


CHAIRMAN'S STATEMENT

Dear Shareholder,

For the six months ended March 31, 2019, the Bank recorded net Profit after Tax of \$4.8 million, an increase of \$1.3 million over the \$3.5 million recorded for the corresponding period last year. This improvement was mainly due to an increase in interest income driven by growth in our loan and investment portfolios.

Based on the performance for the half year ended March 31, 2019, the Directors have declared a dividend of \$0.85 per share (2018: \$0.00) payable on May 15, 2019 to shareholders of record on May 6, 2019.

The Grenadian economy recorded growth of 5.2% last year, and further growth is projected for 2019. Your bank continues to post satisfactory results, and is well-poised to seize the opportunities that the improving economy will present.



Gregory I. Thomson

CHAIRMAN

April 11, 2019

Statement of Financial Position

Expressed in thousands of Eastern Caribbean dollars

	UNAUDITED Mar-31-19 \$'000	UNAUDITED RESTATE Mar-31-18 \$'000	UNAUDITED Sept-30-18 \$'000
ASSETS			
Cash resources	159,616	177,155	146,358
Advances	483,557	456,499	468,392
Investment securities	289,202	262,714	287,665
Premises and equipment	30,860	31,583	31,227
Other assets	15,197	16,376	18,393
Total Assets	978,432	944,327	952,035
Liabilities and Equity			
LIABILITIES			
Due to banks	4,451	3,947	8,264
Customers' deposits and other funding instruments	844,769	817,728	813,389
Other liabilities	12,786	12,474	16,272
TOTAL LIABILITIES	862,006	834,149	837,925
EQUITY			
Stated capital	20,745	20,745	20,745
Statutory reserve	20,745	20,745	20,745
Retained earnings	74,936	68,688	72,620
Total equity	116,426	110,178	114,110
Total Liabilities and Equity	978,432	944,327	952,035

Statement of Income

Expressed in thousands of Eastern Caribbean dollars

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-19 \$'000	Mar-31-18 \$'000	Mar-31-19 \$'000	Mar-31-18 \$'000	Sept-30-18 \$'000
Net interest income	9,049	7,911	17,697	16,285	33,242
Other income	3,019	3,541	6,379	6,482	12,657
Operating income	12,068	11,452	24,076	22,767	45,899
Operating expenses	(8,696)	(8,936)	(17,691)	(17,899)	(35,716)
Operating profit	3,373	2,516	6,385	4,868	10,183
Credit loss on financial assets	(313)	(34)	(376)	(355)	(186)
Profit before taxation	3,059	2,482	6,009	4,513	9,997
Taxation expense	(599)	(542)	(1,251)	(1,002)	(2,119)
Net profit after taxation	2,460	1,940	4,758	3,511	7,878
Earnings per share					
Basic	\$1.51	\$1.19	\$2.92	\$2.16	\$4.84
Weighted average number of shares ('000)	1,628	1,628	1,628	1,628	1,628

Statement of Comprehensive Income

Expressed in thousands of Eastern Caribbean dollars

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-19 \$'000	Mar-31-18 \$'000	Mar-31-19 \$'000	Mar-31-18 \$'000	Sept-30-18 \$'000
Net profit after taxation for the period/year	2,460	1,940	4,758	3,511	7,878
<i>Other comprehensive income (net of tax) that will not be reclassified to profit and loss in subsequent periods:</i>					
Re-measurement losses on defined benefit plans	-	-	-	-	(435)
Total comprehensive income for the period/year, net of taxation	2,460	1,940	4,758	3,511	7,443

Statement of Cash Flows

Expressed in thousands of Eastern Caribbean dollars

	UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-19 \$'000	Mar-31-18 \$'000	Sept-30-18 \$'000
Operating Activities			
Profit before taxation	6,009	4,513	9,997
Adjustments for non-cash items	1,785	2,244	3,974
Increase in operating assets	(9,591)	(9,104)	(25,668)
Increase in operating liabilities	28,201	21,108	18,544
Taxes paid	(1,720)	(925)	(2,037)
Cash provided by operating activities	24,684	17,836	4,810
Investing Activities			
Net increase in investments	(3,366)	(6,198)	(41,906)
Additions to fixed assets	(1,043)	(923)	(2,162)
Proceeds from sale of fixed assets	97	79	121
Cash used in investing activities	(4,312)	(7,042)	(43,947)
Financing Activities			
(Decrease)/Increase in balances due to other banks	(3,813)	(1,493)	2,824
Dividends Paid	(2,442)	-	-
Cash (used in)/provided by financing activities	(6,255)	(1,493)	2,824
Net increase/(decrease) in cash resources	14,117	9,301	(36,313)
Cash and cash equivalents at beginning of period/year	72,398	108,711	108,711
Cash and cash equivalents at end of period/year	86,515	118,012	72,398
Cash and cash equivalents at the end of the period/year are represented by:			
Cash on hand	11,915	12,527	11,753
Due from banks	72,760	101,575	60,645
Treasury Bills - Original maturities of three month or less	1,840	3,910	-
86,515	118,012	72,398	

Statement of Changes in Equity

Expressed in thousands of Eastern Caribbean dollars

	Stated Capital \$'000	Statutory Reserve \$'000	Other Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Unaudited period ended March 31, 2019					
Balance at October 1, 2018	20,745	20,745	-	72,620	114,110
Total comprehensive income for the period	-	-	-	4,758	4,758
Dividends paid	-	-	-	(2,442)	(2,442)
Balance at March 31, 2019	20,745	20,745	-	74,936	116,426
Unaudited period ended March 31, 2018					
Balance at October 1, 2017 as previously stated	20,745	20,745	2,289	64,383	108,162
Net impact of adopting IFRS 9	-	-	(2,289)	794	(1,495)
Restated Opening balance under IFRS 9	20,745	20,745	-	65,177	106,667
Total comprehensive income for the period	-	-	-	3,511	3,511
Balance at March 31, 2018	20,745	20,745	-	68,688	110,178
Audited year ended September 30, 2018					
Balance at October 1, 2017 as previously stated	20,745	20,745	2,289	64,383	108,162
Net impact of adopting IFRS 9	-	-	(2,289)	794	(1,495)
Restated Opening balance under IFRS 9	20,745	20,745	-	65,177	106,667
Total comprehensive income for the period	-	-	-	7,443	7,443
Balance at September 30, 2018	20,745	20,745	-	72,620	114,110

NOTES TO THE 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 six 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 of Trinidad and Tobago 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 in the Caricom region and Ghana.

2. Basis of preparation

This interim financial report for the period ended March 31, 2019 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, 2018.

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, 2018.

The Bank adopted IFRS 9 - Financial Instruments with effect from October 1, 2017. As such, balances in the Statement of Financial Position and Statement of Changes in Equity for the period ended March 31, 2018 were restated to reflect these adjustments

NOTES TO THE FINANCIAL STATEMENTS

Expressed in thousands of Eastern Caribbean dollars

4. Capital commitments

	UNAUDITED Mar-31-19 \$'000	UNAUDITED Mar-31-18 \$'000	AUDITED Sept-30-18 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	165	15,631	284
Other capital expenditure authorised by the Directors but not yet contracted for	11,808	6,891	5,976

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.

	UNAUDITED Mar-31-19 \$'000	UNAUDITED Mar-31-18 \$'000	AUDITED Sept-30-18 \$'000
Advances, investments and other assets (net of provisions)			
Directors and key management personnel	1,331	687	660
Other related parties	35,956	85,464	30,508
	<u>37,287</u>	<u>86,151</u>	<u>31,168</u>

Deposits and other liabilities

Directors and key management personnel	1,848	2,138	1,799
Other related parties	23,424	20,761	22,353
	<u>25,272</u>	<u>22,899</u>	<u>24,152</u>

Interest and other income

Directors and key management personnel	34	29	52
Other related parties	161	200	367
	<u>195</u>	<u>229</u>	<u>419</u>

Interest and other expense

Directors and key management personnel	159	155	185
Other related parties	237	221	466
	<u>396</u>	<u>376</u>	<u>651</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	535	512	831
Post employment benefits	16	15	32
	<u>551</u>	<u>527</u>	<u>863</u>

NOTES TO THE FINANCIAL STATEMENTS

Expressed in thousands of Eastern Caribbean dollars

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 \$7.57 million (A Treasury Bill valued at \$8.5M) to guarantee settlement of all items being cleared through the ECACH.

7. Contingent liabilities

As at March 31, 2019, 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.