



## Independent Auditors' Report

To the Stockholders of Republic Bank (Guyana) Limited

We have audited the financial statements of Republic Bank (Guyana) Limited which comprise the statement of financial position as at September 30, 2011, and the related statements of income, comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the Companies Act 1991, the Financial Institutions Act 1995 and the Securities Industry Act 1998. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

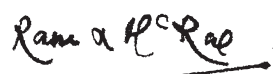
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at September 30, 2011, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the Companies Act 1991, the Financial Institutions Act 1995 and the Securities Industry Act 1998.



Ram & McRae  
Chartered Accountants  
157 'C' Waterloo Street,  
North Cummingsburg,  
Georgetown, Guyana

October 24, 2011

## Republic Bank (Guyana) Limited Statement of Financial Position

AS AT SEPTEMBER 30, 2011

Expressed in thousands of Guyana dollars (\$'000)

	2011	2010
<b>ASSETS</b>		
Cash	975,963	1,188,228
Statutory deposit with Bank of Guyana	11,137,660	10,138,510
Due from banks	4,278,720	5,251,153
Treasury bills	40,525,362	35,369,244
Investment interest receivable	54,631	69,581
Advances	32,814,345	28,305,627
Investment securities	7,187,075	8,855,437
Premises and equipment	4,975,920	4,512,342
Goodwill	1,228,222	1,228,222
Deferred tax assets	156,945	159,264
Other assets	540,860	839,688
<b>TOTAL ASSETS</b>	<b>103,875,703</b>	<b>95,917,296</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>LIABILITIES</b>		
Due to banks	137,247	150,623
Customers' current, savings and deposit accounts	91,871,620	84,207,045
Net pension liability	256,300	236,600
Taxation payable	218,888	584,434
Deferred tax liabilities	194,736	244,644
Accrued interest payable	33,274	42,052
Other liabilities	1,523,817	1,787,339
<b>TOTAL LIABILITIES</b>	<b>94,235,882</b>	<b>87,252,737</b>
<b>EQUITY</b>		
Stated capital	300,000	300,000
Statutory reserves	300,000	300,000
Net unrealised gains	74,679	177,771
General banking risk reserve	1,039,437	350,536
Retained earnings	7,925,705	7,536,252
<b>TOTAL EQUITY</b>	<b>9,639,821</b>	<b>8,664,559</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>103,875,703</b>	<b>95,917,296</b>

These financial statements were approved by the Board of Directors on October 24, 2011 and signed on its behalf by:



John N. Alves, Managing Director



Christine A. McGowan, Company Secretary



Roy E. Cheong, Director, Chairman of Audit Committee

## Republic Bank (Guyana) Limited Statement of Income

For the year ended September 30, 2011

Expressed in thousands of Guyana dollars (\$'000)

	2011	2010
Interest income	5,664,308	5,550,145
Interest expense	(889,875)	(921,883)
<b>Net interest income</b>	<b>4,774,433</b>	<b>4,628,262</b>
Other income	1,792,995	1,872,361
	6,567,428	6,500,623
Loan impairment expense	(175,214)	(261,453)
Operating expenses	(3,216,784)	(2,841,713)
<b>Profit before taxation</b>	<b>3,175,430</b>	<b>3,397,457</b>
Taxation - Current	(1,196,313)	(1,441,709)
- Deferred	(50,753)	26,344
<b>Total taxation expense</b>	<b>(1,247,066)</b>	<b>(1,415,365)</b>
<b>Net profit after taxation</b>	<b>1,928,364</b>	<b>1,982,092</b>
<b>Earnings per stock unit (\$)</b>	<b>6.43</b>	<b>6.61</b>





## Republic Bank (Guyana) Limited Statement of Comprehensive Income

For the year ended September 30, 2011

Expressed in thousands of Guyana dollars (\$'000)

	2011	2010
<b>Net profit after taxation</b>	1,928,364	1,982,092
Net gain/(losses) on available-for-sale investments	(171,820)	(16,945)
Tax relating to components of other comprehensive income	68,728	7,625
<b>Other comprehensive income for the year, net of tax</b>	(103,092)	(9,320)
<b>Total comprehensive income for the year, net of tax</b>	1,825,272	1,972,772

## Republic Bank (Guyana) Limited Statement of Cash Flows

For the year ended September 30, 2011

Expressed in thousands of Guyana dollars (\$'000)

	2011	2010
<b>Operating activities</b>		
Profit before taxation	3,175,430	3,397,457
<b>Adjustments for:</b>		
Depreciation	319,756	288,021
Loan impairment expense	175,214	261,453
Loss/(gain) on sale of premises and equipment	(212)	4,010
Increase in employee benefits	19,700	21,200
Increase in advances	(4,683,930)	(5,264,870)
Increase in customers' deposits and other fund raising instruments	7,664,575	5,002,753
Increase in statutory deposit with Bank of Guyana	(999,150)	(490,498)
(Increase)/decrease in other assets and investment interest receivable	313,778	(131,055)
Increase in other liabilities and accrued interest payable	(272,300)	510,460
Net cash from operating activities before tax	5,712,861	3,598,931
Taxes paid, net of refund	(1,561,860)	(1,257,634)
<b>Cash provided by operating activities</b>	4,151,001	2,341,297
<b>Investing activities</b>		
Purchase of investment securities	(500,000)	(717,000)
Redemption of investment securities	3,159,753	3,041,746
Purchase of treasury bills	(42,428,378)	(36,069,572)
Redemption of treasury bills	36,076,710	32,865,000
Additions to premises and equipment	(783,334)	(579,517)
Proceeds from sale of premises and equipment	2,936	18,474
<b>Cash used in investing activities</b>	(4,472,313)	(1,440,869)
<b>Financing activities</b>		
Decrease in balances due to other banks	(13,376)	(303,115)
Dividends paid	(850,010)	(775,000)
<b>Cash used in financing activities</b>	(863,386)	(1,078,115)
<b>Net decrease in cash and cash equivalents</b>	(1,184,698)	(177,687)
<b>Cash and cash equivalents at beginning of year</b>	6,439,381	6,617,068
<b>Cash and cash equivalents at end of year</b>	5,254,683	6,439,381
<b>Cash and cash equivalents at end of year are represented by:</b>		
Cash on hand	975,963	1,188,228
Due from banks	4,278,720	5,251,153
	5,254,683	6,439,381
<b>Supplemental information:</b>		
Interest received during the year	5,675,943	5,415,275
Interest paid during the year	898,653	925,091
Dividends received	5,600	3,640

## FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2011

## Republic Bank (Guyana) Limited Statement of Changes in Equity

For the year ended September 30, 2011

Expressed in thousands of Guyana dollars (\$'000)

	Stated Capital	Statutory Reserves	Net Unrealised Gains	General Banking Risk Reserve	Retained Earnings	Total Equity
<b>Balance at September 30, 2009</b>	300,000	300,000	187,091	309,423	6,370,273	7,466,787
Profit for the year	-	-	-	-	1,982,092	1,982,092
Other comprehensive income	-	-	(9,320)	-	-	(9,320)
Total comprehensive income for the year	-	-	(9,320)	-	1,982,092	1,972,772
Transfer to general banking risk reserve	-	-	-	41,113	(41,113)	-
Dividends	-	-	-	-	(775,000)	(775,000)
<b>Balance at September 30, 2010</b>	300,000	300,000	177,771	350,536	7,536,252	8,664,559
Profit for the year	-	-	-	-	1,928,364	1,928,364
Other comprehensive income	-	-	(103,092)	-	-	(103,092)
Total comprehensive income for the year	-	-	(103,092)	-	1,928,364	1,825,272
Transfer to general banking risk reserve	-	-	-	688,901	(688,901)	-
Dividends	-	-	-	-	(850,010)	(850,010)
<b>Balance at September 30, 2011</b>	300,000	300,000	74,679	1,039,437	7,925,705	9,639,821

## Republic Bank (Guyana) Limited Board of Directors

### Directors

Chairman  
Managing Director - Republic Bank Limited  
David J. Dulal-Whiteway  
BSc Mgmt. Studies, MBA, CGA

Managing Director  
John N. Alves  
FICB

Company Secretary  
Christine A. McGowan  
LEC (Hons.), LLB (Dist.), LLM (Merit), AMLCA

### Non-Executive Directors

Roy E. Cheong  
AA, FCII, FLMI, CLU

Nigel M. Baptiste  
ACIB, BSc (Hons.) (Econ.),  
MSc (Econ.)

William H. Pierpont Scott  
FCCA, CA

John G. Carpenter  
BSc (Food Sciences)

Richard I. Vasconcellos

Derwin M. Howell  
BSc (Hons.) (Elect. Eng.),  
MSc (Tele. Systems), Exc. MBA,  
MIET, MIEEE, C.Eng.

Yolande M. Foo  
AICB

### Registered Office

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2 Avenue of the Republic  
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Auditors  
Messrs. Ram & McRae  
Chartered Accountants  
157 'C' Waterloo Street  
North Cummingsburg  
Georgetown  
Guyana  
South America

### Interest of directors and chief executive and their associates

Of these categories only the following persons held stocks in the company, all of which were held beneficially:

	Number of stock units		
	2011	2010	
Mr. John G. Carpenter	150,000	150,000	
Mr. Roy E. Cheong	87,000	87,000	(75,000 held jointly with an associate, and 12,000 held by an associate)
Mr. John N. Alves	75,000	75,000	(held jointly with an associate)
Mrs. Yolande M. Foo	315,000	315,000	(held jointly with associates)

### Dividends

An interim dividend of \$0.92 per stock unit (\$275.0 million) was paid during the year and a final dividend of \$1.92 per stock unit (in total \$850.0 million) for the year ended September 30, 2011 is recommended.

