


CHAIRMAN'S STATEMENT

Dear Shareholder:

For the first quarter ended December 31, 2016, the Bank recorded Profit after Tax of \$1.197 million, slightly below the \$1.247 million recorded for the corresponding period last year.

The new/revised Banking Act of 2015 requires the Bank's Stated Capital to be at least EC\$20 million. In order to raise the additional minimum capital of EC\$5 million, the Board of Directors has approved the offer of a Rights Issue. This Rights Issue gives each shareholder the right to purchase one new share for every ten shares already held, at the price of \$45.00 per share, as detailed in the Bank's prospectus dated December 28, 2016. It is anticipated that the issue will be sufficiently subscribed to meet the minimum requirement.

The steady economic growth of the past few years is expected to continue into 2017. We anticipate that this momentum will assist us in meeting our objectives in fiscal 2017.



Ronald F. deC Harford
CHAIRMAN
January 12, 2017

Statement of Financial Position

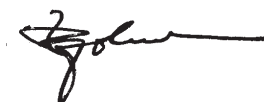
as at December 31, 2016

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

	UNAUDITED Dec-31-16 \$'000	UNAUDITED Dec-31-15 \$'000	AUDITED Sept-30-16 \$'000
Assets			
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
Total Assets	907,064	837,010	886,156
Liabilities and Equity			
Liabilities			
Due to banks	7,813	6,111	3,534
Customers' deposits and other funding instruments	787,629	723,203	769,232
Other liabilities	14,519	15,516	15,532
Total Liabilities	809,961	744,830	788,298
Equity			
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
Total equity	97,103	92,180	97,858
Total Liabilities and Equity	907,064	837,010	886,156



Ronald F. deC. Harford, Chairman



Keith A. Johnson, Managing Director

Statement of Income

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

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-16 \$'000	Dec-31-15 \$'000	Sept-30-16 \$'000
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)
Profit before taxation	1,388	1,327	5,825
Taxation (expense)/recovery	(191)	(80)	(361)
Net profit after taxation	1,197	1,247	5,464
Earnings per share			
Basic	\$0.80	\$0.83	\$3.64
Weighted average number of shares ('000)			
Basic	1,500	1,500	1,500

Statement of Comprehensive Income

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

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

Statement of Changes in Equity

For the period ended December 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
Unaudited period ended December 31, 2016					
Balance at October 1, 2016	15,000	15,000	4,078	63,780	97,858
Total comprehensive income for the period	-	-	(1,952)	1,197	(755)
Balance at December 31, 2016	15,000	15,000	2,126	64,977	97,103
Unaudited period ended December 31, 2015					
Balance at October 1, 2015	15,000	15,000	3,382	59,816	93,198
Total comprehensive income for the period	-	-	(765)	1,247	482
Dividends paid	-	-	-	(1,500)	(1,500)
Balance at December 31, 2015	15,000	15,000	2,617	59,563	92,180
Audited year ended September 30, 2016					
Balance at October 1, 2015	15,000	15,000	3,382	59,816	93,198
Total comprehensive income for the year	-	-	696	5,464	6,160
Dividends paid	-	-	-	(1,500)	(1,500)
Balance at September 30, 2016	15,000	15,000	4,078	63,780	97,858

Statement of Cash Flows

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

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

	UNAUDITED THREE MONTHS ENDED		AUDITED YEAR ENDED
	Dec-31-16 \$'000	Dec-31-15 \$'000	Sept-30-16 \$'000
Operating activities			
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	18,024	(3,993)	41,106
Taxes paid	-	(368)	(691)
Cash provided by/(used in) operating activities	39,927	(10,065)	55,881
Investing activities			
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
Cash used in investing activities	(26,500)	(17,612)	(62,338)
Financing activities			
Increase/(Decrease) in balances due to other banks	4,279	(2,307)	(4,884)
Dividends paid	-	(1,500)	(1,500)
Cash provided by (used in) financing activities	4,279	(3,807)	(6,384)
Net increase/(decrease) in cash resources	17,706	(31,484)	(12,841)
Cash and cash equivalents at beginning of period/year	129,961	142,802	142,802
Cash and cash equivalents at end of period/year	147,667	111,318	129,961
Cash and cash equivalents at the end of the period/year are represented by:			
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
	147,667	111,318	129,961

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 Dec-31-16 \$'000	UNAUDITED Dec-31-15 \$'000	AUDITED 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

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

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.