

Republic Financial Holdings Limited (RFHL) Results for the Nine Months Ended June 30, 2018

Key Points:

Republic Financial Holdings Limited's ('RFHL') improved profitability was directly linked to better performance in their overseas subsidiaries.

In June 2018, the Government of Barbados (GOB) announced that it will suspend all payments on its external debt and roll over principal balance on its local debt at maturity, while continuing to make interest payments, until restructuring agreements are concluded. The discussions with the GOB and creditors are at a very early stage with respect to the terms of the restructuring.

RFHL adopted International Financial Reporting Standard No 9 in the third quarter of fiscal 2018, with effect from October 1, 2017. The overall impact to the Group on initial adoption of the standard, inclusive of a preliminary adjustment for the GOB exposure, was a reduction in total equity of \$988.2 million.

Diluted Earnings Per Share (EPS):

RFHL reported an EPS of \$6.13, up 3.37 per cent or \$0.20 per share on the corresponding period's EPS of \$5.93 in NM17.

EPS recorded in NM 2018 was the highest over the past six third quarters.

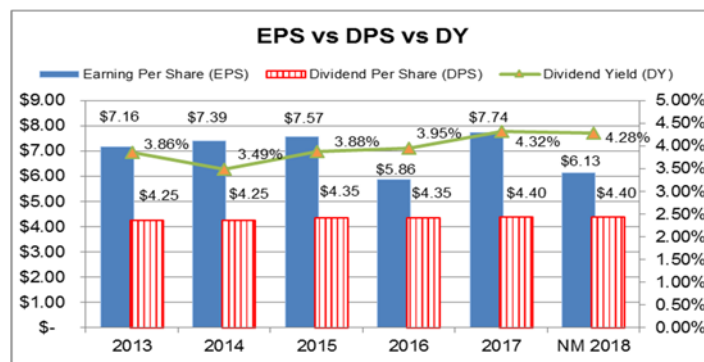
Dividend:

The Board of Directors declared an interim dividend of \$1.25 per share in 2018 (2017: \$1.25). The interim dividend was paid on June 01, 2018 to shareholders on record as at May 11, 2018.

| Dividend | Interim | Final | Total | Dividend Yield |
|----------|---------|-------|-------|----------------|
| 2018 | 1.25 | | | |
| 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% |

| Financial Year End | September 30 |
|--------------------------------|--------------------|
| Sector | Banking |
| Symbol on TTSE | RFHL |
| Issued Share Capital | 162.53MM |
| Market Capitalization | \$16.70B |
| Current Price (July 31, 2018) | \$102.82 |
| 52 Week Price Range | \$100.00- \$108.82 |
| Trailing EPS | \$7.94 |
| Price to Earnings Multiple | 12.95 x |
| Current Book Value/Share | \$55.28 |
| Price to Book | 1.9 x |
| Return on Equity | 14.35% |
| Return on Assets | 2.03% |
| Dividend Yield (July 31, 2018) | 4.28% |

| Diluted EPS | Q1 | Q2 | Q3 | Q4 | Total |
|-------------|------|------|------|------|-------------|
| 2018 | 2.10 | 1.91 | 2.12 | | 6.13 |
| 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 | 1.7 | 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 |



Income Statement as at June 30, 2018

| | | | \$ Change | | Change | YE17 |
|----------------------------------|------------------|------------------|----------------|---------------|----------|------------------|
| | NM18 | NM17 | NM18 - NM17 | NM18 - NM17 | | |
| | \$'000 | \$'000 | \$'000 | | | \$'000 |
| Net Interest Income | 2,527,519 | 2,398,558 | 128,961 | 5.38% | ↑ | 3,228,133 |
| Other Income | 1,120,929 | 1,099,461 | 21,468 | 1.95% | ↑ | 1,461,376 |
| Operating Income | 3,648,448 | 3,498,019 | 150,429 | 4.30% | ↑ | 4,689,509 |
| Operating Expenses | (2,004,080) | (2,031,158) | (27,078) | -1.33% | ↓ | (2,736,433) |
| Profit Before Tax | 1,644,368 | 1,466,861 | 177,507 | 12.10% | ↑ | 1,953,076 |
| Profit/(Loss) of Assoc Companies | 5,751 | 6,555 | (804) | -12.27% | ↓ | 6,444 |
| Operating Profit | 1,650,119 | 1,473,416 | 176,703 | 11.99% | ↑ | 1,959,520 |
| Loan Impairment Expense | (144,716) | (129,984) | 14,732 | 11.33% | ↑ | (158,689) |
| Profit Before Taxation | 1,505,403 | 1,343,432 | 161,971 | 12.06% | ↑ | 1,800,831 |
| Taxation | (449,126) | (329,596) | 119,530 | 36.27% | ↑ | (483,742) |
| Profit After Taxation | 1,056,277 | 1,013,836 | 42,441 | 4.19% | ↑ | 1,317,089 |
| Attributable to: | | | | | | |
| Equity Holders of the Parent | 993,312 | 958,890 | 34,422 | 3.59% | ↑ | 1,252,128 |
| Non-Controlling Interest | 62,965 | 54,976 | 7,989 | 14.53% | ↑ | 64,961 |
| | 1,056,277 | 1,013,866 | 42,411 | 4.18% | ↑ | 1,317,089 |
| EPS - Basic | \$6.13 | \$5.94 | \$0.19 | 3.20% | ↑ | \$7.75 |
| EPS - Diluted | \$6.13 | \$5.93 | \$0.20 | 3.37% | ↑ | \$7.74 |

Balance Sheet as at June 30, 2018

| | | | \$ Change | | Change | YE17 |
|-------------------|-------------------|-------------------|----------------|--------------|----------|-------------------|
| | NM18 | NM17 | NM18 - NM17 | NM18 - NM17 | | |
| | \$'000 | \$'000 | \$'000 | | | \$'000 |
| Total Assets | 69,597,057 | 69,381,111 | 215,946 | 0.31% | ↑ | 68,892,879 |
| Total Liabilities | 60,113,189 | 59,502,842 | 610,347 | 1.03% | ↑ | 58,746,874 |
| Total Equities | 9,483,868 | 9,878,269 | (394,401) | -3.99% | ↓ | 10,146,005 |
| | 69,597,057 | 69,381,111 | 215,946 | | | 68,892,879 |

| Operating Income by Geographic Segment | | | \$ Change | | Change |
|--|------------------|------------------|----------------|--------------|----------|
| | NM18 | NM17 | NM18 - NM17 | NM18 - NM17 | |
| | \$'000 | \$'000 | \$'000 | | |
| Trinidad and Tobago | 3,363,102 | 3,226,554 | 136,548 | 4.23% | ↑ |
| Barbados | 508,114 | 464,783 | 43,331 | 9.32% | ↑ |
| Guyana | 244,787 | 235,569 | 9,218 | 3.91% | ↑ |
| Cayman, Suriname and Eastern Caribbean | 334,459 | 337,279 | (2,820) | -0.84% | ↓ |
| Ghana | 284,959 | 257,508 | 27,451 | 10.66% | ↑ |
| Eliminations | (1,086,973) | (1,023,674) | 63,299 | 6.18% | ↑ |
| Total | 3,648,448 | 3,498,019 | 150,429 | 4.30% | ↑ |

Financials:

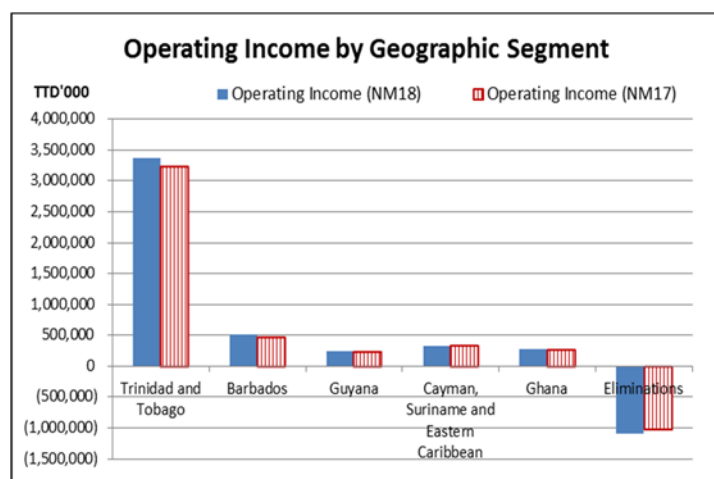
Operating Income closed at \$3.65B, up 4.30 per cent or \$150.43MM from NM17's total of \$3.50B. Profit Before Tax for NM18 stands at \$1.64B, up 12.10 per cent or \$177.51MM from \$1.47B in NM17. Profit After Tax totaled \$1.06B in NM18 up 4.19 per cent or \$42.44MM from \$1.01B in NM17.

Total Assets had a marginal increase of 0.31 per cent or \$215.95MM to \$69.60B in NM18. Total Liabilities amounted to \$60.11B in NM18 and Total Equities

decreased by 3.99 per cent or \$394.40MM to close at \$9.48B.

The Trinidad and Tobago segment is the major contributor to the Group's Operating Income and Profit Before Tax followed by Barbados. In third place is Cayman, Suriname and Eastern Caribbean geographic segment.

| Profit Before Tax by Geographic Segment | | | \$ Change | | Change |
|---|------------------|------------------|----------------|---------------|----------|
| | NM18 | NM17 | NM18 - NM17 | NM18 - NM17 | |
| | \$'000 | \$'000 | \$'000 | | |
| Trinidad and Tobago | 2,000,751 | 1,920,270 | 80,481 | 4.19% | ↑ |
| Barbados | 224,542 | 189,667 | 34,875 | 18.39% | ↑ |
| Guyana | 105,504 | 110,186 | (4,682) | -4.25% | ↓ |
| Cayman, Suriname and Eastern Caribbean | 172,322 | 133,194 | 39,128 | 29.38% | ↑ |
| Ghana | 86,044 | 12,306 | 73,738 | 599.20% | ↑ |
| Eliminations | (1,083,760) | (1,022,161) | 61,599 | 6.03% | ↑ |
| Total | 1,505,403 | 1,343,462 | 161,941 | 12.05% | ↑ |



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