

Republic Financial Holdings Limited (RFHL) Results for the Year Ended September 30, 2018

Key Points:

Following the adoption of International Financial Reporting Standard No 9 (IFRS 9) in the third quarter of fiscal 2018, the Group charged through opening equity \$865 MM in expected credit losses (ECL's) for loans and investments, of which \$658.4MM was accounted for in Republic Bank (Barbados) Limited (RBBL). The increased ECL in RBBL was mainly as a result of the Government of Barbados restructuring its local currency obligations.

In Trinidad and Tobago, Republic Financial Holdings Limited's ('RFHL') continues to be guided by the Central Bank of Trinidad and Tobago (CBTT) in the implementation of the Basel II and III capital adequacy framework which is currently in the parallel reporting phase. All capital adequacy ratios reported during this phase indicated that RFHL and all of its subsidiaries are adequately capitalized to achieve compliance with the proposed increased capital requirements.

Across the group, Barbados and Cayman Islands have already adopted the Basel II framework, while the other territories are currently in varying stages of implementation.

The Group continues its expansion activities by making an offer in September 2018 to acquire a minimum 51% and up to 74.99% of the ordinary shares of Cayman National Corporation Limited, the parent company of Cayman National Bank Limited, at a cost not exceeding US\$198MM.

RFHL entered into a Purchase and Sale Agreement with Bank of Nova Scotia on 27th November, 2018 whereby RFHL or one of its affiliates shall purchase Bank of Nova Scotia's operations and businesses in Antigua, Dominica, Grenada, Guyana, St Kitts & Nevis, St Lucia, St. Vincent and St. Maarten and the entire shareholding of Scotiabank Anguilla Limited.

Diluted Earnings Per Share (EPS):

RFHL reported an EPS of \$8.16, up 5.43 per cent or \$0.42 per share on the corresponding period's EPS of \$7.74 in YE17.

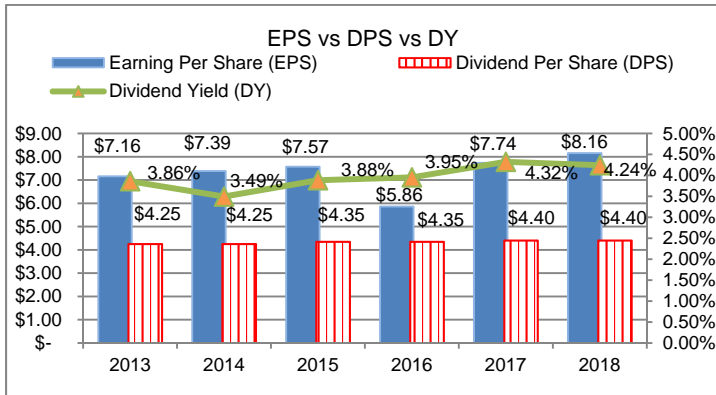
Dividend:

The Board of Directors declared a final dividend of \$3.15 per share in 2018 (2017: \$3.15) which brought the total dividend for the year to \$4.40. The final dividend was paid on December 03, 2018 to shareholders on record as at November 19, 2018.

Diluted EPS	Q1	Q2	Q3	Q4	Total
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	1.7	2.02	2.01	7.57
2014	1.80	1.67	1.91	2.01	7.39
2013	1.78	1.66	1.9	1.82	7.16

Financial Year End	September 30
Sector	Banking
Symbol on TTSE	RFHL
Issued Share Capital	162.53MM
Market Capitalization	\$16.85B
Current Price (January 18, 2019)	\$107.41
52 Week Price Range	\$101.46- \$111.00
Trailing EPS	\$8.16
Price to Earnings Multiple	13.14 x
Current Book Value/Share	\$62.13
Price to Book	1.7 x
Return on Equity	13.81%
Return on Assets	1.98%

Dividend	Interim	Final	Total	Dividend Yield
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%



Financials:

Operating Income closed at \$4.95B, up 5.57 per cent or \$261.12MM from YE17's total of \$4.69B. Net Profit Before Tax for YE18 stands at \$1.92B, up 6.73 per cent or \$121.16MM from \$1.80B in YE17. Net Profit After Tax totaled \$1.39B in YE18 up 5.91 per cent or \$77.82MM from \$1.32B in YE17.

Total Assets increased by 2.49 per cent or \$1.71B to \$70.47B in YE18. Total Liabilities amounted to \$60.37B in YE18 and Total Equities decreased marginally by 0.48 per cent or \$48.22MM to close at \$10.10B.

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

Income Statement as at September 30, 2018

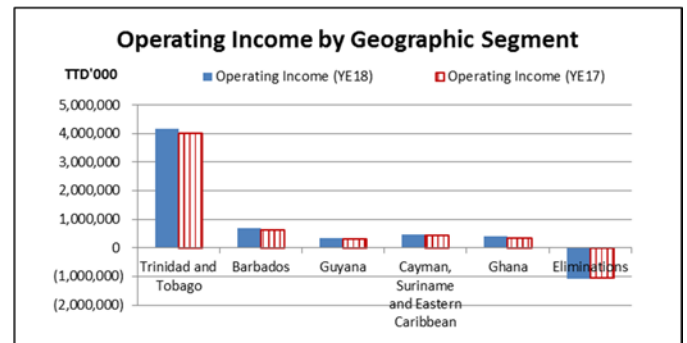
	YE18	YE17	\$ Change	% Change	Change	YE17
	\$'000	\$'000	\$'000	YE18 - YE17		\$'000
Net Interest Income	3,415,021	3,228,133	186,888	5.79%	↑	3,228,133
Other Income	1,535,604	1,461,376	74,228	5.08%	↑	1,461,376
Operating Income	4,950,625	4,689,509	261,116	5.57%	↑	4,689,509
Operating Expenses	(2,734,672)	(2,736,433)	(1,761)	-0.06%	↓	(2,736,433)
	2,215,953	1,953,076	262,877	13.46%	↑	1,953,076
Profit/(Loss) of Assoc Companies	7,567	6,444	1,123	17.43%	↑	6,444
Operating Profit	2,223,520	1,959,520	264,000	13.47%	↑	1,959,520
Loan Impairment Expense	(301,532)	(158,689)	142,843	90.01%	↑	(158,689)
Net Profit Before Taxation	1,921,988	1,800,831	121,157	6.73%	↑	1,800,831
Taxation	(527,075)	(483,742)	43,333	8.96%	↑	(483,742)
Net Profit After Taxation	1,394,913	1,317,089	77,824	5.91%	↑	1,317,089
Attributable to:						
Equity Holders of the Parent	1,322,850	1,252,128	70,722	5.65%	↑	1,252,128
Non-Controlling Interest	72,063	64,961	7,102	10.93%	↑	64,961
	1,394,913	1,317,089	77,824	5.91%	↑	1,317,089
EPS - Basic	\$8.17	\$7.75	\$0.42	5.42%	↑	\$7.75
EPS - Diluted	\$8.16	\$7.74	\$0.42	5.43%	↑	\$7.74

Balance Sheet as at September 30, 2018

	YE18	YE17	\$ Change	% Change	Change
	\$'000	\$'000	\$'000	YE18 - YE17	
Total Assets	70,465,620	68,751,070	1,714,550	2.49%	↑
Total Liabilities	60,367,838	58,605,065	1,762,773	3.01%	↑
Total Equities	10,097,782	10,146,005	(48,223)	-0.48%	↓
	70,465,620	68,751,070	1,714,550		

Operating Income by Geographic Segment	YE18	YE17	\$ Change	% Change	Change
	\$'000	\$'000	\$'000	YE18 - YE17	
Trinidad and Tobago	4,166,972	4,016,814	150,158	3.74%	↑
Barbados	675,927	612,934	62,993	10.28%	↑
Guyana	344,185	311,782	32,403	10.39%	↑
Cayman, Suriname and Eastern Caribbean	466,895	446,578	20,317	4.55%	↑
Ghana	390,204	357,348	32,856	9.19%	↑
Eliminations*	(1,085,991)	(1,049,503)	36,488	3.48%	↑
Total	4,958,192	4,695,953	262,239	5.58%	↑

Net Profit Before Tax by Geographic Segment	YE18	YE17	\$ Change	% Change	Change
	\$'000	\$'000	\$'000	YE18 - YE17	
Trinidad and Tobago	2,339,733	2,273,289	66,444	2.92%	↑
Barbados	193,407	225,207	(31,800)	-14.12%	↓
Guyana	152,067	136,591	15,476	11.33%	↑
Cayman, Suriname and Eastern Caribbean	253,211	170,491	82,720	48.52%	↑
Ghana	76,272	31,219	45,053	144.31%	↑
Eliminations*	(1,092,702)	(1,035,966)	56,736	5.48%	↑
Total	1,921,988	1,800,831	121,157	6.73%	↑



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

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