


Republic Bank (Grenada) Limited
CHAIRMAN'S STATEMENT

Dear Shareholder,

For the three months ended December 31, 2020, the Bank recorded net Profit after Tax of \$2.36 million, a 9.2% reduction from the \$2.60 million recorded for the corresponding period last year. Our performance has been negatively impacted by increased provisions for credit losses of \$1.24 million and reducing yields on advances and investments. Total assets remained steady at \$1.75 billion. The Bank remains well capitalized with a Tier 1 capital ratio of 15.5%.

The COVID-19 pandemic continues to negatively affect customers especially those in the tourism and related sectors. It is estimated that the Grenada economy contracted by over 12% in 2020 as a result of the pandemic's impact. However, with the development and dispensing of a vaccine we are cautiously optimistic that economic prospects will improve. The Bank remains committed to supporting our customers through this difficult period.



Gregory I. Thomson
CHAIRMAN
January 14, 2021

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS

THREE MONTHS ENDED DECEMBER 31, 2020

Statement of Financial Position

as at December 31, 2020

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

	UNAUDITED Dec-31-20 \$'000	UNAUDITED Dec-31-19 \$'000	AUDITED Sept-30-20 \$'000
Assets			
Cash resources	584,383	433,745	609,232
Advances	839,523	831,392	837,077
Investment securities	199,654	281,227	231,418
Premises and equipment	38,742	39,083	38,795
Other assets	84,874	90,561	75,761
Total Assets	1,747,176	1,676,008	1,792,283
Liabilities and Equity			
Liabilities			
Due to banks	6,914	5,220	8,024
Customers' deposits and other funding instruments	1,494,096	1,471,855	1,538,749
Other liabilities	22,689	79,896	24,389
Total Liabilities	1,523,699	1,556,971	1,571,162
Equity			
Stated capital	117,337	20,745	117,337
Statutory reserve	22,816	20,745	22,816
Retained earnings	83,324	77,547	80,968
Total equity	223,477	119,037	221,121
Total Liabilities and Equity	1,747,176	1,676,008	1,792,283



Gregory I. Thomson, Chairman



Keith A. Johnson, Managing Director


Republic Bank (Grenada) Limited
**UNAUDITED FIRST QUARTER
FINANCIAL STATEMENTS
THREE MONTHS ENDED DECEMBER 31, 2020**
Statement of Income

For the period ended December 31, 2020
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-20 \$'000	Dec-31-19 \$'000	Sept-30-20 \$'000
Net interest income	11,341	10,445	48,201
Other income	5,071	6,153	19,415
Operating income	16,412	16,598	67,616
Operating expenses	(12,171)	(12,875)	(51,284)
Operating profit	4,241	3,723	16,332
Credit loss on financial assets	(1,592)	(352)	(5,539)
Profit before taxation	2,649	3,371	10,793
Taxation expense	(293)	(770)	(2,511)
Net profit after taxation	2,356	2,601	8,282
Earnings per share			
Basic	\$0.62	\$1.60	\$3.04
Number of shares ('000)			
Basic	3,774	1,628	3,774
Weighted average	3,774	1,628	2,724

Statement of Comprehensive Income

For the period ended December 31, 2020
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-20 \$'000	Dec-31-19 \$'000	Sept-30-20 \$'000
Net profit after taxation for the period/year	2,356	2,601	8,282
<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>			
Re-measurement losses on defined benefit plans	-	-	(189)
Total comprehensive income for the period/year, net of taxation	2,356	2,601	8,093

Statement of Changes in Equity

For the period ended December 31, 2020
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	Stated Capital \$'000	Statutory Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Unaudited period ended December 31, 2020				
Balance at October 1, 2020	117,337	22,816	80,968	221,121
Total comprehensive income for the period	-	-	2,356	2,356
Balance at December 31, 2020	117,337	22,816	83,324	223,477
Unaudited period ended December 31, 2019				
Balance at October 1, 2019	20,745	20,745	76,818	118,308
Total comprehensive income for the period	-	-	2,601	2,601
Dividends paid	-	-	(1,872)	(1,872)
Balance at December 31, 2019	20,745	20,745	77,547	119,037
Audited year ended September 30, 2020				
Balance at October 1, 2019	20,745	20,745	76,818	118,308
Total comprehensive income for the year	-	-	8,093	8,093
Issue of share	96,592	-	-	96,592
Transfer to Statutory reserve	-	2,071	(2,071)	-
Dividends paid	-	-	(1,872)	(1,872)
Balance at September 30, 2020	117,337	22,816	80,968	221,121

Statement of Cash Flows

For the period ended December 31, 2020
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-20 \$'000	Dec-31-19 \$'000	Sept-30-20 \$'000
Operating activities			
Profit before taxation	2,649	3,371	10,793
Adjustments for non-cash items	2,370	1,322	11,315
Decrease/(Increase) in operating assets	1,223	(24,912)	(94,572)
(Decrease)/increase in operating liabilities	(44,668)	52,346	62,195
Taxes paid	(2,189)	(641)	(1,646)
Cash (used in)/ provided by operating activities	(40,615)	31,486	(11,915)
Investing activities			
Net decrease in investments	29,490	5,571	43,295
Additions to fixed assets	(660)	(535)	(2,750)
Proceeds from sale of fixed assets	90	-	261
Net cash inflow from acquisition of branches	-	193,399	193,399
Cash provided by investing activities	28,920	198,435	234,205
Financing activities			
Decrease in balances due to other banks	(1,110)	(3,880)	(1,076)
Dividends paid	-	(1,872)	(1,872)
Repayment of principal portion of lease liabilities	(203)	-	(1,379)
Proceeds from share issue	-	-	96,592
Cash (used in)/ provided by financing activities	(1,313)	(5,752)	92,265
Net (decrease)/increase in cash resources	(13,008)	224,169	314,555
Cash and cash equivalents at beginning of period/year	424,735	110,180	110,180
Cash and cash equivalents at end of period/year	411,727	334,349	424,735



Republic Bank (Grenada) Limited

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS THREE MONTHS ENDED DECEMBER 31, 2020

Statement of Cash Flows (Cont'd)

For the period ended December 31, 2020

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

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-20 \$'000	Dec-31-19 \$'000	Sept-30-20 \$'000
Cash and cash equivalents at the end of the period/year are represented by:			
Cash on hand	29,289	28,515	18,813
Due from banks	376,679	305,834	397,598
Treasury Bills - Original maturities of three months or less	5,759	-	8,324
	411,727	334,349	424,735

Notes to the Interim Financial Statements

1 Corporate information

Republic Bank (Grenada) Limited (the Bank) is incorporated in Grenada and provides banking services through eight 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 Caribbean Community (CARICOM) region, Ghana, Cayman Islands, St. Maarten, Anguilla and the British Virgin Islands.

2 Basis of preparation

This interim financial report for the period ended December 31, 2020 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, 2020.

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, 2020.

4 Capital commitments

	UNAUDITED		AUDITED
	Dec-31-20 \$'000	Dec-31-19 \$'000	Sept-30-20 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	67	302	131
Other capital expenditure authorised by the Directors but not yet contracted for	16,014	12,023	10,863

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, 2020.

	UNAUDITED		AUDITED
	Dec-31-20 \$'000	Dec-31-19 \$'000	Sept-30-20 \$'000
Advances, investments and other assets (net of provisions)			
Directors and key management personnel	1,270	1,506	1,300
Other related parties	45,458	55,953	89,188
	46,728	57,459	90,488
Deposits and other liabilities			
Directors and key management personnel	2,841	3,288	2,724
Other related parties	101,711	205,324	141,560
	104,552	208,612	144,284
Interest and other income			
Directors and key management personnel	12	16	48
Other related parties	40	75	360
	52	91	408
Interest and other expense			
Directors and key management personnel	117	115	463
Other related parties	174	822	2,718
	291	937	3,181
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	263	405	927
Post employment benefits	8	8	32
	271	413	959

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) days' collateral with the Eastern Caribbean Central Bank (ECCB) in the amount of \$15.68 million (A Treasury Bill valued at \$10M and cash of \$5.68M) to guarantee settlement of all items being cleared through the ECACH.

7 Contingent liabilities

As at December 31, 2020, 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.