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CHAIRMAN'S REMARKS

FINANCIAL STATEMENTS FOR THE SIX (6) MONTHS ENDED MARCH 31, 2010

Dear Stockholder,

Your Bank recorded an after-tax profit of \$1,034 million for the first half of fiscal 2010. This compares favourably with the performance for the prior corresponding period, showing an improvement of \$67 million or 7%. This improvement is attributed mainly to the settlement of an insurance claim in relation to a fraud committed in December 2008, which had an after-tax effect of \$96 million. Total assets increased by \$5.3 billion or 6%, while total deposits increased by \$4.0 billion or 5%, year-on-year.

Your Board has approved an interim dividend of \$250 million, an increase of 11% over last year's interim dividend.

Based on the performance noted above and with continued improving trends in the economy, the Bank appears set to achieve its objectives for 2010.

David Dulal-Whiteway
Chairman of the Board
April 19, 2010

STATEMENT OF FINANCIAL POSITION

(All amounts expressed in millions of Guyana dollars)

	UNAUDITED Mar-31-10	UNAUDITED Mar-31-09	AUDITED Sept-30-09
ASSETS			
Cash resources	4,784	5,684	6,617
Statutory deposit with Bank of Guyana	10,006	9,474	9,648
Investment securities	45,723	42,500	43,362
Advances	25,693	23,565	23,302
Other assets	2,751	2,805	2,165
Premises and equipment	4,129	3,707	4,239
TOTAL ASSETS	93,086	87,735	89,333
LIABILITIES & STOCKHOLDERS' EQUITY			
LIABILITIES			
Customers' current, savings and deposit accounts	82,293	78,247	79,204
Due to banks	461	399	454
Net pension liability	215	192	215
Other liabilities	2,138	2,099	1,992
	85,107	80,937	81,865
STOCKHOLDERS' EQUITY			
Stated capital	300	300	300
Statutory reserves	300	300	300
Other reserves	462	475	498
Retained earnings	6,917	5,723	6,370
	7,979	6,798	7,468
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	93,086	87,735	89,333

UNAUDITED HALF YEAR FINANCIAL STATEMENTS SIX MONTHS ENDED MARCH 31, 2010

STATEMENT OF INCOME

(All amounts expressed in millions of Guyana dollars)

	UNAUDITED THREE MONTHS ENDED Mar-31-10	UNAUDITED THREE MONTHS ENDED Mar-31-09	UNAUDITED SIX MONTHS ENDED Mar-31-10	UNAUDITED SIX MONTHS ENDED Mar-31-09	AUDITED YEAR ENDED Sept-30-09
Net interest income	1,084	1,042	2,212	2,113	4,413
Other income	443	494	941	980	1,786
	1,527	1,536	3,153	3,093	6,199
Loan impairment expense	30	65	42	62	91
Operating expenses	726	734	1,322	1,462	3,186
Profit before tax	771	737	1,789	1,569	2,922
Tax	324	255	755	602	1,101
Net profit after tax	447	482	1,034	967	1,821
Earnings per stock unit (G\$)	1.49	1.61	3.45	3.22	6.07
Average number of stock units ('000,000)	300	300	300	300	300

STATEMENT OF COMPREHENSIVE INCOME

(All amounts expressed in millions of Guyana dollars)

	UNAUDITED THREE MONTHS ENDED Mar-31-10	UNAUDITED THREE MONTHS ENDED Mar-31-09	UNAUDITED SIX MONTHS ENDED Mar-31-10	UNAUDITED SIX MONTHS ENDED Mar-31-09	AUDITED YEAR ENDED Sept-30-09
Net profit after tax	447	482	1,034	967	1,821
Net gains/(losses) on available-for-sale investments	65	36	4	(66)	(148)
Tax relating to components of other comprehensive income	(30)	30	(2)	30	153
Other comprehensive income for the period, net of tax	35	66	2	(36)	5
Total comprehensive income for the period net of tax	482	548	1,036	931	1,826

STATEMENT OF CASH FLOWS

(All amounts expressed in millions of Guyana dollars)

	UNAUDITED SIX MONTHS ENDED Mar-31-10	UNAUDITED SIX MONTHS ENDED Mar-31-09	AUDITED YEAR ENDED Sept-30-09
Operating activities			
Profit before taxation	1,789	1,569	2,922
Adjustments for non-cash items	177	174	322
Increase in operating assets	(3,118)	(3,007)	(2,099)
Increase in operating liabilities	2,791	3,089	4,175
Corporation taxes paid	(550)	(380)	(1,172)
Cash used in operating activities	1,089	1,445	4,148
Investing activities			
Net increase in investments	(2,284)	(2,472)	(3,216)
Additions to fixed assets	(116)	(233)	(920)
Proceeds from sale of premises and equipment	8	3	48
Cash used in investing activities	(2,392)	(2,702)	(4,088)
Financing activities			
Increase/(decrease) in balances due to other banks	(5)	16	(143)
Dividends paid	(525)	(450)	(675)
Cash used in financing activities	(530)	(434)	(818)
Net decrease in cash resources	(1,833)	(1,691)	(758)
Cash and cash equivalents at beginning of period/year	6,617	7,375	7,375
Cash and cash equivalents at end of period/year	4,784	5,684	6,617
Supplemental information:			
Interest received during the period/year	2,723	2,626	5,433
Interest paid during the period/year	485	542	1,025
Dividends received	4	3	3



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UNAUDITED HALF YEAR FINANCIAL STATEMENTS SIX MONTHS ENDED MARCH 31, 2010

STATEMENT OF CHANGES IN EQUITY

(All amounts expressed in millions of Guyana dollars)

	Stated Capital	Statutory Reserves	Other Reserves	Retained Earnings	Total Equity
Unaudited					
Six months ended March 31, 2010					
Balance at October 1, 2009	300	300	498	6,370	7,468
Total comprehensive income for the period	-	-	2	1,034	1,036
Transfer from general provision for loan losses	-	-	(38)	38	-
Dividends	-	-	-	(525)	(525)
Balance at March 31, 2010	300	300	462	6,917	7,979
Unaudited					
Six months ended March 31, 2009					
Balance at October 1, 2008	300	300	639	5,078	6,317
Total comprehensive income for the period	-	-	(36)	967	931
Transfer from general contingency reserves	-	-	(128)	128	-
Dividends	-	-	-	(450)	(450)
Balance at March 31, 2009	300	300	475	5,723	6,798
Audited					
Year ended September 30, 2009					
Balance at October 1, 2008	300	300	639	5,078	6,317
Total comprehensive income for the period	-	-	5	1,821	1,826
Transfer from general contingency reserves	-	-	(146)	146	-
Dividends	-	-	-	(675)	(675)
Balance at September 30, 2009	300	300	498	6,370	7,468

NOTES TO THE FINANCIAL STATEMENTS

(All amounts expressed in millions of Guyana dollars)

1 Corporate information

The Bank was incorporated in the Co-operative Republic of Guyana on November 20, 1984 as a limited liability company under the Companies Act, Chapter 89:01 and continued under the Companies Act 1991 on May 16, 1997 and is licensed as Bankers under the Financial Institutions Act 1995.

The Bank was registered as a reporting issuer under the Securities Industry Act 1998 on April 7, 2003. It was designated as an approved mortgage finance company by the Minister of Finance on September 2, 2003 in accordance with section 15 of the Income Tax Act.

Banking operations began on February 16, 1837 by the British Guiana Bank which had been incorporated on November 11, 1836. On November 17, 1913 operations were sold to The Royal Bank of Canada. Assets and Liabilities of the Guyana operations of The Royal Bank of Canada were acquired by the Government of Guyana on November 29, 1984 and vested in the National Bank of Industry and Commerce Limited on December 1, 1984. In October 1997, the Bank became a subsidiary of Republic Bank Limited of Trinidad and Tobago and subsequently changed its name to Republic Bank (Guyana) Limited on June 5, 2006. As at September 30, 2009 the stockholdings of Republic Bank Limited in the Bank was 51%.

The ultimate parent company is CL Financial Group, which holds through its various subsidiaries 52.39% of the shares of Republic Bank Limited.

On January 31, 2009, Central Bank of Trinidad & Tobago issued a Notification pursuant to sections 44D and 44E of the Central Bank Act, Chap. 79:02 that the Central Bank of Trinidad & Tobago assumed control of the affairs of CLICO Investment Bank (CIB). Further, on February 13, 2009, the Central Bank of Trinidad & Tobago issued a Notification pursuant to sections 44D and 44E of the Central Bank Act, Chap. 79:02 that the Central Bank of Trinidad & Tobago assumed control of the affairs of Colonial Life Insurance Company (Trinidad) Limited (CLICO). These two companies are part of the CL Financial Group.

In accordance with the provisions of both Notifications, the Central Bank of Trinidad & Tobago has the power to deal with the shares and assets of the Companies, including the Republic Bank Limited shares. As at March 31, 2010, the combined shareholding of CLICO and CIB is 51.47%. In the interim and for the purpose of these financial statements, the related party note has not been amended to reflect the Central Bank control and has been prepared in a manner consistent with previous publications.

2 Basis of preparation

This interim financial report for the period ended March 31, 2010 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, 2009.

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 Bank's annual financial statements for the year ended September 30, 2009 except for the adoption of new Standards and Interpretations, noted below:

IAS 1R - Presentation of Financial Statements (Revised)

The amendment to IAS 1 requires the changes in equity arising from transactions with owners in their capacity as owners to be disclosed separately from non-owner changes in equity. The adoption of this standard had no effect on the financial position or performance of the Bank but resulted in the presentation of a new statement called the Statement of Comprehensive Income.

IFRS 8 - Operating Segments

This standard requires disclosure and analysis of the Bank's internal method of assessing the business. The adoption of this standard had no effect on the financial position or performance of the Bank.

4 Capital commitments

	UNAUDITED Mar-31-10	UNAUDITED Mar-31-09	AUDITED Sept-30-09
Contracts for outstanding capital expenditure not provided for in the financial statements	188	575	77
Other capital expenditure authorised by the Directors but not yet contracted for	3,011	1,676	3,122

NOTES TO THE FINANCIAL STATEMENTS

(All amounts expressed in millions of Guyana dollars)

5. General contingency reserve

Specific provisions are made for non-performing advances based on the difference between the loan balances and the discounted realisable value of collateral held. These provisions are charged through the income statement.

A General Contingency Reserve is created as an appropriation of retained earnings, for the difference between the specific provision and non-performing advances. When the collateral is realised, the reserve is released back to retained earnings. The General Contingency Reserve serves to enhance the Bank's non-distributable capital base. As at March 31, 2010, the balance in the General Contingency Reserve of \$272 million is part of Other Reserves, which total \$462 million.

6. 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.

	UNAUDITED Mar-31-10	UNAUDITED Mar-31-09	AUDITED Sept-30-09
Outstanding balances			
Loans, investments and other assets			
Directors and key management personnel	41	47	43
Other related parties	288	424	283
	<u>329</u>	<u>471</u>	<u>326</u>
Provision for amounts due from related parties	-	-	-
Deposits and other liabilities			
CL Financial Group	611	607	557
Republic Bank Limited (Parent)	287	262	340
Fellow subsidiaries	3	11	7
Directors and key management personnel	84	80	66
Other related parties	765	578	745
	<u>1,750</u>	<u>1,538</u>	<u>1,715</u>
Interest and other income			
CL Financial Group	-	1	-
Directors and key management personnel	1	1	2
Other related parties	17	20	39
	<u>18</u>	<u>22</u>	<u>41</u>
Interest and other expense			
CL Financial Group	1	1	1
Republic Bank Limited (Parent)	1	1	3
Directors and key management personnel	1	1	2
Other related parties	3	2	4
	<u>6</u>	<u>5</u>	<u>10</u>
Key management compensation			
Short-term benefits	34	28	62
	<u>34</u>	<u>28</u>	<u>62</u>

7. Segment reporting

The Bank analyses its operations by geographic segments reflecting its management structure as follows:

	Guyana	Trinidad & Tobago	Other Countries	Total
Unaudited				
Six months ended March 31, 2010				
Net interest income	2,105	7	100	2,212
Other income	941	-	-	941
Operating income	3,046	7	100	3,153
Operating expenses	(1,322)	-	-	(1,322)
Operating profit	1,724	7	100	1,831
Loan impairment expense	(42)	-	-	(42)
Profit before taxation	1,682	7	100	1,789
Total treasury bills, advances and investment securities	67,704	435	3,277	71,416
Total customers' current, savings and deposit accounts	82,293	-	-	82,293
Unaudited				
Six months ended March 31, 2009				
Net interest income	1,909	87	117	2,113
Other income	980	-	-	980
Operating income	2,889	87	117	3,093
Operating expenses	(1,462)	-	-	(1,462)
Operating profit	1,427	87	117	1,631
Loan impairment expense	(62)	-	-	(62)
Profit before taxation	1,365	87	117	1,569
Total treasury bills, advances and investment securities	57,942	2,758	5,365	66,065
Total customers' current, savings and deposit accounts	78,247	-	-	78,247



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**UNAUDITED HALF YEAR
FINANCIAL STATEMENTS**
SIX MONTHS ENDED MARCH 31, 2010

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in millions of Guyana dollars)

7. Segment reporting (continued)

	Guyana	Trinidad & Tobago	Other Countries	Total
Audited				
Year ended September 30, 2009				
Net interest income	4,126	100	187	4,413
Other income	1,786	-	-	1,786
Operating income	5,912	100	187	6,199
Operating expenses	(3,186)	-	-	(3,186)
Operating profit	2,726	100	187	3,013
Loan impairment expense	(91)	-	-	(91)
Profit before taxation	2,635	100	187	2,922
Total treasury bills, advances and investment securities	61,693	1,292	3,679	66,664
Total customers' current, savings and deposit accounts	79,204	-	-	79,204

8. Contingent liabilities

a) As at March 31, 2010, 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 actions to determine that eventuality.

b) **Customers' liabilities under acceptances, guarantees, indemnities and letters of credit**

These represent the Bank's potential liability, for which there are equal and offsetting claims against its customers in the event of a call on these commitments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in millions of Guyana dollars)

	UNAUDITED March 31, 2010	UNAUDITED March 31, 2009	AUDITED September 30, 2009
Acceptances	17	4	11
Guarantees	1,574	1,093	1,293
Letters of credit	120	195	151
	<u>1,711</u>	<u>1,292</u>	<u>1,455</u>
Sectoral information			
State	63	1	61
Corporate and commercial	1,626	1,272	1,371
Personal	12	9	13
Other	10	10	10
	<u>1,711</u>	<u>1,292</u>	<u>1,455</u>

9. Interest of directors and executives and of their associates

Of these categories, the following persons held stock units in the Bank, all of which were held beneficially:

As at March 31, 2010

Mr. John G. Carpenter 150,000 stock units
Mr. Roy E. Cheong 87,000 stock units (75,000 held jointly with an associate, and 12,000 held by an associate)
Mr. John N. Alves 75,000 stock units (held jointly with an associate)
Mrs. Yolande M. Foo 315,000 stock units (held jointly with an associate)

As at March 31, 2009

Mr. John G. Carpenter 150,000 stock units
Mr. Roy E. Cheong 87,000 stock units (75,000 held jointly with an associate, and 12,000 held by an associate)
Mr. John N. Alves 75,000 stock units (held jointly with an associate)
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