

Schedule 3
FORM ECSRC - Q

(Select One)

Interim Six Month Report For the period ended 31st March 2015

TRANSITION REPORT _____
(Applicable where there is a change in reporting issuer's financial year)

For the transition period from _____ to _____

Issuer Registration Number: NCB12101979GR

Republic Bank (Grenada) Limited
(Exact name of reporting issuer as specified in its charter)

Grenada _____
(Territory or jurisdiction of incorporation)

P.O. Box 857, Republic House, Grand Anse, St. George, Grenada

(Address of principal executive Offices)

(Reporting issuer's:

Telephone number (including area code): 473-444-2265

Fax number: 473-444-5501

Email address: info@republicgrenada.com

(Former name, former address and former financial year, if changed since last report)

(Provide information stipulated in paragraphs 1 to 8 hereunder)

Indicate the number of outstanding shares of each of the reporting issuer's classes of common stock, as of the date of completion of this report.

CLASS	NUMBER
Common Stock	1,500,000

SIGNATURES

Name of Chief Executive Officer:

Name of Director:

Keith A. Johnson

Nigel A. John

SIGNED AND CERTIFIED

SIGNED AND CERTIFIED

Signature

Signature

Date April 30, 2015

Date April 30, 2015

REPUBLIC BANK (GRENADA) LIMITED

Quarterly Report (Form ECSE – Q)

1 Financial Statements

Unaudited quarterly Financial Statements are attached and include:

- (a) Condensed Balance Sheet as at March 31st, 2015 and March 31st, 2014.
- (b) Condensed Statement of Income for the six (6) months ended March 31st, 2015 and March 31st, 2014.
- (c) Condensed Statement of Cash Flows for the six (6) months ended March 31st, 2015 and March 31st, 2014.

2 Management Discussion and Analysis of Financial Condition and Results of Operations

For the six months ended March 31st, 2015 the Bank recorded a Net Profit after tax of \$0.403 million compared to \$2.183 million for the corresponding period last year. This represents a decrease of \$1,780 million. The main contributors to this decrease are an increase in loan loss provisioning in the period to March 2015 of \$661K and a one-off gain of \$1.052 million recorded on the sale of visa shares in March 2014.

When the increase in the loan loss provisioning and the one-off gain on the visa shares are discounted the operating profit for the period to March 2015 is 94% of last's year.

Liquidity in Grenada increased between December 2013 and December 2014, with the loan to deposit ratio of all commercial banks moving from 76.56 percent to 68.57 percent. For the period September 2014 to December 2014 Liquid Assets/Total Deposits plus Total Liabilities increased from 34.21 percent to 35.52 percent. The Bank's liquidity increased with a loan to deposit ratio of 67.05 percent as at March 31, 2015 down from 70.20 percent at December 2014. Liquid Assets/Total Deposits plus total Liabilities moved from 37.23 percent in December 2014 to 39.93 percent in March 2015.

As at March 31, 2015 there was a 3.65% or \$25M (Savings - \$3M; Demand - \$21M and CD's \$1M) increase in the total deposit portfolio compared to December 31, 2014. The Bank's top 20 deposit customers represented 18.95% of total deposits as at March 31, 2015, an increase from 16.50% as at December 31, 2014. As at December, 2014, the Bank's market share for deposits reduced slightly to 26.62% compared to 27.09% as at September 2014.

The total loans portfolio decreased by 1.01% or \$5M during the quarter to March 31, 2015. The Bank's top 20 borrowers represented 25.0% of total loans as at March 31, 2015 an increase from 24.34% as at

December 31, 2014. As at December 31, 2014 the Bank's market share for loans increased slightly to 28.03% compared to 27.56% as at September 30, 2014.

The ratio of the non-performing portfolio to total loans decreased slightly to 10.04% as at March 31, 2015, down from 10.34% as at December 31, 2014. Delinquency improved to 2.5% as at March 23, 2015 compared with 2.9% as at December 23, 2014.

The Bank's capital base increased from December 2014 to March 2015. At March 31st, 2015, Tier 1 capital to total adjusted risk weighted assets, calculated on the basis of the Basle Committee risk based guidelines implemented by the Eastern Caribbean Central Bank was 14.8 percent and total qualifying capital to total adjusted risk weighted assets was 16.1 percent compared to 13.7 and 15.0 percent respectively as at December 2014. Both ratios far exceed the minimum established by the Basle Committee.

3 Disclosure of Risk Factors

The Bank manages a variety of risks in the ordinary course of business. The major risks associated with its business are credit risk, interest rate risk, market risk, liquidity risk, currency risk and operational risk. The Bank's parent company, Republic Bank Limited, lends its support to the bank in managing these risks.

Credit Risk

Credit Risk is the potential that a borrower or counterparty will fail to meet its stated obligations in accordance with agreed terms. The effective management of credit risk is a key element of a comprehensive approach to risk management and is considered essential to the long term success of the Bank. The Bank's credit risk management process operates on the basis of a hierarchy of discretionary authorities. The Republic Group Risk Management Unit supports the Bank in ensuring that loans and advances are made in accordance with sound banking practice, current legislation and in accordance with the applicable general policy of the Bank as laid down from time to time. The risk management function is kept from and independent of the business development aspect of operations.

The Bank uses a risk rating system which groups commercial/corporate accounts into various risk categories to facilitate the management of risk on both an individual account and portfolio basis. Trend indicators are also used to evaluate risk as improving, static or deteriorating. The evaluation of the risk and trend inform the credit decision and determines the intensity of the monitoring process.

The credit control processes emphasize early detection of deterioration and prompt implementation of remedial action and where it is considered that recovery of the outstanding liability may be doubtful or unduly

delayed, such accounts are transferred from performing to non-performing status.

As a prudent policy, loan loss provisions are set aside to cover any potential loss in respect of debts that are not performing satisfactorily. A review of these provisions is conducted quarterly in accordance with laid down guidelines and recommended provisions arising out of these reviews are submitted to the Board for approval.

Interest Rate and Market Risks

Interest rate risk is the exposure of interest bearing assets and liabilities to movements in interest rate. The Asset/Liability Committee reviews on a monthly basis the non-credit and non-operational risks for the Bank. The primary tools currently in use are gap analysis, interest rate sensitivity analysis and exposure limits for both assets and liabilities.

Liquidity Risk

Liquidity risk is defined as the risk of the Bank not having sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access these only at excessive cost. Liquidity management is designed to ensure that funding requirements can be met, including the replacement of existing funds as they mature or are withdrawn, or to satisfy the demands of customers for additional borrowings. A substantial portion of the bank is funded with "core deposits". The Bank has access to the Inter Bank Market within the Eastern Caribbean Currency Union and Republic Group's funding to provide additional liquidity as conditions demand. The Bank can also use its significant investments in regional Government securities for liquidity support. The Bank continually balances the need for short-term assets which have lower yields, with the need for higher asset returns.

Currency Risk

Currency Risk is the exposure of the Bank's financial condition to unfavourable movements in foreign currency exchange rates. In recognition of these risks the Bank has established limits for uncovered holdings in each foreign currency.

Operational Risk

Operational risk is inherent in all business activities and is the potential for financial or reputational loss arising from inadequate or failed internal control, operational processes or the systems that support them. It includes errors, omissions, disasters and deliberate acts such as fraud. The Bank recognizes that such risk can never be entirely eliminated and manages the risk through a combination of systems and procedures to monitor and document transactions. Where appropriate some risk is transferred by the placement of adequate insurance coverage. The Bank has developed contingency arrangements to support operations in the event of disaster.

4 Legal Proceedings

As at March 31, 2015 there were certain legal proceedings outstanding against the Bank. Professional advice indicates that it is unlikely that any significant loss will arise.

5 Changes in Securities and Use of Proceeds

None

6 Defaults Upon Senior Securities

None

7 Submission of Matters to a vote of Security Holders

None

8 Other Information

None

REPUBLIC BANK (GRENADA) LIMITED

FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MARCH 31, 2015

BALANCE SHEET AS AT MARCH 31, 2015

ASSETS

	Unaudited 31 March-15	Unaudited 31 March-14	Audited Y/E 30 Sept-14
	\$000's	\$000's	\$000's
Cash & due from banks	116,893	80,578	126,885
Statutory reserve	41,838	37,992	40,729
Treasury Bills	6,120	5,889	2,820
Investments	131,536	92,007	111,319
Loans & Advances	489,423	506,709	490,988
Provision for loan losses	-15,943	-9,517	-14,702
Fixed Assets	75,586	74,330	75,505
Depreciation	-40,681	-38,546	-39,904
Net Pension Asset	6,731	6,520	6,731
Other Assets	4,972	5,098	7,853
Total Assets	816,475	761,060	808,224

LIABILITIES & SHAREHOLDERS EQUITY

LIABILITIES

Current, Savings and Deposit Accounts	706,163	638,931	684,097
Due to other Banks	4,094	13,045	17,349
Post retirement benefits	3,516	3,380	3,516
Other liabilities	10,864	11,231	11,737

SHAREHOLDERS EQUITY

Shares in issue	15,000	15,000	15,000
Statutory Reserves	15,000	15,000	15,000
Other Reserves	4,972	5,700	5,062
Retained Earnings	56,866	58,575	56,463
Shareholders Equity	91,838	94,275	91,525
Total liabilities and shareholders equity	816,475	760,862	808,224

Contingent Accounts	17,192	10,870	19,127
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REPUBLIC BANK (GRENADA) LIMITED
FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MARCH 31, 2015

INCOME STATEMENT FOR PERIOD ENDED JUNE 30, 2014

	Unaudited 31 March-15	Unaudited 31 March-14	Audited Y/E 30 Sept-14
Interest on loans	18,383	19,610	38,568
Interest on Investments	2,370	2,226	4,183
Total interest income	20,753	21,836	42,751
Interest on Deposits	6,764	6,819	13,643
Total Interest Expense	6,764	6,819	13,643
Net Interest	13,989	15,017	29,108
Other income	5,702	6,340	11,213
	19,691	21,357	40,321
Other Expenses	16,819	17,105	32,848
Investment Impairment recovery	0	0	-183
Loan impairment expense	2,473	1,812	7,196
	19,292	18,917	39,861
Profit before taxation	399	2,440	460
Taxation (recovery)/expense	-4	257	389
Profit after taxation	403	2,183	71

REPUBLIC BANK (GRENADA) LIMITED
FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MARCH 31, 2015

CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED MARCH 31, 2015

	Unaudited 31 March-15	Unaudited 31 March-14	Audited Y/E 30 Sept-14
Profit before taxation	399	2,440	460
Depreciation and non cash items	1,731	2,002	2,047
Provisions for loan losses	2,473	1,812	7,196
Decrease/ (Increase) in Customer loans	333	-6,728	8,794
Increase in Customer deposits	22,066	14,790	59,956
(Increase) in statutory deposit	-1,109	-778	-3,515
Increase/(Decrease) in other assets	2,885	-780	-4,288
(Decrease) /Increase in other liabilities	-832	-265	270
Income taxes paid	0	0	-6
Cash provided by operating activities	27,946	12,493	70,914
Net purchase of investments	-23,836	-6,181	-21,223
Increase in fixed assets	-847	-1,004	-2,380
Cash used in investing activities	-24,683	-7,185	-23,603
(Decrease)/Increase in due to other banks	-13,255	4,114	8,418
Cash (used in)/provided by financing activities	-13,255	4,114	8,418
(Decrease)/Increase in cash resources	-9,992	9,422	55,729
Cash resources at beginning of year	126,885	71,156	71,156
Cash resources at end of period	116,893	80,578	126,885

Republic Bank (Grenada) Limited

Investment Portfolio as at March 31, 2015

	CURRENCY	MARKET VALUE March 31, 2015	COUPON RATE	MATURITY DATE	PLACE
EC\$ INVESTMENTS		(EC\$'000)			
Govt of G/da EC Stepup Bonds	EC	\$2,122	4.50%	15-Sep-2025	Domestic
ProDev 10 year 8% bonds	EC	\$905	8.00%	21-Dec-2017	Regional
Gravel, Concrete & Emulsion Production Phase 1	EC	\$0	7.75%	28-Nov-2015	Domestic
Gravel, Concrete & Emulsion Production Phase 2	EC	\$0	7.50%	28-Nov-2015	Domestic
Sub Total		\$3,027			
EQUITY INVESTMENTS					
ECHMB	EC	\$350			Regional
Eastern C'bean Sec. Exchange	EC	\$147			Regional
Sub Total		\$497			
Total EC\$ Investment		\$3,524			
TT DOLLAR INVESTMENT					
WASA FIXED RATE BONDS	TT\$	13,389	11.50%	21-Nov-2021	Regional
Sub Total - TT Dollar Investments		13,389			
US DOLLAR INVESTMENT					
Gov't of G/da US Stepup Bonds	US	\$1,611	4.50%	15-Sep-2025	Domestic
FCB St.Lucia 2011 5.125%	US	\$5,508	4.90%	9-Feb-2016	Regional
Barbados National Oil Company bonds	US	\$0	5.75%	31-Dec-2014	Regional
APG-St.Johns Port Expansion	US	\$5,371	9.00%	30-Sep-2025	Regional
Commonwealth Bank of Australia	US	\$0	1.95%	16-Mar-2015	Int'l
ANZNZ	US	\$6,801	1.85%	15-Oct-2015	Int'l
Goldman sachs	US	\$5,409	3.30%	3-May-2015	Int'l
HSBC	US	\$6,676	1.50%	15-May-2018	Int'l
Citigroup	US	\$5,428	2.25%	7-Aug-2015	Int'l
Gov't of B/dos 2021 7.25%	US	\$4,173	7.25%	15-Dec-2021	Regional
Gov't of St. Kitts USD bonds	US	\$494	6.00%	18-Mar-2032	Regional
SUMIBK 2.5% Bond	US	\$8,279	2.50%	19-Jul-2018	Int'l
Gov't of St. Kitts USD bonds #2	US	\$14	6.00%	18-Mar-2032	Regional
Bank of America 1.25% USD bond	US	\$5,410	1.25%	11-Jan-2016	Int'l
Corbana	US	\$8,043	3.13%	15-Jan-2018	Int'l
Ecopetrol	US	\$5,643	4.25%	18-Sep-2018	Int'l
Bank of America 2.6%	US	\$8,657	2.60%	15-Jan-2019	Int'l
Bobin	US	\$5,832	4.88%	23-Jan-2019	Int'l
Bank of Montreal	US	\$8,278	2.38%	25-Jan-2019	Int'l
Goldman sachs	US	\$8,265	2.65%	31-Jan-2019	Int'l
Citigroup	US	\$2,738	2.50%	29-Jul-2019	Int'l
Citigroup	US	\$5,420	2.40%	18-Feb-2020	Int'l
Royal Bank of Canada	US	\$5,433	2.15%	6-Mar-2020	Int'l
Sub Total		\$113,483			
Total US\$ Investment		\$113,483			
Grand Total		\$130,396			