

**CHAIRMAN'S STATEMENT**

Dear Shareholder,

For the three months ended December 31, 2021, the Bank recorded Net Profit after Tax of \$3.42 million, a 45% increase over the \$1.06 million recorded for the corresponding period last year. Our performance was positively impacted by a reduction in provisions for credit losses and increase in non-interest income. However, these were partly offset by reduced investments income. Total assets stood at \$1.86 billion.

Our Halifax Street and Grand Anse branches were successfully converted to the new Republic Financial Holdings Limited suite of technology platforms on February 1, 2022. We look forward to extending this new banking experience to our remaining customers in the coming months.

The outlook for 2022 remains positive. Downside risks to this outlook continue to be the ongoing COVID-19 pandemic and its ongoing impact. Notwithstanding, the Bank is well poised to benefit from any improvement in economic activity.

I would like to thank our customers, staff and other stakeholders for their continued support.



Gregory I. Thomson  
CHAIRMAN  
February 24, 2022

**Statement of Financial Position**

as at December 31, 2021

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

	UNAUDITED Dec-31-21 \$'000	UNAUDITED Dec-31-20 \$'000	AUDITED Sept-30-21 \$'000
<b>Assets</b>			
Cash resources	643,358	584,383	591,777
Advances	868,274	839,523	863,140
Investment securities	208,192	199,654	223,039
Premises and equipment	36,284	36,528	36,100
Other assets	100,753	85,555	86,212
<b>Total Assets</b>	<b>1,856,861</b>	<b>1,745,643</b>	<b>1,800,268</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Due to banks	10,149	6,914	10,090
Customers' deposits and other funding instruments	1,596,074	1,494,096	1,541,461
Other liabilities	20,008	20,990	21,505
<b>Total Liabilities</b>	<b>1,626,231</b>	<b>1,522,000</b>	<b>1,573,056</b>
<b>Equity</b>			
Stated capital	117,337	117,337	117,337
Statutory reserve	24,178	22,816	24,178
Retained earnings	89,115	83,490	85,697
<b>Total equity</b>	<b>230,630</b>	<b>223,643</b>	<b>227,212</b>
<b>Total Liabilities and Equity</b>	<b>1,856,861</b>	<b>1,745,643</b>	<b>1,800,268</b>



Gregory I. Thomson,  
Chairman



Naomi De Allie,  
Managing Director

## Statement of Income

For the period ended December 31, 2021  
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-21 \$'000	Dec-31-20 \$'000	Sept-30-21 \$'000
Net interest income	10,803	11,341	43,778
Other income	5,985	5,071	21,478
<b>Operating income</b>	<b>16,788</b>	<b>16,411</b>	<b>65,256</b>
Operating expenses	(12,305)	(12,170)	(50,488)
<b>Operating profit</b>	<b>4,483</b>	<b>4,242</b>	<b>14,768</b>
Credit recovery/(loss expense) on financial assets	178	(1,592)	(6,682)
<b>Profit before taxation</b>	<b>4,661</b>	<b>2,649</b>	<b>8,086</b>
Taxation expense	(1,243)	(293)	(1,275)
<b>Net profit after taxation</b>	<b>3,418</b>	<b>2,356</b>	<b>6,811</b>
<b>Earnings per share</b>			
Basic	\$0.91	\$0.62	\$1.80
<b>Number of shares ('000)</b>			
Basic	3,774	3,774	3,774

## Statement of Comprehensive Income

For the period ended December 31, 2021  
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-21 \$'000	Dec-31-20 \$'000	Sept-30-21 \$'000
<b>Net profit after taxation for the period/year</b>	<b>3,418</b>	<b>2,356</b>	<b>6,811</b>
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	-	-	(886)
<b>Total comprehensive income for the period/year, net of taxation</b>	<b>3,418</b>	<b>2,356</b>	<b>5,925</b>

## Statement of Changes in Equity

For the period ended December 31, 2021  
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	Stated Capital \$'000	Statutory Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Unaudited period ended December 31, 2021</b>				
Balance at October 1, 2021	117,337	24,178	85,697	227,212
Total comprehensive income for the period	-	-	3,418	3,418
<b>Balance at December 31, 2021</b>	<b>117,337</b>	<b>24,178</b>	<b>89,115</b>	<b>230,630</b>
<b>Unaudited period ended December 31, 2020</b>				
Balance at October 1, 2020	117,337	22,816	81,134	221,287
Total comprehensive income for the period	-	-	2,356	2,356
<b>Balance at December 31, 2020</b>	<b>117,337</b>	<b>22,816</b>	<b>83,490</b>	<b>223,643</b>
<b>Audited year ended September 30, 2021</b>				
Balance at October 1, 2020	117,337	22,816	81,134	221,287
Total comprehensive income for the year	-	-	5,925	5,925
Transfer to Statutory reserve	-	1,362	(1,362)	-
<b>Balance at September 30, 2021</b>	<b>117,337</b>	<b>24,178</b>	<b>85,697</b>	<b>227,212</b>

## Statement of Cash Flows

For the period ended December 31, 2021  
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-21 \$'000	Dec-31-20 \$'000	Sept-30-21 \$'000
<b>Operating activities</b>			
Profit before taxation	4,661	2,649	8,086
Adjustments for non-cash items	1,613	2,370	12,231
(Increase)/decrease in operating assets	(22,507)	1,223	9,436
Increase/(decrease) in operating liabilities	53,130	(44,668)	2,373
Taxes paid	(756)	(2,189)	(4,329)
<b>Cash provided by/(used in) operating activities</b>	<b>36,141</b>	<b>(40,615)</b>	<b>27,797</b>
<b>Investing activities</b>			
Net decrease in investments	20,566	29,490	17,911
Additions to fixed assets	(846)	(660)	(2,387)
Proceeds from sale of fixed assets	-	90	191
<b>Cash provided by investing activities</b>	<b>19,720</b>	<b>28,920</b>	<b>15,715</b>
<b>Financing activities</b>			
Decrease in balances due to other banks	54	(1,110)	2,061
Repayment of principal portion of lease liabilities	(244)	(203)	(1,112)
<b>Cash (used in)/provided by financing activities</b>	<b>(190)</b>	<b>(1,313)</b>	<b>949</b>
<b>Net increase/(decrease) in cash resources</b>	<b>55,671</b>	<b>(13,008)</b>	<b>44,461</b>
Cash and cash equivalents at beginning of period/year	469,196	424,735	424,735
<b>Cash and cash equivalents at end of period/year</b>	<b>524,867</b>	<b>411,727</b>	<b>469,196</b>

**Statement of Cash Flows (Cont'd)**

For the period ended December 31, 2021

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

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-21 \$'000	Dec-31-20 \$'000	Sept-30-21 \$'000
<b>Cash and cash equivalents at the end of the period/year are represented by:</b>			
Cash on hand	30,411	29,289	21,396
Due from banks	466,043	376,679	425,721
Treasury Bills - Original maturities of three months or less	28,413	5,759	22,079
	<b>524,867</b>	<b>411,727</b>	<b>469,196</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 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, 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 mainly 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 December 31, 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, 2021.

**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, 2021.

**4 Capital commitments**

	UNAUDITED		AUDITED
	Dec-31-21 \$'000	Dec-31-20 \$'000	Sept-30-21 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	170	106	88
Other capital expenditure authorised by the Directors but not yet contracted for	9,933	15,975	14,380

**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. There are no provisions for related party balances as at December 31, 2021.

	UNAUDITED		AUDITED
	Dec-31-21 \$'000	Dec-31-20 \$'000	Sept-30-21 \$'000
<b>Advances, investments and other assets (net of provisions)</b>			
Directors and key management personnel	1,234	1,270	1,290
Other related parties	316,348	45,458	228,422
	<b>317,582</b>	<b>46,728</b>	<b>229,712</b>

**Deposits and other liabilities**

Directors and key management personnel	3,206	2,841	3,195
Other related parties	106,170	102,984	95,682
	<b>109,376</b>	<b>105,825</b>	<b>98,877</b>

**Interest and other income**

Directors and key management personnel	12	12	57
Other related parties	7	40	253
	<b>19</b>	<b>52</b>	<b>310</b>

**Interest and other expense**

Directors and key management personnel	119	117	471
Other related parties	165	174	793
	<b>284</b>	<b>291</b>	<b>1,264</b>

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	484	263	890
Post employment benefits	11	8	39
	<b>495</b>	<b>271</b>	<b>929</b>

**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 (A Treasury Bill valued at \$10M and cash of \$9.1M) to guarantee settlement of all items being cleared through the ECACH.

**7 Contingent liabilities**

As at December 31, 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.