

CHAIRMAN'S STATEMENT

Dear Shareholder

For the half-year ended March 31, 2015, the Bank recorded Net Profit After Tax of \$0.403 million. When the operating profit of \$4.252 million for 2014 is adjusted for the one-off gain of \$1.052 million on the sale of Visa shares the adjusted operating profit of \$3.200 million can be compared to the operating profit of \$2.872 million for 2015. The difference is due to a reduction in net interest income. The final performance was further affected by an increase in loss provision of \$2.473 million compared to \$1.812 million in 2014. Given these results, no half-year dividend is proposed.

Although the environment remains challenging, we are optimistic of some lift by year end. The recent announcement of an agreement on the Government's debt restructure is welcome news, and we look forward to speedy closure of this matter.

We expect to return more favourable results for fiscal 2015.



Ronald F. de.C Harford
CHAIRMAN

April 16, 2015

**STATEMENT OF FINANCIAL POSITION
as at March 31, 2015**

Expressed in thousands of Eastern Caribbean dollars (\$'000)

	UNAUDITED Mar-31-15 \$'000	UNAUDITED Restated Mar-31-14 \$'000	AUDITED Sept-30-14 \$'000
Assets			
Cash resources	164,851	124,459	170,434
Advances	473,480	497,192	476,286
Investment securities	131,536	92,007	111,319
Premises and equipment	34,905	35,784	35,601
Other assets	11,703	11,618	14,584
Total Assets	816,475	761,060	808,224
Liabilities and Equity			
Liabilities			
Due to banks	4,094	13,045	17,349
Customers' deposits and other funding instruments	706,163	638,931	684,097
Other liabilities	14,380	14,809	15,253
Total Liabilities	724,637	666,785	716,699
Equity			
Stated capital	15,000	15,000	15,000
Statutory reserves	15,000	15,000	15,000
Other reserves	4,972	5,700	5,062
Retained earnings	56,866	58,575	56,463
Total equity	91,838	94,275	91,525
Total Liabilities and Equity	816,475	761,060	808,224



Ronald F. deC. Harford, Chairman



Keith A. Johnson, Managing Director

STATEMENT OF INCOME

For the period ended March 31, 2015
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-15 \$'000	Mar-31-14 \$'000	Mar-31-15 \$'000	Mar-31-14 \$'000	Sept-30-14 \$'000
Net interest income	6,963	7,799	13,989	15,017	29,108
Other income	2,802	3,742	5,702	6,340	11,213
Operating income	9,765	11,541	19,691	21,357	40,321
Operating expenses	(8,387)	(8,555)	(16,819)	(17,105)	(32,665)
Operating profit	1,378	2,986	2,872	4,252	7,656
Loan impairment expense	(1,351)	(2,029)	(2,473)	(1,812)	(7,196)
Profit before taxation	27	957	399	2,440	460
Taxation (expense)/recovery	(2)	(103)	4	(257)	(389)
Net profit after taxation	25	854	403	2,183	71
Earnings per share					
Basic	\$0.02	\$0.57	\$0.27	\$1.46	\$0.05
Weighted average number of shares ('000)					
Basic	1,500	1,500	1,500	1,500	1,500

STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-15 \$'000	Mar-31-14 \$'000	Mar-31-15 \$'000	Mar-31-14 \$'000	Sept-30-14 \$'000
Net profit after taxation for the period/year	25	854	403	2,183	71
<i>Other comprehensive income (net of tax) that may be reclassified to profit and loss in subsequent periods or have been transferred to profit and loss in the current period:</i>					
Net gain/(loss) on available-for-sale investments	143	(739)	(90)	(1,008)	(1,228)
<i>Other comprehensive income (net of tax) that will not be reclassified to profit and loss in subsequent periods:</i>					
Re-measurement losses on defined benefit plans	-	-	-	-	(418)
Total comprehensive income/ (loss) for the period/year, net of taxation	168	115	313	1,175	(1,575)

STATEMENT OF CHANGES IN EQUITY

For the period ended March 31, 2015
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	Stated Capital \$'000	Statutory Reserves \$'000	Other Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Period ended March 31, 2015					
Balance at October 1, 2014	15,000	15,000	5,062	56,463	91,525
Total comprehensive income for the period	-	-	(90)	403	313
Balance at March 31, 2015	15,000	15,000	4,972	56,866	91,838
Period ended March 31, 2014					
Balance at October 1, 2013 as originally stated	15,000	15,000	4,531	56,407	90,938
Prior period adjustment (Note 4)	-	-	2,177	(15)	2,162
Balance at October 1, 2013 (Restated)	15,000	15,000	6,708	56,392	93,100
Total comprehensive income for the period	-	-	(1,008)	2,183	1,175
Balance at March 31, 2014 (Restated)	15,000	15,000	5,700	58,575	94,275
Year ended September 30, 2014					
Balance at October 1, 2013 (Restated)	15,000	15,000	6,708	56,392	93,100
Total comprehensive loss for the period	-	-	(1,646)	71	(1,575)
Balance at September 30, 2014	15,000	15,000	5,062	56,463	91,525

STATEMENT OF CASH FLOWS

	UNAUDITED SIX MONTHS ENDED Mar-31-15 \$'000	UNAUDITED SIX MONTHS ENDED Mar-31-14 \$'000	AUDITED YEAR ENDED Sept-30-14 \$'000
Operating activities			
Profit before taxation	399	2,440	460
Adjustments for non-cash items	4,204	3,814	9,243
Decrease/(increase) in operating assets	2,109	(8,286)	991
Increase in operating liabilities	21,234	14,525	60,220
Cash provided by operating activities	27,946	12,493	70,914
Investing activities			
Net increase in investments	(23,836)	(6,181)	(21,223)
Additions to fixed assets	(927)	(1,048)	(2,431)
Proceeds from sale of fixed assets	80	44	51
Cash used in investing activities	(24,683)	(7,185)	(23,603)
Financing activities			
(Decrease)/increase in balances due to other banks	(13,255)	4,114	8,418
Cash (used in)/provided by financing activities	(13,255)	4,114	8,418
Net (decrease)/increase in cash resources	(9,992)	9,422	55,729
Cash and cash equivalents at beginning of period/year	126,885	71,156	71,156
Cash and cash equivalents at end of period/year	116,893	80,578	126,885
Cash and cash equivalents at the end of the period/year are represented by:			
Cash on hand	13,916	9,788	9,615
Due from banks	102,977	70,790	117,270
	116,893	80,578	126,885

NOTES TO THE INTERIM FINANCIAL STATEMENTS
1 Corporate information

Republic Bank (Grenada) Limited (the Bank) is incorporated in Grenada and provides banking services through six branches in Grenada and Carriacou. The Bank was continued under the provision of the Companies Ordinance Section 365, 1995 on March 23, 1998 and its registered office is located at Republic House, Grand Anse, St. George, Grenada. It is a subsidiary of Republic Bank Limited of Trinidad and Tobago.

Republic Bank Limited (the 'Parent') is incorporated in the Republic of Trinidad and Tobago. It was continued under the provision of the Companies Act, 1995 on March 23, 1998. Its registered office is located at Republic House, 9-17 Park Street, Port of Spain.

CLICO Investment Bank Limited (CIB) owned together with its subsidiary First Company Limited, 18.3% of Republic Bank Limited. On October 17, 2011 the High Court ordered that CLICO Investment Bank Limited (CIB) be wound up and the Deposit Insurance Company appointed liquidator. Accordingly, this 18.3% shareholding is under the control of the Deposit Insurance Company.

Until October 31, 2012, the CL Financial Group held through its various subsidiaries, 51.4% of the shares of Republic Bank Limited, of which Colonial Life Insurance Company (Trinidad) Limited (CLICO) and CLICO Investment Bank Limited (CIB) combined, held 51.1%.

On November 1, 2012, 24.8% of Republic Bank Limited formerly owned by Colonial Life Insurance Company (Trinidad) Limited (CLICO) was transferred into an investment fund launched by the Government of the Republic of Trinidad and Tobago and called the CLICO Investment Fund (the Fund). The trustee of the Fund is the CLICO Trust Corporation Limited which holds the 24.8% shareholding in Republic Bank Limited in trust solely for the benefit of subscribing unit holders of the Fund. The Fund is as a consequence the largest shareholder in Republic Bank Limited.

2 Basis of preparation

This interim financial report for the period ended March 31, 2015 has been prepared in accordance with IAS 34, 'Interim Financial Reporting' and should be used in conjunction with the annual financial statements for the year ended September 30, 2014.

3 Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended September 30, 2014.

4 Prior period restatement

IAS19 - Employee Benefits (Revised) became effective January 1, 2013 and has been applied retrospectively. The change in accounting policy resulted in the following:

- (i) Amounts recognised in profit or loss will comprise current service costs, any past service costs and gain or loss on settlement, and net interest on the net defined liability/(asset); and
- (ii) Amounts recognised in other comprehensive income as re-measurement of the net defined liability/(asset) will comprise actuarial gains and losses.

Impact on statement of financial position

The defined benefit pension asset and related deferred tax liability increased by \$2,739K and \$822K as at March 31, 2014. The post-retirement medical and group life obligation and related deferred tax asset decreased by \$356K and \$111K respectively. Retained earnings decreased by \$15K due to the increase in net pension costs.

5 Capital commitments

	UNAUDITED		AUDITED
	Mar-31-15 \$'000	Mar-31-14 \$'000	Sept-30-14 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	413	348	485
Other capital expenditure authorised by the Directors but not yet contracted for	10,229	4,744	12,847

NOTES TO THE INTERIM FINANCIAL STATEMENTS
6 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. A number of banking transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms and conditions, at market rates.

	UNAUDITED Mar-31-15 \$'000	UNAUDITED Mar-31-14 \$'000	AUDITED Sept-30-14 \$'000
Advances, investments and other assets (net of provisions)			
Parent Company	93,523	60,840	88,000
Directors and key management personnel	1,786	2,059	1,937
Other related parties	1,112	1,236	1,153
	96,421	64,135	91,090
Deposits and other liabilities			
Parent Company	1,148	433	580
Directors and key management personnel	540	466	515
Other related parties	5,070	13,540	16,933
	6,758	14,439	18,028
Interest and other income			
Parent Company	18	9	26
Directors and key management personnel	76	105	182
Other related parties	41	58	109
	135	172	317
Interest and other expense			
Parent Company	209	160	358
Directors and key management personnel	142	131	160
Other related parties	2	4	10
	353	295	528
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank.			
Key management compensation			
Short term benefits	314	338	627
Post employment benefits	16	15	31
	330	353	658

7 Deposits with Central Bank

The Eastern Caribbean Automated Clearing House (ECACH) System has launched its operations effective September 2014. Republic Bank (Grenada) Limited has deposited three (3) days' collateral with the Eastern Caribbean Central Bank (ECCB) in the amount of \$6.41 million to guarantee settlement of all items being cleared through the ECACH.

8 Contingent liabilities

As at March 31, 2015, there were certain legal proceedings outstanding against the Bank. No provision has been made as professional advice indicates that it is unlikely that any significant loss will arise or that it would be premature at this stage of the action to determine that eventuality.