

**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

**STATEMENT OF FINANCIAL POSITION  
as at March 31, 2016**

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

	UNAUDITED Mar-31-16 \$'000	UNAUDITED Mar-31-15 \$'000	AUDITED Sept-30-15 \$'000
<b>Assets</b>			
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
<b>Total Assets</b>	<b>886,977</b>	<b>816,475</b>	<b>844,925</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
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
<b>Total Liabilities</b>	<b>794,364</b>	<b>724,637</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	3,601	4,972	3,382
Retained earnings	59,012	56,866	59,816
<b>Total equity</b>	<b>92,613</b>	<b>91,838</b>	<b>93,198</b>
<b>Total Liabilities and Equity</b>	<b>886,977</b>	<b>816,475</b>	<b>844,925</b>



Ronald F. deC. Harford, Chairman



Keith A. Johnson, Managing Director

**STATEMENT OF INCOME**

For the period ended March 31, 2016  
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-16 \$'000	Mar-31-15 \$'000	Mar-31-16 \$'000	Mar-31-15 \$'000	Sept-30-15 \$'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)
<b>(Loss)/Profit before taxation</b>	<b>(721)</b>	<b>27</b>	<b>606</b>	<b>399</b>	<b>3,965</b>
Taxation recovery/(expense)	170	(2)	90	4	(612)
<b>Net (Loss)/profit after taxation</b>	<b>(551)</b>	<b>25</b>	<b>696</b>	<b>403</b>	<b>3,353</b>
<b>Earnings per share</b>					
Basic	(\$0.37)	\$0.02	\$0.46	\$0.27	\$2.24
<b>Weighted average number of shares ('000)</b>					
Basic	1,500	1,500	1,500	1,500	1,500

**STATEMENT OF COMPREHENSIVE INCOME**

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED YEAR ENDED
	Mar-31-16 \$'000	Mar-31-15 \$'000	Mar-31-16 \$'000	Mar-31-15 \$'000	Sept-30-15 \$'000
<b>Net profit after taxation for the period/year</b>	<b>(551)</b>	<b>25</b>	<b>696</b>	<b>403</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	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)
<b>Total comprehensive (loss)/ income for the period/year, net of taxation</b>	<b>(99)</b>	<b>204</b>	<b>915</b>	<b>313</b>	<b>1,885</b>

**STATEMENT OF CHANGES IN EQUITY**

For the period ended March 31, 2016  
Expressed in thousands of Eastern Caribbean dollars (\$'000)

	Stated Capital \$'000	Statutory Reserves \$'000	Other Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Unaudited period ended March 31, 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	-	-	219	696	915
Dividends paid	-	-	-	(1,500)	(1,500)
<b>Balance at March 31, 2016</b>	<b>15,000</b>	<b>15,000</b>	<b>3,601</b>	<b>59,012</b>	<b>92,613</b>
<b>Unaudited period ended March 31, 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	-	-	(90)	403	313
<b>Balance at March 31, 2015</b>	<b>15,000</b>	<b>15,000</b>	<b>4,972</b>	<b>56,866</b>	<b>91,838</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>

**STATEMENT OF CASH FLOWS**

	UNAUDITED SIX MONTHS ENDED Mar-31-16 \$'000	UNAUDITED SIX MONTHS ENDED Mar-31-15 \$'000	AUDITED YEAR ENDED Sept-30-15 \$'000
<b>Operating activities</b>			
Profit before taxation	606	399	3,965
Adjustments for non-cash items (Increase)/Decrease in operating assets	2,042	4,204	6,716
Increase in operating liabilities	(19,892)	2,109	17,367
Taxes paid	43,925	21,234	43,917
	(368)	-	-
<b>Cash provided by operating activities</b>	<b>26,313</b>	<b>27,946</b>	<b>71,965</b>
<b>Investing activities</b>			
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
<b>Cash used in investing activities</b>	<b>(18,249)</b>	<b>(24,683)</b>	<b>(31,962)</b>
<b>Financing activities</b>			
Increase in balances due to other banks	(950)	(13,255)	(8,931)
Dividends paid	(1,500)	-	-
<b>Cash used in financing activities</b>	<b>(2,450)</b>	<b>(13,255)</b>	<b>(8,931)</b>
<b>Net increase/(decrease) in cash resources</b>	<b>5,614</b>	<b>(9,992)</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>148,416</b>	<b>116,893</b>	<b>142,802</b>
<b>Cash and cash equivalents at the end of the period/year are represented by:</b>			
Cash on hand	14,827	13,916	12,580
Due from banks	133,589	102,977	130,222
	<b>148,416</b>	<b>116,893</b>	<b>142,802</b>

**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	1,329	413	1,330
Other capital expenditure authorised by the Directors but not yet contracted for	11,050	10,229	7,955

**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 Mar-31-16 \$'000	UNAUDITED Mar-31-15 \$'000	AUDITED Sept-30-15 \$'000
<b>Advances, investments and other assets (net of provisions)</b>			
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>
<b>Provision for amounts due from related parties</b>			
	-	-	-
<b>Deposits and other liabilities</b>			
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>
<b>Interest and other income</b>			
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>
<b>Interest and other expense</b>			
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>
<b>Key management compensation</b>			
Short term benefits	406	314	599
Post employment benefits	16	16	32
	<u>422</u>	<u>330</u>	<u>631</u>
<b>6 Deposits with Central Bank</b>			
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.			
<b>7 Contingent liabilities</b>			
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.			