

## Republic Financial Holdings Limited (RFHL) Results for the Year Ended September 30, 2020

### Key Points:

- Republic Financial Holdings Limited (RFHL) financial performance was impacted by the novel coronavirus (COVID-19), through decreased economic activity, lower margins due to reduced interest rates, waiver of fees and commissions under the COVID-19 relief initiatives, increased provisioning to cover potential future losses on the loan and investment portfolios and impairment of the remaining Goodwill held on their Barbados subsidiary.
- The Group continues its drive to improve efficiency through the implementation of a common IT platform across all Caribbean subsidiaries, which it continued over the past year. To date, conversion of the IT systems have been completed for subsidiaries in Suriname, Cayman Islands and Guyana, with work in the new territories, Grenada and Barbados currently underway and other subsidiaries to follow thereafter. Successful implementation of this common platform will enable the Group to offer the Caribbean clients a common experience and facilitate the introduction of a shared support services infrastructure for improved efficiency.
- The acquisition of Scotiabank's banking operations in the British Virgin Islands was completed on June 1, 2020 which added \$3.10B to the Group's asset base.

### Diluted Earnings Per Share (EPS):

RFHL reported a diluted EPS of \$0.79 in Q4 2020, bringing the total diluted EPS for YE20 to 5.54, down 43.06 per cent or \$4.19 per share on the corresponding period's diluted EPS of \$9.73 in YE19. The diluted EPS recorded in Q4 2020 of \$0.79 was the second lowest diluted EPS over the past eight years.

### Dividend:

The Board of Directors declared a final dividend of \$2.10 per share which was be paid on December 1, 2020 to shareholders on the register as at November 18, 2020. This brings the total dividend for the year ended 2020 to \$2.70 per share and is the lowest total dividend payment recorded over the past eight years.

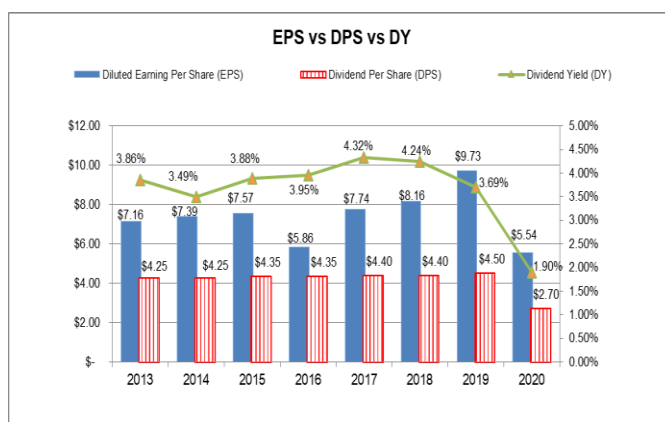
### Industry:

At the current price of \$133.82 the P/E ratio is 24.16 times which is above the banking sector weighted average P/E of 18.38 times. RFHL's dividend yield at the current price is 2.02 per cent compared to the banking sector weighted average dividend yield of 3.18 per cent. Between FY 2013 & 2020 the Group has shown an average dividend payout ratio of 57.79 per cent.

Diluted EPS	Q1	Q2	Q3	Q4	Total
2020	2.29	1.04	1.42	0.79	5.54
2019	2.16	2.67	2.76	2.14	9.73
2018	2.10	1.91	2.12	2.03	8.16
2017	2.04	1.86	2.03	1.81	7.74
2016	1.90	1.73	1.98	0.25	5.86
2015	1.84	1.70	2.02	2.01	7.57
2014	1.80	1.67	1.91	2.01	7.39
2013	1.78	1.66	1.90	1.82	7.16

Financial Year End	September 30
<b>Sector</b>	<b>Banking</b>
Symbol on TTSE	RFHL
Issued Share Capital	163.13MM
Market Capitalization	\$23.16B
Current Price (December 17, 2020)	\$133.82
52 Week Price Range	\$130.05- \$145.50
Diluted EPS	\$5.54
Price to Earnings Multiple	24.16 x
Current Book Value/Share	\$63.22
Price to Book	2.12 x
Return on Equity	8.89%
Return on Assets	1.05%

Dividend	Interim	Final	Total	Dividend Yield
2020	0.60	2.10	2.70	1.90%
2019	1.25	3.25	4.50	3.69%
2018	1.25	3.15	4.40	4.24%
2017	1.25	3.15	4.40	4.32%
2016	1.25	3.10	4.35	3.95%
2015	1.25	3.10	4.35	3.88%
2014	1.25	3.00	4.25	3.49%
2013	1.25	3.00	4.25	3.86%



### Income Statement for the period ending September 30, 2020

	YE20	YE19	\$ Change	% Change		YE18
	\$'000	\$'000	YE20 - YE19	YE20 - YE19	Change	\$'000
Net Interest Income	3,994,970	3,814,361	180,609	4.73%	↑	3,415,021
Other Income	1,705,250	2,017,836	(312,586)	-15.49%	↓	1,372,302
<b>Operating Income</b>	<b>5,700,220</b>	<b>5,832,197</b>	<b>(131,977)</b>	<b>-2.26%</b>	↓	<b>4,787,323</b>
Operating Expenses	(3,623,392)	(2,941,806)	681,586	23.17%	↑	(2,571,370)
	<b>2,076,828</b>	<b>2,890,391</b>	<b>(813,563)</b>	<b>-28.15%</b>	↓	<b>2,215,953</b>
Profit/(Loss) of Assoc Companies	4,911	5,980	(1,069)	-17.88%	↓	7,567
<b>Operating Profit</b>	<b>2,081,739</b>	<b>2,896,371</b>	<b>(814,632)</b>	<b>-28.13%</b>	↓	<b>2,223,520</b>
Credit loss Expense	(621,164)	(226,176)	394,988	174.64%	↑	(301,532)
<b>Net Profit Before Taxation</b>	<b>1,460,575</b>	<b>2,670,195</b>	<b>(1,209,620)</b>	<b>-45.30%</b>	↓	<b>1,921,988</b>
Taxation	(457,516)	(954,542)	(497,026)	-52.07%	↓	(527,075)
<b>Net Profit After Taxation</b>	<b>1,003,059</b>	<b>1,715,653</b>	<b>(712,594)</b>	<b>-41.53%</b>	↓	<b>1,394,913</b>
Attributable to:						
Equity Holders of the Parent	904,056	1,581,124	(677,068)	-42.82%	↓	1,322,850
Non-Controlling Interest	99,003	134,529	(35,526)	-26.41%	↓	72,063
	<b>1,003,059</b>	<b>1,715,653</b>	<b>(712,594)</b>	<b>-41.53%</b>	↓	<b>1,394,913</b>
EPS - Basic	\$5.57	\$9.75	(\$4.18)	-42.87%	↓	\$8.17
<b>EPS - Diluted</b>	<b>\$5.54</b>	<b>\$9.73</b>	<b>(\$4.19)</b>	<b>-43.06%</b>	↓	<b>\$8.16</b>

### Balance Sheet as at September 30, 2020

	YE20	YE19	\$ Change	% Change		YE18
	\$'000	\$'000	YE20 - YE19	YE20 - YE19	Change	\$'000
Total Assets	104,276,614	87,483,888	16,792,726	19.20%	↑	70,465,620
Total Liabilities	92,934,141	76,252,128	16,682,013	21.88%	↑	60,367,838
Total Equity	11,342,473	11,231,760	110,713	0.99%	↑	10,097,782
	<b>104,276,614</b>	<b>87,483,888</b>	<b>16,792,726</b>			<b>70,465,620</b>

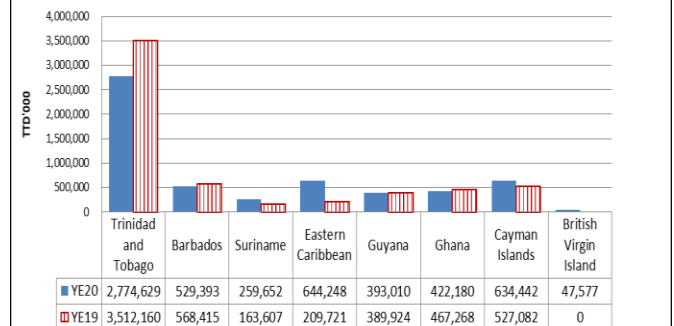
### Financials:

- Operating Income closed at \$5.70B, a decrease of 2.26 per cent or \$131.98MM from YE19's total of \$5.83B.
- Net Profit Before Tax (NPBT) for YE20 stands at \$1.46B, a significant decline of 45.30 per cent or \$1.21B from \$2.67B in YE19.
- Net Profit After Tax (NPAT) totaled \$1.00B for the year ended 2020, down 41.53 per cent or \$712.59MM from \$1.72B in YE19.
- Total Assets increased by 19.20 per cent or \$16.79B to \$104.28B in YE20, which was primarily due to the acquisition of Scotiabank's operations in St Maarten, the Eastern Caribbean and the British Virgin Islands (BVI). Total Liabilities amounted to \$92.93B in YE20 and Total Equity rose slightly by 0.99 per cent or \$110.71MM to close at \$11.34B.

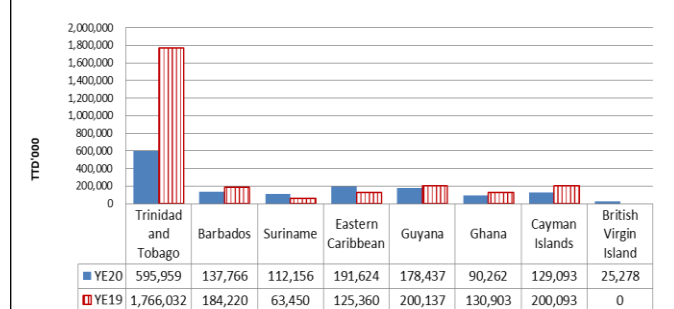
### Segments:

- The major contributor to the Group's Operating Income for the year ended 2020 was the Trinidad and Tobago segment representing 48.63 per cent followed by the Eastern Caribbean segment with 11.29 per cent. In third place was the Cayman Islands segment holding 11.12 per cent of the Group's Operating Income.
- The Trinidad and Tobago segment was also the major contributor to the Group's NPBT representing 40.80 per cent followed by the Eastern Caribbean segment with 13.12 per cent. In third place was the Guyana segment representing 12.22 per cent of the Group's NPBT.

### Operating Income by Geographic Segment



### Net Profit Before Tax by Geographic Segment



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