

**UNAUDITED HALF YEAR
FINANCIAL STATEMENTS
SIX MONTHS ENDED MARCH 31, 2014**

CHAIRMAN'S STATEMENT

Dear Shareholder

For the half-year ended March 31, 2014, the Bank recorded Net Profit After Tax of \$2.183 million, compared to a Net Loss After Tax of \$8.031 million for the corresponding period last year. The return to profitability for this period is consistent with our expectations.

We understand that the restructuring of the Grenada Government's public debt will be finalized in the coming months. Until this matter is resolved, the full impact on the Bank's results is not known. We therefore consider it prudent not to declare a dividend for the half-year.



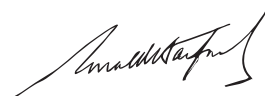
Ronald F. de.C Harford
CHAIRMAN

April 24, 2014

**STATEMENT OF FINANCIAL POSITION
as at March 31, 2014**

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

	UNAUDITED Mar-31-14 \$'000	UNAUDITED Restated Mar-31-13 \$'000	AUDITED Sept-30-13 \$'000
Assets			
Cash resources	124,459	109,929	114,259
Advances	497,192	489,987	492,276
Investment securities	92,007	82,964	87,701
Premises and equipment	35,784	37,724	36,349
Other assets	8,990	8,078	8,270
Total Assets	758,432	728,682	738,855
Liabilities and Equity			
Liabilities			
Due to banks	13,045	7,878	8,931
Customers' deposits and other funding instruments	638,931	616,665	624,141
Other liabilities	14,343	14,494	14,845
Total Liabilities	666,319	639,037	647,917
Equity			
Stated capital	15,000	15,000	15,000
Statutory reserves	15,000	15,000	15,000
Other reserves	3,523	5,351	4,531
Retained earnings	58,590	54,294	56,407
Total equity	92,113	89,645	90,938
Total Liabilities and Equity	758,432	728,682	738,855



Ronald F. deC. Harford, Chairman



Keith A. Johnson, Managing Director

**UNAUDITED HALF YEAR
FINANCIAL STATEMENTS
SIX MONTHS ENDED MARCH 31, 2014**

STATEMENT OF INCOME

For the period ended March 31, 2014
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-14 \$'000	Mar-31-13 \$'000	Mar-31-14 \$'000	Mar-31-13 \$'000	Sept-30-13 \$'000
Net interest income	7,799	7,323	15,017	15,282	29,955
Other income	3,742	2,382	6,340	4,816	9,636
Operating income	11,541	9,705	21,357	20,098	39,591
Operating expenses	(8,555)	(17,750)	(17,105)	(26,136)	(43,552)
Operating profit/(loss)	2,986	(8,045)	4,252	(6,038)	(3,961)
Loan impairment expense	(2,029)	(1,448)	(1,812)	(2,051)	(1,686)
Profit/(Loss) before taxation	957	(9,493)	2,440	(8,089)	(5,647)
Taxation (expense)/credit	(103)	121	(257)	58	(271)
Net profit/(loss) after taxation for the period	854	(9,372)	2,183	(8,031)	(5,918)
Earnings per share					
Basic	0.57	(\$6.25)	\$1.46	(\$5.35)	(\$3.95)
Weighted average number of shares ('000)					
Basic	1,500	1,500	1,500	1,500	1,500

STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-14 \$'000	Mar-31-13 \$'000	Mar-31-14 \$'000	Mar-31-13 \$'000	Sept-30-13 \$'000
Net profit/(loss) after taxation	854	(9,372)	2,183	(8,031)	(5,918)
Other comprehensive income:					
Revaluation of available-for-sale investment securities	(1,056)	7,681	(1,440)	6,471	5,300
Tax effect	317	(2,304)	432	(1,941)	(1,590)
Other comprehensive (loss) /income for the period, net of taxation	(739)	5,377	(1,008)	4,530	3,710
Total comprehensive income / (loss) for the period, net of taxation	115	(3,995)	1,175	(3,501)	(2,208)

STATEMENT OF CHANGES IN EQUITY

For the period ended March 31, 2014
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	Stated Capital \$'000	Statutory Reserves \$'000	Other Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Period ended March 31, 2014					
Balance at October 1, 2013	15,000	15,000	4,531	56,407	90,938
Total comprehensive income for the period	-	-	(1,008)	2,183	1,175
Balance at March 31, 2014	15,000	15,000	3,523	58,590	92,113
Period ended March 31, 2013					
Balance at October 1, 2012 as originally stated	15,000	15,000	821	66,675	97,496
Prior period adjustment (Note 4)	-	-	-	(1,800)	(1,800)
Balance at October 1, 2012 (Restated)	15,000	15,000	821	64,875	95,696
Total comprehensive loss for the period	-	-	4,530	(8,031)	(3,501)
Dividends	-	-	-	(2,550)	(2,550)
Balance at March 31, 2013 (Restated)	15,000	15,000	5,351	54,294	89,645
Year ended September 30, 2013					
Balance at October 1, 2012 (Restated)	15,000	15,000	821	64,875	95,696
Total comprehensive loss for the period	-	-	3,710	(5,918)	(2,208)
Dividends	-	-	-	(2,550)	(2,550)
Balance at September 30, 2013	15,000	15,000	4,531	56,407	90,938

STATEMENT OF CASH FLOWS

	UNAUDITED SIX MONTHS ENDED Mar-31-14 \$'000	UNAUDITED SIX MONTHS ENDED Mar-31-13 \$'000	AUDITED YEAR ENDED Sept-30-13 \$'000
Operating activities			
Profit/(loss) before taxation	2,440	(8,089)	(5,647)
Adjustments for non-cash items	3,814	13,793	15,589
(Increase)/decrease in operating assets	(8,286)	4,445	1,852
Increase in operating liabilities	14,525	15,654	23,295
Corporation tax paid	-	(48)	-
Cash provided by operating activities	12,493	25,755	35,089
Investing activities			
Net (increase)/decrease in investments	(6,181)	12,531	6,467
Additions to fixed assets	(1,048)	(1,492)	(2,157)
Proceeds from sale of fixed assets	44	22	61
Cash (used in)/provided by investing activities	(7,185)	11,061	4,371
Financing activities			
Increase in balances due to other banks	4,114	1,681	2,734
Dividends paid to majority shareholders	-	(1,300)	(1,300)
Dividends paid to minority shareholders	-	(1,250)	(1,250)
Cash provided by/(used in) financing activities	4,114	(869)	184
Net increase in cash resources	9,422	35,947	39,644
Cash and cash equivalents at beginning of period/year	71,156	31,512	31,512
Cash and cash equivalents at end of period/year	80,578	67,459	71,156
Cash and Cash equivalent at end of year are represented by:			
Cash on hand	9,788	7,971	8,012
Due from banks	70,790	59,488	63,144
	80,578	67,459	71,156

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1 Corporate information

Republic Bank (Grenada) Limited is incorporated in Grenada and provides banking services through six branches in Grenada and Carriacou. The Bank was continued under the provisions of the Companies Ordinance Section 365, 1995 on March 23, 1998 and its registered office is at Republic House, Grand Anse, St. George, Grenada. It is a subsidiary of Republic Bank Limited of Trinidad and Tobago.

Republic Bank Limited (the 'Parent') is incorporated in the Republic of Trinidad and Tobago. It was continued under the provision of the Companies Act, 1995 on March 23, 1998 and its registered office is located at Republic House, 9-17 Park Street, Port of Spain.

CLICO Investment Bank Limited (CIB) owned together with its subsidiary First Company Limited, 18.3% of Republic Bank Limited. On October 17, 2011 the High Court ordered that CLICO Investment Bank Limited (CIB) be wound up and the Deposit Insurance Company appointed liquidator. Accordingly, this 18.3% shareholding is under the control of the Deposit Insurance Company.

Until October 31, 2012, the CL Financial Group held through its various subsidiaries, 51.4% of the shares of Republic Bank Limited, of which Colonial Life Insurance Company (Trinidad) Limited (CLICO) and CLICO Investment Bank Limited (CIB) combined, held 51.1%.

On November 1, 2012, 24.8% of Republic Bank Limited formerly owned by Colonial Life Insurance Company (Trinidad) Limited (CLICO) was transferred into an investment fund launched by the Government of the Republic of Trinidad and Tobago and called the CLICO Investment Fund (the Fund). The trustee of the Fund is the CLICO Trust Corporation Limited which holds the 24.8% shareholding in Republic Bank Limited in trust solely for the benefit of subscribing unit holders of the Fund. The Fund is as a consequence the largest shareholder in Republic Bank Limited.

2 Basis of preparation

This interim financial report for the period ended March 31, 2014 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, 2013.

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, 2013.

4 Prior period restatement

During the financial year ended September 30, 2013, the Bank undertook a comprehensive review of the elements attributed to its deferred tax assets and determined that the deferred tax assets arising on unearned loan origination fees and general provisions were overstated. This error was corrected retrospectively in the financial statements issued as at September 30, 2013. Consequently this restatement also has to be reflected in the comparative balances for the period ended March 31, 2013. As a result the deferred tax asset and retained earnings as at October 1, 2012 were reduced by \$1,800K.

5 Capital commitments

	UNAUDITED		AUDITED
	Mar-31-14	Mar-31-13	Sept-30-13
	\$'000	\$'000	\$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	348	777	360
Other capital expenditure authorised by the Directors but not yet contracted for	4,744	8,197	6,645

NOTES TO THE INTERIM FINANCIAL STATEMENTS

6 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 provision for amounts due from related parties for the period ended March 31, 2014.

	UNAUDITED Mar-31-14 \$'000	UNAUDITED Restated Mar-31-13 \$'000	AUDITED Sept-30-13 \$'000
Advances, investments and other assets (net of provisions)			
Parent Company	60,840	49,390	49,579
Directors and key management personnel	2,059	3,704	2,528
Other related parties	1,236	8,509	1,053
	64,135	61,603	53,160
Deposits and other liabilities			
Parent Company	433	585	215
Directors and key management personnel	466	382	389
Other related parties	13,540	8,513	8,331
	14,439	9,480	8,935
Interest and other income			
Parent Company	9	5	15
Directors and key management personnel	105	96	188
Other related parties	58	168	95
	172	269	298
Interest and other expense			
Parent Company	160	244	461
Directors and key management personnel	131	93	118
Other related parties	4	51	3
	295	388	582

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

Key management compensation

	UNAUDITED Mar-31-14 \$'000	UNAUDITED Restated Mar-31-13 \$'000	AUDITED Sept-30-13 \$'000
Short term benefits	338	387	678
Post employment benefits	15	15	30
	353	402	708

7 Contingent liabilities

As at March 31, 2014, 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.