

REPUBLIC BANK (GRENADA) LIMITED
STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED	RESTATED	AUDITED YEAR ENDED
	Dec-31-14	Dec-31-13	Sept-30-14
	\$'000	\$'000	\$'000
Net interest income	7,026	7,218	29,108
Other income	2,900	2,598	11,213
Operating income	9,926	9,816	40,321
Operating expenses	(8,432)	(8,550)	(32,665)
Operating profit	1,494	1,266	7,656
Loan impairment (expense)/recovery	(1,122)	217	(7,196)
Profit before taxation	372	1,483	460
Taxation recovery/(expense)	6	(154)	(389)
Net profit after taxation	378	1,329	71
Earnings per share			
Basic	0.25	0.89	\$0.05
Weighted average number of shares ('000)			
Basic	1,500	1,500	1,500

REPUBLIC BANK (GRENADA) LIMITED
STATEMENT OF CHANGES IN EQUITY

	Stated Capital \$'000	Statutory Reserves \$'000	Other Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Period ended December 31, 2014					
Balance at October 1, 2014	15,000	15,000	5,062	56,463	91,525
Total comprehensive income for the period	-	-	(233)	378	145
Dividends	-	-	-	-	-
Balance at December 31, 2014	15,000	15,000	4,829	56,841	91,670
Period ended December 31, 2013					
Balance at October 1, 2013 as originally stated	15,000	15,000	4,531	56,407	90,938
Prior period adjustment (Note 4)	-	-	2,177	(15)	2,162
Balance at October 1, 2013 (Restated)	15,000	15,000	6,708	56,392	93,100
Total comprehensive income for the period	-	-	(269)	1,329	1,060
Dividends	-	-	-	-	-
Balance at December 31, 2013 (Restated)	15,000	15,000	6,439	57,721	94,160
Year ended September 30, 2014					
Balance at October 1, 2013 (Restated)	15,000	15,000	6,708	56,392	93,100
Total comprehensive loss for the period	-	-	(1,646)	71	(1,575)
Dividends	-	-	-	-	-
Balance at September 30, 2014	15,000	15,000	5,062	56,463	91,525

REPUBLIC BANK (GRENADA) LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS

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 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. 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, 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, 2014.

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 31, 2014.

4 Prior period restatement

IAS19 - Employee Benefits (Revised) became effective January 1, 2013 and has been applied retrospectively. The change in accounting policy resulted in the following:

Amounts recognized in profit or loss will comprise of current service costs, any past service costs and gain or loss on settlement, and net interest on the net defined liability/(asset); and

Amounts recognized in other comprehensive income as re-measurement of the net defined liability/(asset) will comprise actuarial gains and losses, return on plan assets (excluding amounts included in net liability/(asset)), and any change in the effect of the asset ceiling if applicable.

Impact on statement of financial position

The defined benefit pension asset and related deferred tax liability increased by \$2,739K (2012: \$1,558K) and \$822K (2012: \$467K) as at December 31, 2013. The post-retirement medical and group life obligation and related deferred tax asset decreased by \$356K (2012: \$496K) and \$111 (2012: \$149K) respectively. Retained earnings decreased by \$15K due to the increase in net pension costs.

5 Capital commitments

	UNAUDITED		AUDITED
	Dec-31-14	Dec-31-13	Sept-30-14
	\$'000	\$'000	\$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	481	211	485
Other capital expenditure authorised by the Directors but not yet contracted for	10,477	5,568	12,847

REPUBLIC BANK (GRENADA) LIMITED
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.

	UNAUDITED	AUDITED	
	Dec-31-14 \$'000	Dec-31-13 \$'000	Sept-30-14 \$'000
Advances, investments and other assets (net of provisions)			
Parent Company	69,787	41,642	88,000
Directors and key management personnel	1,839	2,206	1,937
Other related parties	1,184	1,175	1,153
	<u>72,810</u>	<u>45,023</u>	<u>91,090</u>
Provision for amounts due from related parties	<u>-</u>	<u>-</u>	<u>-</u>
Deposits and other liabilities			
Parent Company	551	222	580
Directors and key management personnel	675	337	515
Other related parties	3,539	13,638	16,933
	<u>4,765</u>	<u>14,197</u>	<u>18,028</u>
Interest and other income			
Parent Company	9	5	26
Directors and key management personnel	41	58	182
Other related parties	16	27	109
	<u>66</u>	<u>90</u>	<u>317</u>
Interest and other expense			
Parent Company	108	61	358
Directors and key management personnel	130	115	160
Other related parties	1	4	10
	<u>239</u>	<u>180</u>	<u>528</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	169	192	627
Post employment benefits	8	8	31
	<u>177</u>	<u>200</u>	<u>658</u>

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

7 Deposits with Central Bank

The Eastern Caribbean Automated Clearing House (ECACH) System has 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 \$6.27 million to guarantee settlement of all items being cleared through the ECACH.

8 Contingent liabilities

As at December 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.