



**Republic Bank**  
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**UNAUDITED HALF YEAR  
FINANCIAL STATEMENTS  
SIX MONTHS ENDED MARCH 31, 2011**

**CHAIRMAN'S REMARKS**

FINANCIAL STATEMENTS FOR THE SIX (6) MONTHS ENDED MARCH 31, 2011

Dear Stockholder,

Your Bank recorded an after-tax profit of \$1,105 million for the first half of fiscal 2011. This represents an increase of \$71 million or 6.9%, when compared with the same prior year period. Total assets increased by \$11.1 billion or 11.9%, while total deposits increased by \$8.4 billion or 10.2%, year-on-year.

As a result of this improved performance your Directors have approved an interim dividend payment of \$0.9167 per stock unit, 10.45% more than the interim dividend of \$0.83 per stock unit paid last year.

Your Directors remain confident that once the economic, social and political climate remains stable, the Bank's performance during the latter half of the fiscal year will continue at a satisfactory level.

David J. Dulal-Whiteway  
Chairman of the Board  
April 18, 2011

**STATEMENT OF FINANCIAL POSITION**

(All amounts expressed in millions of Guyana dollars)

	UNAUDITED Mar-31-11	UNAUDITED Mar-31-10	AUDITED Sept-30-10
<b>ASSETS</b>			
Cash resources	7,766	4,784	6,439
Statutory deposit with Bank of Guyana	10,911	10,006	10,139
Investment securities	49,026	45,723	44,224
Advances	29,640	25,693	28,306
Other assets	2,152	2,751	2,297
Premises and equipment	4,651	4,129	4,512
<b>TOTAL ASSETS</b>	<b>104,146</b>	<b>93,086</b>	<b>95,917</b>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Customers' current, savings and deposit accounts	91,016	82,293	84,207
Due to banks	1,181	461	151
Net pension liability	237	215	237
Other liabilities	2,475	2,138	2,658
<b>TOTAL LIABILITIES</b>	<b>94,909</b>	<b>85,107</b>	<b>87,253</b>
<b>STOCKHOLDERS' EQUITY</b>			
Stated capital	300	300	300
Statutory reserves	300	300	300
Other reserves	675	462	528
Retained earnings	7,962	6,917	7,536
	9,237	7,979	8,664
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>104,146</b>	<b>93,086</b>	<b>95,917</b>

**STATEMENT OF INCOME**

(All amounts expressed in millions of Guyana dollars)

	UNAUDITED THREE MONTHS ENDED Mar-31-11	UNAUDITED THREE MONTHS ENDED Mar-31-10	UNAUDITED SIX MONTHS ENDED Mar-31-11	UNAUDITED SIX MONTHS ENDED Mar-31-10	AUDITED YEAR ENDED Sept-30-10
Net interest income	1,174	1,084	2,376	2,212	4,628
Other income	450	443	931	941	1,872
	1,624	1,527	3,307	3,153	6,500
Loan impairment expense	10	30	6	42	261
Operating expenses	748	726	1,578	1,322	2,842
<b>Profit before tax</b>	<b>866</b>	<b>771</b>	<b>1,723</b>	<b>1,789</b>	<b>3,397</b>
Tax	278	324	618	755	1,415
<b>Net profit after tax</b>	<b>588</b>	<b>447</b>	<b>1,105</b>	<b>1,034</b>	<b>1,982</b>
<b>Earnings per stock unit (G\$)</b>	<b>1.96</b>	<b>1.49</b>	<b>3.68</b>	<b>3.45</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 Mar-31-11	UNAUDITED THREE MONTHS ENDED Mar-31-10	UNAUDITED SIX MONTHS ENDED Mar-31-11	UNAUDITED SIX MONTHS ENDED Mar-31-10	AUDITED YEAR ENDED Sept-30-10
<b>Net profit after tax</b>	<b>588</b>	<b>447</b>	<b>1,105</b>	<b>1,034</b>	<b>1,982</b>
Net gains/(losses) on available-for-sale investments	61	65	79	4	(18)
Tax relating to components of other comprehensive income	(27)	(30)	(36)	(2)	7
<b>Other comprehensive income for the period, net of tax</b>	<b>34</b>	<b>35</b>	<b>43</b>	<b>2</b>	<b>(11)</b>
<b>Total comprehensive income for the period net of tax</b>	<b>622</b>	<b>482</b>	<b>1,148</b>	<b>1,036</b>	<b>1,971</b>

**STATEMENT OF CASH FLOWS**

(All amounts expressed in millions of Guyana dollars)

	UNAUDITED SIX MONTHS ENDED Mar-31-11	UNAUDITED SIX MONTHS ENDED Mar-31-10	AUDITED YEAR ENDED Sept-30-10
<b>Operating activities</b>			
Profit before taxation	1,723	1,789	3,397
Adjustments for non-cash items	161	177	550
Increase in operating assets	(2,033)	(3,118)	(5,882)
Increase in operating liabilities	6,631	2,791	5,534
Corporation taxes paid	(581)	(550)	(1,258)
<b>Cash used in operating activities</b>	<b>5,901</b>	<b>1,089</b>	<b>2,341</b>
<b>Investing activities</b>			
Net increase in investments	(4,709)	(2,284)	(880)
Additions to premises and equipment	(292)	(116)	(579)
Proceeds from sale of premises and equipment	-	8	18
<b>Cash used in investing activities</b>	<b>(5,001)</b>	<b>(2,392)</b>	<b>(1,441)</b>
<b>Financing activities</b>			
Increase/(decrease) in balances due to other banks	1,002	(5)	(303)
Dividends paid	(575)	(525)	(775)
<b>Cash used in financing activities</b>	<b>427</b>	<b>(530)</b>	<b>(1,078)</b>
<b>Net increase/(decrease) in cash resources</b>	<b>1,327</b>	<b>(1,833)</b>	<b>(178)</b>
Cash and cash equivalents at beginning of period/year	6,439	6,617	6,617
<b>Cash and cash equivalents at end of period/year</b>	<b>7,766</b>	<b>4,784</b>	<b>6,439</b>
<b>Supplemental information:</b>			
Interest received during the period/year	2,766	2,723	5,415
Interest paid during the period/year	456	485	925
Dividends received	6	4	4



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**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>					
<b>Six months ended March 31, 2011</b>					
<b>Balance at October 1, 2010</b>	300	300	528	7,536	8,664
Total comprehensive income for the period	-	-	43	1,105	1,148
Transfer to general banking risk reserve	-	-	104	(104)	-
Dividends	-	-	-	(575)	(575)
<b>Balance at March 31, 2011</b>	<b>300</b>	<b>300</b>	<b>675</b>	<b>7,962</b>	<b>9,237</b>
<b>Unaudited</b>					
<b>Six months ended March 31, 2010</b>					
<b>Balance at October 1, 2009</b>	300	300	498	6,370	7,468
Total comprehensive income for the period	-	-	2	1,034	1,036
Transfer from general banking risk reserve	-	-	(38)	38	-
Dividends	-	-	-	(525)	(525)
<b>Balance at March 31, 2010</b>	<b>300</b>	<b>300</b>	<b>462</b>	<b>6,917</b>	<b>7,979</b>
<b>Audited</b>					
<b>Year ended September 30, 2010</b>					
<b>Balance at October 1, 2009</b>	300	300	498	6,370	7,468
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 March 31, 2011 the stockholdings of Republic Bank Limited in the Bank was 51%. The CL Financial Group holds through its various subsidiaries 52.44% 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 March 31, 2011, the combined shareholding of Republic Bank Limited for CLICO and CIB is 52.16%.

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, 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)).

**4 Capital commitments**

	UNAUDITED Mar-31-11	UNAUDITED Mar-31-10	AUDITED Sept-30-10
Contracts for outstanding capital expenditure not provided for in the financial statements	623	188	373
Other capital expenditure authorised by the Directors but not yet contracted for	3,242	3,011	2,826

**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 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 March 31, 2011, the balance in the General Banking Risk Reserve of \$455 million is part of Other Reserves which totals \$675 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-31-11	UNAUDITED Mar-31-10	AUDITED Sept-30-10
<b>Outstanding balances</b>			
<b>Loans, investments and other assets</b>			
Republic Bank Limited (Parent)	-	-	2
Fellow subsidiaries	-	-	2
Directors and key management personnel	46	41	41
Other related parties	569	1,344	1,266
	615	1,385	1,311
Provision for amounts due from related parties	-	-	-
<b>Deposits and other liabilities</b>			
CL Financial Group	304	611	606
Republic Bank Limited (Parent)	333	287	425
Fellow subsidiaries	4	3	9
Directors and key management personnel	83	84	80
Other related parties	1,270	765	914
	1,994	1,750	2,034
<b>Interest and other income</b>			
Directors and key management personnel	1	1	2
Other related parties	12	17	98
	13	18	100
<b>Interest and other expense</b>			
CL Financial Group	-	1	2
Republic Bank Limited (Parent)	33	31	66
Directors and key management personnel	1	1	2
Other related parties	8	3	5
	42	36	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	39	34	59
	39	34	59

**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>Six months ended March 31, 2011</b>				
Interest income and other income	3,702	11	74	3,787
<b>Unaudited</b>				
<b>Six months ended March 31, 2010</b>				
Interest income and other income	3,530	7	100	3,637
<b>Audited</b>				
<b>Year ended September 30, 2010</b>				
Interest income and other income	7,205	21	196	7,422



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

(All amounts expressed in millions of Guyana dollars)

**8. Contingent liabilities**

a) As at March 31, 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.

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 Mar-31-11	UNAUDITED Mar-31-10	AUDITED Sept-30-10
Acceptances	0	17	10
Guarantees	1,369	1,574	1,401
Letters of credit	569	120	369
	<u>1,938</u>	<u>1,711</u>	<u>1,780</u>
<b>Sectoral information</b>			
State	620	63	67
Corporate and commercial	1,301	1,626	1,693
Personal	7	12	20
Other	10	10	-
	<u>1,938</u>	<u>1,711</u>	<u>1,780</u>

(All amounts expressed in millions of Guyana dollars)

**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, 2011**

Mr. John G. Carpenter	150,000 stock units (held jointly with an associate)
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, 2010**

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