

## Republic Financial Holdings Limited

### Results for the Nine Months Ended June 30, 2016

#### Earnings Per Share

For the Nine Months Ended June 30, 2016 (NM16), Republic Financial Holdings Limited (RFHL) reported Diluted Earnings Per Share (EPS) of \$5.61. This represented an increase of 0.90 per cent or \$0.05 per share on the corresponding period's EPS of \$5.56 in fiscal 2015.

#### Financial Highlights (NM16 on NM15)

	NM16 \$'000	NM15 \$'000	\$ Change NM16 - NM15 \$'000	% Change NM16 - NM15	YE15 \$'000
Net Interest Income	2,278,470	1,791,326	487,144	27.19%	2,453,036
Other Income	1,070,281	1,104,444	(34,163)	-3.09%	1,462,399
<b>Operating Income</b>	<b>3,348,751</b>	<b>2,895,770</b>	<b>452,981</b>	<b>15.64%</b>	<b>3,915,435</b>
Operating Expenses	(1,950,652)	(1,559,599)	(391,053)	25.07%	(2,155,963)
<b>Profit Before Taxation from Core Operations</b>	<b>1,398,099</b>	<b>1,336,171</b>	<b>61,928</b>	<b>4.63%</b>	<b>1,759,472</b>
Net Share of Loss/Profits of Associated Companies	(3,438)	17,385	(20,823)	-119.78%	39,276
<b>Operating Profit</b>	<b>1,394,661</b>	<b>1,353,556</b>	<b>41,105</b>	<b>3.04%</b>	<b>1,798,748</b>
Loan Impairment Expense	(154,756)	(145,015)	(9,741)	6.72%	(165,264)
<b>Profit Before Taxation</b>	<b>1,239,905</b>	<b>1,208,541</b>	<b>31,364</b>	<b>2.60%</b>	<b>1,633,484</b>
Taxation	(300,418)	(305,463)	5,045	-1.65%	(396,740)
<b>Profit After Taxation</b>	<b>939,487</b>	<b>903,078</b>	<b>36,409</b>	<b>4.03%</b>	<b>1,236,744</b>
Attributable to:					
Equity Holders of the Parent	907,433	897,776	9,657	1.08%	1,223,648
Non-Controlling Interest	32,054	5,302	26,752	504.56%	13,096
	<b>939,487</b>	<b>903,078</b>	<b>36,409</b>	<b>4.03%</b>	<b>1,236,744</b>
EPS - Basic	\$5.62	\$5.57	\$0.05	0.90%	\$7.59
<b>EPS - Diluted</b>	<b>\$5.61</b>	<b>\$5.56</b>	<b>\$0.05</b>	<b>0.90%</b>	<b>\$7.57</b>

For the period under review, Net Interest Income showed solid improvement, up 27.19 per cent or \$487.14MM to \$2.28B while Other Income fell 3.09 per cent or \$34.16MM to \$1.07B. Overall Operating Income grew 15.64 per cent or \$452.98MM from \$2.90B in NM15 to \$3.35B in NM16. The Bank's Trinidad and Tobago operations accounted for \$2.56B of this figure and showed an improvement of 6.85 per cent on NM15.

Operating Expenses increased 25.07 per cent or \$391.05MM from \$1.56B to \$1.95B. Share of Loss/Profits of Associated Companies declined 119.78 per cent from a Profit of \$17.39MM in NM15 to a Loss of \$3.44MM in NM16. Thus, Operating Profit for the nine month period stood at \$1.39B, up 3.04 per cent or \$41.11MM from \$1.35B. It should be noted that the Bank's NM16 results consolidated the performance of the new subsidiaries, Republic Bank (Suriname) N.V. and HFC Bank (Ghana) Limited which were not included in the corresponding period in 2015. In addition to the Bank's recent acquisitions in Suriname and HFC Bank (Ghana) Limited, the Group

also recently acquired an additional 19 per cent shareholding in Republic Bank (Grenada) Limited, its total shareholding now at 70 per cent, as it continues on its expansion drive both regionally and internationally.

Despite the increase in Operating Income, the Bank saw Operating Expenses grow by a larger proportion which resulted in the Bank's efficiency ratio deteriorating from 53.85 per cent in NM15 to 58.25 per cent in NM16.

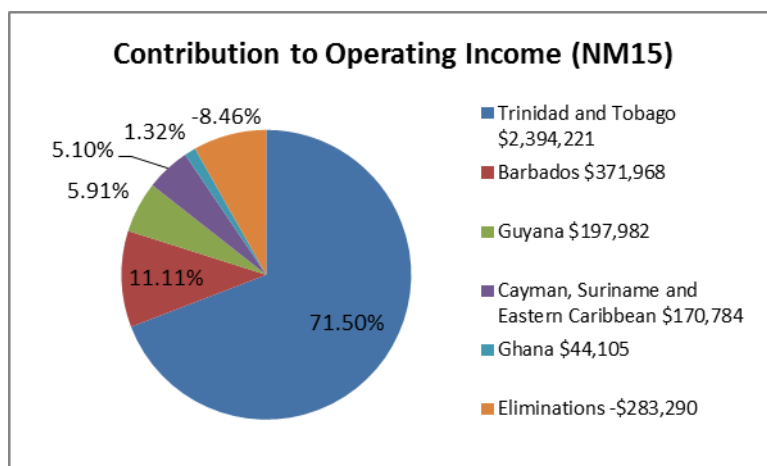
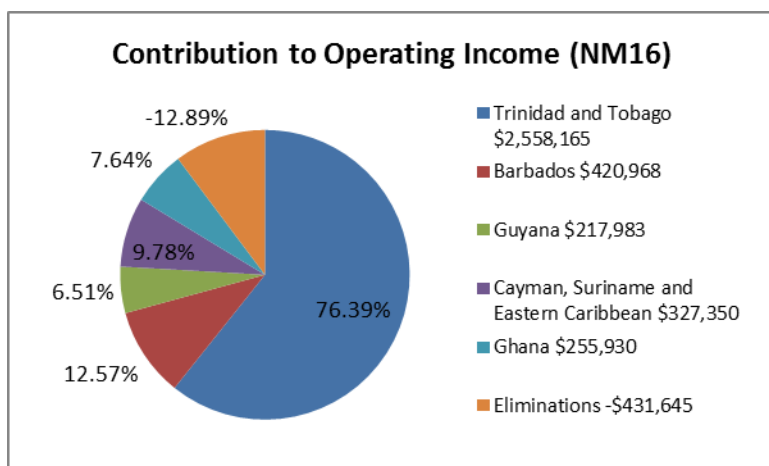
RFHL saw an increase in its Loan Impairment Expense, up 6.72 per cent or \$9.74MM from \$145.02MM in NM15 to \$154.76MM in NM16. As at June 30, 2016, the provision for loan impairment stood at an annualized 0.60 per cent as compared to 0.50 per cent for fiscal 2015.

The Total Assets of the Bank as at NM16 stood at \$68.84B, up 10.42 per cent or \$6.50B on NM15 and up 4.31 per cent or \$2.84B on YE15. Advances, RFHL's largest asset, ended the nine-month period at \$34.19B, up 15.03 per cent when compared to the \$29.73B at NM15.

### Operating Income by Geographic Segment (NM16 on NM15)

	NM16 \$'000	NM15 \$'000	\$ Change NM16 - NM15 \$'000	% Change NM16 - NM15
Trinidad and Tobago	2,558,165	2,394,221	163,944	6.85%
Barbados	420,968	371,968	49,000	13.17%
Guyana	217,983	197,982	20,001	10.10%
Cayman, Suriname and Eastern Caribbean	327,350	170,784	156,566	91.67%
Ghana	255,930	44,105	211,825	480.27%
Eliminations	(431,645)	(283,290)	(148,355)	52.37%
<b>Total</b>	<b>3,348,751</b>	<b>2,895,770</b>	<b>452,981</b>	<b>15.64%</b>

### Contribution to Operating Income by Geographic Segment (NM16 on NM15)



\*Eliminations represent outstanding balances with other entities within the Group which are required to be eliminated in the preparation of consolidated financial statements



Equity Research  
September 2016

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### Profit Before Tax by Geographic Segment (NM16 on NM15)

	NM16 \$'000	NM15 \$'000	\$ Change NM16 - NM15 \$'000	% Change NM16 - NM15
Trinidad and Tobago	1,345,489	1,271,932	73,557	5.78%
Barbados	151,418	114,404	37,014	32.35%
Guyana	103,433	92,049	11,384	12.37%
Cayman, Suriname and Eastern Caribbean	92,074	29,846	62,228	208.50%
Ghana	167	-55,347	55,514	-100.30%
Eliminations	(452,676)	(244,343)	(208,333)	85.26%
<b>Total</b>	<b>1,239,905</b>	<b>1,208,541</b>	<b>31,364</b>	<b>2.60%</b>

At the current price of \$110.00 the trailing P/E ratio is 14.4 times and the historic dividend yield is 3.95 per cent.

Financial Year End	September 30
Symbol on TTSE	RFHL
Issued Share Capital	162.27MM
Market Capitalization	\$17.39B
Current Price (as at September 5, 2016)	\$110.00
52 Week Price Range	\$107.15 - \$112.99
Trailing EPS	\$7.62
Trailing Price to Earnings Multiple	14.4 x
Current Book Value/Share	\$56.39
Price to Book	2.0 x
Return on Equity	13.4%
Return on Assets	1.8%
Dividend Yield	4.0%

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