

REPUBLIC BANK (GRENADA) LIMITED

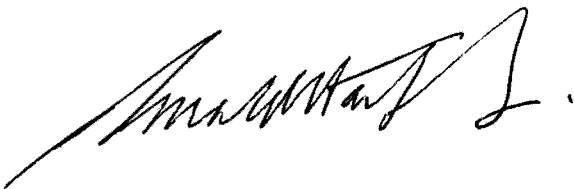
PRESS RELEASE

CHAIRMAN'S STATEMENT

Dear Shareholder

For the nine months ended June 30, 2015, the Bank recorded Net Profit after Tax of \$2.394 million compared to \$3.185 million for the corresponding period last year. Our core profits improved by 12%, when the comparative 2014 results are adjusted for the one-off gain of \$1.052 million related to the sale of VISA shares in that period.

The commencement of further tourism-based projects augurs well for the country in the short to medium term. We are optimistic that the economic growth of approximately 2% recorded over the past two years will continue into the foreseeable future. The Bank's financial position remains strong, and we are on course to achieving an acceptable return for this year.



Ronald F. de.C Harford

CHAIRMAN

July 16, 2015

**REPUBLIC BANK (GRENADA) LIMITED
STATEMENT OF FINANCIAL POSITION**

	UNAUDITED	UNAUDITED RESTATED	AUDITED
	Jun-30-15	Jun-30-14	Sept-30-14
	\$'000	\$'000	\$'000
Assets			
Cash resources	158,051	161,829	170,434
Advances	473,710	491,030	476,286
Investment securities	154,090	91,016	111,319
Premises and equipment	34,309	35,767	35,601
Other assets	12,053	11,188	14,584
Total Assets	832,213	790,830	808,224
Liabilities and Equity			
Liabilities			
Due to banks	5,716	17,635	17,349
Customers' deposits and other funding instruments	719,424	662,794	684,097
Other liabilities	13,806	14,957	15,253
Total Liabilities	738,946	695,386	716,699
Equity			
Stated capital	15,000	15,000	15,000
Statutory reserves	15,000	15,000	15,000
Other reserves	4,410	5,867	5,062
Retained earnings	58,857	59,577	56,463
Total equity	93,267	95,444	91,525
Total Liabilities and Equity	832,213	790,830	808,224

REPUBLIC BANK (GRENADA) LIMITED
STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-15	Jun-30-14	Jun-30-15	Jun-30-14	Sept-30-14
	\$'000	\$'000	\$'000	\$'000	\$'000
Net interest income	7,603	7,033	21,592	22,050	29,108
Other income	2,708	2,518	8,410	8,858	11,213
Operating income	10,311	9,551	30,002	30,908	40,321
Operating expenses	(8,540)	(7,964)	(25,359)	(25,069)	(32,665)
Operating profit	1,771	1,587	4,643	5,839	7,656
Loan impairment recovery/(expense)	408	-464	(2,065)	(2,276)	(7,196)
Profit before taxation	2,179	1,123	2,578	3,563	460
Taxation expense	(188)	(121)	(184)	(378)	(389)
Net profit after taxation	1,991	1,002	2,394	3,185	71
Earnings per share					
Basic	\$1.33	\$0.67	\$1.60	\$2.12	\$0.05
Weighted average number of shares ('000)					
Basic	1,500	1,500	1,500	1,500	1,500

REPUBLIC BANK (GRENADA) LIMITED
STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED
	Jun-30-15	Jun-30-14	Jun-30-15	Jun-30-14	Sept-30-14
	\$'000	\$'000	\$'000	\$'000	\$'000
Net profit after taxation for the period/year	1,991	1,002	2,394	3,185	71
<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)/gain on available-for-sale investments	(562)	167	(652)	(841)	(1,228)
<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	-	-	-	-	(418)
Total comprehensive income/(loss) for the period/year, net of taxation	1,429	1,169	1,742	2,344	(1,575)

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 June 30, 2015					
Balance at October 1, 2014	15,000	15,000	5,062	56,463	91,525
Total comprehensive income for the period	-	-	(652)	2,394	1,742
Balance at June 30, 2015	15,000	15,000	4,410	58,857	93,267

Period ended June 30, 2014

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	-	-	(841)	3,185	2,344
Balance at June 30, 2014 (Restated)	15,000	15,000	5,867	59,577	95,444

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)
Balance at September 30, 2014	15,000	15,000	5,062	56,463	91,525

REPUBLIC BANK (GRENADA) LIMITED
STATEMENT OF CASH FLOWS

	UNAUDITED		AUDITED
	NINE MONTHS		YEAR
	ENDED		ENDED
	Jun-30-15	Jun-30-14	Sept-30-14
	S'000	S'000	S'000
Operating activities			
Profit before taxation	2,578	3,563	460
Adjustments for non-cash items	4,698	5,005	9,243
Decrease/(increase) in operating assets	167	(3,749)	991
Increase in operating liabilities	33,937	38,394	60,220
Taxes paid	-	(7)	-
Cash provided by operating activities	41,380	43,206	70,914
Investing activities			
Net increase in investments	(47,235)	(4,896)	(21,223)
Additions to fixed assets	(1,256)	(1,814)	(2,431)
Proceeds from sale of fixed assets	145	44	51
Cash used in investing activities	(48,346)	(6,666)	(23,603)
Financing activities			
(Decrease)/increase in balances due to other banks	(11,633)	8,704	8,418
Cash (used in)/provided by financing activities	(11,633)	8,704	8,418
Net (decrease)/increase in cash resources	(18,599)	45,244	55,729
Cash and cash equivalents at beginning of period/year	126,885	71,156	71,156
Cash and cash equivalents at end of period/year	108,286	116,400	126,885
Cash and cash equivalents at the end of the period/year are represented by:			
Cash on hand	13,363	8,837	9,615
Due from banks	94,923	107,563	117,270
	108,286	116,400	126,885

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 June 30, 2015 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 30, 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:

- (i) 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
- (ii) Amounts recognized in other comprehensive income as re-measurement of the net defined liability/(asset) will comprise actuarial gains and losses.

Impact on statement of financial position

The defined benefit pension asset and related deferred tax liability increased by \$2,739K and \$822K as at June 30, 2014. The post-retirement medical and group life obligation and related deferred tax asset decreased by \$356K and \$111K respectively. Retained earnings decreased by \$15K due to the increase in net pension costs.

5 Capital commitments

	UNAUDITED		AUDITED
	Jun-30-15 \$'000	Jun-30-14 \$'000	Sept-30-14 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	49	200	485
Other capital expenditure authorised by the Directors but not yet contracted for	9,912	4,282	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. There are no provisions for related party balances as at June 30, 2015.

	UNAUDITED		AUDITED
	Jun-30-15	Jun-30-14	Sept-30-14
	\$'000	\$'000	\$'000
Advances, investments and other assets (net of provisions)			
Parent Company	96,626	82,041	88,000
Directors and key management personnel	716	1,990	1,937
Other related parties	354	1,235	1,153
	<u>97,696</u>	<u>85,266</u>	<u>91,090</u>
Deposits and other liabilities			
Parent Company	685	344	580
Directors and key management personnel	1,415	477	515
Other related parties	2,625	18,128	16,933
	<u>4,725</u>	<u>18,949</u>	<u>18,028</u>
Interest and other income			
Parent Company	28	17	26
Directors and key management personnel	88	143	182
Other related parties	49	83	109
	<u>165</u>	<u>243</u>	<u>317</u>
Interest and other expense			
Parent Company	310	259	358
Directors and key management personnel	157	145	160
Other related parties	2	9	10
	<u>469</u>	<u>413</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	457	483	627
Post employment benefits	24	23	31
	<u>481</u>	<u>506</u>	<u>658</u>

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 \$6.41 million to guarantee settlement of all items being cleared through the ECACH.

8 Contingent liabilities

As at June 30, 2015, 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.