

**Schedule 3
FORM ECSRC - Q**

(Select One)

Interim Six Month Report For the period ended 31 March 2011

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

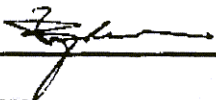
SIGNATURES

Name of Chief Executive Officer:

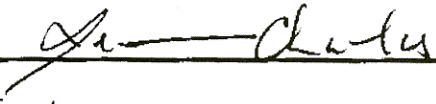
Name of Director:

Keith A. Johnson

Leon D. Charles



 Signature



 Signature

Date 29th April, 2011

Date 29th April, 2011

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, 2011 and March 31st, 2010
- (b) Condensed Statement of Income for the six (6) months ended March 31st, 2011 and March 31st, 2010.
- (c) Condensed statement of Cash Flows for the six (6) months ended March 31st, 2011 and March 31st, 2010.

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

For the six months ended March 31st, 2011 the Bank recorded profit after tax of \$4.019 million. This represents a decrease of \$1.053 million compared to the corresponding period last year. While the investments portfolio is not performing as planned due to the unavailability of acceptable investments and the low interest rate environment, the loans portfolio has grown and we are getting yields similar to that in the same period last year. The poor performance of foreign exchange earnings along with increased provisioning for loan losses have led to smaller profits than in 2010. Liquidity in Grenada decreased between February 2010 and February 2011, with the loan to deposit ratio of all commercial banks increasing from 80.70 percent to 82.57 percent while Liquid Assets/Total Deposits plus Liquid Liabilities increased from 26.03 percent to 27.44 percent. This Bank's liquidity is healthy with a loan to deposit ratio of 77.86 percent at March 2011 and Liquid Assets/ Total Deposits plus Liquid Liabilities at 21.75 percent.

The Bank capital base remains strong. At March 31st, 2011, 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 16.8 percent and total qualifying capital to total adjusted risk weighted assets was 18.4 percent. This ratio of 16.8 percent far exceeds the 8 percent 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 the 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 31st, 2011 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, 2011

BALANCE SHEET AS AT MARCH 31, 2011

ASSETS

	Unaudited 31 March-11	Unaudited 31 March-10	Audited Y/E 30 Sept-10
	\$000's	\$000's	\$000's
Cash & due from banks	49,870	75,801	59,591
Statutory reserve	37,171	37,809	37,237
Treasury Bills	9,855	22,884	18,244
Investments	106,868	111,710	112,437
Loans & Advances	483,806	458,315	478,171
Provision for loan losses	(5,399)	(4,495)	(5,197)
Fixed Assets	70,006	66,259	69,265
Depreciation	(29,619)	(26,413)	(27,977)
Net Pension Asset	1,982	1,633	1,982
Other Assets	7,921	7,987	5,578
<u>Total Assets</u>	<u>732,461</u>	<u>751,490</u>	<u>749,331</u>

LIABILITIES & SHAREHOLDERS EQUITY

LIABILITIES

Current, Savings and Deposit Accounts	617,328	623,053	620,471
Due to other Banks	2,178	11,748	15,636
Post retirement benefits	2,806	2,500	2,806
Other liabilities	13,582	22,098	14,629

SHAREHOLDERS EQUITY

Shares in issue	15,000	15,000	15,000
Statutory Reserves	15,000	15,000	15,000
Other Reserves	4,156	3,785	4,397
Retained Earnings	62,411	58,306	61,392
Shareholders Equity	96,567	92,091	95,789
<u>Total liabilities and shareholders equity</u>	<u>732,461</u>	<u>751,490</u>	<u>749,331</u>
Contingent Accounts	4,903	5,974	5,259

REPUBLIC BANK (GRENADA) LIMITED
FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MARCH 31, 2011

INCOME STATEMENT FOR PERIOD ENDED MARCH 31, 2011

	Unaudited 31 March-11	Unaudited 31 March-10	Audited Y/E 30 Sept-10
Interest on loans	20,440	19,865	40,770
Interest on Investments	3,815	4,456	8,654
Total interest income	24,255	24,321	49,424
Interest on Deposits	8,035	8,177	16,568
Total Interest Expense	8,035	8,177	16,568
Net Interest	16,220	16,144	32,856
Other income	4,151	4,959	8,489
	20,371	21,103	41,345
Other Expenses	16,243	15,824	32,509
Investment Impairment	(516)		(1,644)
Provisions for loan losses	425	149	1,320
	16,152	15,973	32,185
Profit before tax	4,219	5,130	9,160
Taxation	200	58	123
Profit after tax	4,019	5,072	9,283

REPUBLIC BANK (GRENADA) LIMITED
FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MARCH 31, 2011

CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED MARCH 31, 2011

	Unaudited 31 March-11	Unaudited 31 March-10	Audited Y/E 30 Sept-10
Profit before tax	4,219	5,130	9,160
Depreciation and non cash items	3,141	2,192	4,104
Provisions for loan losses	425	149	1,320
(Increase) in Customer loans	(5,210)	(6,405)	(25,877)
(Decrease)/Increase in Customer deposits	(3,143)	3,436	1,770
Decrease /(Increase) in statutory deposit	66	(590)	(18)
(Increase) in other assets	(2,776)	(1,565)	629
(Decrease) /Increase in other liabilities	(179)	10,497	2,141
Income taxes paid	(315)	0	0
Cash provided by operating activities	(3,772)	12,844	(6,771)
Net redemption/ (purchase) of investments	11,519	10,909	15,364
Increase in fixed assets	(1,010)	(910)	(4,723)
Cash from investing activities	10,509	9,999	10,641
Dividends paid	(3,000)	(3,000)	(4,125)
Increase in due to other banks	(13,458)	916	4,804
Cash (used in)/ provided by financing activ	(16,458)	(2,084)	679
Decrease in cash resources	(9,721)	20,759	4,549
Cash resources at beginning of year	59,591	55,042	55,042
Cash resources at end of period	49,870	75,801	59,591

Republic Bank (Grenada) Limited
Investment Portfolio as at March 31, 2011

	CURRENCY	MARKET VALUE MARCH 2011 (EC\$'000)	COUPON RATE	MATURITY DATE	PLACE
EC\$ INVESTMENTS					
Gov't of G/da EC Stepup Bonds		\$7,579	2.50%	15-Sep-2025	Domestic
ProDev 10 year 8% bonds	EC	\$2,113	8.00%	21-Dec-2017	Regional
Gov't of St. Kitts & Nevis 2015	EC	\$1,014	9.50%	1-Apr-2015	Regional
Gov't of St. Kitts C/Homes 2016	EC	\$945	11.00%	21-Dec-2016	Regional
FINCOR Debenture series A	EC	\$601	8.38%	31-Aug-2022	Domestic
FINCOR Debenture series B	EC	\$199	9.64%	31-Aug-2022	Domestic
Gov't of St.Kitts 10 year bond 2012	EC	\$3,441	7.50%	1-Aug-2012	Domestic
Gravel, Concrete & Emulsion Production Phase 1	EC	\$339	7.75%	28-Jul-2015	Domestic
Gravel, Concrete & Emulsion Production Phase 2		\$231	7.50%	28-Jul-2015	Domestic
ECHMB Bonds 18th issue	EC	\$5,013	6.00%	26-Aug-2011	Regional
ECHMB Bonds 12th issue	EC	\$2,496	5.50%	1-Jul-2010	Regional
Sub Total		\$16,392			
	CURRENCY	MARKET VALUE MARCH 2011	COUPON RATE	MATURITY DATE	PLACE
EQUITY INVESTMENTS					
ECHMB	EC	\$350			Regional
Eastern C'bean Sec. Exchange	EC	\$147			Regional
VISA Inc Class C Shares	US	\$427			
Sub Total		\$924			
Total EC\$ Investment		\$24,895			
TT DOLLAR INVESTMENT					
WASA FIXED RATE BONDS	TTS\$	20,664	11.50%	21-Nov-2021	Regional
Government of Trinidad & Tobago 3 year note	TTS\$	17,898	4.00%	4-Jul-2012	Regional
Sub Total - TT Dollar Investments		38,562			
	CURRENCY	MARKET VALUE MARCH 2011	COUPON RATE	MATURITY DATE	PLACE
Gov't of G/da US Stepup Bonds	US	\$5,360	2.50%	15-Sep-2025	Domestic
UW! Float rate bonds	US	\$901	8.60%	30-Apr-2015	Regional
FCB St.Lucia 2011 5.125%	US	\$5,468	5.13%	14-Feb-2011	Regional
APG-St.Johns Port Expansion	US	\$5,477	10.50%	19-Dec-2015	Regional
BNOC Bonds	US	\$5,020	5.80%	31-Dec-2014	Regional
Bank of St.Lucia Repo	US	\$1,261	4.75%	20-Oct-2010	Regional
Gov't of B/dos 2021 7.25%	US	\$5,578	7.25%	15-Dec-2021	Regional
BNS Commercial paper 2012	US	\$8,265	2.25%	22-Jan-2013	International
Sub Total		\$37,330			
Queen Elizabeth Hospital Strips	US	\$6,081	7.48%	19-Dec-2012	Regional
Grand Total		\$106,868			