Schedule 2
FORM ECSRC – OR

(Select One)

[ ] QUARTERLY FINANCIAL REPORT for the period ended December 31, 2023
Pursuant to Section 98(2) of the Securities Act, 2001

OR

[ ] TRANSITION REPORT
for the transition period from _____ to _____
Pursuant to Section 98(2) of the Securities Act, 2001
(Applicable where there is a change in reporting issuer's financial year)

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): 1 473 444 2265
Fax number: 1 473 444 5501
Email address: rbgdinfo@rfhl.com

N/A
(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. N/A

CLASS	NUMBER
Common stock	Unlimited

SIGNATURES

A Director, the Chief Executive Officer and Chief Financial Officer of the company shall sign this Annual Report on behalf of the company. By so doing each certifies that he has made diligent efforts to verify the material accuracy and completeness of the information herein contained.

The Chief Financial Officer by signing this form is hereby certifying that the financial statements submitted fairly state the company's financial position and results of operations, or receipts and disbursements, as of the dates and period(s) indicated. The Chief Financial Officer further certifies that all financial statements submitted herewith are prepared in accordance with International Accounting Standards consistently applied (except as stated in the notes thereto) and (with respect to year-end figures) including all adjustments necessary for fair presentation under the circumstances.

Name of Chief Executive Officer:

Naomi De Allie

Signature

January 30, 2024

Date

Name of Director:

Graham Williams

Signature

January 30, 2024

Date

Name of Chief Financial Officer:

Elizabeth Richards-Daniel

Signature

January 30, 2024

Date

INFORMATION TO BE INCLUDED IN FORM ECSRC-OR

1. Financial Statements

Provide Financial Statements for the period being reported in accordance with International Accounting Standards. The format of the financial statements should be similar to those provided with the registration statement. Include the following:

(a) Condensed Balance Sheet as of the end of the most recent financial year and just concluded reporting period.

(b) Condensed Statement of Income for the just concluded reporting period and the corresponding period in the previous financial year along with interim three, six and nine months of the current financial year and corresponding period in the previous financial year.

(c) Condensed Statement of Cash Flows for the just concluded reporting period and the corresponding period in the previous financial year along with the interim three, six and nine months of the current financial year and the corresponding period in the previous financial year.

(d) By way of *Notes to Condensed Financial Statements*, provide explanation of items in the financial statements and indicate any deviations from generally accepted accounting practices.

2. Management's Discussion and Analysis of Financial Condition and Results of Operation.

Discuss the reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations during the reporting period. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated. Discussion of material changes should be from the end of the preceding financial year to the date of the most recent interim report.

The Management's Discussion and Analysis should disclose sufficient information to enable investors to judge:

1. The quality of earnings;
2. The likelihood that past performance is indicative of future performance; and
3. The issuer's general financial condition and outlook.

It should disclose information over and above that which is provided in the management accounts and should not be merely a description of the movements in the financial statements in narrative form or an otherwise uninformative series of technical responses. It should provide management's perspective of the company that enables investors to view the business from the vantage point of management.

The discussion should focus on aspects such as liquidity; capital resources; changes in financial condition; results of operations; material trends and uncertainties and measures

taken or to be taken to address unfavourable trends; key performance indicators; and non-financial indicators.

General Discussion and Analysis of Financial Condition

Total assets for the three months ended December 31, 2023 increased by $53.2M or 2.6%.

The increase in total assets is reflected mainly in the $23.3M increase in advances and the $37.6M increase in cash resources. Investments decreased by $24M.

For the period, the Bank recorded Net Profit after tax of $5.52M, an increase of $1.02M or 22.8% from the $4.49M reported for the corresponding period last year.

The increase in profit is mainly due to increases in interest income partly offset by increases in operating expenses.

The Bank's top 10 deposit customers represented 10.59% of total deposits as December 31, 2023, a slight increase from the 10.21% as at September 30, 2023. This ratio is within the 15% limit for customer dependency.

The ratio of the non-performing portfolio to total loans decreased to 4.01% from 5.62% and delinquency decreased to 2.3% from 4.96% as at September 30 2023

Liquidity and Capital Resources

Provide a narrative explanation of the following (but not limited to):

i) The reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations.

ii) Any known trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, the issuer's liquidity increasing or decreasing in any material way. If a deficiency is identified, indicate the course of action that the reporting issuer has taken or proposes to take to remedy the deficiency.

iii) The issuer's internal and external sources of liquidity and any material unused sources of liquid assets.

iv) Provisions contained in financial guarantees or commitments, debt or lease agreements or other arrangements that could trigger a requirement for an early payment, additional collateral support, changes in terms, acceleration of maturity, or the creation of an additional financial obligation such as adverse changes in the issuer's financial ratios, earnings, cash flows or stock price or changes in the value of underlying, linked or indexed assets.

v) Circumstances that could impair the issuer's ability to continue to engage in transactions that have been integral to historical operations or are financially or operationally essential or that could render that activity commercially impracticable such as the inability to maintain a specified level of earnings, earnings per share, financial ratios or collateral.

vi) Factors specific to the issuer and its markets that the issuer expects will affect its ability to raise short-term and long-term financing, guarantees of debt or other commitment to third parties, and written options on non-financial assets.

vii) The relevant maturity grouping of assets and liabilities based on the remaining period at the balance sheet date to the contractual maturity date. Commentary should provide information about effective periods and the way the risks associated with different maturity and interest profiles are managed and controlled.

viii) The issuer's material commitments for capital expenditures as of the end of the latest fiscal period, and indicate the general purposes of such commitments and the anticipated source of funds needed to fulfil such commitments.

ix) Any known material trends, favorable or unfavorable, in the issuer's capital resources, including any expected material changes in the mix and relative cost of capital resources, considering changes between debt, equity and any off-balance sheet financing arrangements.

Discussion of Liquidity and Capital Resources

During the quarter, the net liquid asset ratio decreased to 42.37% from 44.81% as at December 31, 2023, well in excess of the prudential requirement of 20%. Of the 42.37% net liquid asset ratio as at December 31, 2023, 13.61% represents un-invested funds compared to 14.63% of the 44.81 % as at September 30, 2023.

The Bank's top-10 deposit customers represented 10.59% of total deposits as December 31, 2023, a slight increase from the 10.21% as at September 30, 2023. This ratio is within the 15% limit for customer dependency.

As part of the Asset and Liability Committee monthly reporting, an interest rate and liquidity Gap analysis are performed and reported for the two main currencies (XCD and USD). A combined analysis is also performed as a way of monitoring, managing and controlling risks associated with different maturity and interest profiles.

We continue to explore suitable investments with the assistance of our parent company. The investment portfolio decreased by $24M during the period as investments maturing during the quarter were reinvested in January 2024.

As at December 31, 2023, the Bank's Tier 1 capital to risk weighted assets and the total qualifying capital to total adjusted risk weighted assets were 11.6% and 12.9% respectively.

Both ratios exceed the minimum established by the Basel Committee.

Off Balance Sheet Arrangements

Provide a narrative explanation of the following (but not limited to):

i) Disclosures concerning transactions, arrangements and other relationships with unconsolidated entities or other persons that are reasonably likely to materially affect liquidity or the availability of, or requirements for capital resources.

ii) The extent of the issuer's reliance on off-balance sheet arrangements should be described fully and clearly where those entities provide financing, liquidity, market or credit risk support, or expose the issuer to liability that is not reflected on the face of the financial statements.

iii) Off-balance sheet arrangements such as their business purposes and activities, their economic substance, the key terms and conditions of any commitments, the initial on-going relationship with the issuer and its affiliates and the potential risk exposures resulting from its contractual or other commitments involving the off-balance sheet arrangements.

iv) The effects on the issuer's business and financial condition of the entity's termination if it has a finite life or it is reasonably likely that the issuer's arrangements with the entity may be discontinued in the foreseeable future.

N/A

Results of Operations

In discussing results of operations, issuers should highlight the company's products and services, facilities and future direction. There should be a discussion of operating considerations and unusual events, which have influenced results for the reporting period. Additionally, any trends or uncertainties that might materially affect operating results in the future should be discussed.

Provide a narrative explanation of the following (but not limited to):

i) Any unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from continuing operations and, in each case, the extent to which income was so affected.

ii) Significant components of revenues or expenses that should, in the company's judgment, be described in order to understand the issuer's results of operations.

iii) Known trends or uncertainties that have had or that the issuer reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

iv) Known events that will cause a material change in the relationship between costs and revenues (such as price increases, costs of labour or materials), and changes in relationships should be disclosed.

v) The extent to which material increases in net sales or revenues are attributable to increases in prices or to increases in the volume or amount of goods or services being sold or to the introduction of new products or services.

vi) Matters that will have an impact on future operations and have not had an impact in the past.

vii) Matters that have had an impact on reported operations and are not expected to have an impact upon future operations

viii) Off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships that have or are reasonably likely to have a current or future effect on the registrant's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

ix) Performance goals, systems and, controls.

Overview of Results of Operations

For the three months ended December, 2023, the Bank recorded Net Profit after tax of $5.52M, an increase of $1.02M or 22.8% from the $4.49M reported for the corresponding period last year.

The increase in profit is mainly due to increases in interest income partly offset by increases in operating expenses.

* Interest income increased by $3.36M as a result of the $2.2M increase in interest on loans and $0.87M increase in interest on investments.

* Operating expenses increased by $1.93M mainly as a result of cost related to investment in new technology and increased staff cost.

3. Disclosure about Risk Factors.

Provide a discussion of the risk factors that may have an impact on the results from operations or on the financial conditions. Avoid generalised statements. Typical risk factors include untested products, cash flow and liquidity problems, dependence on a key supplier or customer, management inexperience, nature of business, absence of a trading market (specific to the securities of the reporting issuer), etc. Indicate if any risk factors have increased or decreased in the time interval between the previous and current filing.

The Bank manages a variety of risks in the ordinary course of business. As at December 31, 2023, the major risks associated with its business are listed below.

1. Credit and its sub risks namely:-
   - NPl ratio
   - Exposure to Tourism
   - Exposure to SGU market

2. Cyber security risk

1. Credit

Credit Risk is the potential that a borrower or counter-party 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 major asset facing credit risk is loans.

Sub-risk - NPL ratio

The ratio of the non-performing portfolio to total loans decreased to 4.01% from 5.62% and delinquency decreased to 2.3% from 4.96% as at September 30 2023. The overall delinquency for the period was below the Bank's risk appetite and the NPL ratio is within the ECCB benchmark of 5%.

Sub-risk: Tourism

Grenada continues to see improvement in visitors arrival as the tourism industry continues to recover. Stayover arrivals remain steady over the quarters while cruise ship arrivals bolstered total arrivals seen for the quarters ended Dec 22 and Mar 23. Number of new hotels projects on stream.

High dependency on the Tourism/Hospitality sector and exposure to individuals and businesses dependent on Tourism/Hospitality. Given the current exposure any credit default, will result in a significant loss to the bank based on the size of portfolio.

Sub-risk: SGU market

High dependency on SGU sector. Given the current exposure any credit default, will result in a significant loss to the bank.
Jan-Sept 2023 saw a 25% increase in enrollment at SGU compared to the same period in the previous year. Growth is expected for the 2023/2024 financial year driven by increased scholarships and interest in their increased course offerings. Full resumption of face-to-face classes commenced May 2023

There is an overall limit in place for Tourism & Offshore Education sectors which was increased from 15% to 20%.
The Bank is within this limit and further lending in this sector has been restricted for the time being.

2. Cyber security risk

This continues to be an area of heightened and continued monitoring. Group support is also provided. Mandatory training and sensitization of all staff continues. IT security policy and standards have been established.

4. Legal Proceedings.

A legal proceeding need only be reported in the ECSRC – OR filed for the period in which it first became a reportable event and in subsequent interim reports in which there have been material developments. Subsequent Form ECSRC – OR filings in the same financial year in which a legal proceeding or a material development is reported should reference any previous reports in that year. Where proceedings have been terminated during the period covered by the report, provide similar information, including the date of termination and a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

As at December 31, 2023, there were certain legal proceedings outstanding against the Bank. Professional advice indicates that it is unlikely that any significant loss will arise.

(See attached Significant Current and Pending Litigation Report from Renwick & Payne)

5. Changes in Securities and Use of Proceeds.

(a) Where the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved. State briefly the general effect of such modification upon the rights of holders of such securities.

None

(a) Where the use of proceeds of a security issue is different from that which is stated in the registration statement, provide the following:

(b) If the meeting involved the election of directors, the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.

See 7 (a) above

(c) A brief description of each other matter voted upon at the meeting and a statement of the number of votes cast for or against as well as the number of abstentions as to each such matter, including a separate tabulation with respect to each nominee for office.

See 7 (a) above

(d) A description of the terms of any settlement between the registrant and any other participant.

N/A

(e) Relevant details of any matter where a decision was taken otherwise than at a meeting of such security holders.

N/A

8. Other Information.

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC – MC report (used to report material changes), with respect to which information is not otherwise called for by this form, provided that the material change occurred within seven days of the due date of the Form ECSRC-OR report. If disclosure of such information is made under this item, it need not be repeated in a Form ECSRC – MC report which would otherwise be required to be filed with respect to such information or in a subsequent Form ECSRC – OR report.

None