                                                       | <u>33</u>                                             | <u>(73)</u>          |
| Net exposure   | <u><u>16,886</u></u>       | <u><u>767</u></u>          | <u><u>4</u></u>                                                  | <u><u>2,070</u></u>                                   | <u><u>19,727</u></u> |

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**5. Investment securities (continued)**

**b) Debt instruments at amortised cost (continued)**

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

|                                                           | September 30, 2025         |                            |                                                                  |                                                       |               |
|-----------------------------------------------------------|----------------------------|----------------------------|------------------------------------------------------------------|-------------------------------------------------------|---------------|
|                                                           | Stage 1<br>12 Month<br>ECL | Stage 2<br>Lifetime<br>ECL | Stage 3<br>Credit-impaired<br>financial assets -<br>Lifetime ECL | Purchased or<br>originated credit-<br>impaired (POCI) | Total         |
| ECL allowance as at October 1,<br>2024                    | 4                          | 12                         | 7                                                                | 92                                                    | 115           |
| Translation adjustments                                   | —                          | —                          | (2)                                                              | (80)                                                  | (82)          |
| ECL on new instruments issued<br>during the year          | —                          | 95                         | —                                                                | —                                                     | 95            |
| Other credit loss movements,<br>repayments and maturities | —                          | (10)                       | —                                                                | (45)                                                  | (55)          |
| At September 30, 2025                                     | <u>4</u>                   | <u>97</u>                  | <u>5</u>                                                         | <u>(33)</u>                                           | <u>73</u>     |
|                                                           | September 30, 2024         |                            |                                                                  |                                                       |               |
|                                                           | Stage 1<br>12 Month<br>ECL | Stage 2<br>Lifetime<br>ECL | Stage 3<br>Credit-impaired<br>financial assets -<br>Lifetime ECL | Purchased or<br>originated credit-<br>impaired (POCI) | Total         |
| Gross exposure                                            | 17,272                     | 1,120                      | 14                                                               | 2,032                                                 | 20,438        |
| ECL                                                       | (4)                        | (12)                       | (7)                                                              | (92)                                                  | (115)         |
| Net exposure                                              | <u>17,268</u>              | <u>1,108</u>               | <u>7</u>                                                         | <u>1,940</u>                                          | <u>20,323</u> |
| ECL allowance as at October 1,<br>2023                    | 13                         | 14                         | 5                                                                | 159                                                   | 191           |
| Translation adjustments                                   | —                          | —                          | (2)                                                              | (30)                                                  | (32)          |
| ECL on new instruments issued<br>during the year          | —                          | 5                          | —                                                                | —                                                     | 5             |
| Other credit loss movements,<br>repayments and maturities | (9)                        | (7)                        | 4                                                                | (37)                                                  | (49)          |
| At September 30, 2024                                     | <u>4</u>                   | <u>12</u>                  | <u>7</u>                                                         | <u>92</u>                                             | <u>115</u>    |

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### 5. Investment securities (continued)

#### b) Debt instruments at amortised cost (continued)

The decrease in investment securities classified as POCI reflects the annual repayment of principal on the exposure to bonds issued by the Governments of Barbados and Ghana following the Debt Exchange offer in 2019 and 2023 respectively.

| 6. Investment in associated companies | 2025      | 2024      |
|---------------------------------------|-----------|-----------|
| Balance at beginning of year          | 78        | 69        |
| Share of profit                       | 10        | 9         |
| <b>Balance at end of year</b>         | <b>88</b> | <b>78</b> |

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

|                                 | Country<br>of<br>incorporation | Reporting<br>year-end of<br>associate | Proportion<br>of issued<br>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:

|                                                                   | 2025 | 2024 |
|-------------------------------------------------------------------|------|------|
| Total assets                                                      | 398  | 356  |
| Total liabilities                                                 | 51   | 47   |
| Net assets/equity                                                 | 347  | 309  |
| Group's share of associates' net assets                           | 88   | 78   |
| Profit for the period                                             | 40   | 37   |
| Group's share of profit of associated companies after tax for the | 10   | 9    |

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**7. Premises and equipment**

|                                 | Capital<br>work in<br>progress | Freehold<br>premises | Leasehold<br>premises | Equipment,<br>furniture &<br>fittings | Total        |
|---------------------------------|--------------------------------|----------------------|-----------------------|---------------------------------------|--------------|
| <b>2025</b>                     |                                |                      |                       |                                       |              |
| <b>Cost</b>                     |                                |                      |                       |                                       |              |
| At beginning of year            | 382                            | 2,390                | 381                   | 3,516                                 | 6,669        |
| Exchange and other adjustments  | 6                              | (12)                 | 12                    | 15                                    | 21           |
| Additions at cost               | 261                            | 6                    | 1                     | 100                                   | 368          |
| Disposal of assets              | (4)                            | (8)                  | (5)                   | (90)                                  | (107)        |
| Transfer of assets              | (171)                          | 55                   | 38                    | 78                                    | —            |
| At end of year                  | <u>474</u>                     | <u>2,431</u>         | <u>427</u>            | <u>3,619</u>                          | <u>6,951</u> |
| <b>Accumulated depreciation</b> |                                |                      |                       |                                       |              |
| At beginning of year            | —                              | 555                  | 209                   | 2,544                                 | 3,308        |
| Exchange and other adjustments  | —                              | (5)                  | 1                     | 7                                     | 3            |
| Charge for the year             | —                              | 38                   | 19                    | 291                                   | 348          |
| Disposal of assets              | —                              | (4)                  | (1)                   | (86)                                  | (91)         |
| At end of year                  | <u>—</u>                       | <u>584</u>           | <u>228</u>            | <u>2,756</u>                          | <u>3,568</u> |
| <b>Net book value</b>           | <u>474</u>                     | <u>1,847</u>         | <u>199</u>            | <u>863</u>                            | <u>3,383</u> |

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**7. Premises and equipment (continued)**

| <b>2024</b>                                                                                             | <b>Capital<br/>work in<br/>progress</b> | <b>Freehold<br/>premises</b> | <b>Leasehold<br/>premises</b> | <b>Equipment,<br/>furniture<br/>&amp; fittings</b> | <b>Total</b>        |
|---------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------|-------------------------------|----------------------------------------------------|---------------------|
| <b>Cost</b>                                                                                             |                                         |                              |                               |                                                    |                     |
| At beginning of year                                                                                    | 524                                     | 2,301                        | 388                           | 3,192                                              | 6,405               |
| Exchange and other adjustments                                                                          | (5)                                     | 33                           | (13)                          | 3                                                  | 18                  |
| Additions at cost                                                                                       | 263                                     | 25                           | 3                             | 96                                                 | 387                 |
| Disposal of assets                                                                                      | (2)                                     | —                            | (12)                          | (127)                                              | (141)               |
| Transfer of assets                                                                                      | (398)                                   | 31                           | 15                            | 352                                                | —                   |
| At end of year                                                                                          | <u><b>382</b></u>                       | <u><b>2,390</b></u>          | <u><b>381</b></u>             | <u><b>3,516</b></u>                                | <u><b>6,669</b></u> |
| <b>Accumulated depreciation</b>                                                                         |                                         |                              |                               |                                                    |                     |
| At beginning of year                                                                                    | —                                       | 508                          | 228                           | 2,346                                              | 3,082               |
| Exchange and other adjustments                                                                          | —                                       | 9                            | (1)                           | 5                                                  | 13                  |
| Charge for the year                                                                                     | —                                       | 38                           | 15                            | 292                                                | 345                 |
| Disposal of assets                                                                                      | —                                       | —                            | (33)                          | (99)                                               | (132)               |
| At end of year                                                                                          | <u><b>—</b></u>                         | <u><b>555</b></u>            | <u><b>209</b></u>             | <u><b>2,544</b></u>                                | <u><b>3,308</b></u> |
| <b>Net book value</b>                                                                                   | <u><b>382</b></u>                       | <u><b>1,835</b></u>          | <u><b>173</b></u>             | <u><b>971</b></u>                                  | <u><b>3,361</b></u> |
| <b>Capital commitments</b>                                                                              |                                         |                              |                               | <b>2025</b>                                        | <b>2024</b>         |
| Contracts for outstanding capital expenditure not provided for in the consolidated financial statements |                                         |                              |                               | <u>82</u>                                          | <u>49</u>           |
| Other capital expenditure authorised by the Directors but not yet contracted for                        |                                         |                              |                               | <u>215</u>                                         | <u>241</u>          |

**Capital work in progress**

Included in premises and equipment at September 30, 2025 and 2024 are projects across the Group at various stages of completion. These projects mainly consist of information technology implementations and upgrades as well as building improvements.

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**8. Right-of-use assets and Lease liabilities**

| <b>a) Right-of-use assets</b>    | <b>Leasehold premises</b> |                   |
|----------------------------------|---------------------------|-------------------|
|                                  | <b>2025</b>               | <b>2024</b>       |
| <b>Cost</b>                      |                           |                   |
| At beginning of year             | 854                       | 704               |
| Exchange and other adjustments   | 12                        | 39                |
| Additions at cost                | 22                        | 113               |
| Disposal of assets               | —                         | (2)               |
| At end of year                   | <u>888</u>                | <u>854</u>        |
| <b>Accumulated depreciation</b>  |                           |                   |
| At beginning of year             | 363                       | 286               |
| Exchange and other adjustments   | 7                         | (7)               |
| Charge for the year - Note 19(d) | 89                        | 84                |
| Disposal of assets               | (3)                       | —                 |
| At end of year                   | <u>456</u>                | <u>363</u>        |
| <b>Net book value</b>            | <u><b>432</b></u>         | <u><b>491</b></u> |

Leasehold premises generally have lease terms between 1 and 50 years.

| <b>b) Lease liabilities</b>                | <b>2025</b>       | <b>2024</b>       |
|--------------------------------------------|-------------------|-------------------|
| At beginning of year                       | 517               | 432               |
| Exchange and other adjustments             | 11                | 50                |
| Additions at cost                          | 11                | 107               |
| Accretion of interest expense - Note 19(b) | 28                | 30                |
| Less: payments                             | (106)             | (100)             |
| Less: disposals                            | (2)               | (2)               |
| At end of year                             | <u><b>459</b></u> | <u><b>517</b></u> |
| Current                                    | 5                 | 7                 |
| Non-current                                | 454               | 510               |

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

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**8. Right-of-use assets and Lease liabilities (continued)**

**b) Lease liabilities (continued)**

| <b>Payments</b>               | <b>Fixed<br/>payments</b> | <b>Variable<br/>payments<br/>2025</b> | <b>Total</b> |
|-------------------------------|---------------------------|---------------------------------------|--------------|
| Fixed rent                    | 88                        | —                                     | 88           |
| Variable with minimum payment | 17                        | 1                                     | 18           |
|                               | <b>105</b>                | <b>1</b>                              | <b>106</b>   |
|                               | <b>2024</b>               |                                       |              |
| Fixed rent                    | 83                        | —                                     | 83           |
| Variable with minimum payment | 15                        | 2                                     | 17           |
|                               | <b>98</b>                 | <b>2</b>                              | <b>100</b>   |

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:

|                                                | <b>Within five<br/>years</b> | <b>More than<br/>five years</b> | <b>Total<br/>2025</b> |
|------------------------------------------------|------------------------------|---------------------------------|-----------------------|
| Extension options expected not to be exercised | 4                            | —                               | 4                     |
| Termination options expected to be exercised   | 6                            | —                               | 6                     |
|                                                | <b>10</b>                    | <b>—</b>                        | <b>10</b>             |
|                                                | <b>2024</b>                  |                                 |                       |
| Extension options expected not to be exercised | 4                            | —                               | 4                     |
| Termination options expected to be exercised   | 6                            | —                               | 6                     |
|                                                | <b>10</b>                    | <b>—</b>                        | <b>10</b>             |

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**8. Right-of-use assets and Lease liabilities (continued)**

**b) Lease liabilities (continued)**

**Payments (continued)**

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

**c) Group as a lessee**

The following are the amounts recognised in the consolidated statement of income:

|                                                                                      | <b>2025</b> | <b>2024</b> |
|--------------------------------------------------------------------------------------|-------------|-------------|
| Depreciation expense of right-of-use assets                                          | 89          | 84          |
| Interest expense on lease liabilities                                                | 28          | 30          |
| Expense relating to leases of low-value assets (included in administrative expenses) | 3           | 3           |
|                                                                                      | <b>120</b>  | <b>117</b>  |

The Group had total cash outflows for leases of \$78 million in 2025 (\$70 million in 2024). The Group also had non-cash additions to right-of-use assets of \$22 million (2024: \$113 million) and lease liabilities of \$11 million (2024: \$107 million).

The value of total rent expense in relation to short-term leases is \$3.9 million (2024: \$3.6 million).

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|                                         | 2025       | 2024       |
|-----------------------------------------|------------|------------|
| <b>9. Intangible assets</b>             |            |            |
| a) Goodwill                             | 835        | 836        |
| b) Core deposits                        | 55         | 85         |
| c) Customer base                        | 8          | 16         |
|                                         | <u>898</u> | <u>937</u> |
| <b>a) Goodwill</b>                      |            |            |
| Goodwill on acquisition brought forward | 836        | 836        |
| Exchange translations                   | (1)        | –          |
|                                         | <u>835</u> | <u>836</u> |

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

### Impairment testing of goodwill

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

The impact of the global economy exacerbated by high inflation, tariffs and rising interest rates, has created uncertainty in the estimation of cash flow projections, discount rates and terminal growth rates. The goodwill impairment tests were conducted using sensitivity 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.

Using these assumptions, the value in use of the CGU exceeded the carrying values.

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### 9. Intangible assets (continued)

#### a) Goodwill (continued)

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

|                                            | Republic<br>Bank<br>(Grenada)<br>Limited | Republic Bank<br>(Guyana)<br>Limited | Cayman<br>National<br>Corporation<br>Ltd. | Republic Bank<br>(EC) Limited | Republic<br>Bank (BVI)<br>Limited | Total |
|--------------------------------------------|------------------------------------------|--------------------------------------|-------------------------------------------|-------------------------------|-----------------------------------|-------|
| Carrying amount of goodwill (TT\$ million) | 67                                       | 93                                   | 371                                       | 125                           | 179                               | 835   |
| Basis for recoverable amount               | Value in use                             | Value in use                         | Value in use                              | Value in use                  | Value in use                      |       |
| Discount rate                              | 15.5%                                    | 9.2%                                 | 7.9%                                      | 15.7%                         | 9.1%                              |       |
| Cash flow projection term                  | 5 yrs                                    | 5 yrs                                | 5 yrs                                     | 5 yrs                         | 5 yrs                             |       |
| Terminal growth rate                       | 3.3%                                     | 5.0%                                 | 2.1%                                      | 2.6%                          | 2.5%                              |       |

The Group performed its annual impairment test in September 2025 and 2024. The Group considers the relationship between its anticipated cash flows and its carrying value, among other factors, when reviewing for indicators of impairment. As at 30 September 2025, the anticipated cash flows of the Group was above the carrying value of its equity, indicating no impairment of goodwill required.

#### *Key assumptions used in value in use calculations and sensitivity to changes in assumptions*

The calculation of value in use for the Group's subsidiaries is most sensitive to the following assumptions:

- Discount rates
- Growth rates
- Terminal rates

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**9. Intangible assets (continued)**

| <b>b) Other intangible assets with definite useful life</b> | <b>Core deposits</b> | <b>Trade name</b> | <b>Customer base</b> | <b>Total</b> |
|-------------------------------------------------------------|----------------------|-------------------|----------------------|--------------|
| <b>Cost</b>                                                 |                      |                   |                      |              |
| At October 1, 2023                                          | 281                  | 40                | 51                   | 372          |
| Exchange and other adjustments                              | —                    | —                 | —                    | —            |
| At September 30, 2024                                       | 281                  | 40                | 51                   | 372          |
| Exchange and other adjustments                              | —                    | —                 | —                    | —            |
| At September 30, 2025                                       | 281                  | 40                | 51                   | 372          |
| <b>Amortisation</b>                                         |                      |                   |                      |              |
| At October 1, 2023                                          | 166                  | 37                | 27                   | 230          |
| Amortisation                                                | 30                   | 3                 | 8                    | 41           |
| At September 30, 2024                                       | 196                  | 40                | 35                   | 271          |
| Amortisation                                                | 30                   | —                 | 8                    | 38           |
| At September 30, 2025                                       | 226                  | 40                | 43                   | 309          |
| <b>Net book value</b>                                       |                      |                   |                      |              |
| At September 30, 2024                                       | 85                   | —                 | 16                   | 101          |
| At September 30, 2025                                       | 55                   | —                 | 8                    | 63           |

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

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### 10. Employee benefits

The Group has defined benefit pension plans and also funds post-employment healthcare benefits to employees. The Group's defined benefits plans are the final salary plans for employees, which requires contributions to be made to a separately administered fund.

The Plan's assets consists of investments in government, corporate and foreign securities, local and foreign equities, mortgages, investment properties, managed funds and cash and cash equivalents. There are no asset-liability matching strategies used by the Plans.

It is the Plan's policy to enter into financial arrangements with a variety of creditworthy counterparties and monitor the size of the exposure to any one issues and the duration of the investment. The Plan's investments are susceptible to market price risk arising from uncertainties about future prices whereby changes in interest rates may affect the value of securities, risks associated with fluctuations in foreign currency rates, and changes in the life expectancies for pensioners.

- a) **The amounts recognised in the consolidated statement of financial position are as follows:**

|                                                                                             | Net employee defined benefit pension plans |            |                   |          |
|---------------------------------------------------------------------------------------------|--------------------------------------------|------------|-------------------|----------|
|                                                                                             | Pension asset                              |            | Pension liability |          |
|                                                                                             | 2025                                       | 2024       | 2025              | 2024     |
| Present value of defined benefit obligation                                                 | (3,905)                                    | (3,830)    | (165)             | –        |
| Fair value of plan assets                                                                   | 4,864                                      | 4,787      | 160               | –        |
| Surplus                                                                                     | 959                                        | 957        | (5)               | –        |
| Effect of asset ceiling                                                                     | (16)                                       | (12)       | –                 | –        |
| <b>Net asset/(liability) recognised in the consolidated statement of financial position</b> | <b>943</b>                                 | <b>945</b> | <b>(5)</b>        | <b>–</b> |
|                                                                                             |                                            |            |                   |          |
|                                                                                             | Net employee defined benefit liabilities   |            |                   |          |
|                                                                                             | 2025                                       |            | 2024              |          |
| Present value of defined benefit obligation                                                 | (32)                                       |            | (33)              |          |
| Fair value of plan assets                                                                   | –                                          |            | –                 |          |
| <b>Net liability recognised in the consolidated statement of financial position</b>         | <b>(32)</b>                                |            | <b>(33)</b>       |          |

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**10. Employee benefits (continued)**

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

|                                                                         | Net employee defined<br>benefit asset |              | Net employee defined<br>benefit liabilities |             |
|-------------------------------------------------------------------------|---------------------------------------|--------------|---------------------------------------------|-------------|
|                                                                         | 2025                                  | 2024         | 2025                                        | 2024        |
| Opening defined benefit asset/(obligation)                              | 3,830                                 | 3,674        | (33)                                        | (41)        |
| Exchange adjustments                                                    | 44                                    | 2            | —                                           | —           |
| Current service cost                                                    | 122                                   | 105          | (2)                                         | (2)         |
| Interest cost                                                           | 266                                   | 242          | (2)                                         | (2)         |
| Members' contributions                                                  | 2                                     | 2            | —                                           | —           |
| Remeasurements:                                                         |                                       |              |                                             |             |
| - Experience adjustments                                                | (18)                                  | (4)          | 3                                           | 4           |
| - Actuarial gains/(losses)<br>from change in<br>demographic assumptions | 3                                     | 1            | (2)                                         | 3           |
| - Actuarial (losses)/gains<br>from change in<br>financial assumptions   | —                                     | (2)          | 1                                           | (1)         |
| Benefits paid                                                           | (179)                                 | (190)        | 1                                           | 1           |
| Premiums paid by the Group                                              | —                                     | —            | 2                                           | 5           |
| <b>Closing defined benefit asset/<br/>(obligation)</b>                  | <b>4,070</b>                          | <b>3,830</b> | <b>(32)</b>                                 | <b>(33)</b> |

REPUBLIC FINANCIAL HOLDINGS LIMITED

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**10. Employee benefits (continued)**

**c) Reconciliation of opening and closing consolidated statement of financial position entries:**

|                                                         | Net employee defined benefit asset |            | Net employee defined benefit liabilities |             |
|---------------------------------------------------------|------------------------------------|------------|------------------------------------------|-------------|
|                                                         | 2025                               | 2024       | 2025                                     | 2024        |
| Opening defined benefit asset/(liability)               | 945                                | 946        | (33)                                     | (41)        |
| Exchange adjustments                                    | (6)                                | —          | —                                        | 1           |
| Adjusted opening defined benefit asset/(liability)      | 939                                | 946        | (33)                                     | (40)        |
| Net pension cost                                        | (65)                               | (50)       | (4)                                      | (4)         |
| Remeasurements recognised in other comprehensive income | (25)                               | 24         | 2                                        | 6           |
| Contributions/premiums                                  | 89                                 | 25         | 3                                        | 5           |
| <b>Closing defined benefit asset/(liability)</b>        | <b>938</b>                         | <b>945</b> | <b>(32)</b>                              | <b>(33)</b> |

**d) Liability profile**

The defined benefit obligation is allocated amongst the Plan's members as follows:

|                  | Defined benefit pension plans | Net employee defined benefit liabilities |
|------------------|-------------------------------|------------------------------------------|
| Active members   | 16% to 58%                    | 16% to 64%                               |
| Deferred members | 2% to 5%                      | N/A                                      |
| Pensioners       | 24% to 84%                    | 36% to 84%                               |

The weighted duration of the defined benefit obligation ranged from 4.3 to 19.1 years.

29% to 67% of the defined benefit obligation for active members was conditional on future salary increases.

42% to 100% of the benefits for active members were vested.

There are no asset-liability matching strategies used by the Plans.

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**10. Employee benefits (continued)**

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

|                                                  | <b>Net employee defined benefit asset</b> |              |
|--------------------------------------------------|-------------------------------------------|--------------|
|                                                  | <b>2025</b>                               | <b>2024</b>  |
| Opening fair value of plan assets                | 4,787                                     | 4,633        |
| Exchange adjustments                             | 48                                        | 2            |
| Interest income                                  | 293                                       | 272          |
| Return on plan assets, excluding interest income | (11)                                      | 46           |
| Contributions by employer                        | 87                                        | 24           |
| Members' contributions                           | 2                                         | 2            |
| Benefits paid                                    | (179)                                     | (190)        |
| Expense allowance                                | (3)                                       | (2)          |
| <b>Closing fair value of plan assets</b>         | <b>5,024</b>                              | <b>4,787</b> |
| <b>Actual return on plan assets</b>              | <b>242</b>                                | <b>298</b>   |

**f) Plan asset allocation as at September 30**

|                                        | <b>Defined benefit asset</b> |              |                     |               |
|----------------------------------------|------------------------------|--------------|---------------------|---------------|
|                                        | <b>Fair value</b>            |              | <b>% Allocation</b> |               |
|                                        | <b>2025</b>                  | <b>2024</b>  | <b>2025</b>         | <b>2024</b>   |
| Equity securities                      | 2,723                        | 2,568        | 54.19%              | 53.64%        |
| Debt securities                        | 1,719                        | 1,658        | 34.22%              | 34.63%        |
| Property                               | 9                            | 9            | 0.18%               | 0.19%         |
| Mortgages                              | 9                            | 10           | 0.19%               | 0.21%         |
| Money market instruments/cash          | 564                          | 542          | 11.22%              | 11.33%        |
| <b>Total fair value of plan assets</b> | <b>5,024</b>                 | <b>4,787</b> | <b>100.0%</b>       | <b>100.0%</b> |

As at September 30, 2025, plan assets of \$45.9 million (2024: \$6.1 million) for one of the Group's subsidiaries are held by an insurance company that are not separately identifiable. This plan asset allocation is maintained by the insurance company.

Included in the money market instruments/cash is \$29.1 million (2024: \$26.6 million) held with Republic Bank Limited.

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**10. Employee benefits (continued)**

**g) The amounts recognised in the consolidated statement of income are as follows:**

|                                           | Net employee defined<br>benefit asset |           | Net employee defined<br>benefit liabilities |          |
|-------------------------------------------|---------------------------------------|-----------|---------------------------------------------|----------|
|                                           | 2025                                  | 2024      | 2025                                        | 2024     |
| Current service cost                      | 122                                   | 105       | 2                                           | 2        |
| Interest on defined benefit<br>obligation | (61)                                  | (60)      | 2                                           | 2        |
| Administration expenses                   | 4                                     | 5         | —                                           | —        |
| <b>Total included in staff costs</b>      | <b>65</b>                             | <b>50</b> | <b>4</b>                                    | <b>4</b> |

**h) Remeasurements recognised in other comprehensive income:**

|                                                     | Net employee defined<br>benefit asset |           | Net employee defined<br>benefit liabilities |          |
|-----------------------------------------------------|---------------------------------------|-----------|---------------------------------------------|----------|
|                                                     | 2025                                  | 2024      | 2025                                        | 2024     |
| Experience (losses)/gains                           | (29)                                  | 22        | 2                                           | 6        |
| Effect of asset ceiling                             | 4                                     | 2         | —                                           | —        |
| <b>Total included in other comprehensive income</b> | <b>(25)</b>                           | <b>24</b> | <b>2</b>                                    | <b>6</b> |

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(Continued)

**10. Employee benefits (continued)**

**i) Summary of principal actuarial assumptions as at September 30:**

|                          | <b>2025</b>  | <b>2024</b> |
|--------------------------|--------------|-------------|
|                          | <b>%</b>     | <b>%</b>    |
| Discount rates           | 1.00 - 12.80 | .00 - 33.00 |
| Rate of salary increases | 4.00 - 13.00 | .00 - 17.90 |
| Pension increases        | 1.50 - 2.50  | 1.50 - 7.72 |
| Medical cost trend rates | 2.70 - 7.00  | 2.80 - 7.00 |
| NIS ceiling rates        | 3.00 - 5.00  | 4.25 - 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:

|                                                                     | <b>Net employee defined benefit asset</b> |                 |
|---------------------------------------------------------------------|-------------------------------------------|-----------------|
|                                                                     | <b>2025</b>                               | <b>2024</b>     |
| Life expectancy at age 60 - 65 for current pensioners in years:     |                                           |                 |
| - Male                                                              | 17.7 to<br>25.3                           | 17.6 to<br>25.2 |
| - Female                                                            | 21.6 to<br>27.2                           | 21.6 to<br>27.1 |
| Life expectancy at age 60 - 65 for current members age 40 in years: |                                           |                 |
| - Male                                                              | 18.7 to<br>26.8                           | 18.7 to<br>36.4 |
| - Female                                                            | 22.8 to<br>27.2                           | 22.7 to<br>41.5 |

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### 10. Employee benefits (continued)

#### 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 would have changed as a result of a change in the assumptions used.

|                                 | Net employee defined benefit asset |                  | Net employee defined benefit liabilities |                  |
|---------------------------------|------------------------------------|------------------|------------------------------------------|------------------|
|                                 | 1% p.a. increase                   | 1% p.a. decrease | 1% p.a. increase                         | 1% p.a. decrease |
| - Discount rate                 | 497                                | (564)            | 2                                        | (3)              |
| - Future salary increases       | (241)                              | 208              | —                                        | —                |
| - Future pension cost increases | (342)                              | 288              | —                                        | —                |
| - Medical cost increases        | —                                  | —                | (2)                                      | 2                |

An increase of one year in the assumed life expectancies shown above would increase the defined benefit obligation at September 30, 2025 by \$103.36 million (2024: \$80.55 million) and the post-retirement medical benefit by \$1.04 million (2024: \$0.55 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 \$27.68 million to the pension plan in the 2026 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 \$1.52 million to the medical plan in the 2026 financial year.

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**11. Deferred tax assets and liabilities**

**Components of deferred tax assets and liabilities**

**a) Deferred tax assets**

|                                  | Opening<br>balance<br>2024 | Exchange<br>& other<br>adjustments | (Charge)/credit                        |          | Closing<br>balance<br>2025 |
|----------------------------------|----------------------------|------------------------------------|----------------------------------------|----------|----------------------------|
|                                  |                            |                                    | Consolidated<br>statement of<br>income | OCI      |                            |
| Post-retirement medical benefits | 3                          | —                                  | —                                      | —        | 3                          |
| Leased assets                    | 10                         | —                                  | (4)                                    | —        | 6                          |
| Unearned loan origination fees   | 61                         | —                                  | 6                                      | —        | 67                         |
| Provisions                       | 211                        | —                                  | 3                                      | —        | 214                        |
| Other                            | 51                         | 5                                  | (20)                                   | —        | 36                         |
|                                  | <b>336</b>                 | <b>5</b>                           | <b>(15)</b>                            | <b>—</b> | <b>326</b>                 |

|                                  | Opening<br>balance<br>2023 | Exchange<br>& other<br>adjustments | (Charge)/credit                        |            | Closing<br>balance<br>2024 |
|----------------------------------|----------------------------|------------------------------------|----------------------------------------|------------|----------------------------|
|                                  |                            |                                    | Consolidated<br>statement of<br>income | OCI        |                            |
| Post-retirement medical benefits | 9                          | —                                  | (4)                                    | (2)        | 3                          |
| Leased assets                    | 10                         | —                                  | —                                      | —          | 10                         |
| Unearned loan origination fees   | 54                         | —                                  | 7                                      | —          | 61                         |
| Provisions                       | 256                        | (6)                                | (39)                                   | —          | 211                        |
| Other                            | 24                         | 3                                  | 24                                     | —          | 51                         |
|                                  | <b>353</b>                 | <b>(3)</b>                         | <b>(12)</b>                            | <b>(2)</b> | <b>336</b>                 |

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(Continued)

**11. Deferred tax assets and liabilities (continued)**

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

**b) Deferred tax liabilities**

|                                                                            |                            |                                    | (Credit)/charge                        |             |                            |
|----------------------------------------------------------------------------|----------------------------|------------------------------------|----------------------------------------|-------------|----------------------------|
|                                                                            | Opening<br>balance<br>2024 | Exchange<br>& other<br>adjustments | Consolidated<br>statement of<br>income | OCI         | Closing<br>balance<br>2025 |
| Pension asset                                                              | 324                        | (1)                                | (12)                                   | (10)        | 301                        |
| Leased assets                                                              | (1)                        | –                                  | (4)                                    | –           | (5)                        |
| Premises and equipment                                                     | 171                        | (3)                                | (5)                                    | –           | 163                        |
| Other                                                                      | 27                         | –                                  | (1)                                    | –           | 26                         |
|                                                                            | <u>521</u>                 | <u>(4)</u>                         | <u>(22)</u>                            | <u>(10)</u> | <u>485</u>                 |
| Net credit to consolidated statement of income<br>and comprehensive income |                            |                                    | <u>(7)</u>                             | <u>(10)</u> |                            |

|                                                                            |                            |                                    | (Credit)/charge                        |          |                            |
|----------------------------------------------------------------------------|----------------------------|------------------------------------|----------------------------------------|----------|----------------------------|
|                                                                            | Opening<br>balance<br>2023 | Exchange<br>& other<br>adjustments | Consolidated<br>statement of<br>income | OCI      | Closing<br>balance<br>2024 |
| Pension asset                                                              | 322                        | –                                  | (4)                                    | 6        | 324                        |
| Leased assets                                                              | (6)                        | –                                  | 5                                      | –        | (1)                        |
| Premises and equipment                                                     | 145                        | 5                                  | 21                                     | –        | 171                        |
| Other                                                                      | 26                         | 2                                  | (1)                                    | –        | 27                         |
|                                                                            | <u>487</u>                 | <u>7</u>                           | <u>21</u>                              | <u>6</u> | <u>521</u>                 |
| Net charge to consolidated statement of income<br>and comprehensive income |                            |                                    | 33                                     | 8        |                            |

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| <b>12. Other assets</b>             | <b>2025</b>         | <b>2024</b>         |
|-------------------------------------|---------------------|---------------------|
| Accounts receivable and prepayments | 1,082               | 999                 |
| Accrued income                      | 10                  | 7                   |
| Deferred commission and fees        | 1                   | 1                   |
| Other                               | 18                  | 65                  |
|                                     | <u><b>1,111</b></u> | <u><b>1,072</b></u> |

**13. Customers' current, savings and deposit accounts**

**Concentration of customers' current, savings and deposit accounts**

|                              |                       |                      |
|------------------------------|-----------------------|----------------------|
| State                        | 9,693                 | 8,878                |
| Corporate and commercial     | 31,557                | 29,578               |
| Personal                     | 52,765                | 49,906               |
| Other financial institutions | 5,802                 | 4,997                |
| Other                        | 1,205                 | 1,045                |
|                              | <u><b>101,022</b></u> | <u><b>94,404</b></u> |

**14. Other fund raising instruments**

At September 30, 2025 investment securities held to secure other fund raising instruments of the Group amounted to \$2.6 billion (2024: \$3.7 billion). These other fund raising instruments range for a term up to one year.

| <b>Concentration of other fund raising instruments</b> | <b>2025</b>         | <b>2024</b>         |
|--------------------------------------------------------|---------------------|---------------------|
| State                                                  | 410                 | 291                 |
| Corporate and commercial                               | 681                 | 947                 |
| Personal                                               | 469                 | 374                 |
| Other financial institutions                           | 2,539               | 1,853               |
| Other                                                  | 24                  | —                   |
|                                                        | <u><b>4,123</b></u> | <u><b>3,465</b></u> |

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| <b>15. Debt securities in issue</b>   | <b>2025</b>         | <b>2024</b>         |
|---------------------------------------|---------------------|---------------------|
| <b>Unsecured</b>                      |                     |                     |
| a) Fixed rate bonds                   | 995                 | 995                 |
| b) Floating rate bonds                | <u>42</u>           | <u>32</u>           |
|                                       | <u>1,037</u>        | <u>1,027</u>        |
| <b>Secured</b>                        |                     |                     |
| a) Floating rate bonds                | <u>3</u>            | <u>4</u>            |
| <b>Total debt securities in issue</b> | <u><b>1,040</b></u> | <u><b>1,031</b></u> |

**Unsecured obligations**

- a) Republic Bank Limited has the following unsecured fixed rate debts denominated in Trinidad and Tobago dollars as at September 30, 2025:
  - 1) \$650 million which becomes repayable at the end of a ten-year period on June 6, 2034. Interest is accrued at a fixed rate of 5.50%. Principal repayments would be made at maturity. Interest payments would be made bi-annually from inception.
  - 2) \$350 million which becomes repayable at the end of a fifteen-year period on June 18, 2039. Interest is accrued at a fixed rate of 6.10%. Principal repayments would be made at maturity. Interest payments would be made bi-annually from inception.
- b) Republic Bank (Ghana) PLC has an unsecured floating rate debt of \$79 million Ghanaian dollars which becomes repayable at the end of a twenty-year period on June 18, 2041. Interest is accrued at the two year Treasury bill rate plus a spread of 2.5%. Principal and interest repayments are made bi-annually from inception.

**Secured obligations**

- a) Floating rate bonds are denominated in Trinidad and Tobago dollars and are secured by property and equipment under investments in leased assets.

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| <b>16. Other liabilities</b>               | <b>2025</b>  | <b>2024</b>  |
|--------------------------------------------|--------------|--------------|
| Accounts payable and accruals              | 1,900        | 1,766        |
| Deferred income                            | 4            | 5            |
| Claims reserves (insurance companies only) | 243          | 169          |
| Other                                      | 187          | 180          |
|                                            | <u>2,334</u> | <u>2,120</u> |

**17. Stated capital**

**Authorised**

An unlimited number of shares of no par value

|                                            | <b>2025</b>                             | <b>2024</b>    | <b>2025</b> | <b>2024</b> |
|--------------------------------------------|-----------------------------------------|----------------|-------------|-------------|
|                                            | <b>Number of ordinary shares ('000)</b> |                |             |             |
| <b>Issued and fully paid</b>               |                                         |                |             |             |
| At beginning of year                       | 163,049                                 | 162,790        | 943         | 932         |
| Shares issued/proceeds from shares issued  | 112                                     | 61             | 11          | 6           |
| Shares purchased for profit sharing scheme | (1,207)                                 | (205)          | —           | —           |
| Share-based payments                       | —                                       | —              | 5           | 5           |
| Allocation of shares                       | 487                                     | 403            | —           | —           |
| <b>At end of year</b>                      | <u>162,441</u>                          | <u>163,049</u> | <u>959</u>  | <u>943</u>  |

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

|                                                                                       | <b>2025</b>    | <b>2024</b>    |
|---------------------------------------------------------------------------------------|----------------|----------------|
| Weighted average number of ordinary shares                                            | 162,851        | 163,007        |
| Effect of dilutive stock options                                                      | 387            | 178            |
| <b>Weighted average number of ordinary shares adjusted for the effect of dilution</b> | <u>163,238</u> | <u>163,185</u> |

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### 18. Other reserves

|                                                       | Translation<br>reserves | Unallocated<br>shares | Other<br>reserves | Total        |
|-------------------------------------------------------|-------------------------|-----------------------|-------------------|--------------|
| <b>Balance at October 1, 2023</b>                     | <b>(664)</b>            | <b>(120)</b>          | <b>278</b>        | <b>(506)</b> |
| Translation adjustments                               | (15)                    | —                     | —                 | (15)         |
| Net transfer to other reserves from retained earnings | —                       | —                     | 154               | 154          |
| Shares purchased for profit sharing scheme            | —                       | (25)                  | —                 | (25)         |
| Allocation of shares                                  | —                       | 57                    | —                 | 57           |
| Other                                                 | —                       | —                     | 1                 | 1            |
| <b>Balance at September 30, 2024</b>                  | <b>(679)</b>            | <b>(88)</b>           | <b>433</b>        | <b>(334)</b> |
| Translation adjustments                               | 30                      | —                     | —                 | 30           |
| Net transfer to other reserves from retained earnings | —                       | —                     | 102               | 102          |
| Shares purchased for profit sharing scheme            | —                       | (137)                 | —                 | (137)        |
| Allocation of shares                                  | —                       | 66                    | —                 | 66           |
| Other                                                 | —                       | —                     | (5)               | (5)          |
| <b>Balance at September 30, 2025</b>                  | <b>(649)</b>            | <b>(159)</b>          | <b>530</b>        | <b>(278)</b> |

#### Translation reserves

This balance represents assets and liabilities of subsidiary companies translated into Trinidad and Tobago dollars at the ruling rates of exchange at the consolidated statement of financial position date.

#### Other reserves

This balance represents the difference between regulatory reserve requirements and specific provisions under IFRS Accounting Standards and is an appropriation of retained earnings for certain subsidiaries in the Group in accordance with regulatory requirements in those jurisdictions.

#### Unallocated shares in the staff profit sharing scheme

The Republic Bank Limited staff profit sharing scheme purchases Republic Financial Holdings Limited shares to build its stock for allocation in the annual profit sharing exercise. During the 2025 financial year, \$137 million in advances were made by Republic Bank Limited for purchase of shares to the staff profit sharing scheme (2024: \$25 million). As at September 30, 2025, shares costing \$159 million (2024: \$88 million) remain unallocated from the profit sharing scheme.

|                                | Number of ordinary<br>shares ('000) |            |
|--------------------------------|-------------------------------------|------------|
|                                | 2025                                | 2024       |
| Balance brought forward        | 672                                 | 870        |
| Add shares purchased           | 1,207                               | 205        |
| Allocation of shares           | (487)                               | (403)      |
| <b>Balance carried forward</b> | <b>1,392</b>                        | <b>672</b> |

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| <b>19. Operating profit</b>                                               | <b>2025</b>         | <b>2024</b>         |
|---------------------------------------------------------------------------|---------------------|---------------------|
| <b>a) Interest income calculated using the effective interest method</b>  |                     |                     |
| Advances                                                                  | 5,089               | 4,739               |
| Investment securities                                                     | 936                 | 894                 |
| Liquid assets                                                             | <u>510</u>          | <u>503</u>          |
|                                                                           | <b><u>6,535</u></b> | <b><u>6,136</u></b> |
| <b>b) Interest expense calculated using the effective interest method</b> |                     |                     |
| Customers' current, savings and deposit accounts                          | 834                 | 773                 |
| Other fund raising instruments and debt securities in issue               | 207                 | 231                 |
| Other interest bearing liabilities                                        | 4                   | 36                  |
| Finance cost on lease liability - Note 8(b)                               | <u>28</u>           | <u>30</u>           |
|                                                                           | <b><u>1,073</u></b> | <b><u>1,070</u></b> |
| <b>c) Other income</b>                                                    |                     |                     |
| Fees from trust and other fiduciary activities                            | 345                 | 315                 |
| Credit card fees                                                          | 372                 | 326                 |
| Other fees                                                                | 637                 | 616                 |
| Net exchange trading income                                               | 586                 | 551                 |
| Dividends                                                                 | 6                   | 5                   |
| Net gains from investments at fair value through profit or loss           | 2                   | 1                   |
| Net (losses)/gains on derecognition of financial instruments              | (1)                 | 9                   |
| Other operating income                                                    | <u>310</u>          | <u>278</u>          |
|                                                                           | <b><u>2,257</u></b> | <b><u>2,101</u></b> |

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| <b>19. Operating profit (continued)</b>                 | <b>2025</b>         | <b>2024</b>         |
|---------------------------------------------------------|---------------------|---------------------|
| <b>d) Operating expenses</b>                            |                     |                     |
| Staff costs                                             | 1,773               | 1,611               |
| Staff profit sharing                                    | 223                 | 206                 |
| Employee benefits pension and medical contribution      | 69                  | 54                  |
| General administrative expenses                         | 1,338               | 1,256               |
| Audit fees                                              | 30                  | 28                  |
| Professional fees paid to audit firms                   | 4                   | 3                   |
| Other lease expenses                                    | 10                  | 13                  |
| Property-related expenses                               | 216                 | 208                 |
| Depreciation expense - Note 7                           | 348                 | 345                 |
| Depreciation expense on right-of-use assets - Note 8(a) | 89                  | 84                  |
| Advertising and public relations expenses               | 133                 | 165                 |
| Intangible amortisation expense - Note 9(b)             | 38                  | 41                  |
| Directors' fees                                         | 21                  | 20                  |
|                                                         | <u><b>4,292</b></u> | <u><b>4,034</b></u> |

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(Continued)

| <b>20. Credit loss expense/(recovery)</b>   | <b>2025</b>       | <b>2024</b>       |
|---------------------------------------------|-------------------|-------------------|
| Advances                                    | 214               | 140               |
| Debt instruments measured at amortised cost | 40                | (44)              |
| Other assets                                | <u>(89)</u>       | <u>13</u>         |
|                                             | <b><u>165</u></b> | <b><u>109</u></b> |

**21. Taxation expense**

|                                           |                   |                   |
|-------------------------------------------|-------------------|-------------------|
| Corporation tax expense                   | 831               | 703               |
| Deferred tax (credit)/charge - Note 11(b) | <u>(7)</u>        | <u>33</u>         |
|                                           | <b><u>824</u></b> | <b><u>736</u></b> |

**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:

|                                                                               | <b>2025</b>       | <b>2024</b>       |
|-------------------------------------------------------------------------------|-------------------|-------------------|
| Net profit before taxation                                                    | <u>3,272</u>      | <u>3,008</u>      |
| Tax at applicable statutory tax rates                                         | 1,323             | 1,374             |
| <i>Tax effect of items that are adjustable in determining taxable profit:</i> |                   |                   |
| Tax exempt income                                                             | (540)             | (650)             |
| Non-deductible expenses                                                       | 207               | 222               |
| Allowable deductions                                                          | (190)             | (216)             |
| Change in tax rates                                                           | 4                 | (4)               |
| Provision for other taxes                                                     | <u>20</u>         | <u>10</u>         |
|                                                                               | <b><u>824</u></b> | <b><u>736</u></b> |

The Group has no unutilised tax losses as at September 30, 2025 (2024: no unutilised tax losses).

The effective income tax rate for the Group 2025 is 25.2% (2024: 24.5%).

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**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 (ALCO) and Enterprise Risk Committee, review specific risk areas.

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**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.

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**22. Risk management** (continued)

**22.2 Credit risk** (continued)

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.

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.

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**22. Risk management** (continued)

**22.2 Credit risk** (continued)

**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.

|                                       | <b>Gross maximum exposure</b> |                       |
|---------------------------------------|-------------------------------|-----------------------|
|                                       | <b>2025</b>                   | <b>2024</b>           |
| Statutory deposits with Central Banks | 7,683                         | 7,281                 |
| Due from banks                        | 6,923                         | 6,802                 |
| Treasury Bills                        | 9,423                         | 7,682                 |
| Advances                              | 74,118                        | 67,299                |
| Investment securities                 | 19,828                        | 20,418                |
| Investment interest receivable        | 212                           | 221                   |
| Other financial assets                | 185                           | 337                   |
| <b>Total</b>                          | <b><u>118,372</u></b>         | <b><u>110,040</u></b> |
| Undrawn loan commitments              | 6,822                         | 7,426                 |
| Acceptances                           | 2,796                         | 2,711                 |
| Guarantees and indemnities            | 319                           | 357                   |
| Letters of credit                     | 346                           | 655                   |
| <b>Total</b>                          | <b><u>10,283</u></b>          | <b><u>11,149</u></b>  |
| <b>Total credit risk exposure</b>     | <b><u>128,655</u></b>         | <b><u>121,189</u></b> |

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.

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**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 Group. 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(b).

|                                          | <b>2025</b>           | <b>2024</b>           |
|------------------------------------------|-----------------------|-----------------------|
| Government and Central Government Bodies | 30,298                | 23,216                |
| Financial sector                         | 12,036                | 17,841                |
| Energy and mining                        | 2,237                 | 2,143                 |
| Agriculture                              | 763                   | 499                   |
| Electricity and water                    | 954                   | 994                   |
| Transport, storage and communication     | 2,140                 | 2,030                 |
| Distribution                             | 6,678                 | 5,918                 |
| Real estate                              | 10,483                | 7,417                 |
| Manufacturing                            | 4,059                 | 3,753                 |
| Construction                             | 4,801                 | 5,046                 |
| Hotel and restaurant                     | 3,430                 | 1,874                 |
| Personal                                 | 38,695                | 37,479                |
| Other services                           | <u>12,081</u>         | <u>12,979</u>         |
|                                          | <b><u>128,655</u></b> | <b><u>121,189</u></b> |

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'.

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## 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:

|                     | 2025           | 2024           |
|---------------------|----------------|----------------|
| Trinidad and Tobago | 50,845         | 49,111         |
| Barbados            | 11,744         | 10,348         |
| Eastern Caribbean   | 13,722         | 14,015         |
| Guyana              | 13,431         | 11,463         |
| United States       | 10,216         | 8,751          |
| Europe              | 3,349          | 6,562          |
| Suriname            | 2,356          | 2,354          |
| Ghana               | 4,460          | 51             |
| Cayman Islands      | 10,479         | 9,837          |
| Other countries     | 8,053          | 8,697          |
|                     | <u>128,655</u> | <u>121,189</u> |

#### 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.

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(Continued)

**22. Risk management** (continued)

**22.2 Credit risk** (continued)

**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 unlikelihood to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the Group's policy to consider a financial instrument as 'recovered' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least six consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once recovered depends on the updated credit grade, at the time of recovery.

**22.2.4 The Group's internal rating and PD estimation process**

*Commercial and corporate lending and mortgages*

The Group has an independent internal credit risk department. Risk ratings were selected as cohorts for PD analyses. A vintage approach was applied looking at the movements of ratings over a period of time. Historical PDs were developed and using statistical correlation between macroeconomic trends and historical default rates, management applied overlays based on expectations. As previously mentioned, LGD percentage estimates were developed based on historical loss trends for non-performing loans which are assessed on an individual level including estimating the present value of future cash flows. EAD equals the loan balance outstanding plus accrued interest.

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**22. Risk management (continued)**

**22.2 Credit risk (continued)**

**22.2.4 The Group's internal rating and PD estimation process (continued)**

*Retail lending and mortgages*

Product types were selected as the cohorts for PD analyses for retail lending and retail mortgages. A vintage approach was applied looking at the number of defaults by segment over a period of time. Historical PDs were developed and using correlation between macroeconomic trends, management applied overlays based on expectations. LGD percentage estimates were developed based on historical loss trends for non-performing loans which are assessed on both an individual and collective level. EAD equals the loan balance outstanding plus accrued interest.

*Overdrafts and credit cards*

Many corporate customers are extended overdraft facilities and the PDs developed for the corporate portfolio were therefore applied. LGDs for the corporate portfolio were also utilised for overdrafts. EADs were developed based on historical trends in utilisation of overdraft limits. ECL percentages for the retail portfolio were utilised for retail overdrafts. PDs for the credit card portfolio were developed using default percentages over a period of time. EADs were developed based on historical trends in utilisation of credit card limits and LGD percentage estimates were developed based on historical loss trends for a sample of credit card non-performing facilities.

Management judgmentally applied overlays as required as there was no noted correlation between macroeconomic trends and historical default rates.

*Investment securities and investment interest receivable*

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.

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**22. Risk management** (continued)

**22.2 Credit risk** (continued)

**22.2.4 The Group's internal rating and PD estimation process** (continued)

*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 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 undrawn loan commitments.

Financial guarantees, letters of credit and undrawn 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 typically zero.

**22.2.5 Significant increase in credit risk**

The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition.

The Group also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility to a watch list. 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.

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**22. Risk management** (continued)

**22.2 Credit risk** (continued)

**22.2.6 Grouping financial assets measured on a collective or individual basis**

As explained in Note 2.6(g) (i) dependent on the factors below, the Group calculates ECLs either on a collective or an individual basis.

Asset classes where the Group calculates ECL on an individual basis include:

- All Stage 3 assets, regardless of the class of financial assets
- The commercial and corporate lending and overdraft portfolio
- The mortgage portfolio
- The retail lending portfolio
- The credit card portfolio

Asset classes where the Group calculates ECL on a collective basis include:

- The retail overdraft portfolio
- Subsidiaries with small, homogeneous retail portfolios
- Past due not yet relegated credit facilities

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**22. Risk management (continued)**

**22.2 Credit risk (continued)**

**22.2.7 Analysis of gross carrying amount and corresponding ECLs are as follows:**

| <i>Advances</i> | <b>2025</b>  | <b>2024</b>  |
|-----------------|--------------|--------------|
|                 | %            | %            |
| Stage 1         | 88.6         | 89.5         |
| Stage 2         | 6.8          | 5.7          |
| Stage 3         | <u>4.6</u>   | <u>4.8</u>   |
|                 | <u>100.0</u> | <u>100.0</u> |

In response to global economic uncertainty exacerbated by high inflation, tariffs and rising interest rates, the Group undertook a review of its loan portfolios, determining the high-risk sectors and the ECL for each. The review considered the macroeconomic outlook, customer credit quality, type and value of collateral held, exposure at default and the effect of payment deferral options as at the reporting date.

The ECL methodology and definition of default remained consistent with prior periods. Calculation inputs, including forward looking information, together with the determination of the staging of exposures were however revised.

|                           | <b>Retail<br/>lending</b> | <b>Commercial<br/>&amp; Corporate<br/>lending</b> | <b>Mortgages</b> | <b>Overdrafts</b> | <b>Credit<br/>Cards</b> | <b>Total</b>  |
|---------------------------|---------------------------|---------------------------------------------------|------------------|-------------------|-------------------------|---------------|
| <b>Stage 1</b>            | <b>September 30, 2025</b> |                                                   |                  |                   |                         |               |
| Gross loans               | 9,273                     | 16,538                                            | 36,351           | 3,352             | 1,794                   | 67,308        |
| ECL                       | <u>(105)</u>              | <u>(73)</u>                                       | <u>(111)</u>     | <u>(53)</u>       | <u>(58)</u>             | <u>(400)</u>  |
|                           | <u>9,168</u>              | <u>16,465</u>                                     | <u>36,240</u>    | <u>3,299</u>      | <u>1,736</u>            | <u>66,908</u> |
| ECL as a % of gross loans | 1.1                       | 0.4                                               | 0.3              | 1.6               | 3.2                     | 0.6           |
| <b>Stage 1</b>            | <b>September 30, 2024</b> |                                                   |                  |                   |                         |               |
| Gross loans               | 7,945                     | 15,895                                            | 33,416           | 3,068             | 1,527                   | 61,851        |
| ECL                       | <u>(103)</u>              | <u>(82)</u>                                       | <u>(112)</u>     | <u>(41)</u>       | <u>(44)</u>             | <u>(382)</u>  |
|                           | <u>7,842</u>              | <u>15,813</u>                                     | <u>33,304</u>    | <u>3,027</u>      | <u>1,483</u>            | <u>61,469</u> |
| ECL as a % of gross loans | 1.3                       | 0.6                                               | 0.3              | 1.3               | 2.9                     | 0.6           |

Despite the increase in the overall portfolio, ECL as a percentage of gross loans remained relatively flat as a result of improved credit quality leading to lower PDs and LGDs.

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**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<br>lending         | Commercial<br>& Corporate<br>lending | Mortgages    | Overdrafts | Credit<br>Cards | Total        |
|---------------------------|---------------------------|--------------------------------------|--------------|------------|-----------------|--------------|
| <b>Stage 2</b>            | <b>September 30, 2025</b> |                                      |              |            |                 |              |
| Gross loans               | 172                       | 2,878                                | 1,616        | 406        | 66              | 5,138        |
| ECL                       | (7)                       | (70)                                 | (40)         | (43)       | (9)             | (169)        |
|                           | <u>165</u>                | <u>2,808</u>                         | <u>1,576</u> | <u>363</u> | <u>57</u>       | <u>4,969</u> |
| ECL as a % of gross loans | 4.1                       | 2.4                                  | 2.5          | 10.6       | 13.6            | 3.3          |
| <b>Stage 2</b>            | <b>September 30, 2024</b> |                                      |              |            |                 |              |
| Gross loans               | 109                       | 1,675                                | 1,292        | 589        | 291             | 3,956        |
| ECL                       | (7)                       | (56)                                 | (43)         | (46)       | (18)            | (170)        |
|                           | <u>102</u>                | <u>1,619</u>                         | <u>1,249</u> | <u>543</u> | <u>273</u>      | <u>3,786</u> |
| ECL as a % of gross loans | 6.5                       | 3.3                                  | 3.3          | 7.8        | 6.2             | 4.3          |

The decrease in Stage 2 ECL as a percentage of gross loans is as a result of the improvement in credit quality leading to lower PDs and LGDs.

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**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<br>lending         | Commercial<br>& Corporate<br>lending | Mortgages    | Overdrafts | Credit<br>Cards | Total        |
|---------------------------|---------------------------|--------------------------------------|--------------|------------|-----------------|--------------|
| <b>Stage 3</b>            | <b>September 30, 2025</b> |                                      |              |            |                 |              |
| Gross loans               | 301                       | 945                                  | 2,004        | 91         | 195             | 3,536        |
| ECL                       | (201)                     | (334)                                | (261)        | (25)       | (167)           | (988)        |
|                           | <u>100</u>                | <u>611</u>                           | <u>1,745</u> | <u>66</u>  | <u>28</u>       | <u>2,548</u> |
| ECL as a % of gross loans | 66.8                      | 35.3                                 | 13.0         | 27.5       | 85.6            | 27.9         |
| <b>Stage 3</b>            | <b>September 30, 2024</b> |                                      |              |            |                 |              |
| Gross loans               | 259                       | 892                                  | 1,904        | 76         | 171             | 3,302        |
| ECL                       | (157)                     | (396)                                | (258)        | (21)       | (151)           | (983)        |
|                           | <u>102</u>                | <u>496</u>                           | <u>1,646</u> | <u>55</u>  | <u>20</u>       | <u>2,319</u> |
| ECL as a % of gross loans | 60.7                      | 44.4                                 | 13.6         | 27.7       | 88.3            | 29.8         |

The decrease in Stage 3 ECLs as a percentage of gross loans is due to the active measures implemented to maintain and improve the overall credit quality of the portfolio.

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**22. Risk management (continued)**

**22.2 Credit risk (continued)**

**22.2.7 Analysis of gross carrying amount and corresponding ECLs are as follows:**  
(continued)

| <i>Investment securities</i> | <b>2025</b>  |  | <b>2024</b>  |  |
|------------------------------|--------------|--|--------------|--|
|                              | <b>%</b>     |  | <b>%</b>     |  |
| Stage 1                      | 85.3         |  | 84.5         |  |
| Stage 2                      | 4.4          |  | 5.5          |  |
| Stage 3                      | 0.0          |  | 0.1          |  |
| POCI                         | <u>10.3</u>  |  | <u>9.9</u>   |  |
|                              | <u>100.0</u> |  | <u>100.0</u> |  |

|                                 | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>POCI</b>  | <b>Total</b>  |
|---------------------------------|----------------|----------------|----------------|--------------|---------------|
| <b>September 30, 2025</b>       |                |                |                |              |               |
| Gross balance                   | 16,890         | 864            | 9              | 2,037        | 19,800        |
| ECL                             | <u>(4)</u>     | <u>(97)</u>    | <u>(5)</u>     | <u>33</u>    | <u>(73)</u>   |
|                                 | <u>16,886</u>  | <u>767</u>     | <u>4</u>       | <u>2,070</u> | <u>19,727</u> |
| ECL as a % of gross investments | 0.1            | 11.2           | 55.6           | (1.6)        | 0.4           |
| <b>September 30, 2024</b>       |                |                |                |              |               |
| Gross balance                   | 17,272         | 1,120          | 14             | 2,032        | 20,438        |
| ECL                             | <u>(4)</u>     | <u>(12)</u>    | <u>(7)</u>     | <u>(92)</u>  | <u>(115)</u>  |
|                                 | <u>17,268</u>  | <u>1,108</u>   | <u>7</u>       | <u>1,940</u> | <u>20,323</u> |
| ECL as a % of gross investments | 0.1            | 1.1            | 50.0           | 4.6          | 0.6           |

ECLs decreased given lower PD and LGDs, reflective of a decision to purchase higher grade investments to maintain the credit quality of the portfolio as well as a decrease in the overall portfolio.

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(Continued)

**22. Risk management (continued)**

**22.3 Liquidity risk**

Liquidity risk is defined as the risk that the Group either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access these only at excessive cost.

Liquidity management is therefore primarily designed to ensure that funding requirements can be met, including the replacement of existing funds as they mature or are withdrawn, or to satisfy the demands of customers for additional borrowings. Liquidity management focuses on ensuring that the Group has sufficient funds to meet all of its obligations.

Three primary sources of funds are used to provide liquidity – retail deposits, wholesale deposits and the capital market. A substantial portion of the Group is funded with 'core deposits'. The Group maintains a core base of retail and wholesale funds, which can be drawn on to meet ongoing liquidity needs. The capital markets are accessed for medium to long-term funds as required, providing diverse funding sources to the Group. Facilities are also established with correspondent banks, which can provide additional liquidity as conditions demand.

The Asset/Liability Committee (ALCO) sets targets for daily float, allowable liquid assets and funding diversification in line with system liquidity trends. While the primary asset used for short-term liquidity management is the Treasury Bill, the Group also holds significant investments in other Government securities, which can be used for liquidity support. The Group continually balances the need for short-term assets, which have lower yields, with the need for higher asset returns.

**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.

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**22. Risk management (continued)**

**22.3 Liquidity risk (continued)**

**22.3.1 Analysis of financial liabilities by remaining contractual maturities  
(continued)**

**Financial liabilities - on consolidated statement of financial position**

| <b>2025</b>                                      | <b>On demand</b> | <b>Up to one year</b> | <b>1 to 5 years</b> | <b>Over 5 years</b> | <b>Total</b>   |
|--------------------------------------------------|------------------|-----------------------|---------------------|---------------------|----------------|
| Due to banks                                     | 951              | 2                     | –                   | –                   | 953            |
| Customers' current, savings and deposit accounts | 84,441           | 14,293                | 2,803               | –                   | 101,537        |
| Other fund raising instruments                   | –                | 3,683                 | –                   | 598                 | 4,281          |
| Debt securities in issue                         | –                | 60                    | 287                 | 1,305               | 1,652          |
| Lease liabilities                                | –                | 80                    | 197                 | 476                 | 753            |
| Other liabilities                                | 632              | 430                   | 81                  | 204                 | 1,347          |
| <b>Total un-discounted financial liabilities</b> | <b>86,024</b>    | <b>18,548</b>         | <b>3,368</b>        | <b>2,583</b>        | <b>110,523</b> |
| <b>2024</b>                                      |                  |                       |                     |                     |                |
| Due to banks                                     | 428              | 35                    | –                   | –                   | 463            |
| Customers' current, savings and deposit accounts | 80,046           | 13,603                | 2,326               | 1,070               | 97,045         |
| Other fund raising instruments                   | –                | 2,800                 | 771                 | –                   | 3,571          |
| Debt securities in issue                         | –                | 59                    | 292                 | 1,353               | 1,704          |
| Lease liabilities                                | –                | 157                   | 235                 | 479                 | 871            |
| Other liabilities                                | 732              | 359                   | 74                  | 123                 | 1,288          |
| <b>Total un-discounted financial liabilities</b> | <b>81,206</b>    | <b>17,013</b>         | <b>3,698</b>        | <b>3,025</b>        | <b>104,942</b> |

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**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<br>demand | Up to one<br>year | 1 to 5<br>years | Over 5<br>years | Total         |
|----------------------------|--------------|-------------------|-----------------|-----------------|---------------|
| <b>2025</b>                |              |                   |                 |                 |               |
| Undrawn commitments        | 6,822        | —                 | —               | —               | 6,822         |
| Acceptances                | 1,466        | 1,048             | 232             | 50              | 2,796         |
| Guarantees and indemnities | 12           | 250               | 30              | 27              | 319           |
| Letters of credit          | 125          | 218               | 3               | —               | 346           |
| <b>Total</b>               | <b>8,425</b> | <b>1,516</b>      | <b>265</b>      | <b>77</b>       | <b>10,283</b> |
| <b>2024</b>                |              |                   |                 |                 |               |
| Undrawn commitments        | 7,426        | —                 | —               | —               | 7,426         |
| Acceptances                | 1,238        | 1,193             | 237             | 43              | 2,711         |
| Guarantees and indemnities | 20           | 260               | 52              | 25              | 357           |
| Letters of credit          | 327          | 328               | —               | —               | 655           |
| <b>Total</b>               | <b>9,011</b> | <b>1,781</b>      | <b>289</b>      | <b>68</b>       | <b>11,149</b> |

The Group expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments.

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(Continued)

**22. Risk management** (continued)

**22.3 Liquidity risk** (continued)

**22.3.2 Changes in liabilities arising from financing activities**

|                                                        | <b>2024</b>         | <b>Cash<br/>flows</b> | <b>New<br/>leases</b> | <b>Foreign<br/>exchange<br/>and other<br/>movements</b> | <b>2025</b>         |
|--------------------------------------------------------|---------------------|-----------------------|-----------------------|---------------------------------------------------------|---------------------|
| Due to banks                                           | 463                 | (56)                  | –                     | –                                                       | 407                 |
| Debt securities in issue                               | 1,031               | 9                     | –                     | –                                                       | 1,040               |
| Lease liabilities                                      | <u>517</u>          | <u>(78)</u>           | <u>11</u>             | <u>9</u>                                                | <u>459</u>          |
| <b>Total liabilities from<br/>financing activities</b> | <b><u>2,011</u></b> | <b><u>(124)</u></b>   | <b><u>11</u></b>      | <b><u>9</u></b>                                         | <b><u>1,906</u></b> |
|                                                        | <b>2023</b>         | <b>Cash<br/>flows</b> | <b>New<br/>leases</b> | <b>Foreign<br/>exchange<br/>and other<br/>movements</b> | <b>2024</b>         |
| Due to banks                                           | 298                 | 165                   | –                     | –                                                       | 463                 |
| Debt securities in issue                               | 1,517               | (486)                 | –                     | –                                                       | 1,031               |
| Lease liabilities                                      | <u>432</u>          | <u>(72)</u>           | <u>107</u>            | <u>50</u>                                               | <u>517</u>          |
| <b>Total liabilities from<br/>financing activities</b> | <b><u>2,247</u></b> | <b><u>(393)</u></b>   | <b><u>107</u></b>     | <b><u>50</u></b>                                        | <b><u>2,011</u></b> |

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(Continued)

**22. Risk management** (continued)

**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.

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:

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**22. Risk management** (continued)

**22.4 Market risk** (continued)

**22.4.1 Interest rate risk** (continued)

|                                  |                           | Impact on net profit |          |          |          |
|----------------------------------|---------------------------|----------------------|----------|----------|----------|
|                                  |                           | 2025                 |          | 2024     |          |
|                                  | Change in<br>basis points | Increase             | Decrease | Increase | Decrease |
| TT\$<br>Instruments              | +/- 50                    | 90                   | (90)     | 73       | (73)     |
| US\$<br>Instruments              | +/- 50                    | 42                   | (42)     | 39       | (39)     |
| KYD\$<br>Instruments             | +/- 50                    | 14                   | (14)     | 14       | (14)     |
| Other<br>Currency<br>Instruments | +/- 50                    | 9                    | (9)      | (4)      | 4        |

**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).

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## 22. Risk management (continued)

### 22.4 Market risk (continued)

#### 22.4.2 Currency risk (continued)

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 TTD, with all other variables held constant.

| 2025                                               | TTD           | USD           | BDS           | GHS          | SRD        | KYD          | Other         | Total          |
|----------------------------------------------------|---------------|---------------|---------------|--------------|------------|--------------|---------------|----------------|
| <b>Financial assets</b>                            |               |               |               |              |            |              |               |                |
| Cash on hand                                       | 448           | 214           | 144           | 245          | 39         | 83           | 416           | 1,589          |
| Statutory deposits with Central Banks              | 3,299         | 428           | 497           | 540          | 208        | —            | 2,711         | 7,683          |
| Due from banks                                     | 256           | 2,764         | 1,022         | 12           | 240        | 4            | 2,625         | 6,923          |
| Treasury Bills                                     | 560           | 2,023         | —             | 718          | —          | —            | 6,122         | 9,423          |
| Advances                                           | 32,061        | 13,386        | 6,907         | 1,330        | 352        | 6,251        | 13,831        | 74,118         |
| Investment securities                              | 6,431         | 9,917         | 1,762         | 1,084        | —          | —            | 740           | 19,934         |
| Investment interest receivable                     | 77            | 82            | 2             | 44           | —          | —            | 7             | 212            |
| Other financial assets                             | 185           | —             | —             | —            | —          | —            | —             | 185            |
| <b>Total financial assets</b>                      | <b>43,317</b> | <b>28,814</b> | <b>10,334</b> | <b>3,973</b> | <b>839</b> | <b>6,338</b> | <b>26,452</b> | <b>120,067</b> |
| <b>Financial liabilities</b>                       |               |               |               |              |            |              |               |                |
| Due to banks                                       | —             | 151           | 21            | —            | —          | 15           | 220           | 407            |
| Customers' current, savings and deposit accounts   | 32,731        | 24,591        | 9,395         | 3,162        | 515        | 6,186        | 24,442        | 101,022        |
| Other fund raising instruments                     | 3,253         | 688           | —             | 182          | —          | —            | —             | 4,123          |
| Debt securities in issue                           | 998           | —             | —             | 42           | —          | —            | —             | 1,040          |
| Lease liabilities                                  | 310           | 7             | 30            | 4            | 1          | 78           | 29            | 459            |
| Accrued interest payable                           | 112           | 91            | —             | —            | 1          | 24           | 15            | 243            |
| Other financial liabilities                        | 720           | 219           | 101           | —            | 21         | 84           | 202           | 1,347          |
| <b>Total financial liabilities</b>                 | <b>38,124</b> | <b>25,747</b> | <b>9,547</b>  | <b>3,390</b> | <b>538</b> | <b>6,387</b> | <b>24,908</b> | <b>108,641</b> |
| <b>Net currency risk exposure</b>                  |               | <b>3,067</b>  | <b>787</b>    | <b>583</b>   | <b>301</b> | <b>(49)</b>  | <b>1,544</b>  |                |
| <b>Reasonably possible change in currency rate</b> |               | 1%            | 1%            | 3%           | 1%         | 1%           | 1%            |                |
| <b>Effect on profit before taxation</b>            |               | <b>31</b>     | <b>8</b>      | <b>17</b>    | <b>3</b>   | <b>—</b>     | <b>15</b>     |                |

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**22. Risk management (continued)**

**22.4 Market risk (continued)**

**22.4.2 Currency risk (continued)**

| <b>2024</b>                                        | <b>TTD</b>    | <b>USD</b>    | <b>BDS</b>   | <b>GHS</b>   | <b>SRD</b> | <b>KYD</b>   | <b>Other</b>  | <b>Total</b>   |
|----------------------------------------------------|---------------|---------------|--------------|--------------|------------|--------------|---------------|----------------|
| <b>Financial assets</b>                            |               |               |              |              |            |              |               |                |
| Cash on hand                                       | 505           | 176           | 101          | 172          | 29         | 90           | 379           | 1,452          |
| Statutory deposits with Central Banks              | 3,326         | 447           | 406          | 564          | 142        | —            | 2,396         | 7,281          |
| Due from banks                                     | 1,127         | 2,127         | 554          | 28           | 107        | 7            | 2,852         | 6,802          |
| Treasury Bills                                     | 532           | 1,458         | 92           | 613          | 41         | —            | 4,946         | 7,682          |
| Advances                                           | 29,193        | 12,596        | 5,973        | 875          | 329        | 5,800        | 12,533        | 67,299         |
| Investment securities                              | 6,779         | 10,920        | 1,771        | 378          | —          | —            | 668           | 20,516         |
| Investment interest receivable                     | 74            | 105           | 3            | 35           | —          | —            | 4             | 221            |
| Other financial assets                             | 337           | —             | —            | —            | —          | —            | —             | 337            |
| <b>Total financial assets</b>                      | <b>41,873</b> | <b>27,829</b> | <b>8,900</b> | <b>2,665</b> | <b>648</b> | <b>5,897</b> | <b>23,778</b> | <b>111,590</b> |
| <b>Financial liabilities</b>                       |               |               |              |              |            |              |               |                |
| Due to banks                                       | —             | 237           | 24           | —            | —          | 19           | 183           | 463            |
| Customers' current, savings and deposit accounts   | 32,912        | 23,797        | 7,843        | 1,589        | 460        | 5,579        | 22,224        | 94,404         |
| Other fund raising instruments                     | 2,093         | 701           | —            | 671          | —          | —            | —             | 3,465          |
| Debt securities in issue                           | 998           | —             | —            | 33           | —          | —            | —             | 1,031          |
| Lease liabilities                                  | 347           | 8             | 34           | 4            | 2          | 85           | 37            | 517            |
| Accrued interest payable                           | 66            | 92            | —            | —            | 1          | 28           | 16            | 203            |
| Other financial liabilities                        | 499           | 287           | 113          | —            | 22         | 102          | 265           | 1,288          |
| <b>Total financial liabilities</b>                 | <b>36,915</b> | <b>25,122</b> | <b>8,014</b> | <b>2,297</b> | <b>485</b> | <b>5,813</b> | <b>22,725</b> | <b>101,371</b> |
| <b>Net currency risk exposure</b>                  |               | <b>2,707</b>  | <b>886</b>   | <b>368</b>   | <b>163</b> | <b>84</b>    | <b>1,053</b>  |                |
| <b>Reasonably possible change in currency rate</b> |               | 1%            | 1%           | 3%           | 1%         | 1%           | 1%            |                |
| <b>Effect on profit before taxation</b>            |               | <b>27</b>     | <b>9</b>     | <b>11</b>    | <b>2</b>   | <b>1</b>     | <b>11</b>     |                |

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**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 equivalent to those that prevail in arm's length transactions, at market rates. The advances, investments and other assets are gross of ECLs. There have been no guarantees provided or received for any related party facilities.

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| <b>23. Related parties (continued)</b>        | <b>2025</b> | <b>2024</b> |
|-----------------------------------------------|-------------|-------------|
| <b>Advances, investments and other assets</b> |             |             |
| Associates                                    | 2           | 11          |
| Directors and key management personnel        | 488         | 460         |
| Other related parties                         | 163         | 263         |
|                                               | <u>653</u>  | <u>734</u>  |
| <b>Deposits and other liabilities</b>         |             |             |
| Associates                                    | 12          | —           |
| Directors and key management personnel        | 296         | 175         |
| Other related parties                         | 402         | 381         |
|                                               | <u>710</u>  | <u>556</u>  |
| <b>Interest and other income</b>              |             |             |
| Associates                                    | 3           | 10          |
| Directors and key management personnel        | 33          | 42          |
| Other related parties                         | 17          | 30          |
|                                               | <u>53</u>   | <u>82</u>   |
| <b>Interest and other expense</b>             |             |             |
| Directors and key management personnel        | 17          | 20          |
| Other related parties                         | 66          | 64          |
|                                               | <u>83</u>   | <u>84</u>   |

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

| <b>Key management compensation</b> | <b>2025</b> | <b>2024</b> |
|------------------------------------|-------------|-------------|
| Short-term benefits                | 82          | 77          |
| Post employment benefits           | 8           | 10          |
| Share-based payment                | 5           | 5           |
|                                    | <u>95</u>   | <u>92</u>   |

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#### 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 \$1.1 billion to \$16.6 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. The Central Bank of Trinidad and Tobago's risk-based capital guidelines under the Basel II accord require a minimum ratio of common equity Tier I capital to risk-weighted assets of 4.5%, a minimum ratio of core capital ratio (Tier I) to risk-weighted assets of 6%, and a minimum total qualifying capital ratio (Tier I and Tier II) of 12.5% (including a Capital Conservation Buffer (CCB) for RFHL). Core (Tier I) capital comprises mainly of shareholders' equity.

| <b>Capital adequacy ratio</b>                  | <b>2025</b> | <b>2024</b> |
|------------------------------------------------|-------------|-------------|
|                                                | <b>%</b>    | <b>%</b>    |
| <b>Institutions under Basel II regulations</b> |             |             |
| Republic Financial Holdings Limited            | 14.88       | 14.75       |
| Republic Bank Limited                          | 16.01       | 15.70       |
| Republic Bank (Barbados) Limited               | 15.35       | 17.10       |
| Republic Bank (Ghana) PLC                      | 16.75       | 15.59       |
| Cayman National Bank                           | 28.82       | 27.99       |
| Republic Bank (Guyana) Limited                 | 17.26       | 19.23       |
| Republic Bank (Grenada) Limited                | 12.48       | 12.72       |
| Republic Bank (EC) Limited                     | 14.89       | 13.79       |
| <b>Institutions under Basel I regulations</b>  |             |             |
| Republic Bank (Suriname) N.V.                  | 26.39       | 21.03       |
| Atlantic Financial Limited                     | 21.57       | 66.52       |
| Republic Bank (BVI) Limited                    | 41.67       | 32.47       |

At September 30, 2025, RBL and each of RFHL's banking subsidiaries exceeded the minimum levels required for adequately capitalised financial institutions (2024: exceeded).

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**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:

| <b>2025</b>                                                      | <b>Carrying<br/>value</b> | <b>Fair<br/>value</b> | <b>Unrecognised<br/>(loss)/gain</b> |
|------------------------------------------------------------------|---------------------------|-----------------------|-------------------------------------|
| <b>Financial assets</b>                                          |                           |                       |                                     |
| Cash, due from banks and Treasury Bills                          | 17,935                    | 17,935                | –                                   |
| Statutory deposits with Central Banks - above<br>statutory limit | 1,558                     | 1,558                 | –                                   |
| Advances                                                         | 74,118                    | 71,874                | (2,244)                             |
| Investment securities                                            | 19,934                    | 19,799                | (135)                               |
| Investment interest receivable                                   | 212                       | 212                   | –                                   |
| Other financial assets                                           | 185                       | 185                   | –                                   |
| <b>Financial liabilities</b>                                     |                           |                       |                                     |
| Customers' current, savings and deposit accounts                 | 101,022                   | 101,022               | –                                   |
| Due to banks and other fund raising instruments                  | 4,530                     | 4,530                 | –                                   |
| Debt securities in issue                                         | 1,040                     | 1,019                 | 21                                  |
| Accrued interest payable                                         | 243                       | 243                   | –                                   |
| Other financial liabilities                                      | 1,347                     | 1,347                 | –                                   |
| <b>Total unrecognised change in unrealised fair value</b>        |                           |                       | <b><u>(2,358)</u></b>               |
| <b>2024</b>                                                      | <b>Carrying<br/>value</b> | <b>Fair<br/>value</b> | <b>Unrecognised<br/>loss</b>        |
| <b>Financial assets</b>                                          |                           |                       |                                     |
| Cash, due from banks and Treasury Bills                          | 15,936                    | 15,936                | –                                   |
| Statutory deposits with Central Banks - above<br>statutory limit | 1,256                     | 1,256                 | –                                   |
| Advances                                                         | 67,299                    | 65,487                | (1,812)                             |
| Investment securities                                            | 20,516                    | 20,232                | (284)                               |
| Investment interest receivable                                   | 221                       | 221                   | –                                   |
| Other financial assets                                           | 337                       | 337                   | –                                   |
| <b>Financial liabilities</b>                                     |                           |                       |                                     |
| Customers' current, savings and deposit accounts                 | 94,404                    | 94,404                | –                                   |
| Due to banks and other fund raising instruments                  | 3,928                     | 3,928                 | –                                   |
| Debt securities in issue                                         | 1,031                     | 1,038                 | (7)                                 |
| Accrued interest payable                                         | 203                       | 203                   | –                                   |
| Other financial liabilities                                      | 1,288                     | 1,288                 | –                                   |
| <b>Total unrecognised change in unrealised fair value</b>        |                           |                       | <b><u>(2,103)</u></b>               |

Refer to Note 2.6(x) for the basis used to determine the fair value of financial assets and liabilities.

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**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 financial assets and liabilities:

|                                                                | Level 1 | Level 2 | Level 3 | Total  |
|----------------------------------------------------------------|---------|---------|---------|--------|
| <b>2025</b>                                                    |         |         |         |        |
| <b>Financial assets measured at fair value</b>                 |         |         |         |        |
| Investment securities                                          | 59      | 124     | 24      | 207    |
| <b>Financial assets for which fair value is disclosed</b>      |         |         |         |        |
| Advances                                                       | —       | 5,064   | 66,810  | 71,874 |
| Investment securities                                          | 8,204   | 9,570   | 1,818   | 19,592 |
| <b>Financial liabilities for which fair value is disclosed</b> |         |         |         |        |
| Due to banks and other funding instruments                     | —       | 977     | 42      | 1,019  |
|                                                                | Level 1 | Level 2 | Level 3 | Total  |
| <b>2024</b>                                                    |         |         |         |        |
| <b>Financial assets measured at fair value</b>                 |         |         |         |        |
| Investment securities                                          | 42      | 99      | 52      | 193    |
| <b>Financial assets for which fair value is disclosed</b>      |         |         |         |        |
| Advances                                                       | 1,174   | 4,260   | 60,053  | 65,487 |
| Investment securities                                          | 8,004   | 10,111  | 1,924   | 20,039 |
| <b>Financial liabilities for which fair value is disclosed</b> |         |         |         |        |
| Due to banks and other funding instruments                     | —       | 1,005   | 33      | 1,038  |

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**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, 2025 are as shown below:

|                       | Valuation technique                                 | Significant unobservable inputs                      | Range (weighted average) |
|-----------------------|-----------------------------------------------------|------------------------------------------------------|--------------------------|
| Advances              | Discounted Cash Flow Method                         | Growth rate for cash flows for subsequent years      | 3.5% - 20.5%             |
| Investment securities | Market Proxy Method/<br>Discounted Cash Flow Method | Instrument price/<br>Cash flows for subsequent years | 100/<br>0.0% - 4.5%      |

**25.2.3 Transfers between Level 1 and 2**

For the year ended September 30, 2025, there were no assets transferred between Level 1 and Level 2 (2024: \$17.6 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 |
|------------------------------------------------------------------|------------------------------|-----------|---------------------------------|------------------------|
| <b>2025</b>                                                      |                              |           |                                 |                        |
| Financial assets designated at fair value through profit or loss | 52                           | —         | (28)                            | 24                     |
|                                                                  | <u>52</u>                    | <u>—</u>  | <u>(28)</u>                     | <u>24</u>              |
| <b>2024</b>                                                      |                              |           |                                 |                        |
| Financial assets designated at fair value through profit or loss | 52                           | —         | —                               | 52                     |
|                                                                  | <u>52</u>                    | <u>—</u>  | <u>—</u>                        | <u>52</u>              |

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2025

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### 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<br>incorporation and<br>operation | 2025   | 2024   |
|----------------------------------|----------------------------------------------|--------|--------|
| Republic Bank (Ghana) PLC        | Ghana                                        | 33.46% | 33.46% |
| Republic Bank (Guyana) Limited   | Guyana                                       | 49.00% | 49.00% |
| Cayman National Corporation Ltd. | Cayman Islands                               | 13.09% | 25.01% |
| Republic Bank (Grenada) Limited  | Grenada                                      | 15.10% | 15.10% |

#### Accumulated balances of material non-controlling interests:

|                                  |     |     |
|----------------------------------|-----|-----|
| Republic Bank (Ghana) PLC        | 237 | 146 |
| Republic Bank (Guyana) Limited   | 699 | 622 |
| Cayman National Corporation Ltd. | 295 | 532 |
| Republic Bank (Grenada) Limited  | 109 | 107 |

#### Profit allocated to material non-controlling interests:

|                                  |     |     |
|----------------------------------|-----|-----|
| Republic Bank (Ghana) PLC        | 49  | 34  |
| Republic Bank (Guyana) Limited   | 133 | 119 |
| Cayman National Corporation Ltd. | 57  | 105 |
| Republic Bank (Grenada) Limited  | 6   | 8   |

#### Dividends paid to non-controlling interests:

|                                  |    |    |
|----------------------------------|----|----|
| Republic Bank (Ghana) PLC        | —  | —  |
| Republic Bank (Guyana) Limited   | 52 | 34 |
| Cayman National Corporation Ltd. | 64 | 26 |
| Republic Bank (Grenada) Limited  | 3  | 4  |

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

Republic Bank (Grenada) Limited is contained within the Eastern Caribbean segment of Note 27(i). Republic Bank (Grenada) Limited has total assets of \$5.9 billion (2024: \$5.8 billion), total liabilities of \$5.2 billion (2024: \$4.8 billion), profit of \$39 million (2024: \$52 million), cash flows generated by operating activities of \$535 million (2024: \$173 million), cash flows used in investing activities of \$274 million (2024: \$119 million) and cash flows used in financing activities of \$20 million (2024: \$48 million).

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### 27. Segmental information

The Group is organised into two main business segments: retail and commercial banking and other financial services. The Group's primary reporting format comprises geographical segments, reflecting its management structure and the secondary segment is by class of business. The following is an analysis by respective segments:

#### i) By geographic segment

|                                                          | Trinidad<br>& Tobago | Barbados   | Suriname   | Eastern<br>Caribbean | Guyana     | Ghana      | Cayman<br>Islands | British<br>Virgin<br>Islands | Eliminations<br>and Other<br>Adjustments | Total        |
|----------------------------------------------------------|----------------------|------------|------------|----------------------|------------|------------|-------------------|------------------------------|------------------------------------------|--------------|
| <b>2025</b>                                              |                      |            |            |                      |            |            |                   |                              |                                          |              |
| Interest income                                          | 2,963                | 404        | 178        | 793                  | 550        | 624        | 954               | 173                          | (104)                                    | 6,535        |
| Interest expense                                         | (430)                | (5)        | (10)       | (157)                | (36)       | (260)      | (242)             | (37)                         | 104                                      | (1,073)      |
| Net interest income                                      | 2,533                | 399        | 168        | 636                  | 514        | 364        | 712               | 136                          | –                                        | 5,462        |
| Other income                                             | 2,605                | 355        | 93         | 318                  | 222        | 130        | 329               | 45                           | (1,840)                                  | 2,257        |
| Share of profits of<br>associated companies              | 10                   | –          | –          | –                    | –          | –          | –                 | –                            | –                                        | 10           |
| Operating income                                         | 5,148                | 754        | 261        | 954                  | 736        | 494        | 1,041             | 181                          | (1,840)                                  | 7,729        |
| Other operating<br>expenses                              | (2,185)              | (390)      | (72)       | (599)                | (298)      | (278)      | (556)             | (83)                         | 169                                      | (4,292)      |
| Operating profit                                         | 2,963                | 364        | 189        | 355                  | 438        | 216        | 485               | 98                           | (1,671)                                  | 3,437        |
| Credit loss<br>(expense)/recovery<br>on financial assets | (88)                 | 40         | (6)        | (75)                 | (19)       | (9)        | 1                 | (9)                          | –                                        | (165)        |
| <b>Net profit before<br/>taxation</b>                    | <b>2,875</b>         | <b>404</b> | <b>183</b> | <b>280</b>           | <b>419</b> | <b>207</b> | <b>486</b>        | <b>89</b>                    | <b>(1,671)</b>                           | <b>3,272</b> |
| Taxation                                                 | (441)                | (21)       | (66)       | (77)                 | (146)      | (73)       | –                 | –                            | –                                        | (824)        |
| <b>Net profit after<br/>taxation</b>                     | <b>2,434</b>         | <b>383</b> | <b>117</b> | <b>203</b>           | <b>273</b> | <b>134</b> | <b>486</b>        | <b>89</b>                    | <b>(1,671)</b>                           | <b>2,448</b> |

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**27. Segmental information (continued)**

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

|                                               | Trinidad<br>& Tobago | Barbados | Suriname | Eastern<br>Caribbean | Guyana  | Ghana | Cayman<br>Islands | British<br>Virgin<br>Islands | Eliminations<br>and Other<br>Adjustments | Total   |
|-----------------------------------------------|----------------------|----------|----------|----------------------|---------|-------|-------------------|------------------------------|------------------------------------------|---------|
| <b>2025</b>                                   |                      |          |          |                      |         |       |                   |                              |                                          |         |
| Investment in associated companies            | 88                   | —        | —        | —                    | —       | —     | —                 | —                            | —                                        | 88      |
| Total assets                                  | 54,721               | 11,427   | 3,205    | 17,600               | 14,064  | 5,193 | 17,131            | 3,327                        | 464                                      | 127,132 |
| Total liabilities                             | 48,076               | 10,169   | 2,781    | 15,838               | 12,795  | 4,505 | 14,371            | 2,011                        | (26)                                     | 110,520 |
| Depreciation                                  | 283                  | 28       | 5        | 28                   | 15      | 28    | 43                | 4                            | 3                                        | 437     |
| Capital expenditure on premises and equipment | 225                  | 26       | 8        | 38                   | 26      | 26    | 19                | —                            | —                                        | 368     |
| Cash flow (used in)/from operating activities | (772)                | 1,173    | 115      | 105                  | 1,580   | 570   | 57                | —                            | —                                        | 2,828   |
| Cash flow from/(used in) investing activities | 661                  | (152)    | 187      | 20                   | (1,348) | (621) | 306               | 345                          | —                                        | (602)   |
| Cash flow used in financing activities        | (241)                | (317)    | —        | (227)                | (124)   | —     | (323)             | —                            | —                                        | (1,232) |

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**27. Segmental information** (continued)

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

|                                                          | Trinidad<br>& Tobago | Barbados   | Suriname  | Eastern<br>Caribbean | Guyana     | Ghana      | Cayman<br>Islands | British<br>Virgin<br>Islands | Eliminations<br>and Other<br>Adjustments | Total        |
|----------------------------------------------------------|----------------------|------------|-----------|----------------------|------------|------------|-------------------|------------------------------|------------------------------------------|--------------|
| <b>2024</b>                                              |                      |            |           |                      |            |            |                   |                              |                                          |              |
| Interest income                                          | 2,712                | 384        | 178       | 806                  | 468        | 547        | 930               | 162                          | (51)                                     | 6,136        |
| Interest expense                                         | (384)                | (11)       | (11)      | (152)                | (32)       | (260)      | (246)             | (25)                         | 51                                       | (1,070)      |
| Net interest income                                      | 2,328                | 373        | 167       | 654                  | 436        | 287        | 684               | 137                          | —                                        | 5,066        |
| Other income                                             | 2,888                | 193        | 39        | 360                  | 222        | 114        | 311               | 39                           | (2,065)                                  | 2,101        |
| Share of profits of<br>associated companies              | 9                    | —          | —         | —                    | —          | —          | —                 | —                            | —                                        | 9            |
| Operating income                                         | 5,225                | 566        | 206       | 1,014                | 658        | 401        | 995               | 176                          | (2,065)                                  | 7,176        |
| Other operating<br>expenses                              | (1,990)              | (376)      | (88)      | (668)                | (261)      | (235)      | (527)             | (82)                         | 193                                      | (4,034)      |
| Operating profit                                         | 3,235                | 190        | 118       | 346                  | 397        | 166        | 468               | 94                           | (1,872)                                  | 3,142        |
| Credit loss<br>recovery/(expense)<br>on financial assets | 1                    | 25         | 2         | (113)                | (5)        | (18)       | 6                 | (7)                          | —                                        | (109)        |
| Net monetary loss in<br>hyperinflationary<br>economies   | —                    | —          | (25)      | —                    | —          | —          | —                 | —                            | —                                        | (25)         |
| <b>Net profit before<br/>taxation</b>                    | <b>3,236</b>         | <b>215</b> | <b>95</b> | <b>233</b>           | <b>392</b> | <b>148</b> | <b>474</b>        | <b>87</b>                    | <b>(1,872)</b>                           | <b>3,008</b> |
| Taxation                                                 | (408)                | (2)        | (44)      | (81)                 | (149)      | (52)       | —                 | —                            | —                                        | (736)        |
| <b>Net profit after<br/>taxation</b>                     | <b>2,828</b>         | <b>213</b> | <b>51</b> | <b>152</b>           | <b>243</b> | <b>96</b>  | <b>474</b>        | <b>87</b>                    | <b>(1,872)</b>                           | <b>2,272</b> |

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**27. Segmental information** (continued)

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

|                                               | Trinidad<br>& Tobago | Barbados | Suriname | Eastern<br>Caribbean | Guyana | Ghana | Cayman<br>Islands | British<br>Virgin<br>Islands | Eliminations<br>and Other<br>Adjustments | Total   |
|-----------------------------------------------|----------------------|----------|----------|----------------------|--------|-------|-------------------|------------------------------|------------------------------------------|---------|
| <b>2024</b>                                   |                      |          |          |                      |        |       |                   |                              |                                          |         |
| Investment in associated companies            | 78                   | —        | —        | —                    | —      | —     | —                 | —                            | —                                        | 78      |
| Total assets                                  | 52,798               | 9,585    | 3,092    | 17,275               | 11,547 | 3,747 | 16,631            | 3,315                        | 550                                      | 118,540 |
| Total liabilities                             | 46,479               | 8,287    | 2,776    | 15,472               | 10,458 | 3,311 | 14,223            | 2,090                        | (41)                                     | 103,055 |
| Depreciation                                  | 281                  | 26       | 13       | 27                   | 13     | 20    | 43                | 3                            | 3                                        | 429     |
| Capital expenditure on premises and equipment | 219                  | 16       | 13       | 32                   | 38     | 43    | 26                | —                            | —                                        | 387     |
| Cash flow (used in)/from operating activities | (566)                | (154)    | (185)    | 306                  | 1,194  | 331   | 520               | (148)                        | —                                        | 1,298   |
| Cash flow from/(used in) investing activities | 617                  | 332      | 150      | (276)                | (927)  | (225) | (627)             | 167                          | —                                        | (789)   |
| Cash flow (used in)/from financing activities | (701)                | (505)    | —        | (79)                 | (85)   | (2)   | (67)              | (2)                          | —                                        | (1,441) |

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**27. Segmental information (continued)**

| <b>ii) By class of business</b>                       | <b>Retail and<br/>commercial<br/>banking</b> | <b>Other<br/>financial<br/>services</b> | <b>Eliminations<br/>and other<br/>adjustments</b> | <b>Total</b>        |
|-------------------------------------------------------|----------------------------------------------|-----------------------------------------|---------------------------------------------------|---------------------|
| <b>2025</b>                                           |                                              |                                         |                                                   |                     |
| Interest income                                       | 6,380                                        | 259                                     | (104)                                             | 6,535               |
| Interest expense                                      | <u>(1,015)</u>                               | <u>(162)</u>                            | <u>104</u>                                        | <u>(1,073)</u>      |
| Net interest income                                   | 5,365                                        | 97                                      | –                                                 | 5,462               |
| Other income                                          | 2,475                                        | 1,622                                   | (1,840)                                           | 2,257               |
| Share of profit of associated<br>companies            | <u>–</u>                                     | <u>–</u>                                | <u>10</u>                                         | <u>10</u>           |
| Operating income                                      | 7,840                                        | 1,719                                   | (1,830)                                           | 7,729               |
| Other operating expenses                              | <u>(4,397)</u>                               | <u>(64)</u>                             | <u>169</u>                                        | <u>(4,292)</u>      |
| Operating profit                                      | 3,443                                        | 1,655                                   | (1,661)                                           | 3,437               |
| Credit loss (expense)/recovery<br>on financial assets | <u>(186)</u>                                 | <u>21</u>                               | <u>–</u>                                          | <u>(165)</u>        |
| <b>Net profit before taxation</b>                     | <b>3,257</b>                                 | <b>1,676</b>                            | <b>(1,661)</b>                                    | <b>3,272</b>        |
| Taxation                                              | <u>(739)</u>                                 | <u>(85)</u>                             | <u>–</u>                                          | <u>(824)</u>        |
| <b>Net profit after taxation</b>                      | <b><u>2,518</u></b>                          | <b><u>1,591</u></b>                     | <b><u>(1,661)</u></b>                             | <b><u>2,448</u></b> |
| Investment in associated<br>companies                 | –                                            | –                                       | 88                                                | 88                  |
| Total assets                                          | 126,096                                      | 17,140                                  | (16,104)                                          | 127,132             |
| Total liabilities                                     | 110,778                                      | 4,626                                   | (4,884)                                           | 110,520             |
| Depreciation                                          | 434                                          | 1                                       | 3                                                 | 437                 |
| Capital expenditure on premises<br>and equipment      | 368                                          | –                                       | –                                                 | 368                 |
| Cash flow from operating<br>activities                | 938                                          | 1,890                                   | –                                                 | 2,828               |
| Cash flow used in investing<br>activities             | (273)                                        | (329)                                   | –                                                 | (602)               |
| Cash flow from/(used in)<br>financing activities      | 139                                          | (1,371)                                 | –                                                 | (1,232)             |

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**27. Segmental information** (continued)

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

|                                                     | <b>Retail and<br/>commercial<br/>banking</b> | <b>Other<br/>financial<br/>services</b> | <b>Eliminations<br/>and other<br/>adjustments</b> | <b>Total</b> |
|-----------------------------------------------------|----------------------------------------------|-----------------------------------------|---------------------------------------------------|--------------|
| <b>2024</b>                                         |                                              |                                         |                                                   |              |
| Interest income                                     | 5,932                                        | 255                                     | (51)                                              | 6,136        |
| Interest expense                                    | (996)                                        | (125)                                   | 51                                                | (1,070)      |
| Net interest income                                 | 4,936                                        | 130                                     | —                                                 | 5,066        |
| Other income                                        | 2,500                                        | 1,666                                   | (2,065)                                           | 2,101        |
| Share of profit of associated<br>companies          | —                                            | —                                       | 9                                                 | 9            |
| Operating income                                    | 7,436                                        | 1,796                                   | (2,056)                                           | 7,176        |
| Other operating expenses                            | (4,199)                                      | (28)                                    | 193                                               | (4,034)      |
| Operating profit                                    | 3,237                                        | 1,768                                   | (1,863)                                           | 3,142        |
| Credit loss expense on financial<br>assets          | (2)                                          | (107)                                   | —                                                 | (109)        |
| Net monetary loss in<br>hyperinflationary economies | (25)                                         | —                                       | —                                                 | (25)         |
| <b>Net profit before taxation</b>                   | <b>3,210</b>                                 | <b>1,661</b>                            | <b>(1,863)</b>                                    | <b>3,008</b> |
| Taxation                                            | (660)                                        | (76)                                    | —                                                 | (736)        |
| <b>Net profit after taxation</b>                    | <b>2,550</b>                                 | <b>1,585</b>                            | <b>(1,863)</b>                                    | <b>2,272</b> |
| Investment in associated<br>companies               | —                                            | —                                       | 78                                                | 78           |
| Total assets                                        | 117,988                                      | 16,151                                  | (15,599)                                          | 118,540      |
| Total liabilities                                   | 104,038                                      | 3,749                                   | (4,732)                                           | 103,055      |
| Depreciation                                        | 425                                          | 1                                       | 3                                                 | 429          |
| Capital expenditure on premises<br>and equipment    | 387                                          | —                                       | —                                                 | 387          |
| Cash flow from operating<br>activities              | 256                                          | 1,042                                   | —                                                 | 1,298        |
| Cash flow (used in)/from<br>investing activities    | (1,587)                                      | 798                                     | —                                                 | (789)        |
| Cash flow from/(used in)<br>financing activities    | 600                                          | (2,041)                                 | —                                                 | (1,441)      |

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**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.

| <b>2025</b>                                      | <b>Within<br/>one year</b> | <b>After<br/>one year</b> | <b>Total</b>   |
|--------------------------------------------------|----------------------------|---------------------------|----------------|
| <b>ASSETS</b>                                    |                            |                           |                |
| Cash on hand                                     | 1,589                      | –                         | 1,589          |
| Statutory deposits with Central Banks            | 7,683                      | –                         | 7,683          |
| Due from banks                                   | 6,923                      | –                         | 6,923          |
| Treasury Bills                                   | 9,423                      | –                         | 9,423          |
| Advances                                         | 10,948                     | 63,170                    | 74,118         |
| Investment securities                            | 5,703                      | 14,231                    | 19,934         |
| Investment interest receivable                   | 196                        | 16                        | 212            |
| Other assets                                     | 992                        | 119                       | 1,111          |
| Investment in associated companies               | –                          | 88                        | 88             |
| Premises and equipment                           | 9                          | 3,374                     | 3,383          |
| Right-of-use assets                              | 2                          | 430                       | 432            |
| Intangible assets                                | –                          | 898                       | 898            |
| Net employee defined benefit asset               | –                          | 943                       | 943            |
| Deferred tax assets                              | 17                         | 309                       | 326            |
| Taxation recoverable                             | 8                          | 61                        | 69             |
|                                                  | <b>43,494</b>              | <b>83,639</b>             | <b>127,132</b> |
| <b>LIABILITIES</b>                               |                            |                           |                |
| Due to banks                                     | 407                        | –                         | 407            |
| Customers' current, savings and deposit accounts | 95,046                     | 5,976                     | 101,022        |
| Other fund raising instruments                   | 3,502                      | 621                       | 4,123          |
| Debt securities in issue                         | –                          | 1,040                     | 1,040          |
| Lease liabilities                                | 7                          | 452                       | 459            |
| Taxation payable                                 | 370                        | –                         | 370            |
| Accrued interest payable                         | 193                        | 50                        | 243            |
| Other liabilities                                | 2,090                      | 244                       | 2,334          |
| Pension liability                                | –                          | 5                         | 5              |
| Net employee defined benefit liabilities         | –                          | 32                        | 32             |
| Deferred tax liabilities                         | 1                          | 484                       | 485            |
|                                                  | <b>101,616</b>             | <b>8,904</b>              | <b>110,520</b> |

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**28. Maturity analysis of assets and liabilities (continued)**

| <b>2024</b>                                      | <b>Within<br/>one year</b> | <b>After<br/>one year</b> | <b>Total</b>   |
|--------------------------------------------------|----------------------------|---------------------------|----------------|
| <b>ASSETS</b>                                    |                            |                           |                |
| Cash on hand                                     | 1,452                      | —                         | 1,452          |
| Statutory deposits with Central Banks            | 7,281                      | —                         | 7,281          |
| Due from banks                                   | 6,802                      | —                         | 6,802          |
| Treasury Bills                                   | 7,682                      | —                         | 7,682          |
| Advances                                         | 13,693                     | 53,606                    | 67,299         |
| Investment securities                            | 8,034                      | 12,482                    | 20,516         |
| Investment interest receivable                   | 212                        | 9                         | 221            |
| Other assets                                     | 1,039                      | 33                        | 1,072          |
| Investment in associated companies               | —                          | 78                        | 78             |
| Premises and equipment                           | 44                         | 3,317                     | 3,361          |
| Right-of-use assets                              | 8                          | 483                       | 491            |
| Intangible assets                                | —                          | 937                       | 937            |
| Net employee defined benefit asset               | —                          | 945                       | 945            |
| Deferred tax assets                              | 11                         | 325                       | 336            |
| Taxation recoverable                             | 2                          | 65                        | 67             |
|                                                  | <b>46,260</b>              | <b>72,280</b>             | <b>118,540</b> |
| <b>LIABILITIES</b>                               |                            |                           |                |
| Due to banks                                     | 463                        | —                         | 463            |
| Customers' current, savings and deposit accounts | 89,788                     | 4,616                     | 94,404         |
| Other fund raising instruments                   | 2,737                      | 728                       | 3,465          |
| Debt securities in issue                         | —                          | 1,031                     | 1,031          |
| Lease liabilities                                | 14                         | 503                       | 517            |
| Taxation payable                                 | 298                        | —                         | 298            |
| Accrued interest payable                         | 175                        | 28                        | 203            |
| Other liabilities                                | 1,934                      | 186                       | 2,120          |
| Net employee defined benefit liabilities         | —                          | 33                        | 33             |
| Deferred tax liabilities                         | 13                         | 508                       | 521            |
|                                                  | <b>95,422</b>              | <b>7,633</b>              | <b>103,055</b> |

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### 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 RFHL 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.

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:

|                              | <b>2025</b>             | <b>2024</b> | <b>2025</b>             | <b>2024</b>  |
|------------------------------|-------------------------|-------------|-------------------------|--------------|
|                              | <b>Weighted average</b> |             | <b>Number of shares</b> |              |
|                              | <b>exercise price</b>   |             | <b>('000)</b>           |              |
| At the beginning of the year | \$120.03                | \$116.61    | 3,342                   | 2,968        |
| Granted                      | \$123.56                | \$140.04    | 664                     | 435          |
| Exercised                    | \$96.24                 | \$96.28     | (112)                   | (61)         |
| At end of year               | \$121.32                | \$120.03    | <b>3,894</b>            | <b>3,342</b> |
| Exercisable at end of year   | \$115.99                | \$111.49    | <b>2,541</b>            | <b>2,311</b> |

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(Continued)

**29. Equity compensation benefits** (continued)

| <b>Stock option plan</b> (continued) |                    | <b>Exercise</b> |              |              |
|--------------------------------------|--------------------|-----------------|--------------|--------------|
|                                      | <b>Expiry date</b> | <b>price</b>    | <b>2025</b>  | <b>2024</b>  |
|                                      | 8-Dec-24           | \$72.99         | —            | 23           |
|                                      | 14-Dec-25          | \$92.67         | 47           | 79           |
|                                      | 14-Dec-26          | \$104.41        | 150          | 169          |
|                                      | 11-Dec-27          | \$110.03        | 168          | 191          |
|                                      | 11-Dec-28          | \$121.74        | 289          | 289          |
|                                      | 12-Dec-30          | \$110.00        | 324          | 339          |
|                                      | 7-Dec-31           | \$101.92        | 396          | 396          |
|                                      | 9-Dec-32           | \$103.65        | 497          | 497          |
|                                      | 17-Dec-34          | \$142.24        | 445          | 445          |
|                                      | 12-Dec-35          | \$135.64        | 478          | 478          |
|                                      | 8-Feb-37           | \$140.04        | 436          | 436          |
|                                      | 6-Jan-38           | \$123.56        | 664          | —            |
|                                      |                    |                 | <b>3,894</b> | <b>3,342</b> |

As at September 30, 2025, 2,751,242 (2024: 1,358,252) 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 \$96.24 (2024: \$96.28). For options outstanding at September 30, 2025 the exercise price ranged from \$92.67 to \$142.24 and the weighted average remaining contractual life was 7.6 years.

The total expense for the share option plan was \$5.1 million (2024: \$4.7 million).

**Profit sharing scheme**

It is estimated that approximately \$223 million (2024: \$206 million) will be allocated to staff from the profit sharing scheme in the current financial year as shown in Note 19(d).

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| <b>30. Dividends paid and proposed</b>           | <b>2025</b>       | <b>2024</b>         |
|--------------------------------------------------|-------------------|---------------------|
| <b>Declared and paid during the year</b>         |                   |                     |
| Equity dividends on ordinary shares:             |                   |                     |
| Final dividend for 2024: \$3.55 (2023: \$4.10)   | 581               | 671                 |
| Interim dividend for 2025: \$2.15 (2024: \$2.15) | <u>352</u>        | <u>352</u>          |
| <b>Total dividends paid</b>                      | <b><u>933</u></b> | <b><u>1,023</u></b> |
| <b>Proposed</b>                                  |                   |                     |
| Equity dividends on ordinary shares:             |                   |                     |
| Final dividend for 2025: \$3.85 (2024: \$3.55)   | <u>631</u>        | <u>581</u>          |

**31. Contingent liabilities**

**a) Litigation**

As at September 30, 2025, 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**

|                            | <b>2025</b>         | <b>2024</b>         |
|----------------------------|---------------------|---------------------|
| Acceptances                | 2,796               | 2,711               |
| Guarantees and indemnities | 319                 | 357                 |
| Letters of credit          | <u>346</u>          | <u>655</u>          |
|                            | <b><u>3,461</u></b> | <b><u>3,723</u></b> |

**c) Sectoral information**

|                              |                     |                     |
|------------------------------|---------------------|---------------------|
| State                        | 88                  | 119                 |
| Corporate and commercial     | 2,332               | 2,737               |
| Personal                     | 371                 | 270                 |
| Other financial institutions | 508                 | 525                 |
| Other                        | <u>162</u>          | <u>72</u>           |
|                              | <b><u>3,461</u></b> | <b><u>3,723</u></b> |

## REPUBLIC FINANCIAL HOLDINGS LIMITED

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#### 31. Contingent liabilities (continued)

##### d) Pledged assets

The table below illustrates the distribution of pledged assets in the Group's consolidated statement of financial position:

|                  | Carrying amount |              | Related liability |              |
|------------------|-----------------|--------------|-------------------|--------------|
|                  | 2025            | 2024         | 2025              | 2024         |
| Financial assets | <u>2,661</u>    | <u>3,726</u> | <u>3,261</u>      | <u>3,105</u> |

The financial assets pledged by the Group relate to a pool of investment securities, treasury bills and advances, held for the purpose of providing collateral for the counterparty. Individual securities within the pool may be sold by the Group once the total value of the pool exceeds the value of the liability. In the event of the Group's default, the counterparty is entitled to apply the collateral in order to settle the liability.

#### 32. Structured entities

The Group sponsors several structured entities which are not consolidated as the Group is not deemed to be in control of those entities. The Group considers itself to be sponsor of a structured entity when it facilitates the establishment of the structured entity. The Group may hold an interest in some of these entities but does not provide any financial support to these entities.

These structured entities include Mutual Funds and Retirement Benefit Plans which are financed through the issue of units to investors in the funds. The Group generates fees from managing the assets of these funds on behalf of the third party investors. For the year ended September 30, 2025, the Group earned \$32.6 million (2024: \$36.8 million) in management fees from the retirement plans and \$178.6 million (2024: \$181.9 million) from the mutual funds.

The Group holds an interest of \$18.2 million (2024: \$26.7 million) in sponsored funds as at September 30, 2025. 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, 2025.

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**33. Subsidiary companies**

| <b>Name of company</b>                                                       | <b>Country of incorporation</b> | <b>% equity interest</b> |
|------------------------------------------------------------------------------|---------------------------------|--------------------------|
| Republic Bank (Barbados) Limited<br><i>Commercial Bank</i>                   | Barbados                        | 100.00                   |
| Republic Bank Trinidad and Tobago (Barbados) Limited<br><i>Offshore Bank</i> | Barbados                        | 100.00                   |
| Republic Bank (BVI) Limited<br><i>Commercial Bank</i>                        | British Virgin Islands          | 100.00                   |
| Republic Insurance Company (Cayman) Limited<br><i>Insurance Company</i>      | Cayman Islands                  | 100.00                   |
| Cayman National Corporation Ltd.<br><i>Banking and Fiduciary Services</i>    | Cayman Islands                  | 86.91                    |
| Republic Bank (Ghana) PLC<br><i>Commercial Bank</i>                          | Ghana                           | 66.54                    |
| Republic Bank (Grenada) Limited<br><i>Commercial Bank</i>                    | Grenada                         | 84.90                    |
| Republic Bank (Guyana) Limited<br><i>Commercial Bank</i>                     | Guyana                          | 51.00                    |
| Republic Bank (EC) Limited<br><i>Commercial Bank</i>                         | St. Lucia                       | 100.00                   |
| Atlantic Financial Limited<br><i>International Business Company</i>          | St. Lucia                       | 100.00                   |
| Republic Caribbean Investments Limited<br><i>Investment Company</i>          | St. Lucia                       | 100.00                   |
| Republic (Suriname) Holding Limited<br><i>Investment Company</i>             | St. Lucia                       | 100.00                   |
| Republic Bank (Suriname) N.V.<br><i>Commercial Bank</i>                      | Suriname                        | 100.00                   |

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**33. Subsidiary companies (continued)**

| <b>Name of company (continued)</b>                                                                    | <b>Country of incorporation</b> | <b>% equity interest</b> |
|-------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------|
| Republic Bank Limited<br><i>Commercial Bank</i>                                                       | Trinidad and Tobago             | 100.00                   |
| London Street Project Company Limited<br><i>Facilitate Financing of Property Development Projects</i> | Trinidad and Tobago             | 100.00                   |
| Republic Investments Limited<br><i>Investment Management Company</i>                                  | Trinidad and Tobago             | 100.00                   |
| Republic Wealth Management Limited<br><i>Securities Brokerage Company</i>                             | Trinidad and Tobago             | 100.00                   |
| Republic Trustee Services Limited<br><i>Investment Advisory Company</i>                               | Trinidad and Tobago             | 100.00                   |
| Republic Life Insurance Company Limited<br><i>Insurance Company</i>                                   | Trinidad and Tobago             | 100.00                   |

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**34. Business combinations**

**Acquisition of additional interest in Cayman National Corporation Ltd.**

On August 8, 2025, the Group acquired an additional 11.92% interest in Cayman National Corporation Ltd., increasing its ownership to 86.91%. Cash consideration of \$262 million was paid to the non-controlling shareholders. The carrying value of the net assets of Cayman National Corporation Ltd. was \$2.3 billion. Following is a schedule of additional interest acquired in Cayman National Corporation Ltd.:

|                                                                               |                   |
|-------------------------------------------------------------------------------|-------------------|
| Cash consideration paid                                                       | 262               |
| Carrying value of the additional interest in Cayman National Corporation Ltd. | <u>(270)</u>      |
| <b>Difference recognised in retained earnings</b>                             | <b><u>(8)</u></b> |

From the date of increased shareholding, Cayman National Corporation Ltd. contributed \$1.2 billion of revenue and \$0.4 billion to profit before tax from continuing operations of the Group.

**35. Events after the reporting period**

There are no events after the reporting date that require adjustment to or disclosure in these consolidated financial statements.