

Republic Bank (Grenada) Limited

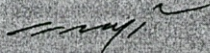
CHAIRMAN'S STATEMENT

Dear Shareholder:

For the first quarter ended December 31, 2018, the Bank recorded net Profit after Tax of \$2.3 million, an increase of \$0.7 million from the \$1.6 million recorded for the corresponding period last year. This improvement was mainly due to an increase in operating income and a reduction in loan impairment expense.

On Tuesday November 27, 2018 Republic Financial Holdings Limited (RFHL), the majority shareholder of Republic Bank (Grenada) Limited, announced that it had entered into an agreement to acquire Scotiabank's banking operations in Guyana, St. Maarten and the Eastern Caribbean territories including Grenada. The finalization of this transaction is subject to regulatory and other approvals. Shareholders will be kept apprised of developments.

The Grenadian economy experienced its sixth consecutive year of growth in 2018. Projected growth for 2019 is 4.2%. Barring any major downside events in the economy, we expect the Bank to continue to post solid results.



Gregory I. Thomson
CHAIRMAN
January 17, 2019


UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS THREE MONTHS ENDED DECEMBER 31, 2018

Statement of Financial Position

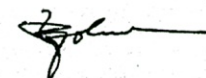
as at December 31, 2018

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

	UNAUDITED Dec-31-18 \$'000	UNAUDITED Dec-31-17 \$'000	AUDITED Sept-30-18 \$'000
Assets			
Cash resources	170,603	153,005	146,358
Advances	484,378	448,239	468,392
Investment securities	272,117	265,476	287,665
Premises and equipment	31,013	31,805	31,227
Other assets	15,088	14,460	18,393
Total Assets	973,199	912,985	952,035
Liabilities and Equity			
Liabilities			
Due to banks	7,132	8,684	8,264
Customers' deposits and other funding instruments	838,853	781,873	813,389
Other liabilities	13,248	13,349	16,272
Total Liabilities	859,233	803,906	837,925
Equity			
Stated capital	20,745	20,745	20,745
Statutory reserve	20,745	20,745	20,745
Other reserves	-	1,837	-
Retained earnings	72,476	65,752	72,620
Total equity	113,966	109,079	114,110
Total Liabilities and Equity	973,199	912,985	952,035



Gregory I. Thomson, Chairman



Keith A. Johnson, Managing Director


Republic Bank (Grenada) Limited
**UNAUDITED FIRST QUARTER
FINANCIAL STATEMENTS
THREE MONTHS ENDED DECEMBER 31, 2018**
Statement of Income

For the period ended December 31, 2018
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-18 \$'000	Dec-31-17 \$'000	Sept-30-18 \$'000
Net interest income	8,648	8,374	33,242
Other income	3,360	2,941	12,657
Operating income	12,008	11,315	45,899
Operating expenses	(8,995)	(8,963)	(35,716)
Operating profit	3,013	2,352	10,183
Credit loss expense on financial assets	(63)	(321)	(186)
Profit before taxation	2,950	2,031	9,997
Taxation expense	(652)	(460)	(2,119)
Net profit after taxation	2,298	1,571	7,878
Earnings per share			
Basic	\$1.41	\$0.96	\$4.84
Number of shares ('000)			
Basic	1,628	1,628	1,628
Weighted average	1,628	1,628	1,628

Statement of Comprehensive Income

For the period ended December 31, 2018
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-18 \$'000	Dec-31-17 \$'000	Sept-30-18 \$'000
Net profit after taxation for the period/year	2,298	1,571	7,878
<i>Other comprehensive income (net of tax) that may be reclassified to profit and loss in subsequent periods or have been transferred to profit and loss in the current period:</i>			
Net loss on available-for-sale investments	-	(654)	-
<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	2,298	917	7,443

Statement of Changes in Equity


For the period ended December 31, 2018
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	Stated Capital \$'000	Statutory Reserve \$'000	Other Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Unaudited period ended December 31, 2018					
Balance at October 1, 2018	20,745	20,745	-	72,620	114,110
Total comprehensive income for the period	-	-	-	2,298	2,298
Dividends paid	-	-	-	(2,442)	(2,442)
Balance at December 31, 2018	20,745	20,745	-	72,476	113,966
Unaudited period ended December 31, 2017					
Balance at October 1, 2017	20,745	20,745	2,289	64,383	108,162
Total comprehensive income for the period	-	-	(654)	1,571	917
Balance at December 31, 2017	20,745	20,745	1,635	65,954	109,079
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 year	-	-	-	7,443	7,443
Balance at September 30, 2018	20,745	20,745	-	72,620	114,110

Statement of Cash Flows

For the period ended December 31, 2018
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-18 \$'000	Dec-31-17 \$'000	Sept-30-18 \$'000
Operating activities			
Profit before taxation	2,950	2,031	9,997
Adjustments for non-cash items	797	1,302	3,974
(Increase)/decrease in operating assets	(13,541)	4,546	(25,668)
Increase/(decrease) in operating liabilities	22,942	(13,193)	18,544
Taxes paid	(1,249)	(925)	(2,037)
Cash provided by/ (used in) operating activities	11,899	(6,239)	4,810
Investing activities			
Net decrease/(increase) in investments	13,865	1,226	(41,906)
Additions to fixed assets	(519)	(366)	(2,162)
Proceeds from sale of fixed assets	97	-	121
Cash provided by / (used) in investing activities	13,443	860	(43,947)
Financing activities			
(Decrease)/increase in balances due to other banks	(1,132)	3,244	2,824
Dividends paid	(2,442)	-	-
Cash (used in)/ provided by financing activities	(3,574)	3,244	2,824
Net increase/(decrease) in cash resources	21,768	(2,135)	(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	94,166	106,576	72,398
Cash and cash equivalents at the end of the period/year are represented by:			
Cash on hand	19,453	18,196	11,753
Due from banks	72,958	83,899	60,645
Treasury Bills - Original maturities of three months or less	1,755	4,481	-
94,166	106,576	72,398	


Republic Bank (Grenada) Limited
**UNAUDITED FIRST QUARTER
FINANCIAL STATEMENTS**
 THREE MONTHS ENDED DECEMBER 31, 2018

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 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 in the CARICOM region and Ghana.

2 Basis of preparation

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

4 Capital commitments

	UNAUDITED		AUDITED
	Dec-31-18 \$'000	Dec-31-17 \$'000	Sept-30-18 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	255	567	284
Other capital expenditure authorised by the Directors but not yet contracted for	12,177	22,401	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. There are no provisions for related party balances as at December 31, 2018.

	UNAUDITED		AUDITED
	Dec-31-18 \$'000	Dec-31-17 \$'000	Sept-30-18 \$'000
Advances, investments and other assets (net of provisions)			
Directors and key management personnel	1,222	1,185	660
Other related parties	47,011	70,604	30,508
	48,233	71,789	31,168
Deposits and other liabilities			
Directors and key management personnel	1,942	2,519	1,799
Other related parties	21,853	22,063	22,353
	23,795	24,582	24,152
Interest and other income			
Directors and key management personnel	16	18	52
Other related parties	53	100	367
	69	118	419
Interest and other expense			
Directors and key management personnel	128	138	185
Other related parties	118	106	466
	246	244	651
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	375	354	831
Post employment benefits	8	8	32
	383	362	863

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 December 31, 2018, 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.