

CHAIRMAN'S STATEMENT

Dear Shareholder,

For the nine months ended June 30, 2023, the Bank recorded net Profit after Tax of \$10.25 million, a decrease of \$0.32 million from the \$10.57 million recorded for the corresponding period last year. The reduction was mainly due to increased operating expenses related to our investment in new technology systems and provisions for expected credit losses. These increases in expenses were partly offset by an improvement in our core business earnings.

As at June 30, 2023, total assets stood at \$2.04 billion, an increase of \$0.11 billion over the \$1.93 billion reported as at September 30, 2022. The Bank remains well capitalised with total capital ratio of 13.1%.

The operating environment continues to be challenging, characterised by ongoing uncertainty and inflationary pressures. The bank is well-positioned to address these challenges and take advantage of opportunities that may arise.

We regret the inconvenience that has resulted from the industrial action by members of the bargaining unit and apologise to our customers and stakeholders for the impact on our service to you. We sincerely thank the management and staff who kept the bank operating, and everyone for their understanding and support during this period.



Karen Yip Chuck
CHAIRPERSON
July 19, 2023

Republic Bank (Grenada) Limited
Statement Of Financial Position

Expressed in thousands of Eastern Caribbean dollars

	UNAUDITED Jun-30-23 \$'000	UNAUDITED Jun-30-22 \$'000	AUDITED Sept-30-22 \$'000
ASSETS			
Cash resources	595,650	587,061	584,280
Advances	999,823	875,762	901,510
Investment securities	302,303	311,798	318,797
Premises and equipment	40,003	37,505	37,788
Other assets	100,211	133,044	83,343
Total Assets	2,037,990	1,945,170	1,925,718
Liabilities and Equity			
LIABILITIES			
Due to banks	7,219	26,362	47,859
Customers' deposits and other funding instruments	1,696,290	1,616,838	1,615,659
Other liabilities	97,651	69,458	31,471
Total Liabilities	1,801,160	1,712,658	1,694,989
EQUITY			
Stated capital	117,337	117,337	117,337
Statutory reserve	26,256	24,178	26,256
General contingency reserves	3,452	0	3,452
Retained earnings	89,785	90,997	83,684
Total equity	236,830	232,512	230,729
Total Liabilities and Equity	2,037,990	1,945,170	1,925,718

Republic Bank (Grenada) Limited
Statement of Income

Expressed in thousands of Eastern Caribbean dollars

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-23 \$'000	Jun-30-22 \$'000	Jun-30-23 \$'000	Jun-30-22 \$'000	Sept-30-22 \$'000
Net interest income	14,338	11,071	40,397	32,858	44,856
Other income	6,035	6,008	20,859	18,187	23,992
Operating income	20,373	17,079	61,256	51,045	68,848
Operating expenses	(14,372)	(12,054)	(45,415)	(37,408)	(55,586)
Operating profit	6,001	5,025	15,841	13,637	13,262
Credit loss (expense) /recovery on financial assets	(1,039)	(51)	(2,615)	894	451
Profit before taxation	4,962	4,974	13,226	14,531	13,713
Taxation expense	(865)	(1,399)	(2,974)	(3,958)	(3,322)
Net profit after taxation	4,098	3,575	10,252	10,573	10,391
Earnings per share					
Basic	\$1.09	\$0.95	\$2.72	\$2.80	\$2.75
Number of shares ('000)					
Basic	3,774	3,774	3,774	3,774	3,774
Weighted average	3,774	3,774	3,774	3,774	3,774

Republic Bank (Grenada) Limited
Statement of Comprehensive Income

Expressed in thousands of Eastern Caribbean dollars

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-23 \$'000	Jun-30-22 \$'000	Jun-30-23 \$'000	Jun-30-22 \$'000	Sept-30-22 \$'000
Net profit after taxation for the period/year	4,098	3,575	10,252	10,573	10,391
<i>Other comprehensive (loss)/income that will not be reclassified to profit and loss in subsequent periods:</i>					
Re-measurement losses on defined benefit plans	-	-	-	-	(1,600)
Total comprehensive income for the period/year, net of taxation	4,098	3,575	10,252	10,573	8,791

Republic Bank (Grenada) Limited
Statement Of Cash Flows

Expressed in thousands of Eastern Caribbean dollars

	UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-23 \$'000	Jun-30-22 \$'000	Sept-30-22 \$'000
Operating Activities			
Profit before taxation	13,226	14,531	13,713
Adjustments for non-cash items	5,296	2,856	6,996
(Increase)/Decrease in operating assets	(125,424)	(51,845)	(38,384)
Increase/(Decrease) in operating liabilities	146,831	121,281	80,717
Taxes paid	(3,494)	(726)	(1,179)
Cash provided by operating activities	36,435	86,097	61,863
Investing Activities			
Net decrease/(increase) in investments	21,138	(111,929)	(101,931)
Additions to fixed assets	(5,649)	(3,501)	(4,429)
Proceeds from sale of fixed assets	2,130	41	105
Cash provided by/(used in) investing activities	17,619	(115,389)	(106,255)
Financing Activities			
Increase in balances due to other banks	(40,640)	16,267	37,769
Dividends Paid	(4,152)	(6,869)	(6,869)
Repayment of principal portion of lease liabilities	(706)	(662)	(1,001)
Cash (used in)/provided by financing activities	(45,498)	8,736	29,899
Net increase/(decrease) in cash resources	8,556	(20,556)	(14,493)
Cash and cash equivalents at beginning of period/year	454,703	469,196	469,196
Cash and cash equivalents at end of period/year	463,259	448,640	454,703
Cash and cash equivalents at the end of the period/year are represented by:			
Cash on hand	25,882	26,160	25,132
Due from banks	406,540	356,213	330,889
Treasury Bills - Original maturities of three month or less	30,837	66,267	98,682
	463,259	448,640	454,703

Republic Bank (Grenada) Limited
Statement of Changes in Equity

Expressed in thousands of Eastern Caribbean dollars

	Stated Capital \$'000	Statutory Reserve \$'000	General contingency Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
	Unaudited period ended June 30, 2023				
Balance at October 1, 2022	117,337	26,256	3,452	83,684	230,729
Total comprehensive income for the period	-	-	-	10,252	10,252
Dividends paid	-	-	-	(4,151)	(4,151)
Balance at June 30, 2023	117,337	26,256	3,452	89,785	236,830
Unaudited period ended June 30, 2022					
Balance at October 1, 2021	117,337	24,178	-	87,292	228,807
Total comprehensive income for the period	-	-	-	10,573	10,573
Dividends paid	-	-	-	(6,868)	(6,868)
Balance at June 30, 2022	117,337	24,178	-	90,997	232,512
Audited year ended September 30, 2022					
Balance at October 1, 2021 restated	117,337	24,178	-	87,292	228,807
Total comprehensive income for the year	-	-	-	8,791	8,791
Transfer to general contingency reserve	-	-	3,452	(3,452)	-
Transfer to Statutory reserve	-	2,078	-	(2,078)	-
Dividends paid	-	-	-	(6,869)	(6,869)
Balance at September 30, 2022	117,337	26,256	3,452	83,684	230,729

Republic Bank (Grenada) Limited
Notes to the Interim Financial Statements

Expressed in thousands of Eastern Caribbean dollars

1. Corporate information

Republic Bank (Grenada) Limited (the Bank) is incorporated in Grenada and provides banking services through seven 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 June 30, 2023 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, 2022.

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, 2022.

4. Capital commitments

	UNAUDITED Jun-30-23 \$'000	UNAUDITED Jun-30-22 \$'000	AUDITED Sept-30-22 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	4,162	1,267	864
Other capital expenditure authorised by the Directors but not yet contracted for	6,848	6,466	6,374

Republic Bank (Grenada) Limited
Notes to the Interim Financial Statements

Expressed in thousands of Eastern Caribbean dollars

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 June 30, 2023.

	UNAUDITED		AUDITED
	Jun-30-23 \$'000	Jun-30-22 \$'000	Sept-30-22 \$'000
Advances, investments and other assets (net of provisions)			
Directors and key management personnel	1,699	1,238	1,160
Other related parties	244,911	234,084	272,113
	<u>246,610</u>	<u>235,322</u>	<u>273,273</u>
Deposits and other liabilities			
Directors and key management personnel	3,878	3,781	3,532
Other related parties	124,472	113,418	143,090
	<u>128,350</u>	<u>117,199</u>	<u>146,622</u>
Interest and other income			
Directors and key management personnel	63	40	53
Other related parties	150	187	250
	<u>213</u>	<u>227</u>	<u>303</u>
Interest and other expense			
Directors and key management personnel	288	677	485
Other related parties	7,630	1,154	1,722
	<u>7,918</u>	<u>1,831</u>	<u>2,207</u>
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	913	944	1,170
Post employment benefits	29	33	48
	<u>942</u>	<u>977</u>	<u>1,218</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 \$26.7 million (Five Treasury Bills totaling \$27.2M) to guarantee settlement of all items being cleared through the ECACH.

7. Contingent liabilities

As at June 30, 2023, 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.