

CHAIRMAN'S STATEMENT

Dear Shareholder:

For the first quarter ended December 31, 2013, the Bank recorded Profit After Tax of \$1.329 million, which is on par with the \$1.341 million recorded for the corresponding period last year.

We remain optimistic that the improvement reported in the economy for 2013, will continue this year.



Ronald F. deC. Harford
CHAIRMAN

January 16, 2014

**STATEMENT OF FINANCIAL POSITION
as at December 31, 2013**

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

	UNAUDITED Dec-31-13 \$'000	UNAUDITED Dec-31-12 \$'000	AUDITED Sept-30-13 \$'000
Assets			
Cash resources	102,310	77,850	114,259
Advances	502,517	495,105	492,276
Investment securities	93,886	96,353	87,701
Premises and equipment	35,764	37,811	36,349
Employee benefits/obligations	3,781	3,134	3,781
Other assets	5,059	6,002	4,489
Total Assets	743,317	716,255	738,855
Liabilities and Equity			
Liabilities			
Due to banks	14,199	6,566	8,931
Customers' deposits and other funding instruments	620,195	600,977	624,141
Other liabilities	16,925	15,072	14,845
Total Liabilities	651,319	622,615	647,917
Equity			
Stated capital	15,000	15,000	15,000
Statutory reserves	15,000	15,000	15,000
Other reserves	4,262	(26)	4,531
Retained earnings	57,736	63,666	56,407
Total equity	91,998	93,640	90,938
Total Liabilities and Equity	743,317	716,255	738,855



Ronald F. deC. Harford, Chairman



Keith A. Johnson, Managing Director

STATEMENT OF INCOME

For the period ended December 31, 2013
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-13 \$'000	Dec-31-12 \$'000	Sept-30-13 \$'000
Net interest income	7,218	7,959	29,955
Other income	2,598	2,434	9,636
Operating income	9,816	10,393	39,591
Operating expenses	(8,550)	(8,386)	(43,552)
Operating profit/(loss)	1,266	2,007	(3,961)
Loan impairment recovery/(expense)	217	(603)	(1,686)
Profit/(Loss) before taxation	1,483	1,404	(5,647)
Taxation expense	(154)	(63)	(271)
Net profit/(loss) after taxation	1,329	1,341	(5,918)
Earnings per share			
Basic	0.89	0.89	(3.95)
Weighted average number of shares ('000)			
Basic	1,500	1,500	1,500

STATEMENT OF COMPREHENSIVE INCOME

For the period ended December 31, 2013
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-13 \$'000	Dec-31-12 \$'000	Sept-30-13 \$'000
Net profit/(loss) after taxation	1,329	1,341	(5,918)
Other comprehensive income:			
Revaluation of available-for-sale investment securities	(384)	(1,210)	5,300
Tax effect	115	363	(1,590)
Other comprehensive (loss)/income for the period, net of taxation	(269)	(847)	3,710
Total comprehensive income/(loss) for the period, net of taxation	1,060	494	(2,208)

STATEMENT OF CHANGES IN EQUITY

For the period ended December 31, 2013
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 December 31, 2013					
Balance at October 1, 2013	15,000	15,000	4,531	56,407	90,938
Total comprehensive income for the period	-	-	(269)	1,329	1,060
Balance at December 31, 2013	15,000	15,000	4,262	57,736	91,998
Period ended December 31, 2012					
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 income for the period	-	-	(847)	1,341	494
Dividends	-	-	-	(2,550)	(2,550)
Balance at December 31, 2012 (Restated)	15,000	15,000	(26)	63,666	93,640
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

For the period ended December 31, 2013
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-13 \$'000	Dec-31-12 \$'000	Sept-30-13 \$'000
Operating activities			
Profit/(Loss) before taxation	1,483	1,404	(5,647)
Adjustments for non-cash items	957	1,656	15,589
(Increase)/Decrease in operating assets	(10,571)	1,023	1,852
(Decrease)/Increase in operating liabilities	(1,878)	2,194	23,295
Cash (used in)/provided by operating activities	(10,009)	6,277	35,089
Investing activities			
Net (increase)/decrease in investments	(6,950)	1,238	6,467
Additions to fixed assets	(212)	(669)	(2,157)
Proceeds from sale of fixed assets	-	22	61
Cash (used in)/provided by investing activities	(7,162)	591	4,371
Financing activities			
Increase in balances due to other banks	5,268	369	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	5,268	(2,181)	184
Net (decrease)/increase in cash resources	(11,903)	4,687	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	59,253	36,199	71,156
Cash and Cash equivalent at end of year are represented by:			
Cash on hand	16,222	13,598	8,012
Due from Banks	43,031	22,601	63,144
	59,253	36,199	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 December 31, 2013 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 December 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
	Dec-31-13 \$'000	Dec-31-12 \$'000	Sept-30-13 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	211	1,576	360
Other capital expenditure authorised by the Directors but not yet contracted for	5,568	7,502	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 December 31, 2013.

	UNAUDITED Restated		Restated
	Dec-31-13 \$'000	Dec-31-12 \$'000	Sept-30-13 \$'000
Advances, investments and other assets (net of provisions)			
Parent Company	41,642	16,857	49,579
Directors and key management personnel	2,206	3,762	2,636
Other related parties	1,175	6,897	945
	45,023	27,516	53,160
Deposits and other liabilities			
Parent Company	222	1,305	215
Directors and key management personnel	337	314	389
Other related parties	13,638	4,841	8,331
	14,197	6,460	8,935
Interest and other income			
Parent Company	5	6	15
Directors and key management personnel	58	48	189
Other related parties	27	62	94
	90	116	298
Interest and other expense			
Parent Company	61	135	461
Directors and key management personnel	115	80	118
Other related parties	4	1	3
	180	216	582
Key management compensation			
Short term benefits	192	242	678
Post employment benefits	8	7	30
	200	249	708

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

7 Contingent liabilities

As at December 31, 2013, 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.