

**CHAIRMAN'S STATEMENT**

Dear Shareholder

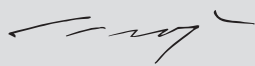
The Bank recorded net profit after tax of \$6.81 million for the year ended September 30, 2021, a reduction of \$0.30 million over the restated profit of \$7.11 million in the prior year. Our results were negatively impacted by a reduction in interest income due to declining yields on loans and investments and an increase in credit losses on financial assets. Total assets stood at \$1.8 billion as at September 30, 2021. The Bank remains well capitalised with Tier 1 capital ratio of 15.2%.

The Board has approved a dividend of \$0.72 per share; to be paid on March 7, 2022, to shareholders on record as at February 18, 2022.

While the COVID-19 pandemic continues to affect the economy, the International Monetary Fund (IMF) is projecting economic growth of 2.7% for 2021 and 6.2% for 2022, after declining in 2020. Increased vaccination, the recovery of in-person learning at St. George's University, the reopening of the major hotels, and a resurgence of economic activity in the agricultural, construction and retail sectors, will be key to recovery. Once these stabilising factors take hold, we expect moderate recovery in fiscal 2022.

During fiscal 2021, the RFHL Group has made meaningful progress towards its sustainability initiative through alignment with the United Nations Sustainable Development Goals (SDGs). Republic Bank Grenada has selected three SDGs, namely, Quality Education, Decent Work and Economic Growth and Climate Action, as key focus areas and pledges to collaborate with its clients to finance activities that will reduce the impact of climate change and enhance environmental and social ecosystems to the benefit of our Grenadian citizens.

The Bank remains committed to supporting its customers through these unprecedented times, as we work towards improved resilience in a post-pandemic environment.



Gregory I. Thomson  
CHAIRMAN

February 8, 2022

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

Expressed in thousands of Eastern Caribbean dollars (\$'000), except where otherwise stated

ASSETS	2021	Restated 2020	Restated 1-Oct-19
Cash	21,396	18,813	15,542
Statutory deposits with Central Bank	92,808	145,760	55,230
Due from banks	425,721	397,598	94,638
Treasury Bills	51,852	47,061	24,006
Advances	863,140	837,077	490,082
Investment securities	223,039	231,418	289,631
Investment interest receivable	1,998	2,241	2,687
Premises and Equipment	36,100	36,581	30,436
Right-of-use assets	4,075	3,377	–
Intangible assets	56,726	57,838	–
Employee benefits	4,732	5,232	4,868
Deferred tax assets	5,020	4,302	2,259
Taxation recoverable	900	–	–
Other assets	12,761	3,453	1,662
<b>TOTAL ASSETS</b>	<b>1,800,268</b>	<b>1,790,751</b>	<b>1,011,041</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Due to banks	10,090	8,024	9,045
Customers' current, savings and deposit accounts	1,541,461	1,538,749	871,257
Lease liabilities	4,216	3,465	–
Employee obligations	2,597	2,416	2,692
Taxation payable	–	1,685	151
Deferred tax liabilities	1,371	1,464	1,363
Accrued interest payable	244	856	185
Other liabilities	13,077	12,805	6,652
<b>TOTAL LIABILITIES</b>	<b>1,573,056</b>	<b>1,569,464</b>	<b>891,345</b>
<b>EQUITY</b>			
Stated capital	117,337	117,337	20,745
Statutory reserve	24,178	22,816	20,745
Retained earnings	85,697	81,134	78,206
<b>TOTAL EQUITY</b>	<b>227,212</b>	<b>221,287</b>	<b>119,696</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,800,268</b>	<b>1,790,751</b>	<b>1,011,041</b>

These financial statements were approved by the Board of Directors on February 8, 2022, and signed on its behalf by:



Gregory I. Thomson,  
Chairman



Naomi De Allie,  
Managing Director

**STATEMENT OF INCOME**
**For the year ended September 30, 2021**

Expressed in thousands of Eastern Caribbean dollars (\$'000), except where otherwise stated

	2021	Restated 2020
Interest income	62,125	67,963
Interest expense	<u>(18,347)</u>	<u>(19,762)</u>
<b>Net interest income</b>	<b>43,778</b>	<b>48,201</b>
Other income	<u>21,478</u>	<u>19,852</u>
	65,256	68,053
Operating expenses	<u>(50,488)</u>	<u>(54,092)</u>
<b>Operating profit</b>	<b>14,768</b>	<b>13,961</b>
Credit loss on financial assets	<u>(6,682)</u>	<u>(5,539)</u>
<b>Net profit before taxation</b>	<b>8,086</b>	<b>8,422</b>
Taxation expense	<u>(1,275)</u>	<u>(1,310)</u>
<b>Net profit after taxation</b>	<b><u>6,811</u></b>	<b><u>7,112</u></b>
<b>Earnings per share (expressed in \$ per share)</b>		
Basic	\$1.80	\$2.61
<b>Weighted average number of shares ('000)</b>		
Weighted average number of shares	3,774	2,724
Number of shares outstanding at period end	3,774	3,774

**STATEMENT OF COMPREHENSIVE INCOME**
**For the year ended September 30, 2021**

Expressed in thousands of Eastern Caribbean dollars (\$'000), except where otherwise stated

	2021	Restated 2020
<b>Net profit after taxation</b>	<b>6,811</b>	<b>7,112</b>
<b>Other comprehensive income:</b>		
<i>Other comprehensive income that will not be reclassified to the income statement in subsequent periods:</i>		
Net remeasurement losses on defined benefit plan	(1,381)	(511)
Income tax related to above	<u>387</u>	<u>143</u>
	<u>(994)</u>	<u>(368)</u>
Net remeasurement gains on medical and group life plans	150	177
Income tax related to above	<u>(42)</u>	<u>(50)</u>
	<u>108</u>	<u>127</u>
<b>Total items that will not be reclassified to the income statement in subsequent periods</b>	<b><u>(886)</u></b>	<b><u>(241)</u></b>
<b>Other comprehensive loss for the year, net of tax</b>	<b><u>(886)</u></b>	<b><u>(241)</u></b>
<b>Total comprehensive income for the year, net of tax</b>	<b><u>5,925</u></b>	<b><u>6,871</u></b>

**STATEMENT OF CHANGES IN EQUITY**
**For the year ended September 30, 2021**

Expressed in thousands of Eastern Caribbean dollars (\$'000), except where otherwise stated

	Stated Capital \$'000	Statutory Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Balance at September 30, 2019, as originally stated</b>	<b>20,745</b>	<b>20,745</b>	<b>76,818</b>	<b>118,308</b>
Correction for change in accounting policy IAS 19	—	—	1,388	1,388
<b>Balance as at October 1, 2019, restated</b>	<b>20,745</b>	<b>20,745</b>	<b>78,206</b>	<b>119,696</b>
<b>Total comprehensive income for the year as originally stated</b>	<b>—</b>	<b>—</b>	<b>8,093</b>	<b>8,093</b>
Correction for depreciation	—	—	(2,214)	(2,214)
Correction for change in accounting policy IAS 19	—	—	(164)	(164)
Correction for deferred tax	—	—	1,156	1,156
<b>Total comprehensive income for the year restated</b>	<b>—</b>	<b>—</b>	<b>6,871</b>	<b>6,871</b>
Issue of shares	96,592	—	—	96,592
Transfer to Statutory reserve	—	2,071	(2,071)	—
Dividend paid	—	—	(1,872)	(1,872)
<b>Balance as at September 30, 2020 restated</b>	<b>117,337</b>	<b>22,816</b>	<b>81,134</b>	<b>221,287</b>
Total comprehensive income for the year	—	—	5,925	5,925
Transfer to Statutory reserve	—	1,362	(1,362)	—
<b>Balance as at September 30, 2021</b>	<b><u>117,337</u></b>	<b><u>24,178</u></b>	<b><u>85,697</u></b>	<b><u>227,212</u></b>

**STATEMENT OF CASH FLOWS**
**For the year ended September 30, 2021**

Expressed in thousands of Eastern Caribbean dollars (\$'000), except where otherwise stated

	2021	Restated 2020
<b>Operating activities</b>		
Profit before taxation	8,086	8,422
<b>Adjustments for:</b>		
Depreciation of premises and equipment and right-of-use assets	3,833	6,043
Credit loss expense on financial assets	7,849	6,391
Investment securities' impairment recovery	(1,167)	(852)
Realised gain on investment securities	(149)	-
Amortisation of intangibles	1,112	1,019
Gain on sale of premises and equipment	(61)	(112)
Work in progress written off	64	-
Foreign exchange loss on investment securities	(9)	11
Amortisation of premium/discount on investment securities	759	1,029
Increase in employee benefits/obligations, net	(538)	(901)
Increase in advances	(33,913)	(22,717)
Increase in customers' deposits and other fund raising instruments	2,712	63,384
Decrease/(Increase) in statutory deposits with Central Bank	52,952	(50,318)
Increase in other assets and investment interest receivable	(9,065)	(20,479)
Decrease in liabilities and accrued interest payable	(339)	(1,189)
Taxes paid, net of refund	(4,329)	(1,646)
<b>Cash provided by/(used in) by operating activities</b>	<b>27,797</b>	<b>(11,915)</b>
<b>Investing activities</b>		
Purchase of investment securities	(97,945)	(18,649)
Purchase of Treasury Bills	(30,541)	(39,843)
Redemption of investment securities	106,891	76,834
Redemption of Treasury Bills	39,506	24,952
Acquisition of ScotiaBank Grenada operations, net of cash acquired	-	193,399
Additions to premises and equipment	(2,387)	(2,750)
Proceeds from sale of premises and equipment	191	261
<b>Cash provided by investing activities</b>	<b>15,715</b>	<b>234,204</b>
<b>Financing activities</b>		
Increase/(Decrease) in balances due to other banks	2,061	(1,076)
Repayment of lease liabilities	(1,112)	(1,379)
Proceeds from share issue	-	96,593
Dividends paid	-	(1,872)
<b>Cash provided by financing activities</b>	<b>949</b>	<b>92,266</b>
<b>Net increase in cash and cash equivalents</b>	<b>44,461</b>	<b>314,555</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>424,735</b>	<b>110,180</b>
<b>Cash and cash equivalents at end of year</b>	<b>469,196</b>	<b>424,735</b>
<b>Cash and cash equivalents at end of year are represented by:</b>		
Cash on hand	21,396	18,813
Due from banks	425,721	397,599
Treasury Bills - original maturities of three months or less	22,079	8,323
	<b>469,196</b>	<b>424,735</b>
<b>Supplemental information:</b>		
Interest received during the year	66,790	57,436
Interest paid during the year	18,958	19,720
Dividends received	50	32