



**CHAIRMAN'S REMARKS**

FINANCIAL STATEMENTS FOR THE NINE (9) MONTHS ENDED JUNE 30, 2011

Dear Stockholder,

Your Bank recorded an after-tax profit of \$1,504 million for the nine month period ended June 30, 2011. This represents an increase of \$27 million or 1.8%, over the corresponding period of the prior year. Total assets increased by \$9.4 billion or 9.9%, while total deposits increased by \$9.1 billion or 10.9%, year-on-year.

As we proceed into the final quarter of fiscal 2011, we remain focused on maintaining good asset quality and employing sound and sustainable management practices.

David Dulal-Whiteway  
Chairman of the Board

July 18, 2011

**STATEMENT OF INCOME**

(All amounts expressed in millions of Guyana dollars)

	UNAUDITED THREE MONTHS ENDED Jun-30-11	UNAUDITED THREE MONTHS ENDED Jun-30-10	UNAUDITED NINE MONTHS ENDED Jun-30-11	UNAUDITED NINE MONTHS ENDED Jun-30-10	AUDITED YEAR ENDED Sept-30-10
Net interest income	1,146	1,122	3,522	3,334	4,628
Other income	466	451	1,397	1,392	1,872
Operating Income	1,612	1,573	4,919	4,726	6,500
Loan impairment expense	225	166	231	208	261
Operating expenses	751	692	2,329	2,014	2,842
<b>Profit before tax</b>	<b>636</b>	<b>715</b>	<b>2,359</b>	<b>2,504</b>	<b>3,397</b>
Tax	237	272	855	1,027	1,415
<b>Net profit after tax</b>	<b>399</b>	<b>443</b>	<b>1,504</b>	<b>1,477</b>	<b>1,982</b>
<b>Earnings per stock unit (G\$)</b>	<b>1.33</b>	<b>1.48</b>	<b>5.01</b>	<b>4.92</b>	<b>6.61</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-30-11	UNAUDITED THREE MONTHS ENDED Jun-30-10	UNAUDITED NINE MONTHS ENDED Jun-30-11	UNAUDITED NINE MONTHS ENDED Jun-30-10	AUDITED YEAR ENDED Sept-30-10
<b>Net profit after tax</b>	<b>399</b>	<b>443</b>	<b>1,504</b>	<b>1,477</b>	<b>1,982</b>
Net gains/(losses) on available-for-sale investments	72	(28)	7	(25)	(18)
Tax relating to components of other comprehensive income	(33)	(2)	(3)	-	7
<b>Other Comprehensive Income for the period, net of tax</b>	<b>39</b>	<b>(30)</b>	<b>4</b>	<b>(25)</b>	<b>(11)</b>
<b>Total Comprehensive Income for the period, net of tax</b>	<b>438</b>	<b>413</b>	<b>1,508</b>	<b>1,452</b>	<b>1,971</b>

**STATEMENT OF CASH FLOWS**

(All amounts expressed in millions of Guyana dollars)

	UNAUDITED NINE MONTHS ENDED Jun-30-11	UNAUDITED NINE MONTHS ENDED Jun-30-10	AUDITED YEAR ENDED Sept-30-10
<b>Operating Activities</b>			
Profit before taxation	2,359	2,504	3,397
Adjustments for non-cash items	463	424	550
Increase in operating assets	(3,816)	(4,566)	(5,882)
Increase in operating liabilities	8,196	4,113	5,534
Corporation taxes paid	(1,255)	(967)	(1,258)
<b>Cash from operating activities</b>	<b>5,947</b>	<b>1,508</b>	<b>2,341</b>
<b>Investing Activities</b>			
Net increase in investments	(2,246)	(1,743)	(880)
Additions to premises and equipment	(482)	(187)	(579)
Proceeds from sale of premises and equipment	2	13	18
<b>Cash used in investing activities</b>	<b>(2,726)</b>	<b>(1,917)</b>	<b>(1,441)</b>
<b>Financing Activities</b>			
Increase/(decrease) in balances due to other banks	(9)	684	(303)
Dividends paid	(850)	(775)	(775)
<b>Cash used in financing activities</b>	<b>(859)</b>	<b>(91)</b>	<b>(1,078)</b>
<b>Net increase/ (decrease) in cash resources</b>	<b>2,362</b>	<b>(500)</b>	<b>(178)</b>
Cash and cash equivalents at beginning of period/year	6,435	6,617	6,617
<b>Cash and cash equivalents at end of period/year</b>	<b>8,797</b>	<b>6,117</b>	<b>6,439</b>

**Supplemental Information:**

Interest received during the period/year	4,209	4,017	5,415
Interest paid during the period/year	608	632	925
Dividends received	6	4	4

**STATEMENT OF FINANCIAL POSITION**

(All amounts expressed in millions of Guyana dollars)

	UNAUDITED Jun-30-11	UNAUDITED Jun-30-10	AUDITED Sept-30-10
<b>ASSETS</b>			
Cash resources	8,797	6,117	6,439
Statutory deposit with Bank of Guyana	11,179	10,020	10,139
Investment securities	46,513	45,086	44,224
Advances	30,993	27,095	28,306
Other assets	2,238	2,600	2,297
Premises and equipment	4,763	4,196	4,512
<b>TOTAL ASSETS</b>	<b>104,483</b>	<b>95,114</b>	<b>95,917</b>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Customers' current, savings and deposit accounts	92,348	83,261	84,207
Due to banks	151	795	151
Net pension liability	237	215	237
Other liabilities	2,425	2,698	2,658
<b>TOTAL LIABILITIES</b>	<b>95,161</b>	<b>86,969</b>	<b>87,253</b>
<b>STOCKHOLDERS' EQUITY</b>			
Stated capital	300	300	300
Statutory reserves	300	300	300
Other reserves	838	493	528
Retained earnings	7,884	7,052	7,536
	9,322	8,145	8,664
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>104,483</b>	<b>95,114</b>	<b>95,917</b>



**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, 2011					
<b>Balance at October 1, 2010</b>	<b>300</b>	<b>300</b>	<b>528</b>	<b>7,536</b>	<b>8,664</b>
Total comprehensive income for the period	-	-	4	1,504	1,508
Transfer to general banking risk reserve	-	-	306	(306)	-
Dividends	-	-	-	(850)	(850)
<b>Balance at June 30, 2011</b>	<b>300</b>	<b>300</b>	<b>838</b>	<b>7,884</b>	<b>9,322</b>
<b>Unaudited</b>					
Nine months ended June 30, 2010					
<b>Balance at October 1, 2009</b>	<b>300</b>	<b>300</b>	<b>498</b>	<b>6,370</b>	<b>7,468</b>
Total comprehensive income for the period	-	-	(25)	1,477	1,452
Transfer to general banking risk reserve	-	-	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>Audited</b>					
Year ended September 30, 2010					
<b>Balance at October 1, 2009</b>	<b>300</b>	<b>300</b>	<b>498</b>	<b>6,370</b>	<b>7,468</b>
Total comprehensive income for the period	-	-	(11)	1,982	1,971
Transfer to general banking risk reserve	-	-	41	(41)	-
Dividends	-	-	-	(775)	(775)
<b>Balance at September 30, 2010</b>	<b>300</b>	<b>300</b>	<b>528</b>	<b>7,536</b>	<b>8,664</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 June 30, 2011 the stockholdings of Republic Bank Limited in the Bank was 51%. The CL Financial Group holds through its various subsidiaries 51.51% 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 assets of the Companies, including the Republic Bank Limited shares. The Central Bank of Trinidad & Tobago will not receive any benefit financial or otherwise from the exercise of its powers under the Central Bank Act. As at June 30, 2011, the combined shareholding of Republic Bank Limited for CLICO and CIB is 51.23%.

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, 2011 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, 2010.

**3. Significant accounting policies**

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended September 30, 2010, except for the presentation of segment information that has been revised to reflect management's view that its banking operation is a single business unit (see note 7(a)).

**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts expressed in millions of Guyana dollars)

**4. Capital commitments**

	UNAUDITED Jun-30-11	UNAUDITED Jun-30-10	AUDITED Sept-30-10
Contracts for outstanding capital expenditure not provided for in the financial statements	776	366	373
Other capital expenditure authorized by the Directors but not yet contracted for	3,089	2,833	2,826

**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 statement of income.

A General Banking Risk 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 Banking Risk Reserve serves to enhance the Bank's non-distributable capital base. As at June 30, 2011, the balance in the General Banking Risk Reserve of \$657 million is part of Other Reserves which totals \$838 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-30-11	UNAUDITED Jun-30-10	AUDITED Sept-30-10
<b>Outstanding balances</b>			
<b>Loans, investments and other assets</b>			
CL Financial Group	-	-	-
Republic Bank Limited (Parent)	-	-	2
Fellow subsidiaries	-	-	2
Directors and key management personnel	46	42	41
Other related parties	531	1,271	1,266
	577	1,313	1,311
Provision for amounts due from related parties	-	-	-
<b>Deposits and other liabilities</b>			
CL Financial Group	269	603	606
Republic Bank Limited (Parent)	495	397	425
Fellow subsidiaries	13	4	9
Directors and key management personnel	98	81	80
Other related parties	840	882	914
	1,715	1,967	2,034
<b>Interest and other income</b>			
Directors and key management personnel	1	1	2
Other related parties	18	24	98
	19	25	100
<b>Interest and other expense</b>			
CL Financial Group	1	1	2
Republic Bank Limited (Parent)	49	48	66
Directors and key management personnel	2	11	2
Other related parties	9	4	5
	61	64	75
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	53	47	59
	53	47	59



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

# UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS NINE MONTHS ENDED JUNE 30, 2011

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in millions of Guyana dollars)

### 7. Segment reporting

a) Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of the entity. The Bank has determined the Managing Director as its chief operating decision-maker.

Management considers its banking operation to be a single business unit. All business is conducted in Guyana with the exception of certain investment activities.

	Guyana	Trinidad & Tobago	Other Countries	Total
<b>b) Unaudited</b>				
<b>Nine months ended June 30, 2011</b>				
Interest income and other income	5,471	16	108	5,595
<b>Unaudited</b>				
<b>Nine months ended June 30, 2010</b>				
Interest income and other income	5,256	16	153	5,425
<b>Audited</b>				
<b>Year ended September 30, 2010</b>				
Interest income and other income	7,205	21	196	7,422

### 8. Contingent liabilities

a) As at June 30, 2011 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.

(All amounts expressed in millions of Guyana dollars)

### 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.

	UNAUDITED June 30, 2011	UNAUDITED June 30, 2010	AUDITED September 30, 2010
Acceptances	0	8	10
Guarantees	1,430	2,000	1,401
Letters of Credit	173	126	369
	<u>1,603</u>	<u>2,134</u>	<u>1,780</u>
<b>Sectoral Information</b>			
State	654	66	67
Corporate and commercial	935	2,041	1,693
Personal	4	17	20
Other	10	10	-
	<u>1,603</u>	<u>2,134</u>	<u>1,780</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:

Names	June 30, 2011	June 30, 2010	September 30, 2010
Mr. John G. Carpenter	150,000 stock units *	150,000 stock units *	150,000 stock units *
Mr. Roy E. Cheong	87,000 stock units **	87,000 stock units **	87,000 stock units **
Mr. John N. Alves	75,000 stock units *	75,000 stock units *	75,000 stock units *
Mrs. Yolande M. Foo	315,000 stock units*	315,000 stock units*	315,000 stock units*

\* (held jointly with an associate)

\*\* (75,000 held jointly with an associate, and 12,000 held by an associate)



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