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Republic Financial Holdings Limited (RFHL)
Results for the First Quarter Ended December 31, 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.
- In March 2021, the Group reduced its customers spending limit on credit cards to assist in managing its foreign exchange portfolio.
- 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.

Financial Year End	**September 30**
Sector	**Banking**
Symbol on TTSE	RFHL
Issued Share Capital	163.18MM
Market Capitalization	$22.03B
Current Price (March 4, 2021)	$134.55
52 Week Price Range	$131.47- $145.50
Trailing Diluted Earnings per Share (EPS)	$5.65
Trailing Price to Diluted Earnings Multiple	23.81 x
Current Book Value/Share	$63.42
Price to Book	2.12 x
Return on Equity	14.93%
Return on Assets	1.62%

Diluted Earnings Per Share (EPS):

RFHL reported a diluted EPS of $2.40 in Q1 2021, up 4.80 per cent or $0.11 per share on the corresponding period's diluted EPS of $2.29 in Q120.

Dividend:

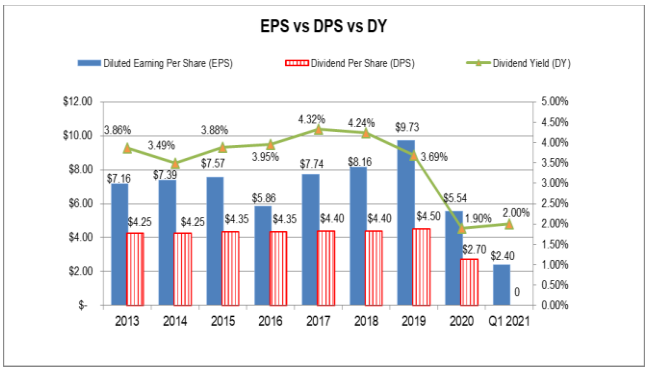
The Board of Directors declared a final dividend of $2.10 per share which was be paid on December 1, 2020 to shareholders on the register as at November 18, 2020. This brings the total dividend for the year ended 2020 to $2.70 per share and is the lowest total dividend payment recorded over the past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

Dividend	Interim	Final	Total	Dividend Yield
2021				2.00%
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%

Industry:

At the current price of $134.55 the trailing P/E ratio is 23.81 times which is above the banking sector weighted average P/E of 19.24 times. RFHL's historic dividend yield as at March 4, 2021 is 2.01 per cent compared to the banking sector weighted average dividend yield of 2.88 per cent. Between FY 2013 & 2020 the Group has shown an average dividend payout ratio of 56.79 per cent.

Diluted EPS	Q1	Q2	Q3	Q4	Total
2021	2.40				2.40
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



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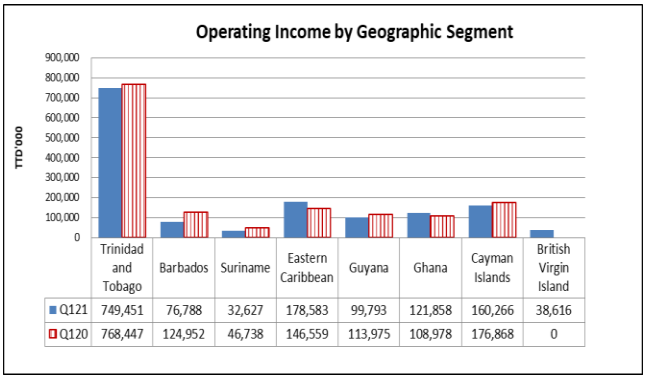
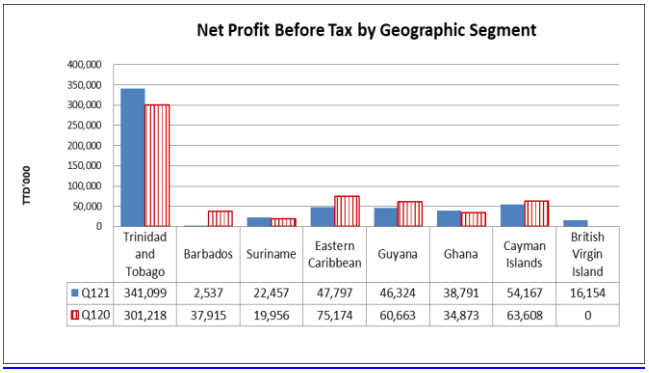
Income Statement for the period ending December 31, 2020

	Q121 $'000	Q120 $'000	$ Change Q121 - Q120 $'000	% Change Q121 - Q120	Change	YE20 $'000
Net Interest Income	1,000,267	1,008,248	(7,981)	-0.79%	↓	3,994,970
Other Income	456,495	476,775	(20,280)	-4.25%	↓	1,705,250
Operating Income	**1,456,762**	**1,485,023**	**(28,261)**	**-1.90%**	↓	5,700,220
Operating Expenses	(849,360)	(854,216)	(4,856)	-0.57%	↓	(3,480,025)
Goodwill Impairment Expense	0	0	0	0.00%	→	(143,367)
	607,402	**630,807**	**(23,405)**	**-3.71%**	↓	2,076,828
Profit/(Loss) of Assoc Companies	1,220	1,494	(274)	-18.34%	↓	4,911
Operating Profit	**608,622**	**632,301**	**(23,679)**	**-3.74%**	↓	**2,081,739**
Credit loss Expense	(39,296)	(38,894)	402	1.03%	↑	(621,164)
Net Profit Before Taxation	**569,326**	**593,407**	**(24,081)**	**-4.06%**	↓	1,460,575
Taxation	(144,939)	(180,470)	(35,531)	-19.69%	↓	(457,516)
Net Profit After Taxation	**424,387**	**412,937**	**11,450**	**2.77%**	↑	1,003,059
Attributable to:						
Equity Holders of the Parent	391,134	373,868	17,266	4.62%	↑	904,056
Non-Controlling Interest	33,253	39,069	(5,816)	-14.89%	↓	99,003
	424,387	**412,937**	**11,450**	**2.77%**	↑	1,003,059
EPS - Basic	$2.41	$2.30	$0.11	4.78%	↑	$5.57
EPS - Diluted	**$2.40**	**$2.29**	$0.11	4.80%	↑	**$5.54**

Balance Sheet as at December 31, 2020

	Q121 $'000	Q120 $'000	$ Change Q121 - Q120 $'000	% Change Q121 - Q120	Change	YE20 $'000
Total Assets	**104,664,389**	**102,112,783**	**2,551,606**	**2.50%**	↑	**104,276,614**
Total Liabilities	93,274,192	91,008,996	2,265,196	2.49%	↑	92,934,141
Total Equity	11,390,197	11,103,787	286,410	2.58%	↑	11,342,473
	104,664,389	**102,112,783**	**2,551,606**			**104,276,614**





Financials:

- Operating Income closed at $1.46B, a decrease of 1.90 per cent or $28.26MM from Q120's total of 1.49B.
- Net Profit Before Tax (NPBT) for Q121 stood at $569.33MM, a decline of 4.06 per cent or $24.08MM from $593.41MM in Q120.
- Net Profit After Tax (NPAT) totaled $424.39MM for the period ended Q121, up 2.77 per cent or $11.45MM from $412.94MM in Q120.
- Total Assets increased by 2.50 per cent or $2.55B to $104.66B in Q121, which was primarily due to the acquisition of the British Virgin Islands (BVI). Total Liabilities amounted to $93.27B in Q121 and Total Equity rose by 2.58 per cent or $286.41MM to close at $11.39B.

Segments:

- The major contributor to the Group's Operating Income for Q121 was the Trinidad and Tobago segment representing 51.40 per cent followed by the Eastern Caribbean segment with 12.25 per cent. In third place was the Cayman Islands segment holding 10.99 per cent of the Group's Operating Income.
- The Trinidad and Tobago segment was also the major contributor to the Group's NPBT representing 59.91 per cent followed by the Cayman Island segment with 9.51 per cent. In third place was the Eastern Caribbean segment representing 8.40 per cent of the Group's NPBT.

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