



**Republic Bank**  
We're the One for you!

**UNAUDITED THIRD QUARTER  
FINANCIAL STATEMENTS  
NINE MONTHS ENDED JUNE 30, 2010**

**CHAIRMAN'S REMARKS**

FINANCIAL STATEMENTS FOR THE NINE (9) MONTHS ENDED JUNE 30, 2010

Dear Stockholder,

Your Bank recorded an after-tax profit of \$1,477 million for the nine-month period ended June 30, 2010. This compares favourably with the performance for the prior corresponding period, showing an improvement of \$127 million or 9%. 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 \$6.0 billion or 7%, while total deposits increased by \$4.5 billion or 6%, year-on-year.

Your directors remain focused on the achievement of the Bank's strategic objectives, and are optimistic that these will be achieved as we proceed into the final quarter of fiscal 2010.

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

**STATEMENT OF FINANCIAL POSITION**

(All amounts expressed in millions of Guyana dollars)

	UNAUDITED Jun-30-10	UNAUDITED Jun-30-09	AUDITED Sept-30-09
<b>ASSETS</b>			
Cash resources	6,117	7,461	6,617
Statutory deposit with Bank of Guyana	10,020	9,474	9,648
Investment securities	45,086	42,984	43,362
Advances	27,095	22,603	23,302
Other assets	2,600	2,793	2,165
Premises and equipment	4,196	3,816	4,239
<b>TOTAL ASSETS</b>	<b>95,114</b>	<b>89,131</b>	<b>89,333</b>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Customers' current, savings and deposit accounts	83,261	78,738	79,204
Due to banks	795	1,197	454
Net pension liability	215	192	215
Other liabilities	2,698	1,968	1,993
	86,969	82,095	81,866
<b>STOCKHOLDERS' EQUITY</b>			
Stated capital	300	300	300
Statutory reserves	300	300	300
Other reserves	493	587	497
Retained earnings	7,052	5,849	6,370
	8,145	7,036	7,467
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>95,114</b>	<b>89,131</b>	<b>89,333</b>

**STATEMENT OF INCOME**

(All amounts expressed in millions of Guyana dollars)

	UNAUDITED THREE MONTHS ENDED Jun-30-10	UNAUDITED THREE MONTHS ENDED Jun-30-09	UNAUDITED NINE MONTHS ENDED Jun-30-10	UNAUDITED NINE MONTHS ENDED Jun-30-09	AUDITED YEAR ENDED Sept-30-09
Net interest income	1,122	1,110	3,334	3,223	4,413
Other income	451	467	1,392	1,447	1,786
	1,573	1,577	4,726	4,670	6,199
Loan impairment expense	166	20	208	82	91
Operating expenses	692	924	2,014	2,386	3,186
<b>Profit before tax</b>	<b>715</b>	<b>633</b>	<b>2,504</b>	<b>2,202</b>	<b>2,922</b>
Tax	272	250	1,027	852	1,101
<b>Net profit after tax</b>	<b>443</b>	<b>383</b>	<b>1,477</b>	<b>1,350</b>	<b>1,821</b>
<b>Earnings per stock unit (G\$)</b>	<b>1.48</b>	<b>1.28</b>	<b>4.92</b>	<b>4.50</b>	<b>6.07</b>
<b>Average number of stock units (*000,000)</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>

**STATEMENT OF COMPREHENSIVE INCOME**

(All amounts expressed in millions of Guyana dollars)

	UNAUDITED THREE MONTHS ENDED Jun-30-10	UNAUDITED THREE MONTHS ENDED Jun-30-09	UNAUDITED NINE MONTHS ENDED Jun-30-10	UNAUDITED NINE MONTHS ENDED Jun-30-09	AUDITED YEAR ENDED Sept-30-09
<b>Net profit after tax</b>	<b>443</b>	<b>383</b>	<b>1,477</b>	<b>1,350</b>	<b>1,821</b>
Net gains/(losses) on available-for-sale investments	(28)	146	(24)	80	(148)
Tax relating to components of other comprehensive income	(2)	(66)	-	(36)	152
<b>Other Comprehensive income for the period, net of tax</b>	<b>(30)</b>	<b>80</b>	<b>(24)</b>	<b>44</b>	<b>4</b>
<b>Total Comprehensive income for the period net of tax</b>	<b>413</b>	<b>463</b>	<b>1,453</b>	<b>1,394</b>	<b>1,825</b>

**STATEMENT OF CASH FLOWS**

(All amounts expressed in millions of Guyana dollars)

	UNAUDITED NINE MONTHS ENDED Jun-30-10	UNAUDITED NINE MONTHS ENDED Jun-30-09	AUDITED YEAR ENDED Sept-30-09
<b>Operating Activities</b>			
Profit before taxation	2,504	2,202	2,922
Adjustments for non-cash items	424	222	322
Increase in operating assets	(4,566)	(919)	(2,099)
Increase in operating liabilities	4,113	2,954	4,175
Corporation taxes paid	(967)	(899)	(1,172)
<b>Cash from operating activities</b>	<b>1,508</b>	<b>3,560</b>	<b>4,148</b>
<b>Investing Activities</b>			
Net increase in investments	(1,743)	(2,845)	(3,216)
Additions to premises and equipment	(187)	(417)	(920)
Proceeds from sale of premises and equipment	13	42	48
<b>Cash used in investing activities</b>	<b>(1,917)</b>	<b>(3,220)</b>	<b>(4,088)</b>
<b>Financing Activities</b>			
Increase/(decrease) in balances due to other banks	684	421	(143)
Dividends paid	(775)	(675)	(675)
<b>Cash used in financing activities</b>	<b>(91)</b>	<b>(254)</b>	<b>(818)</b>
<b>Net increase/(decrease) in cash resources</b>	<b>(500)</b>	<b>86</b>	<b>(758)</b>
Cash and cash equivalents at beginning of period/year	6,617	7,375	7,375
<b>Cash and cash equivalents at end of period/year</b>	<b>6,117</b>	<b>7,461</b>	<b>6,617</b>

**Supplemental Information:**

	4,017	3,944	5,433
Interest received during the period/year	4,017	3,944	5,433
Interest paid during the period/year	632	701	1,025
Dividends received	4	3	3

### STATEMENT OF CHANGES IN EQUITY

(All amounts expressed in millions of Guyana dollars)

	Stated Capital	Statutory Reserves	Other Reserves	Retained Earnings	Total Equity
<b>Unaudited</b>					
Nine months ended June 30, 2010					
<b>Balance at October 1, 2009</b>	<b>300</b>	<b>300</b>	<b>497</b>	<b>6,370</b>	<b>7,467</b>
Total comprehensive income for the period	-	-	(24)	1,477	1,453
Transfer to general provision for loan losses	-	-	20	(20)	-
Dividends	-	-	-	(775)	(775)
<b>Balance at June 30, 2010</b>	<b>300</b>	<b>300</b>	<b>493</b>	<b>7,052</b>	<b>8,145</b>
<b>Unaudited</b>					
Nine months ended June 30, 2009					
<b>Balance at October 1, 2008</b>	<b>300</b>	<b>300</b>	<b>639</b>	<b>5,078</b>	<b>6,317</b>
Total comprehensive income for the period	-	-	44	1,350	1,394
Transfer from general contingency reserves	-	-	(96)	96	-
Dividends	-	-	-	(675)	(675)
<b>Balance at June 30, 2009</b>	<b>300</b>	<b>300</b>	<b>587</b>	<b>5,849</b>	<b>7,036</b>
<b>Audited</b>					
Year ended September 30, 2009					
<b>Balance at October 1, 2008</b>	<b>300</b>	<b>300</b>	<b>639</b>	<b>5,078</b>	<b>6,317</b>
Total comprehensive income for the period	-	-	4	1,821	1,825
Transfer from general contingency reserves	-	-	(146)	146	-
Dividends	-	-	-	(675)	(675)
<b>Balance at September 30, 2009</b>	<b>300</b>	<b>300</b>	<b>497</b>	<b>6,370</b>	<b>7,467</b>

### 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 June 30, 2010, the combined shareholding of CLICO and CIB in Republic Bank Limited was 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 June 30, 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.

##### IFRS 3 (Revised) - Business Combinations and IAS 27 (Amended) - Consolidated and Separate Financial Statements

The amendment to IFRS 3 permits an entity to have a choice on a transaction by transaction basis whether to measure the non-controlling interest on acquisition of a subsidiary at fair value or at the respective share of the total net assets. The amendment to IAS 27 requires a change in the ownership interest of a subsidiary (without loss of control) to be accounted for as an equity transaction. The Bank has had no new acquisitions for the year and as such, the adoption of this standard had no effect on the financial position or performance of the Bank.

#### 4 Capital commitments

	UNAUDITED Jun-30-10	UNAUDITED Jun-30-09	AUDITED Sept-30-09
Contracts for outstanding capital expenditure not provided for in the financial statements	366	739	77
Other capital expenditure authorised by the Directors but not yet contracted for	2,833	1,512	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 June 30, 2010, the balance in the General Contingency Reserve of \$329 million is part of Other Reserves, which totals \$493 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 Jun-30-10	UNAUDITED Jun-30-09	AUDITED Sept-30-09
<b>Outstanding balances</b>			
<b>Loans, investments and other assets</b>			
Directors and key management personnel	42	47	43
Other related parties	241	348	283
	<u>283</u>	<u>395</u>	<u>326</u>
Provision for amounts due from related parties	-	-	-
<b>Deposits and other liabilities</b>			
CL Financial Group	603	-	557
Republic Bank Limited (Parent)	397	333	340
Fellow subsidiaries	4	3	7
Directors and key management personnel	81	75	66
Other related parties	882	656	745
	<u>1,967</u>	<u>1,067</u>	<u>1,715</u>
<b>Interest and other income</b>			
Directors and key management personnel	1	1	2
Other related parties	24	33	39
	<u>25</u>	<u>34</u>	<u>41</u>
<b>Interest and other expenses</b>			
CL Financial Group	1	-	1
Republic Bank Limited (Parent)	2	2	3
Directors and key management personnel	11	11	15
Other related parties	4	2	4
	<u>18</u>	<u>15</u>	<u>23</u>
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank.			
<b>Key management compensation</b>			
Short-term benefits	47	36	62
	<u>47</u>	<u>36</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
<b>Unaudited</b>				
<b>Nine months ended June 30, 2010</b>				
Net interest income	3,165	16	153	3,334
Other income	1,392	-	-	1,392
Operating income	4,557	16	153	4,726
Operating expenses	2,014	-	-	2,014
Operating profit	2,543	16	153	2,712
Loan impairment expenses	208	-	-	208
<b>Profit before taxation</b>	<b>2,335</b>	<b>16</b>	<b>153</b>	<b>2,504</b>
Total treasury bills, advances and investment securities	69,062	440	2,679	72,181
Total customers' current, savings and deposit accounts	83,261	-	-	83,261
<b>Unaudited</b>				
<b>Nine months ended June 30, 2009</b>				
Net interest income	2,980	107	136	3,223
Other income	1,447	-	-	1,447
Operating income	4,427	107	136	4,670
Operating expenses	2,386	-	-	2,386
Operating profit	2,041	107	136	2,284
Loan impairment expenses	82	-	-	82
<b>Profit before taxation</b>	<b>1,959</b>	<b>107</b>	<b>136</b>	<b>2,202</b>
Total treasury bills, advances and investment securities	60,907	1,301	3,379	65,587
Total customers' current, savings and deposit accounts	78,738	-	-	78,738



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

(All amounts expressed in millions of Guyana dollars)

**7. Segment reporting (continued)**

	Guyana	Trinidad & Tobago	Other Countries	Total
<b>Audited</b>				
<b>Year ended September 30, 2009</b>				
Net interest income	4,126	100	187	<b>4,413</b>
Other income	1,786	-	-	<b>1,786</b>
Operating income	5,912	100	187	<b>6,199</b>
Operating expenses	(3,186)	-	-	<b>(3,186)</b>
Operating profit	2,726	100	187	<b>3,013</b>
Loan impairment expenses	(91)	-	-	<b>(91)</b>
<b>Profit before taxation</b>	<b>2,635</b>	<b>100</b>	<b>187</b>	<b>2,922</b>
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 June 30, 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 Jun-30-10	UNAUDITED Jun-30-09	AUDITED Sept-30-09
Acceptances	8	13	11
Guarantees	2,000	1,087	1,293
Letters of Credit	126	152	151
	<u>2,134</u>	<u>1,252</u>	<u>1,455</u>
<b>Sectoral Information</b>			
State	66	64	61
Corporate and commercial	2,041	1,159	1,371
Personal	17	19	13
Other	10	10	10
	<u>2,134</u>	<u>1,252</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 June 30, 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 June 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)
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