

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

	<b>UNAUDITED</b> <b>Dec-31-16</b> <b>\$'000</b>	<b>UNAUDITED</b> <b>Dec-31-15</b> <b>\$'000</b>	<b>AUDITED</b> <b>Sept-30-16</b> <b>\$'000</b>
<b>Assets</b>			
Cash resources	202,850	149,657	174,825
Advances	447,828	478,615	468,508
Investment securities	210,496	159,321	197,113
Premises and equipment	32,631	34,024	32,892
Other assets	13,259	15,393	12,818
<b>Total Assets</b>	<b>907,064</b>	<b>837,010</b>	<b>886,156</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Due to banks	5,741	6,111	3,534
Customers' deposits and other funding instruments	789,701	723,203	769,232
Other liabilities	14,519	15,516	15,532
<b>Total Liabilities</b>	<b>809,961</b>	<b>744,830</b>	<b>788,298</b>
<b>Equity</b>			
Stated capital	15,000	15,000	15,000
Statutory reserves	15,000	15,000	15,000
Other reserves	2,126	2,617	4,078
Retained earnings	64,977	59,563	63,780
<b>Total equity</b>	<b>97,103</b>	<b>92,180</b>	<b>97,858</b>
<b>Total Liabilities and Equity</b>	<b>907,064</b>	<b>837,010</b>	<b>886,156</b>

**REPUBLIC BANK (GRENADA) LIMITED**  
**STATEMENT OF INCOME**

	<b>UNAUDITED THREE MONTHS ENDED</b>		<b>AUDITED YEAR ENDED</b>
	<b>Dec-31-16</b>	<b>Dec-31-15</b>	<b>Sept-30-16</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Net interest income	8,225	7,963	32,808
Other income	2,708	2,571	12,272
Operating income	10,933	10,534	45,080
Operating expenses	(8,814)	(8,991)	(36,841)
Operating profit	2,119	1,543	8,239
Loan impairment expense	(731)	-216	(2,414)
<b>Profit before taxation</b>	<b>1,388</b>	<b>1,327</b>	<b>5,825</b>
Taxation (expense)/recovery	(191)	(80)	(361)
<b>Net profit after taxation</b>	<b>1,197</b>	<b>1,247</b>	<b>5,464</b>
<b>Earnings per share</b>			
Basic	\$0.80	\$0.83	\$3.64
<b>Weighted average number of shares ('000)</b>			
Basic	1,500	1,500	1,500

**REPUBLIC BANK (GRENADA) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**

	UNAUDITED THREE MONTHS ENDED	Dec-31-16	Dec-31-15	AUDITED YEAR ENDED Sept-30-16
	\$'000	\$'000	\$'000	\$'000
<b>Net profit after taxation for the period/year</b>	<b>1,197</b>	<b>1,247</b>	<b>5,464</b>	<b>5,464</b>
<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	(1,952)	(765)	1,185	
<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	-	-	(489)	
<b>Total comprehensive (loss)/ income for the period/year, net of taxation</b>	<b>(755)</b>	<b>482</b>	<b>6,160</b>	

**REPUBLIC BANK (GRENADA) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**

	<b>Stated Capital \$'000</b>	<b>Statutory Reserves \$'000</b>	<b>Other Reserves \$'000</b>	<b>Retained Earnings \$'000</b>	<b>Total Equity \$'000</b>
<b>Unaudited period ended December 31, 2016</b>					
<b>Balance at October 1, 2016</b>	<b>15,000</b>	<b>15,000</b>	<b>4,078</b>	<b>63,780</b>	<b>97,858</b>
Total comprehensive income for the period	-	-	(1,952)	1,197	(755)
Dividends paid	-	-	-	-	-
<b>Balance at December 31, 2016</b>	<b>15,000</b>	<b>15,000</b>	<b>2,126</b>	<b>64,977</b>	<b>97,103</b>

**Unaudited period ended December 31, 2015**

<b>Balance at October 1, 2015</b>	<b>15,000</b>	<b>15,000</b>	<b>3,382</b>	<b>59,816</b>	<b>93,198</b>
Total comprehensive income for the period	-	-	(765)	1,247	482
Dividends paid	-	-	-	(1,500)	(1,500)
<b>Balance at December 31, 2015</b>	<b>15,000</b>	<b>15,000</b>	<b>2,617</b>	<b>59,563</b>	<b>92,180</b>

**Audited year ended September 30, 2016**

<b>Balance at October 1, 2015</b>	<b>15,000</b>	<b>15,000</b>	<b>3,382</b>	<b>59,816</b>	<b>93,198</b>
Total comprehensive income for the year	-	-	696	5,464	6,160
Dividends paid	-	-	-	(1,500)	(1,500)
<b>Balance at September 30, 2016</b>	<b>15,000</b>	<b>15,000</b>	<b>4,078</b>	<b>63,780</b>	<b>97,858</b>

**REPUBLIC BANK (GRENADA) LIMITED**  
**STATEMENT OF CASH FLOWS**

	<b>UNAUDITED</b>		<b>AUDITED</b>
	<b>THREE MONTHS ENDED</b>		<b>YEAR ENDED</b>
	<b>Dec-31-16</b>	<b>Dec-31-15</b>	<b>Sept-30-16</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Operating activities</b>			
Profit before taxation	1,388	1,327	5,825
Adjustments for non-cash items	1,573	(257)	7,823
Decrease/ (Increase)in operating assets	18,942	(6,774)	1,818
Increase/(Decrease) in operating liabilities	20,096	(3,993)	41,106
Taxes paid	-	(368)	(691)
<b>Cash provided by/(used in) operating activities</b>	<b>41,999</b>	<b>(10,065)</b>	<b>55,881</b>
<b>Investing activities</b>			
Net increase in investments	(26,059)	(16,869)	(60,125)
Additions to fixed assets	(481)	(743)	(2,224)
Proceeds from sale of fixed assets	40	-	11
<b>Cash used in investing activities</b>	<b>(26,500)</b>	<b>(17,612)</b>	<b>(62,338)</b>
<b>Financing activities</b>			
Increase/(Decrease) in balances due to other banks	2,207	(2,307)	(4,884)
Dividends paid	-	(1,500)	(1,500)
<b>Cash provided by (used in) financing activities</b>	<b>2,207</b>	<b>(3,807)</b>	<b>(6,384)</b>
<b>Net increase/(decrease) in cash resources</b>	<b>17,706</b>	<b>(31,484)</b>	<b>(12,841)</b>
Cash and cash equivalents at beginning of period/year	129,961	142,802	142,802
<b>Cash and cash equivalents at end of period/year</b>	<b>147,667</b>	<b>111,318</b>	<b>129,961</b>
<b>Cash and cash equivalents at the end of the period/year are represented by:</b>			
Cash on hand	16,897	16,801	12,107
Due from banks	128,292	94,517	116,281
Treasury Bills - Original maturities of three months or less	2,478	-	1,573
	<b>147,667</b>	<b>111,318</b>	<b>129,961</b>

**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

During fiscal 2016, the parent company - Republic Financial Holdings Limited made an offer to acquire the non controlling interest shares of the Bank. They were successful in acquiring an additional 19% in the offer and with a subsequent 4% purchase on the floor of the Stock Exchange now have a shareholding of 74% of the Bank.

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, 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, 2016.

**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, 2016.

**4 Capital commitments**

	UNAUDITED		AUDITED
	Dec-31-16 \$'000	Dec-31-15 \$'000	Sept-30-16 \$'000
Contracts for outstanding capital expenditure not provided for in the financial statements	1,355	1,329	1,182
Other capital expenditure authorised by the Directors but not yet contracted for	3,903	11,892	7,072

**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. There are no provisions for related party balances as at December 31, 2016.

	UNAUDITED		AUDITED
	Dec-31-16 \$'000	Dec-31-15 \$'000	Sept-30-16 \$'000
<b>Advances, investments and other assets (net of provisions)</b>			
Directors and key management personnel	1,101	1,348	1,318
Other related parties	122,762	81,937	101,808
	<u>123,863</u>	<u>83,285</u>	<u>103,126</u>
<b>Deposits and other liabilities</b>			
Directors and key management personnel	2,958	2,142	2,415
Other related parties	12,010	16,479	14,521
	<u>14,968</u>	<u>18,621</u>	<u>16,936</u>
<b>Interest and other income</b>			
Directors and key management personnel	19	23	92
Other related parties	37	39	154
	<u>56</u>	<u>62</u>	<u>246</u>
<b>Interest and other expense</b>			
Directors and key management personnel	135	136	217
Other related parties	156	109	418
	<u>291</u>	<u>245</u>	<u>635</u>
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank.			
<b>Key management compensation</b>			
Short term benefits	296	264	697
Post employment benefits	8	8	32
	<u>304</u>	<u>272</u>	<u>729</u>

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

**7 Contingent liabilities**

As at December 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.