

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

|   | UNAUDITED<br>Jun-30-16<br>\$'000 | UNAUDITED<br>Jun-30-15<br>\$'000 | AUDITED<br>Sept-30-15<br>\$'000 |
|---|----------------------------------|----------------------------------|---------------------------------|
| <b>Assets</b>                                     |                                  |                                  |                                 |
| Cash resources                                    | 165,190                          | 158,051                          | 175,901                         |
| Advances  | 471,236                          | 473,710                          | 476,924                         |
| Investment securities                             | 191,708                          | 154,090                          | 142,225                         |
| Premises and equipment                            | 33,480                           | 34,309                           | 34,129                          |
| Other assets                                      | 12,266                           | 12,053                           | 15,746                          |
| <b>Total Assets</b>                               | <b>873,880</b>                   | <b>832,213</b>                   | <b>844,925</b>                  |
| <b>Liabilities and Equity</b>                     |                                  |                                  |                                 |
| <b>Liabilities</b>                                |                                  |                                  |                                 |
| Due to banks                                      | 6,659                            | 5,716                            | 8,418                           |
| Customers' deposits and other funding instruments | 754,572                          | 719,424                          | 728,603                         |
| Other liabilities                                 | 17,075                           | 13,806                           | 14,706                          |
| <b>Total Liabilities</b>                          | <b>778,306</b>                   | <b>738,946</b>                   | <b>751,727</b>                  |
| <b>Equity</b>                                     |                                  |                                  |                                 |
| Stated capital                                    | 15,000                           | 15,000                           | 15,000                          |
| Statutory reserves                                | 15,000                           | 15,000                           | 15,000                          |
| Other reserves                                    | 4,826                            | 4,410                            | 3,382                           |
| Retained earnings                                 | 60,748                           | 58,857                           | 59,816                          |
| <b>Total equity</b>                               | <b>95,574</b>                    | <b>93,267</b>                    | <b>93,198</b>                   |
| <b>Total Liabilities and Equity</b>               | <b>873,880</b>                   | <b>832,213</b>                   | <b>844,925</b>                  |

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

|   | UNAUDITED<br>THREE MONTHS<br>ENDED |              | UNAUDITED<br>NINE MONTHS<br>ENDED |              | AUDITED<br>YEAR<br>ENDED |
|---|------------------------------------|--------------|-----------------------------------|--------------|--------------------------|
|   | Jun-30-16                          | Jun-30-15    | Jun-30-16                         | Jun-30-15    | Sept-30-15               |
|   | \$'000                             | \$'000       | \$'000                            | \$'000       | \$'000                   |
| Net interest income                             | 8,509                              | 7,603        | 24,422                            | 21,592       | 30,792                   |
| Other income                                    | 2,277                              | 2,708        | 9,074                             | 8,410        | 10,081                   |
| Operating income                                | 10,786                             | 10,311       | 33,496                            | 30,002       | 40,873                   |
| Operating expenses                              | (8,560)                            | (8,540)      | (26,388)                          | (25,359)     | (33,712)                 |
| Operating profit                                | 2,226                              | 1,771        | 7,108                             | 4,643        | 7,161                    |
| Loan/Investment impairment (expense)/recovery   | (281)                              | 408          | (4,557)                           | (2,065)      | (3,196)                  |
| <b>Profit before taxation</b>                   | 1,945                              | 2,179        | 2,551                             | 2,578        | 3,965                    |
| Taxation expense                                | (209)                              | (188)        | (119)                             | (184)        | (612)                    |
| <b>Net profit after taxation</b>                | <b>1,736</b>                       | <b>1,991</b> | <b>2,432</b>                      | <b>2,394</b> | <b>3,353</b>             |
| <b>Earnings per share</b>                       |                                    |              |                                   |              |                          |
| Basic   | \$1.16                             | \$1.33       | \$1.62                            | \$1.60       | \$2.24                   |
| <b>Weighted average number of shares ('000)</b> |                                    |              |                                   |              |                          |
| 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-30-16                    | Jun-30-15    | Jun-30-16                   | Jun-30-15    | Sept-30-15         |
|   | \$'000                       | \$'000       | \$'000                      | \$'000       | \$'000             |
| <b>Net profit after taxation for the period/year</b>  | <b>1,736</b>                 | <b>1,991</b> | <b>2,432</b>                | <b>2,394</b> | <b>3,353</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 gain/(loss) on available-for-sale investments   | 1,225                        | (562)        | 1,444                       | (652)        | (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)              |
| <b>Total comprehensive income for the period/year, net of taxation</b>  | <b>2,961</b>                 | <b>1,429</b> | <b>3,876</b>                | <b>1,742</b> | <b>1,673</b>       |

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

|  | <b>Stated<br/>Capital<br/>\$'000</b> | <b>Statutory<br/>Reserves<br/>\$'000</b> | <b>Other<br/>Reserves<br/>\$'000</b> | <b>Retained<br/>Earnings<br/>\$'000</b> | <b>Total<br/>Equity<br/>\$'000</b> |
|--|--------------------------------------|--|--------------------------------------|---|------------------------------------|
| <b>Unaudited period ended June 30, 2016</b>  |                                      |  |                                      |   |                                    |
| <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    | -                                    | -  | 1,444                                | 2,432                                   | 3,876                              |
| Dividends paid                               | -                                    | -  | -                                    | (1,500)                                 | (1,500)                            |
| <b>Balance at June 30, 2016</b>              | <b>15,000</b>                        | <b>15,000</b>                            | <b>4,826</b>                         | <b>60,748</b>                           | <b>95,574</b>                      |
| <b>Unaudited period ended June 30, 2015</b>  |                                      |  |                                      |   |                                    |
| <b>Balance at October 1, 2014</b>            | <b>15,000</b>                        | <b>15,000</b>                            | <b>5,062</b>                         | <b>56,463</b>                           | <b>91,525</b>                      |
| Total comprehensive income for the period    | -                                    | -  | (652)                                | 2,394                                   | 1,742                              |
| <b>Balance at June 30, 2015</b>              | <b>15,000</b>                        | <b>15,000</b>                            | <b>4,410</b>                         | <b>58,857</b>                           | <b>93,267</b>                      |
| <b>Audited year ended September 30, 2015</b> |                                      |  |                                      |   |                                    |
| <b>Balance at October 1, 2014</b>            | <b>15,000</b>                        | <b>15,000</b>                            | <b>5,062</b>                         | <b>56,463</b>                           | <b>91,525</b>                      |
| Total comprehensive income for the period    | -                                    | -  | (1,680)                              | 3,353                                   | 1,673                              |
| <b>Balance at September 30, 2015</b>         | <b>15,000</b>                        | <b>15,000</b>                            | <b>3,382</b>                         | <b>59,816</b>                           | <b>93,198</b>                      |

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

|  | <b>UNAUDITED<br/>NINE MONTHS<br/>ENDED</b> |                             | <b>AUDITED<br/>YEAR<br/>ENDED</b> |
|--|--|-----------------------------|-----------------------------------|
|  | <b>Jun-30-16<br/>\$'000</b>                | <b>Jun-30-15<br/>\$'000</b> | <b>Sept-30-15<br/>\$'000</b>      |
| <b>Operating activities</b>  |  |                             |                                   |
| Profit before taxation   | 2,551                                      | 2,578                       | 3,965                             |
| Adjustments for non-cash items   | 3,423                                      | 4,698                       | 6,716                             |
| (Increase)/Decrease in operating assets  | (16,184)                                   | 167                         | 17,367                            |
| Increase in operating liabilities  | 27,993                                     | 33,937                      | 43,917                            |
| Taxes paid   | (412)                                      | -                           | -                                 |
| <b>Cash provided by operating activities</b>                                       | <b>17,371</b>                              | <b>41,380</b>               | <b>71,965</b>                     |
| <b>Investing activities</b>  |  |                             |                                   |
| Net increase in investments  | (45,319)                                   | (47,235)                    | (30,226)                          |
| Additions to fixed assets  | (1,994)                                    | (1,256)                     | (1,937)                           |
| Proceeds from sale of fixed assets   | 9  | 145                         | 201                               |
| <b>Cash used in investing activities</b>   | <b>(47,304)</b>                            | <b>(48,346)</b>             | <b>(31,962)</b>                   |
| <b>Financing activities</b>  |  |                             |                                   |
| Increase in balances due to other banks  | (1,759)                                    | (11,633)                    | (8,931)                           |
| Dividends paid   | (1,500)                                    | -                           | -                                 |
| <b>Cash used in financing activities</b>   | <b>(3,259)</b>                             | <b>(11,633)</b>             | <b>(8,931)</b>                    |
| <b>Net (decrease)/increase in cash resources</b>                                   | <b>(33,192)</b>                            | <b>(18,599)</b>             | <b>31,072</b>                     |
| Cash and cash equivalents at beginning of period/year                              | 142,802                                    | 126,885                     | 111,730                           |
| <b>Cash and cash equivalents at end of period/year</b>                             | <b>109,610</b>                             | <b>108,286</b>              | <b>142,802</b>                    |
| <b>Cash and cash equivalents at the end of the period/year are represented by:</b> |  |                             |                                   |
| Cash on hand   | 12,518                                     | 13,363                      | 12,580                            |
| Treasury Bill (With original maturity of three months)                             | 4,950                                      | -                           | -                                 |
| Due from banks   | 92,142                                     | 94,923                      | 130,222                           |
|  | <b>109,610</b>                             | <b>108,286</b>              | <b>142,802</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

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 June 30, 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      |
|--|---------------|--------------|--------------|
|  | Jun-30-16     | Jun-30-15    | Sept-30-15   |
|  | \$'000        | \$'000       | \$'000       |
| Contracts for outstanding capital expenditure not provided for in the financial statements | <u>1,324</u>  | <u>49</u>    | <u>1,330</u> |
| Other capital expenditure authorised by the Directors but not yet contracted for           | <u>10,646</u> | <u>9,912</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              |
|---|---------------------|---------------------|----------------------|
|   | Jun-30-16<br>\$'000 | Jun-30-15<br>\$'000 | Sept-30-15<br>\$'000 |
| <b>Advances, investments and other assets (net of provisions)</b> |                     |                     |                      |
| Parent Company  | -                   | 96,626              | 107,048              |
| Directors and key management personnel                            | 1,349               | 716                 | 655                  |
| Other related parties   | 78,228              | 354                 | 326                  |
|   | <u>79,577</u>       | <u>97,696</u>       | <u>108,029</u>       |
| <b>Provision for amounts due from related parties</b>             |                     |                     |                      |
|   | <u>-</u>            | <u>-</u>            | <u>-</u>             |
| <b>Deposits and other liabilities</b>                             |                     |                     |                      |
| Parent Company  | -                   | 685                 | 1,391                |
| Directors and key management personnel                            | 2,609               | 1,415               | 1,428                |
| Other related parties   | 14,109              | 2,625               | 3,441                |
|   | <u>16,718</u>       | <u>4,725</u>        | <u>6,260</u>         |
| <b>Interest and other income</b>                                  |                     |                     |                      |
| Parent Company  | -                   | 28                  | 39                   |
| Directors and key management personnel                            | 70                  | 88                  | 99                   |
| Other related parties   | 116                 | 49                  | 57                   |
|   | <u>186</u>          | <u>165</u>          | <u>195</u>           |
| <b>Interest and other expense</b>                                 |                     |                     |                      |
| Parent Company  | -                   | 310                 | 411                  |
| Directors and key management personnel                            | 176                 | 157                 | 176                  |
| Other related parties   | 315                 | 2                   | 3                    |
|   | <u>491</u>          | <u>469</u>          | <u>590</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      | 551        | 457        | 599        |
| Post employment benefits | 24         | 24         | 32         |
|                          | <u>575</u> | <u>481</u> | <u>631</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 \$6.92 million to guarantee settlement of all items being cleared through the ECACH.

**7 Contingent liabilities**

As at June 30, 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.