

**CHAIRMAN'S STATEMENT**

Dear Shareholder

For the nine months ended June 30, 2019, the Bank recorded net Profit after Tax of \$7.0 million. This is an increase of \$1.8 million over the corresponding period last year. This improvement is mainly due to an increase in interest income driven by growth in our loans and investments portfolios.

As previously reported, Republic Financial Holdings Limited (RFHL), the majority shareholder of Republic Bank (Grenada) Limited, entered into an agreement to acquire the banking operations of the Bank of Nova Scotia in nine regional territories, including Grenada. The approval of this transaction is presently under consideration by the various regulatory and statutory bodies. We will keep you apprised of any developments as they arise.

The economy grew by 4.8% in 2018, and growth for 2019 is anticipated to be comparable to the 2018 level. We are well positioned to take advantage of the opportunities that this growth presents.

Based on our performance for the fiscal year to date, the Bank expects to produce favourable year-end results.



Gregory I. Thomson  
CHAIRMAN

July 18, 2019

**STATEMENT OF FINANCIAL POSITION  
as at June 30, 2019**

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

	UNAUDITED Jun-30-19 \$'000	UNAUDITED Jun-30-18 \$'000	AUDITED Sept-30-18 \$'000
<b>Assets</b>			
Cash resources	168,896	129,429	146,358
Advances	482,878	468,535	468,392
Investment securities	294,815	280,231	287,665
Premises and equipment	30,575	31,322	31,227
Other assets	15,681	17,768	18,393
<b>Total Assets</b>	<b>992,845</b>	<b>927,285</b>	<b>952,035</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Due to banks	8,943	9,161	8,264
Customers' deposits and other funding instruments	852,189	792,656	813,389
Other liabilities	14,397	13,567	16,272
<b>Total Liabilities</b>	<b>875,529</b>	<b>815,384</b>	<b>837,925</b>
<b>Equity</b>			
Stated capital	20,745	20,745	20,745
Statutory reserve	20,745	20,745	20,745
Retained earnings	75,826	70,411	72,620
<b>Total equity</b>	<b>117,316</b>	<b>111,901</b>	<b>114,110</b>
<b>Total Liabilities and Equity</b>	<b>992,845</b>	<b>927,285</b>	<b>952,035</b>



Gregory I. Thomson, Chairman



Keith A. Johnson, Managing Director

**STATEMENT OF INCOME**

For the period ended June 30, 2019  
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-19 \$'000	Jun-30-18 \$'000	Jun-30-19 \$'000	Jun-30-18 \$'000	Sept-30-18 \$'000
Net interest income	8,931	8,161	26,628	24,446	33,242
Other income	3,094	2,821	9,473	9,303	12,657
Operating income	12,025	10,982	36,101	33,749	45,899
Operating expenses	(9,153)	(8,968)	(26,844)	(26,867)	(35,716)
Operating profit	2,872	2,013	9,257	6,881	10,183
Credit loss on financial assets	(1)	119	(377)	(236)	(186)
<b>Profit before taxation</b>	<b>2,871</b>	<b>2,132</b>	<b>8,880</b>	<b>6,645</b>	<b>9,997</b>
Taxation expense	(598)	(410)	(1,849)	(1,412)	(2,119)
<b>Net profit after taxation</b>	<b>2,272</b>	<b>1,723</b>	<b>7,031</b>	<b>5,234</b>	<b>7,878</b>
<b>Earnings per share</b>					
Basic	\$1.40	\$1.06	\$4.32	\$3.21	\$4.84
<b>Weighted average number of shares ('000)</b>	<b>1,628</b>	<b>1,628</b>	<b>1,628</b>	<b>1,628</b>	<b>1,628</b>

**STATEMENT OF COMPREHENSIVE INCOME**

For the period ended June 30, 2019  
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-19 \$'000	Jun-30-18 \$'000	Jun-30-19 \$'000	Jun-30-18 \$'000	Sept-30-18 \$'000
<b>Net profit after taxation for the period/year</b>	<b>2,272</b>	<b>1,723</b>	<b>7,031</b>	<b>5,234</b>	<b>7,878</b>
<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	-	-	-	-	(435)
<b>Total comprehensive income for the period/year, net of taxation</b>	<b>2,272</b>	<b>1,723</b>	<b>7,031</b>	<b>5,234</b>	<b>7,443</b>

**STATEMENT OF CHANGES IN EQUITY**

For the period ended June 30, 2019  
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	Stated Capital \$'000	Statutory Reserve \$'000	Other Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Unaudited period ended June 30, 2019</b>					
<b>Balance at October 1, 2018</b>	<b>20,745</b>	<b>20,745</b>	-	<b>72,620</b>	<b>114,110</b>
Total comprehensive income for the period	-	-	-	7,031	7,031
Dividends paid	-	-	-	(3,825)	(3,825)
<b>Balance at June 30, 2019</b>	<b>20,745</b>	<b>20,745</b>	-	<b>75,826</b>	<b>117,316</b>
<b>Unaudited period ended June 30, 2018</b>					
<b>Balance at October 1, 2017 as previously stated</b>	<b>20,745</b>	<b>20,745</b>	<b>2,491</b>	<b>64,181</b>	<b>108,162</b>
Net impact of adopting IFRS 9	-	-	(2,491)	996	(1,495)
<b>Restated Opening balance under IFRS 9</b>	<b>20,745</b>	<b>20,745</b>	-	<b>65,177</b>	<b>106,667</b>
Total comprehensive income for the period	-	-	-	5,234	5,234
<b>Balance at June 30, 2018</b>	<b>20,745</b>	<b>20,745</b>	-	<b>70,411</b>	<b>111,901</b>
<b>Audited year ended September 30, 2018</b>					
<b>Balance at October 1, 2017 as previously stated</b>	<b>20,745</b>	<b>20,745</b>	<b>2,289</b>	<b>64,383</b>	<b>108,162</b>
Net impact of adopting IFRS 9	-	-	(2,289)	794	(1,495)
<b>Restated Opening balance under IFRS 9</b>	<b>20,745</b>	<b>20,745</b>	-	<b>65,177</b>	<b>106,667</b>
Total comprehensive income for the year	-	-	-	7,443	7,443
<b>Balance at September 30, 2018</b>	<b>20,745</b>	<b>20,745</b>	-	<b>72,620</b>	<b>114,110</b>

**STATEMENT OF CASH FLOWS**

For the period ended June 30, 2019  
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	UNAUDITED NINE MONTHS ENDED Jun-30-19 \$'000	UNAUDITED NINE MONTHS ENDED Jun-30-18 \$'000	AUDITED YEAR ENDED Sept-30-18 \$'000
<b>Operating activities</b>			
Profit before taxation	8,880	6,645	9,997
Adjustments for non-cash items	2,510	3,147	3,974
Increase in operating assets	(13,109)	(25,069)	(25,668)
Increase/(Decrease) in operating liabilities	37,035	(4,391)	18,544
Taxes paid	(2,191)	(1,759)	(2,037)
<b>Cash provided by/(used in) operating activities</b>	<b>33,125</b>	<b>(21,427)</b>	<b>4,810</b>
<b>Investing activities</b>			
Net increase in investments	(11,599)	(22,006)	(41,906)
Additions to fixed assets	(1,548)	(1,512)	(2,162)
Proceeds from sale of fixed assets	168	139	121
<b>Cash used in investing activities</b>	<b>(12,979)</b>	<b>(23,379)</b>	<b>(43,947)</b>
<b>Financing activities</b>			
Increase in balances due to other banks	679	3,721	2,824
Dividends Paid	(3,825)	-	-
<b>Cash (used in)/provided by financing activities</b>	<b>(3,146)</b>	<b>3,721</b>	<b>2,824</b>
<b>Net increase/(decrease) in cash resources</b>	<b>17,000</b>	<b>(41,085)</b>	<b>(36,313)</b>
Cash and cash equivalents at beginning of period/year	72,398	108,711	108,711
<b>Cash and cash equivalents at end of period/year</b>	<b>89,398</b>	<b>67,626</b>	<b>72,398</b>
<b>Cash and cash equivalents at the end of the period/year are represented by:</b>			
Cash on hand	13,921	13,676	11,753
Due from banks	75,477	50,887	60,645
Treasury Bills - Original maturities of three months or less	-	3,063	-
	<b>89,398</b>	<b>67,626</b>	<b>72,398</b>

**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 Financial Holdings Limited of Trinidad and Tobago formerly Republic Bank Limited.

Republic Financial Holdings Limited the financial holding company for the Republic Group is incorporated in the Republic of Trinidad and Tobago and its registered office is located at Republic House, 9-17 Park Street, Port of Spain. Republic Financial Holdings Limited is listed on the Trinidad and Tobago Stock Exchange

The Republic Group (the 'Group') is a financial services group comprising several subsidiaries and associated companies. The Group is engaged in a wide range of banking, financial and related activities in the Caricom region and Ghana.

**2 Basis of preparation**

This interim financial report for the period ended June 30, 2019 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, 2018.

**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, 2018.

The Bank adopted IFRS 9 - Financial Instruments with effect from October 1, 2017. As such, balances in the Statement of Financial Position and Statement of Changes in Equity for the period ended June 30, 2018 were restated to reflect these adjustments.

**4 Capital commitments**

	UNAUDITED		AUDITED
	Jun-30-19 \$'000	Jun-30-18 \$'000	Sept-30-18 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	612	15,338	284
Other capital expenditure authorised by the Directors but not yet contracted for	10,107	6,730	5,976

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**
**5 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 Jun-30-19 \$'000	UNAUDITED Jun-30-18 \$'000	AUDITED Sept-30-18 \$'000
<b>Advances, investments and other assets (net of provisions)</b>			
Directors and key management personnel	1,375	672	660
Other related parties	31,993	21,209	30,508
	<u>33,368</u>	<u>21,881</u>	<u>31,168</u>
<b>Deposits and other liabilities</b>			
Directors and key management personnel	2,015	1,961	1,799
Other related parties	20,256	23,110	22,353
	<u>22,271</u>	<u>25,071</u>	<u>24,152</u>
<b>Interest and other income</b>			
Directors and key management personnel	50	41	52
Other related parties	243	225	367
	<u>293</u>	<u>266</u>	<u>419</u>
<b>Interest and other expense</b>			
Directors and key management personnel	218	171	185
Other related parties	355	335	466
	<u>573</u>	<u>506</u>	<u>651</u>
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank.			
<b>Key management compensation</b>			
Short-term benefits	706	671	831
Post-employment benefits	24	23	32
	<u>730</u>	<u>694</u>	<u>863</u>

**6 Deposits with Central Bank**

The Eastern Caribbean Automated Clearing House (ECACH) System launched its operations effective September 2014. Republic Bank (Grenada) Limited has deposited three (3) day's collateral with the Eastern Caribbean Central Bank (ECCB) in the amount of \$8.149 million (A Treasury Bill valued at \$11.3M) to guarantee settlement of all items being cleared through the ECACH.

**7 Contingent liabilities**

As at June 30, 2019, 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.