

Republic Financial Holdings Limited Results for the Year Ended September 30, 2017

Earnings Per Share

For the Year Ended September 30, 2017 (YE17), Republic Financial Holdings Limited (RFHL) reported Diluted Earnings Per Share (EPS) of \$7.74. This represented an increase of 32.08 per cent or \$1.88 per share on the corresponding period's EPS of \$5.86 in fiscal 2016.

Financial Highlights (YE17 on YE16)

	YE17 \$'000	YE16 \$'000	\$ Change YE17 - YE16 \$'000	% Change YE17 - YE16
Net Interest Income	3,228,133	3,057,147	170,986	5.59%
Other Income	1,461,376	1,413,741	47,635	3.37%
Operating Income	4,689,509	4,470,888	218,621	4.89%
Operating Expenses	(2,736,433)	(2,613,040)	(123,393)	4.72%
Profit Before Taxation from Core Operations	1,953,076	1,857,848	95,228	5.13%
Net Share of Profits/(Losses) of Associated Companies	6,444	(1,045)	7,489	-716.65%
Operating Profit	1,959,520	1,856,803	102,717	5.53%
Goodwill Impairment Expense	0	(107,309)	107,309	0.00%
Loan Impairment Expense	(158,689)	(412,622)	253,933	-61.54%
Profit Before Taxation	1,800,831	1,336,872	463,959	34.70%
Taxation	(483,742)	(393,759)	(89,983)	22.85%
Profit After Taxation	1,317,089	943,113	373,976	39.65%
Attributable to:				
Equity Holders of the Parent	1,252,128	946,307	305,821	32.32%
Non-Controlling Interest	64,961	(3,194)	68,155	-2133.84%
	1,317,089	943,113	373,976	39.65%
EPS - Basic	\$7.75	\$5.87	\$1.88	32.03%
EPS - Diluted	\$7.74	\$5.86	\$1.88	32.08%

For the period under review, Net Interest Income increased 5.59 per cent or \$170.99MM to \$3.23B from \$3.06B in YE16 mainly due to the growth in the investment and loan portfolios. Other Income rose 3.37 per cent or \$47.64MM from \$1.41B (YE16) to \$1.46B (YE17). Overall Operating Income increased by 4.89 per cent or \$218.62MM from \$4.47B in YE16 to \$4.69B in YE17. The Bank's Trinidad and Tobago operations accounted for \$4.01B of this figure and showed significant improvement of 21.62 per cent on YE16.

RFHL Operating Expenses increased 4.72 per cent or \$123.39MM from \$2.61B in YE16 to \$2.74B in YE17, this was attributed to increased staff costs and regulator fees. Share of Profits of

Associated Companies closed YE17 at \$6.44MM, up 716.65 per cent or \$7.49MM from YE16's loss of \$1.05MM. Thus, Operating Profit for the period under review stood at \$1.96B, up 5.53 per cent or \$102.71MM from \$1.86B in YE16.

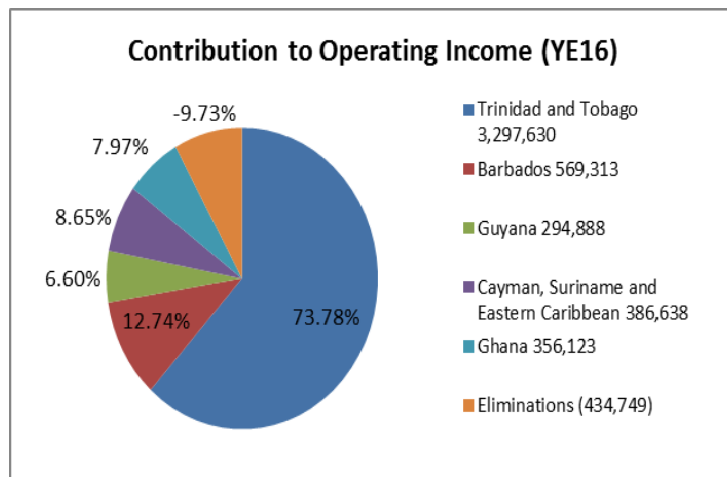
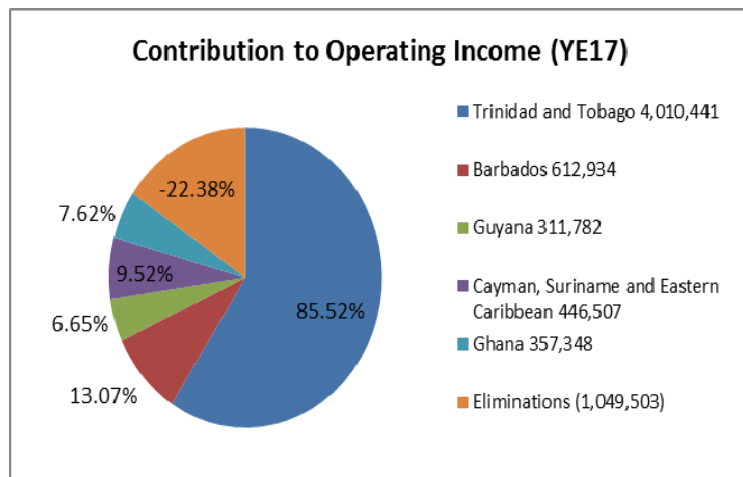
RFHL saw a decline in its Loan Impairment Expense, down 61.54 per cent or \$253.93MM from \$412.62MM in YE16 to \$158.69MM in YE17. The decline in non-performing loans resulted in an increase in the Group's total loan provision coverage ratio from 49.2 per cent in 2016 to 50.3 per cent in 2017.

The Total Assets of the Bank as at YE17 amounted to \$68.89B, up 3.04 per cent or \$2.03B on YE16 total of \$66.86B. Advances, RFHL's largest asset, ended the year at \$35.46B, up 3.42 per cent when compared to the \$34.29B at YE16.

Operating Income by Geographic Segment (YE17 on YE16)

	YE17 \$'000	YE16 \$'000	\$ Change YE17 - YE16 \$'000	% Change YE17 - YE16
Trinidad and Tobago	4,010,441	3,297,630	712,811	21.62%
Barbados	612,934	569,313	43,621	7.66%
Guyana	311,782	294,888	16,894	5.73%
Cayman, Suriname and Eastern Caribbean	446,507	386,638	59,869	15.48%
Ghana	357,348	356,123	1,225	0.34%
Eliminations	(1,049,503)	(434,749)	(614,754)	141.40%
Total	4,689,509	4,469,843	219,666	4.91%

Contribution to Operating Income by Geographic Segment (YE17 on YE16)



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

Profit Before Tax by Geographic Segment (YE17 on YE16)

Profit Before Tax by Geographic Segment	YE17 \$'000	YE16 \$'000	\$ Change	% Change
			YE17 - YE16 \$'000	YE17 - YE16
Trinidad and Tobago	2,273,289	1,376,002	897,287	65.21%
Barbados	225,207	193,998	31,209	16.09%
Guyana	136,591	133,779	2,812	2.10%
Cayman, Suriname and Eastern Caribbean	170,491	109,485	61,006	55.72%
Ghana	31,219	(107,436)	138,655	129.06%
Eliminations	(1,035,966)	(368,956)	(667,010)	180.78%
Total	1,800,831	1,336,872	463,959	34.70%

Key Developments

Basel I / Basel II

All the companies within the Group have capital ratios in excess of the regulatory requirement, and the Group continues to maintain a strong capital base, reflected in a Group capital adequacy ratio 24.80 per cent, well in excess of the 8% minimum requirement under Basel I. This excess will be slightly eroded under the increase capital requirements of the Basel II which is carded for adoption in Trinidad in 2018.

IFRS 9 (Expected Loss) versus IAS 39 (Incurred Loss)

- There will be no major increase in the loan portfolio
- There will be a major impact on the investment portfolio
- Provisions are expected to increase under the implementation of IFRS 9

RFHL's key Initiatives for the upcoming year:

- Digitization
- Expansion
- Employee Revitalization
- Cost Management



Dividends

The Board of Directors declared a final dividend of \$4.40 per share, an increase 1.15 per cent (2016: \$4.35) which will be paid on December 04, 2017.

At the current price of \$100.00 the P/E ratio is 12.92 times which is below the banking sector weighted average P/E of 14.69 times. RFHL's historic dividend yield is 4.26 per cent compared to the banking sector weighted average dividend yield of 3.65 per cent.

Financial Year End	September 30
Symbol on TTSE	RFHL
Issued Share Capital	162.35MM
Market Capitalization	\$16.56B
Current Price (as at December 20, 2017)	\$100.00
52 Week Price Range	\$100.00 - \$101.50
Trailing EPS	\$7.74
Trailing Price to Earnings Multiple	12.92 x
Current Book Value/Share	\$62.46
Price to Book	1.60x
Return on Equity	13.3%
Return on Assets	1.9%
Dividend Yield	4.3%

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