

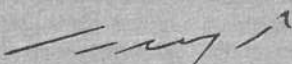

**Republic Bank (Grenada) Limited**
**CHAIRMAN'S STATEMENT**

Dear Shareholder

I am pleased to report that for the year ended September 30, 2019, the Bank recorded net profit after tax of \$10.44 million, an increase of \$2.56 million or 32.49% from the \$7.88 million recorded in the previous year. This improvement was primarily the result of an increase in interest income and credit recovery on financial assets. The Bank's assets stood at \$1.01 billion, an increase of 6.25% from \$952.0 in 2018. The Bank is well capitalized with a Tier 1 capital ratio of 13.47%.

Based on the results for fiscal 2019, the board has approved a final dividend of \$1.15 per share for fiscal 2019, bringing the total dividends for the year to \$2.00 per share (2018: \$1.50). The dividend would be paid on December 5, 2019 to shareholders on record as at November 12, 2019.

On 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. This transaction, involving seven of the original nine territories, is expected to be finalized by the end of October 2019. It is another major achievement for the Bank and will redound to the benefit of all stakeholders, including those of Scotiabank Grenada. We look forward to welcoming Scotia Grenada to the Republic Bank family.



Gregory I. Thomson  
CHAIRMAN  
October 29, 2019

## AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2019

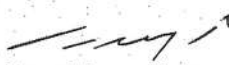
**Statement of Financial Position**

As at September 30, 2019

Expressed in thousands of Eastern Caribbean dollars (\$'000), except where otherwise stated

	2019	2018
<b>ASSETS</b>		
Cash	15,542	11,753
Statutory deposits with Central Bank	55,230	47,764
Due from banks	94,838	60,645
Treasury Bills	24,006	26,196
Investment interest receivable	2,687	3,093
Advances	490,082	468,392
Investment securities	289,631	287,665
Premises and equipment	30,436	31,227
Employee benefits	4,868	7,323
Deferred tax assets	2,798	2,871
Other assets	1,662	5,106
<b>TOTAL ASSETS</b>	<b>1,011,580</b>	<b>952,035</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>LIABILITIES</b>		
Due to banks	9,045	8,264
Customers' current, savings and deposit accounts	871,257	813,389
Employee obligations	4,619	4,378
Taxation payable	151	776
Deferred tax liabilities	1,363	2,197
Accrued interest payable	185	177
Other liabilities	6,652	8,744
<b>TOTAL LIABILITIES</b>	<b>893,272</b>	<b>837,925</b>
<b>EQUITY</b>		
Stated capital	20,745	20,745
Statutory reserve	20,745	20,745
Retained earnings	76,818	72,620
<b>TOTAL EQUITY</b>	<b>118,308</b>	<b>114,110</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,011,580</b>	<b>952,035</b>

These financial statements were approved by the Board of Directors on October 24, 2019 and signed on its behalf by:



Gregory I Thomson, Chairman




Keith A. Johnson, Managing Director

**Statement of Income**

For the year ended September 30, 2019

Expressed in thousands of Eastern Caribbean dollars (\$'000), except where otherwise stated

	2019	2018
Interest income	46,142	43,073
Interest expense	(10,380)	(9,831)
<b>Net interest income</b>	<b>35,762</b>	<b>33,242</b>
Other income	11,973	12,657
	47,735	45,899
Operating expenses	(36,338)	(35,716)
<b>Operating profit</b>	<b>11,397</b>	<b>10,183</b>
Credit recovery/(loss) on financial assets	1,276	(185)
<b>Net profit before taxation</b>	<b>12,673</b>	<b>9,997</b>
Taxation expense	(2,236)	(2,119)
<b>Net profit after taxation</b>	<b>10,437</b>	<b>7,878</b>
<b>Earnings per share (expressed in \$ per share)</b>		
Basic	\$6.41	\$4.84
<b>Weighted average number of shares ('000)</b>		
Basic	1,628	1,628


**Republic Bank (Grenada) Limited**

## Statement of Comprehensive Income

For the year ended September 30, 2019  
Expressed in thousands of Eastern Caribbean dollars (\$'000), except where otherwise stated

	2019	2018
<b>Net profit after taxation</b>	<b>10,437</b>	<b>7,878</b>
<b>Other comprehensive income:</b>		
<i>Other comprehensive income that will not be reclassified to the income statement in subsequent periods:</i>		
Net remeasurement losses on defined benefit plan	(3,554)	(806)
Income tax related to above	995	242
	<u>(2,559)</u>	<u>(564)</u>
Net remeasurement gains on medical and group life plans	201	184
Income tax related to above	(56)	(55)
	<u>145</u>	<u>129</u>
<b>Total items that will not be reclassified to the income statement in subsequent periods</b>	<b>(2,414)</b>	<b>(435)</b>
<b>Other comprehensive loss for the year, net of tax</b>	<b>(2,414)</b>	<b>(435)</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>8,023</b>	<b>7,443</b>

## Statement of Changes in Equity

For the year ended September 30, 2019  
Expressed in thousands of Eastern Caribbean dollars (\$'000), except where otherwise stated

	Stated capital	Statutory reserve	Other reserves	Retained earnings	Total equity
<b>Balance at September 30, 2017</b>	20,745	20,745	2,289	64,383	108,162
Net impact of adopting IFRS 9	-	-	(2,289)	794	(1,495)
Total comprehensive income for the year	-	-	-	7,443	7,443
<b>Balance as at September 30, 2018</b>	<b>20,745</b>	<b>20,745</b>	<b>-</b>	<b>72,620</b>	<b>114,110</b>
<b>Balance at September 30, 2018</b>	20,745	20,745	-	72,620	114,110
Total comprehensive income for the year	-	-	-	8,023	8,023
Dividend paid	-	-	-	(3,825)	(3,825)
<b>Balance as at September 30, 2019</b>	<b>20,745</b>	<b>20,745</b>	<b>-</b>	<b>76,818</b>	<b>118,308</b>

## AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2019

## Statement of Cash Flows

For the year ended September 30, 2019  
Expressed in thousands of Eastern Caribbean dollars (\$'000), except where otherwise stated

	2019	2018
<b>Operating activities</b>		
Profit before taxation	12,673	9,997
<b>Adjustments for:</b>		
Depreciation	2,698	2,961
Credit (recovery)/ loss expense on financial assets	(1,276)	186
Gain on disposal of investment securities	-	(21)
Gain on sale of premises and equipment	(4)	(74)
Foreign exchange loss on investment securities	4	2
Amortisation of premium/discount on investment securities	561	920
Increase in employee benefits/obligations, net	(657)	(438)
Increase in advances	(22,586)	(23,373)
Increase in customers' deposits and other fund raising instruments	57,868	18,065
(Increase)/ decrease in statutory deposits with Central Bank	(7,466)	702
Decrease/(increase) in other assets and investment interest receivable	3,850	(2,559)
(Decrease)/increase in liabilities and accrued interest payable	(2,084)	479
Taxes paid, net of refund	(2,682)	(2,037)
<b>Cash provided by operating activities</b>	<b>40,899</b>	<b>4,810</b>
<b>Investing activities</b>		
Purchase of investment securities	(54,244)	(60,151)
Purchase of Treasury Bills	(24,006)	(26,452)
Redemption of investment securities	53,890	30,957
Redemption of Treasury Bills	26,197	13,740
Additions to premises and equipment	(2,078)	(2,162)
Proceeds from sale of premises and equipment	168	121
<b>Cash used in investing activities</b>	<b>(73)</b>	<b>(43,947)</b>
<b>Financing activities</b>		
Increase in balances due to other banks	781	2,824
Dividends paid	(3,825)	-
<b>Cash (used in)/provided by financing activities</b>	<b>(3,044)</b>	<b>2,824</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>37,782</b>	<b>(36,313)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>72,398</b>	<b>108,711</b>
<b>Cash and cash equivalents at end of year</b>	<b>110,180</b>	<b>72,398</b>
<b>Cash and cash equivalents at end of year are represented by:</b>		
Cash on hand	15,542	11,753
Due from banks	94,638	60,645
	<u>110,180</u>	<u>72,398</u>
<b>Supplemental information:</b>		
Interest received during the year	46,779	42,470
Interest paid during the year	30,372	9,780
Dividends received	32	21