

REPUBLIC BANK (GRENADA) LIMITED
STATEMENT OF FINANCIAL POSITION

	UNAUDITED Mar-31-16 \$'000	UNAUDITED Mar-31-15 \$'000	AUDITED Sept-30-15 \$'000
Assets			
Cash resources	200,191	164,851	175,901
Advances	478,819	473,480	476,924
Investment securities	161,503	131,536	142,225
Premises and equipment	33,982	34,905	34,129
Other assets	12,482	11,703	15,746
Total Assets	886,977	816,475	844,925
Liabilities and Equity			
Liabilities			
Due to banks	7,468	4,094	8,418
Customers' deposits and other funding instruments	773,235	706,163	728,603
Other liabilities	13,661	14,380	14,706
Total Liabilities	794,364	724,637	751,727
Equity			
Stated capital	15,000	15,000	15,000
Statutory reserves	15,000	15,000	15,000
Other reserves	3,601	4,972	3,382
Retained earnings	59,012	56,866	59,816
Total equity	92,613	91,838	93,198
Total Liabilities and Equity	886,977	816,475	844,925

REPUBLIC BANK (GRENADA) LIMITED
STATEMENT OF INCOME

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-16	Mar-31-15	Mar-31-16	Mar-31-15	Sept-30-15
	\$'000	\$'000	\$'000	\$'000	\$'000
Net interest income	7,950	6,963	15,913	13,989	30,792
Other income	4,226	2,802	6,797	5,702	10,081
Operating income	12,176	9,765	22,710	19,691	40,873
Operating expenses	(10,501)	(8,387)	(19,492)	(16,819)	(33,442)
Operating profit	1,675	1,378	3,218	2,872	7,431
Loan impairment expense	(2,396)	(1,351)	(2,612)	(2,473)	(3,466)
(Loss)/Profit before taxation	(721)	27	606	399	3,965
Taxation recovery/(expense)	170	(2)	90	4	(612)
Net (Loss)/profit after taxation	(551)	25	696	403	3,353
Earnings per share					
Basic	(\$0.37)	\$0.02	\$0.46	\$0.27	\$2.24
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 SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-16	Mar-31-15	Mar-31-16	Mar-31-15	Sept-30-15
	\$'000	\$'000	\$'000	\$'000	\$'000
Net profit after taxation for the period/year	(551)	25	696	403	3,353
<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 gain/(loss) on available-for-sale investments	452	179	219	(90)	(1,468)
<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	-	-	-	-	(212)
Total comprehensive (loss)/income for the period/year, net of taxation	(99)	204	915	313	1,885

REPUBLIC BANK (GRENADA) LIMITED
STATEMENT OF CHANGES IN EQUITY

	Stated Capital \$'000	Statutory Reserves \$'000	Other Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Unaudited period ended March 31, 2016					
Balance at October 1, 2015	15,000	15,000	3,382	59,816	93,198
Total comprehensive income for the period	-	-	219	696	915
Dividends paid	-	-	-	(1,500)	(1,500)
Balance at March 31, 2016	15,000	15,000	3,601	59,012	92,613
Unaudited period ended March 31, 2015					
Balance at October 1, 2014	15,000	15,000	5,062	56,463	91,525
Total comprehensive income for the period	-	-	(90)	403	313
Balance at March 31, 2015	15,000	15,000	4,972	56,866	91,838
Audited year ended September 30, 2015					
Balance at October 1, 2014	15,000	15,000	5,062	56,463	91,525
Total comprehensive income for the period	-	-	(1,680)	3,353	1,673
Balance at September 30, 2015	15,000	15,000	3,382	59,816	93,198

REPUBLIC BANK (GRENADA) LIMITED
STATEMENT OF CASH FLOWS

	UNAUDITED		AUDITED
	SIX MONTHS		YEAR
	ENDED		ENDED
	Mar-31-16	Mar-31-15	Sept-30-15
	\$'000	\$'000	\$'000
Operating activities			
Profit before taxation	606	399	3,965
Adjustments for non-cash items	2,042	4,204	6,716
(Increase)/Decrease in operating assets	(20,084)	2,109	17,367
Increase in operating liabilities	44,117	21,234	43,917
Taxes paid	(368)	-	-
Cash provided by operating activities	26,313	27,946	71,965
Investing activities			
Net increase in investments	(16,673)	(23,836)	(30,226)
Additions to fixed assets	(1,585)	(927)	(1,937)
Proceeds from sale of fixed assets	9	80	201
Cash used in investing activities	(18,249)	(24,683)	(31,962)
Financing activities			
Increase in balances due to other banks	(950)	(13,255)	(8,931)
Dividends paid	(1,500)	-	-
Cash used in financing activities	(2,450)	(13,255)	(8,931)
Net increase/(decrease) in cash resources	5,614	(9,992)	31,072
Cash and cash equivalents at beginning of period/year	142,802	126,885	111,730
Cash and cash equivalents at end of period/year	148,416	116,893	142,802
Cash and cash equivalents at the end of the period/year are represented by:			
Cash on hand	14,827	13,916	12,580
Due from banks	133,589	102,977	130,222
	148,416	116,893	142,802

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 Financial Holdings Limited of Trinidad and Tobago formerly Republic Bank Limited.

On December 16, 2015 by Legal Notice no 215 of 2015 the business of Republic Bank Limited was transferred and vested into Republic Finance and Merchant Bank Limited (FINCOR) save for the shareholdings in several subsidiaries. FINCOR was renamed Republic Bank Limited and Republic Bank Limited was renamed Republic Financial Holdings 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 and from November 2012, in Ghana.

2 Basis of preparation

This interim financial report for the period ended March 31, 2016 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, 2015.

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, 2015.

4 Capital commitments

	UNAUDITED		AUDITED
	Mar-31-16	Mar-31-15	Sept-30-15
	\$'000	\$'000	\$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	<u>1,329</u>	<u>413</u>	<u>1,330</u>
Other capital expenditure authorised by the Directors but not yet contracted for	<u>11,050</u>	<u>10,229</u>	<u>7,955</u>

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

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.

	UNAUDITED		AUDITED
	Mar-31-16	Mar-31-15	Sept-30-15
	\$'000	\$'000	\$'000
Advances, investments and other assets (net of provisions)			
Parent Company	-	93,523	107,048
Directors and key management personnel	1,368	1,786	655
Other related parties	115,591	1,112	326
	<u>116,959</u>	<u>96,421</u>	<u>108,029</u>
Provision for amounts due from related parties			
	<u>-</u>	<u>-</u>	<u>-</u>
Deposits and other liabilities			
Parent Company	-	1,148	1,391
Directors and key management personnel	2,518	540	1,428
Other related parties	16,761	5,070	3,441
	<u>19,279</u>	<u>6,758</u>	<u>6,260</u>
Interest and other income			
Parent Company	-	18	39
Directors and key management personnel	46	76	99
Other related parties	77	41	57
	<u>123</u>	<u>135</u>	<u>195</u>
Interest and other expense			
Parent Company	-	209	411
Directors and key management personnel	154	142	176
Other related parties	212	2	3
	<u>366</u>	<u>353</u>	<u>590</u>
Key management compensation			
Short term benefits	406	314	599
Post employment benefits	16	16	32
	<u>422</u>	<u>330</u>	<u>631</u>

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

6 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 \$6.92 million to guarantee settlement of all items being cleared through the ECACH.

7 Contingent liabilities

As at March 31, 2016, 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.

REPUBLIC BANK (GRENADA) LIMITED

CHAIRMAN'S STATEMENT

Dear Shareholder

For the half-year ended March 31st, 2016, the Bank recorded Net Profit after Tax of \$0.696 million, a modest improvement over the \$0.403 million for the corresponding period last year. The increase in Operating Income of \$3.0 million was offset by a further impairment expense of \$3.4 million on the restructure of the last remaining portions of the Government of Grenada debt.

Based on these results no half-year dividend is proposed.

Although, there are still downside risks due to the volatility of the global economy, we have a reasonable expectation of achieving an improved return for the remainder of this year.



Ronald F. de C Harford
CHAIRMAN

April 14, 2016