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A MEMBER OF THE JMMB GROUP

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Quarterly Update

RFHL records improvement in profit despite the uncertainty amid COVID-19

RFHL's Financial Summary	Nine-Months Ended 30-Jun-21	Nine-Months Ended 30-Jun-20	\$ change	% change
Income Statement Extract	TT\$'000	TT\$'000	TT\$'000	
Profit attributable to equity holders	1,036,008	774,317	261,691	↑ 33.8%
Earnings per share	6.37	4.77	1.60	↑ 33.5%
Dividend per share (in \$ per share)	-	-	-	N/A
Balance Sheet Extract				
Total Assets	108,262,927	105,339,006	2,923,921	↑ 2.8%
Total Liabilities	96,437,720	93,981,604	2,456,116	↑ 2.6%
Shareholder's Equity	11,825,207	11,357,402	467,805	↑ 4.1%
Cash Flows Extract				
Net cash from operating activities	5,190,707	5,632,835	(442,128)	↓ -7.8%
Net cash used in investing activities	(2,922,564)	3,068,580	(5,991,144)	↓ -195.2%
Net cash used in financing activities	(1,423,182)	(3,217,850)	1,794,668	↓ -55.8%
Cash and cash equivalents	17,783,175	18,193,839	(410,664)	↓ -2.3%
Metrics				
Book Value Per Share	72.44	69.57	2.87	↑ 4.1%
Market Price	139.93	139.50	0.43	↑ 0.3%
Market to Book Ratio	1.93	2.01	-0.07	↓ -4%

Note: Green arrows indicate growth while red indicate contractions



Valuation	
Current Price	TT\$135.94
Trailing P/E Multiple	21.17x
Market to Book Value	1.88x
JMMB New Target Price	TT\$130.86
Dividend Yield	0.0%

For the nine-month period ended June 30 2021, Republic Financial Holdings Limited (RFHL) recorded a 33.8% increase in profit attributable to equity holders to \$1.03 billion from \$774.3 million in the prior year. This translates into a basic EPS of \$6.37 (Trailing EPS of \$6.42) at the end of the period. According to the Chairman's statement, this improved results reflect the impact of the Group's acquisition of the British Virgin Islands (BVI) operations in June 2020, lower provisions for loan losses and general improvement in operating profitability in Ghana and Cayman National Corporation.

Additionally, total assets increased 2.8% to \$108.3 billion from \$105.3 billion in the corresponding prior period. This increase was driven by a 3.7% growth in loans and advances and a 9.9% growth in investments funded by the growth in customer deposits across most subsidiaries.

Outlook:

In July 2020, JMMB's Research Department recommended an **UNDERPERFORM** (2.5%-4.9% of your portfolio) rating on RFHL with a price target of \$125.49. The price of RFHL at that date was \$139.50, which was above our fair value range. Since that rating, RFHL's share price soared to a high of \$142.89 in September 2020, then closing at \$135.50 as at August 4, 2021.

We revise our rating on RFHL at **MARKETPERFORM** (5% of your portfolio) and revise our target price to \$130.86 (3.7% below the current price). The increase in the target price is based on an expected increase in earnings for the Bank in the coming year. Our EPS forecast for year ending September 2021 is \$8.90.

RFHL YTD Price Performance

