

**Schedule 3
FORM ECSRC - Q**

(Select One)

Interim three Month Report For the period ended 31st December 2014

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

Graham K. Williams

Signature

Signature

Date October 5, 2015

Date October 5, 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 December 31st, 2013 and December 31st, 2014.
- (b) Condensed Statement of Income for the three (3) months ended December 31st, 2014 and December 31st, 2013.
- (c) Condensed Statement of Cash Flows for the three (3) months ended December 31st, 2014 and December 31st, 2013.

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

For the three months ended December 31st, 2014 the Bank recorded a Net Profit after tax of \$0.378 million compared to \$1.329 million for the corresponding period last year. This represents a decrease of \$0.951 million. The main contributor to this decrease is an increase in loan loss provisioning of \$1.34 million.

When the increase in the loan loss provisioning is discounted, the operating profit for the period to December 2014 is \$229K more than last 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 decreased slightly with a loan to deposit ratio of 70.21 percent as at December 31, 2014 up from 69.62 percent at September 2014. Liquid Assets/Total Deposits plus total Liabilities moved from 38.09 percent in September 2014 to 37.23 percent in December 2014.

As at December 31, 2014 there was a 2.19% or \$15M decrease in the total deposit portfolio compared to September 30, 2014. (Reduced Savings - \$5M; Reduced Demand - \$15M and increased XCD CD's \$7M). The Bank's top 20 deposit customers represented 16.49% of total deposits as at December 31, 2014, a slight decrease from 17.71% as at September 30, 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.

As at December 31, 2014 there was a 0.41% or \$2M increase in the total loan portfolio. The Bank's top 20 creditors represented 24.34% of total loans as at December 30, 2014 a decrease from 25.66% as at September 30, 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 increased to 10.34% as at December 2014, from 9.97% as at September 30, 2014. Delinquency has improved to 2.9% as at 31st December, 2014 compared with 3.4% in September 2014.

The Bank's capital base decreased from September 2014 to December 2014. At December 31st, 2014, 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 13.7 percent and total qualifying capital to total adjusted risk weighted assets was 15.0 percent compared to 14.7 percent and 15.7 percent respectively as at September 2014. Both ratios far exceeded 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 December 31, 2014 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 THREE MONTHS ENDED DECEMBER 31, 2014

BALANCE SHEET AS AT DECEMBER 31, 2014

ASSETS

	Unaudited 31 Dec-14	Unaudited 31 Dec-13	Audited Y/E 30 Sept-14
	\$000's	\$000's	\$000's
Cash & due from banks	97,021	59,253	126,885
Statutory reserve	41,010	37,168	40,729
Treasury Bills	6,120	5,889	2,820
Investments	123,339	93,886	111,319
Loans & Advances	493,865	512,034	490,988
Provision for loan losses	-15,943	-9,517	-14,702
Fixed Assets	76,138	74,310	75,505
Depreciation	-40,681	-38,546	-39,904
Net Pension Asset	6,731	6,520	6,731
Other Assets	4,767	4,948	7,853
Total Assets	792,367	745,945	808,224

LIABILITIES & SHAREHOLDERS EQUITY

LIABILITIES

Current, Savings and Deposit Accounts	680,766	620,195	684,097
Due to other Banks	4,434	14,199	17,349
Post retirement benefits	3,516	3,736	3,516
Other liabilities	11,981	13,655	11,737

SHAREHOLDERS EQUITY

Shares in issue	15,000	15,000	15,000
Statutory Reserves	15,000	15,000	15,000
Other Reserves	4,829	6,439	5,062
Retained Earnings	56,841	57,721	56,463
Shareholders Equity	91,670	94,160	91,525
Total liabilities and shareholders equity	792,367	745,945	808,224

Contingent Accounts	19,544	10,451	19,127
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REPUBLIC BANK (GRENADA) LIMITED
FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED DECEMBER 31, 2014

INCOME STATEMENT FOR PERIOD ENDED DECEMBER 31, 2014

	Unaudited 31 Dec-14	Unaudited 31 Dec-13	Audited Y/E 30 Sept-14
Interest on loans	9,280	9,536	38,568
Interest on Investments	1,176	1,123	4,183
Total interest income	10,456	10,659	42,751
Interest on Deposits	3,429	3,441	13,643
Total Interest Expense	3,429	3,441	13,643
Net Interest	7,027	7,218	29,108
Other income	2,900	2,598	11,213
	9,927	9,816	40,321
Other Expenses	8,432	8,550	32,848
Investment Impairment recovery	0	0	-183
Loan impairment expense	1,123	-217	7,196
	9,555	8,333	39,861
Profit before taxation	372	1,483	460
Taxation (recovery)/expense	-6	154	389
Profit after taxation	378	1,329	71

REPUBLIC BANK (GRENADA) LIMITED
FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED DECEMBER 31, 2014

CASH FLOW STATEMENT FOR THE THREE MONTHS ENDED DECEMBER 31, 2014

	Unaudited 31 Dec-14	Unaudited 31 Dec-13	Audited Y/E 30 Sept-14
Profit before taxation	372	1,483	460
Depreciation and non cash items	836	1,174	2,047
Provisions for loan losses	1,123	-217	7,196
Decrease/ (Increase) in Customer loans	-2,759	-10,024	8,794
Increase in Customer deposits	-3,331	-3,946	59,956
(Increase) in statutory deposit	-281	46	-3,515
Increase/(Decrease) in other assets	3,086	-593	-4,288
(Decrease) /Increase in other liabilities	346	2,068	270
Income taxes paid		0	-6
Cash provided by operating activities	-608	-10,009	70,914
Net purchase of investments	-15,763	-6,950	-21,223
Increase in fixed assets	-578	-212	-2,380
Cash used in investing activities	-16,341	-7,162	-23,603
	0		
(Decrease)/Increase in due to other banks	-12,915	5,268	8,418
Cash (used in)/provided by financing activities	-12,915	5,268	8,418
(Decrease)/Increase in cash resources	-29,864	-11,903	55,729
Cash resources at beginning of year	126,885	71,156	71,156
Cash resources at end of period	97,021	59,253	126,885

Republic Bank (Grenada) Limited

Investment Portfolio as at December 31, 2014

	CURRENCY	MARKET VALUE December 31, 2014 (EC\$'000)	COUPON RATE	MATURITY DATE	PLACE
EC\$ INVESTMENTS					
Govt of G/da EC Stepup Bonds	EC	\$2,910	4.50%	15-Sep-2025	Domestic
ProDev 10 year 8% bonds	EC	\$918	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		\$3,828			
EQUITY INVESTMENTS					
ECHMB	EC	\$350			Regional
Eastern C'bean Sec. Exchange	EC	\$147			Regional
Sub Total		\$497			
Total EC\$ Investment		\$4,325			
TT DOLLAR INVESTMENT					
WASA FIXED RATE BONDS	TT\$	13,728	11.50%	21-Nov-2021	Regional
Sub Total - TT Dollar Investments		13,728			
US\$ INVESTMENT					
Gov't of G/da US Stepup Bonds	US	\$1,965	4.50%	15-Sep-2025	Domestic
FCB St.Lucia 2011 5.125%	US	\$5,627	4.90%	9-Feb-2016	Regional
UWI Float rate bond	US	\$112	6.38%	17-Mar-2015	Regional
APG-St.Johns Port Expansion	US	\$5,388	9.00%	30-Sep-2025	Regional
Commonwealth Bank of Australia	US	\$8,162	1.95%	16-Mar-2015	Int'l
ANZNZ	US	\$6,814	1.85%	15-Oct-2015	Int'l
Goldman sach's	US	\$5,441	3.30%	3-May-2015	Int'l
HSBC	US	\$6,634	1.50%	15-May-2018	Int'l
Citigroup	US	\$5,438	2.25%	7-Aug-2015	Int'l
Govt of B/dos 2021 7.25%	US	\$4,182	7.25%	15-Dec-2021	Regional
Gov't of St. Kitts USD bonds	US	\$559	6.00%	18-Mar-2032	Regional
SUMIBK 2.5% Bond	US	\$8,189	2.50%	19-Jul-2018	Int'l
Gov't of St. Kitts USD bonds #2	US	\$15	6.00%	18-Mar-2032	Regional
Bank of America 1.25% USD bond	US	\$5,409	1.25%	11-Jan-2016	Int'l
Corbana	US	\$7,958	3.13%	15-Jan-2018	Int'l
Ecopetrol	US	\$5,583	4.25%	18-Sep-2018	Int'l
Bank of America 2.6%	US	\$8,505	2.60%	15-Jan-2019	Int'l
Bobin	US	\$5,721	4.88%	23-Jan-2019	Int'l
Bank of Montreal	US	\$8,176	2.38%	25-Jan-2019	Int'l
HSBC	US	\$5,408	2.38%	13-Feb-2015	Int'l
Citigroup	US	\$0	2.50%	29-Jul-2019	Int'l
Citigroup	US	\$0	2.40%	18-Feb-2020	Int'l
Royal Bank of Canada	US	\$0	2.15%	6-Mar-2020	Int'l
Sub Total		\$105,286			
Total US\$ Investment		\$105,286			
Grand Total		\$123,339			