

CHAIRMAN'S STATEMENT

Dear Shareholder

For the nine months ended June 30, 2021, the Bank recorded net Profit after Tax of \$6.97 million, a 10.28% increase from the \$6.32 million recorded for the corresponding period last year. Our performance to date has been positively impacted by a reduction in credit losses of \$2.14 million partly offset by reducing yields on advances and investments. Total assets stood at \$1.798 billion. The Bank remains well capitalized with a Tier 1 capital ratio of 15.5%.

We continue to monitor, and provide support to, customers most affected by the economic fallout due to the pandemic. The return of SGU students to on-campus learning in August 2021 and the reopening of some hotels should contribute to increased economic activity in the coming months. We are thus cautiously optimistic of an improved operating environment going forward.

In ending, we implore our stakeholders to get vaccinated.



Gregory I. Thomson
CHAIRMAN

July 15, 2021

**STATEMENT OF FINANCIAL POSITION
as at June 30, 2021**

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

	UNAUDITED Jun-30-21 \$'000	UNAUDITED Jun-30-20 \$'000	AUDITED Sept-30-20 \$'000
Assets			
Cash resources	684,629	569,968	609,232
Advances	855,787	834,179	837,077
Investment securities	140,614	246,959	231,418
Premises and equipment	38,773	38,439	38,795
Other assets	78,348	82,556	75,761
Total Assets	1,798,151	1,772,101	1,792,283
Liabilities and Equity			
Liabilities			
Due to banks	9,033	7,063	8,024
Customers' deposits and other funding instruments	1,540,659	1,520,261	1,538,749
Other liabilities	20,366	25,430	24,389
Total Liabilities	1,570,058	1,552,754	1,571,162
Equity			
Stated capital	117,337	117,337	117,337
Statutory reserve	22,816	20,745	22,816
Retained earnings	87,940	81,265	80,968
Total equity	228,093	219,347	221,121
Total Liabilities and Equity	1,798,151	1,772,101	1,792,283



Gregory I. Thomson, Chairman



Naomi DeAllie, Managing Director

STATEMENT OF INCOME

For the period ended June 30, 2021

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

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-21 \$'000	Jun-30-20 \$'000	Jun-30-21 \$'000	Jun-30-20 \$'000	Sept-30-20 \$'000
Net interest income	10,773	13,214	33,104	35,460	48,201
Other income	4,923	3,366	15,061	15,354	19,415
Operating income	15,696	16,580	48,165	50,814	67,616
Operating expenses	(11,738)	(13,226)	(36,403)	(38,849)	(51,284)
Operating profit	3,958	3,354	11,762	11,965	16,332
Credit loss on financial assets	(941)	(247)	(3,092)	(5,230)	(5,539)
Profit before taxation	3,017	3,107	8,670	6,735	10,793
Taxation expense	(674)	(516)	(1,698)	(416)	(2,511)
Net profit after taxation	2,343	2,591	6,972	6,319	8,282
Earnings per share					
Basic	\$0.62	\$1.09	\$1.85	\$2.66	\$3.04
Number of shares ('000)					
Weighted average number of shares	3,774	2,372	3,774	2,372	2,724
Number of shares outstanding at period end	3,774	3,774	3,774	3,774	3,774

STATEMENT OF COMPREHENSIVE INCOME

For the period ended June 30, 2021

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

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-21 \$'000	Jun-30-20 \$'000	Jun-30-21 \$'000	Jun-30-20 \$'000	Sept-30-20 \$'000
Net profit after taxation for the period/year	2,343	2,591	6,972	6,319	8,282
Other comprehensive income (net of tax) that will not be reclassified to profit and loss in subsequent periods:					
Re-measurement losses on defined benefit plans	-	-	-	-	(189)
Total comprehensive income for the period/year, net of taxation	2,343	2,591	6,972	6,319	8,093

STATEMENT OF CHANGES IN EQUITY

For the period ended June 30, 2021

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

	Stated Capital \$'000	Statutory Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Unaudited period ended June 30, 2021				
Balance at October 1, 2020	117,337	22,816	80,968	221,121
Total comprehensive income for the period	-	-	6,972	6,972
Balance at June 30, 2021	117,337	22,816	81,265	228,093
Unaudited period ended June 30, 2020				
Balance at October 1, 2019	20,745	20,745	76,818	118,308
Total comprehensive income for the period	-	-	6,319	6,319
Dividends paid	-	-	(1,872)	(1,872)
Right Issue	96,592	-	-	96,592
Balance at June 30, 2020	117,337	20,745	81,265	219,347
Audited year ended September 30, 2020				
Balance at October 1, 2019	20,745	20,745	76,818	118,308
Total comprehensive income for the year	-	-	8,093	8,093
Dividends paid	-	-	(1,872)	(1,872)
Issue of shares	96,592	-	-	96,592
Transfer to Statutory reserve	-	2,071	(2,071)	-
Balance at September 30, 2020	117,337	22,816	80,968	221,121

STATEMENT OF CASH FLOWS

For the period ended June 30, 2021

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

	UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-21 \$'000	Jun-30-20 \$'000	Sept-30-20 \$'000
Operating activities			
Profit before taxation	8,670	6,735	10,793
Adjustments for non-cash items	7,168	8,657	11,315
Decrease/(Increase) in operating assets	28,409	(41,942)	(94,572)
(Decrease)/Increase in operating liabilities	(640)	40,428	62,195
Taxes paid	(3,641)	(1,133)	(1,646)
Cash provided by (used in) operating activities	39,966	12,745	(11,915)
Investing activities			
Net decrease in investments	91,633	31,038	43,295
Additions to fixed assets	(2,405)	(1,459)	(2,750)
Proceeds from sale of fixed assets	190	136	261
Net cash inflow from acquisition of branches	-	193,399	193,399
Cash provided by investing activities	89,418	223,114	234,205
Financing activities			
Increase/(Decrease) in balances due to other banks	1,009	2,933	(1,076)
Dividends Paid	-	(1,872)	(1,872)
Repayment of principal portion of lease liabilities	(563)	(613)	(1,379)
Proceeds from Share Issue	-	96,592	96,592
Cash provided by financing activities	446	97,040	92,265
Net increase in cash resources	129,830	332,899	314,555
Cash and cash equivalents at beginning of period/year	424,735	110,180	110,180
Cash and cash equivalents at end of period/year	554,565	443,079	424,735
Cash and cash equivalents at the end of the period/year are represented by:			
Cash on hand	19,635	22,885	18,813
Due from banks	516,066	395,394	397,598
Treasury Bills - Original maturities of three month or less	18,864	24,800	8,324
	554,565	443,079	424,735

NOTES TO THE INTERIM FINANCIAL STATEMENTS
1 Corporate information

Republic Bank (Grenada) Limited (the Bank) is incorporated in Grenada and provides banking services through eight 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 Caribbean Community (CARICOM) region, Cayman Islands, Ghana, St. Maarten, Anguilla and the British Virgin Islands.

2 Basis of preparation

This interim financial report for the period ended June 30, 2021 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, 2020.

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, 2020.

4 Capital commitments

	UNAUDITED Jun-30-21 \$'000	UNAUDITED Jun-30-20 \$'000	AUDITED Sept-30-20 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	231	652	131
Other capital expenditure authorised by the Directors but not yet contracted for	14,759	11,073	10,863

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-30-21 \$'000	UNAUDITED Jun-30-20 \$'000	AUDITED Sept-30-20 \$'000
Advances, investments and other assets (net of provisions)			
Directors and key management personnel	1,310	1,292	1,300
Other related parties	311,559	93,436	89,188
	<u>312,869</u>	<u>94,728</u>	<u>90,488</u>
Deposits and other liabilities			
Directors and key management personnel	3,189	2,531	2,724
Other related parties	95,521	130,935	141,560
	<u>98,710</u>	<u>133,466</u>	<u>144,284</u>
Interest and other income			
Directors and key management personnel	43	39	48
Other related parties	207	276	360
	<u>250</u>	<u>315</u>	<u>408</u>
Interest and other expense			
Directors and key management personnel	704	346	463
Other related parties	618	2,121	2,718
	<u>1,322</u>	<u>2,467</u>	<u>3,181</u>
Key management compensation			
Short term benefits	660	752	927
Post employment benefits	28	24	32
	<u>688</u>	<u>776</u>	<u>959</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank.

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 \$19.1 million (Two Treasury Bills valued at \$17.1M and cash of \$2.4 million) to guarantee settlement of all items being cleared through the ECACH.

7 Contingent liabilities

As at June 30, 2021, 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.