



CHAIRMAN'S REMARKS

FINANCIAL STATEMENTS FOR THE THREE (3) MONTHS ENDED DECEMBER 31, 2009

Dear Stockholder,

Your Bank recorded an after-tax profit of \$587 million for the first quarter of fiscal 2010. This represents an increase of \$102 million or 21%, over the corresponding period of the prior year. This improvement is attributed mainly to a favourable settlement of the insurance claim relating to the fraud committed in December 2008. Should the effects of this be removed from the current period results, an increase of \$6 million, or 1% over the corresponding period of the prior year would be reflected.

Total assets increased by \$4.6 billion or 5.4%, while customers' deposits grew by \$3.4 billion or 4.4%, year-on-year.

Based on the first quarter result, we are confident that the Bank's planned objectives will be attained.

David Dulal-Whiteway
Chairman
January 18, 2010

STATEMENT OF FINANCIAL POSITION

(All Amounts Expressed in Millions of Guyana Dollars)

	UNAUDITED Dec-31-09	UNAUDITED Dec-31-08	AUDITED Sep-30-09
ASSETS			
Cash resources	7,930	4,904	6,617
Statutory deposit with Bank of Guyana	9,736	9,328	9,648
Investment securities	41,338	41,514	43,362
Advances	24,685	23,755	23,302
Other assets	2,648	2,816	2,165
Premises and equipment	4,245	3,633	4,239
TOTAL ASSETS	90,582	85,950	89,333
LIABILITIES & STOCKHOLDERS' EQUITY			
LIABILITIES			
Customers' current, savings and deposits accounts	79,518	76,162	79,204
Due to banks	463	412	454
Net pension liability	215	192	215
Other liabilities	2,889	2,934	1,992
	83,085	79,700	81,865
STOCKHOLDERS' EQUITY			
Stated capital	300	300	300
Statutory reserves	300	300	300
Other reserves	497	454	498
Retained earnings	6,400	5,196	6,370
	7,497	6,250	7,468
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	90,582	85,950	89,333

STATEMENT OF INCOME

(All Amounts Expressed in Millions of Guyana Dollars)

	UNAUDITED THREE MONTHS ENDED Dec-31-09	UNAUDITED THREE MONTHS ENDED Dec-31-08	AUDITED YEAR ENDED Sep-30-09
Net interest income	1,128	1,071	4,413
Other income	476	486	1,786
	1,604	1,557	6,199
Loan impairment expense/(recovery)	(10)	(3)	91
Operating expenses	596	728	3,186
Profit before tax	1,018	832	2,922
Tax	431	347	1,101
Net profit after tax	587	485	1,821
Earnings per stock unit (G\$)	1.96	1.62	6.07
Average number of stock units ('000,000)	300	300	300

STATEMENT OF COMPREHENSIVE INCOME

(All Amounts Expressed in Millions of Guyana Dollars)

	UNAUDITED THREE MONTHS ENDED Dec-31-09	UNAUDITED THREE MONTHS ENDED Dec-31-08	AUDITED YEAR ENDED Sep-30-09
Net profit after taxation	587	485	1,821
Revaluation of available-for-sale investments	(61)	(102)	(148)
Tax relating to components of other comprehensive income	28	-	153
Other comprehensive income net of tax	(33)	(102)	5
Total comprehensive income for the period net of tax	554	383	1,826

STATEMENT OF CASH FLOWS

(All Amounts Expressed in Millions of Guyana Dollars)

	UNAUDITED THREE MONTHS ENDED Dec-31-09	UNAUDITED THREE MONTHS ENDED Dec-31-08	AUDITED YEAR ENDED Sep-30-09
Operating Activities			
Profit before taxation	1,018	832	2,922
Adjustments for non-cash items	55	50	322
Increase in operating assets	(1,752)	(3,002)	(2,099)
Increase in operating liabilities	828	1,868	4,175
Corporation taxes paid	(272)	(190)	(1,172)
Cash provided/(used in) operating activities	(123)	(442)	4,148
Investing Activities			
Net (increase)/decrease in investments	1,953	(1,522)	(3,216)
Additions to fixed assets	(71)	(100)	(920)
Proceeds from sale of fixed assets	-	3	48
Cash (used in)/provided by investing activities	1,882	(1,619)	(4,088)
Financing Activities			
Increase/(decrease) in balances due to other banks	79	40	(143)
Dividends Paid	(525)	(450)	(675)
Cash used in financing activities	(446)	(410)	(818)
Net (decrease)/increase in cash resources	1,313	(2,471)	(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	7,930	4,904	6,617
Supplemental Information:			
Interest received during the period/year	1,332	1,235	5,433
Interest paid during the period/year	159	189	1,025
Dividends received	-	-	3



STATEMENT OF CHANGES IN EQUITY

(All Amounts Expressed in Millions of Guyana Dollars)

	STATED CAPITAL	STATUTORY RESERVES	OTHER RESERVES	RETAINED EARNINGS	TOTAL EQUITY
Quarter ended December 31, 2009					
Balance at October 1, 2009	300	300	498	6,370	7,468
Total comprehensive income for the period	-	-	(33)	587	554
Transfer of general provision for loan losses	-	-	32	(32)	-
Dividends	-	-	-	(525)	(525)
Balance at December 31, 2009	300	300	497	6,400	7,497
Quarter ended December 31, 2008					
Balance at October 1, 2008	300	300	639	5,078	6,317
Total comprehensive income for the period	-	-	(102)	485	383
Transfer from general contingency reserves	-	-	(83)	83	-
Dividends	-	-	-	(450)	(450)
Balance at December 31, 2008	300	300	454	5,196	6,250
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 December 31, 2009, the combined shareholding of CLICO and CIB's is 51.85%. 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 December 31, 2009 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, 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 Dec-31-09	Unaudited Dec-31-08	Audited Sep-30-09
Contracts for outstanding capital expenditure not provided for in the financial statements	0	376	77
Other capital expenditure authorised by the Directors but not yet contracted for	3,045	1,875	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 December 31, 2009, the balance in the General Contingency Reserve of \$341 million is part of Other Reserves which totals \$497 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 Dec-31-09	Unaudited Dec-31-08	Audited Sep-30-09
Outstanding balances			
Loans, investments and other assets			
Directors and key management personnel	42	49	43
Other related parties	327	360	283
	<u>369</u>	<u>409</u>	<u>326</u>
Provision for amounts due from related parties	-	-	-
Deposits and other liabilities			
CL Financial Group	521	69	557
Republic Bank Limited (Parent)	272	249	340
Fellow subsidiaries	13	21	7
Directors and key management personnel	70	70	66
Other related parties	840	516	745
	<u>1,716</u>	<u>925</u>	<u>1,715</u>
Interest and other income			
Directors and key management personnel	-	-	2
Other related parties	8	10	39
	<u>8</u>	<u>10</u>	<u>41</u>
Interest and other expense			
CL Financial Group	1	1	1
Republic Bank Limited (Parent)	-	-	3
Fellow subsidiaries	-	-	-
Directors and key management personnel	1	1	2
Other related parties	2	1	4
	<u>4</u>	<u>3</u>	<u>10</u>
Key management compensation			
Short term benefits	24	22	62
	<u>24</u>	<u>22</u>	<u>62</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

7. Segment reporting

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

	Guyana	Trinidad & Tobago	Other Countries	Total
Unaudited				
Three months ended December 31, 2009				
Net interest income	1,089	5	34	1,128
Other income	476	-	-	476
Operating income	1,565	5	34	1,604
Operating expenses	(596)	-	-	(596)
Operating profit	969	5	34	1,008
Loan impairment (expense)/recovery	10	-	-	10
Profit before taxation	979	5	34	1,018
Total treasury bills, advances and investment securities	62,280	435	3,308	66,023
Total customers' current, savings and deposit accounts	79,518	-	-	79,518
Unaudited				
Three months ended December 31, 2008				
Net interest income	1,008	31	32	1,071
Other income	486	-	-	486
Operating income	1,494	31	32	1,557
Operating expenses	(728)	-	-	(728)
Operating profit	766	31	32	829
Loan impairment (expense)/recovery	3	-	-	3
Profit before taxation	769	31	32	832



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All Amounts Expressed in Millions of Guyana Dollars)

	Guyana	Trinidad & Tobago	Other Countries	Total
Total treasury bills, advances and investment securities	57,973	2,757	4,539	65,269
Total customers' current, savings and deposit accounts	76,162	-	-	76,162
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)/recovery	(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 December 31, 2009 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)

	Dec-31-09	Dec-31-08	Sep-30-09
Acceptances	10	4	11
Guarantees	1,629	1,105	1,293
Letters of Credit	159	325	151
	<u>1,798</u>	<u>1,434</u>	<u>1,455</u>
Sectoral Information			
State	63	2	61
Corporate and commercial	1,712	1,396	1,371
Personal	13	26	13
Other	10	10	10
	<u>1,798</u>	<u>1,434</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 December 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)
Mrs. Yolande M. Foo	315,000 stock units (held jointly with an associate)

As at December 31, 2008

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 September 30, 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)
Mrs. Yolande M. Foo	315,000 stock units (held jointly with an associate)

