

**CHAIRMAN'S STATEMENT**

Dear Stockholder,

Your Bank recorded an after-tax profit of \$2,145 million for the nine month period ended June 30, 2018. This represents a decline of \$51.0 million or 2.3% when compared with the corresponding period last year. Total assets increased by \$25.0 billion or 17.5% while total deposits increased by \$23.2 billion or 19.0% year-on-year.

The Bank adopted IFRS 9 effective June 30, 2018 which is geared towards the identification of anticipated losses on the loans and investment portfolios. While this new standard will result in increased recognition of potential future losses, your Bank is satisfied that it will contribute to an overall strengthening of the institution. Going forward, barring any unforeseeable developments, we expect to maintain our current level of performance.



Nigel M. Baptiste  
Chairman of the Board  
July 16, 2018

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

Expressed in millions of Guyana dollars

	UNAUDITED Jun-30-18	UNAUDITED Jun-30-17	AUDITED Sept-30-17
<b>ASSETS</b>			
Cash resources	26,336	11,980	13,862
Statutory deposit with Bank of Guyana	16,204	13,924	13,967
Investment securities	46,777	47,213	47,480
Advances	68,918	60,100	61,122
Other assets	2,389	2,335	2,752
Premises and equipment	7,152	7,237	7,247
Intangible assets	105	122	130
<b>TOTAL ASSETS</b>	<b>167,881</b>	<b>142,911</b>	<b>146,560</b>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Customers' chequing, savings and deposit accounts	144,852	121,702	124,879
Due to banks	312	171	128
Pension liability	153	190	135
Other liabilities	3,662	3,242	3,118
<b>TOTAL LIABILITIES</b>	<b>148,979</b>	<b>125,305</b>	<b>128,260</b>
<b>STOCKHOLDERS' EQUITY</b>			
Stated capital	300	300	300
Statutory reserves	300	300	300
Other reserves	741	3,259	3,530
Retained earnings	17,561	13,747	14,170
	18,902	17,606	18,300
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>167,881</b>	<b>142,911</b>	<b>146,560</b>



Richard S. Sammy, Managing Director



Christine McGowan, Corporate Secretary



Roy E. Cheong, Director, Chairman of Audit Committee

**Republic Bank (Guyana) Limited**  
**Statement of Income**

Expressed in millions of Guyana dollars

	UNAUDITED THREE MONTHS ENDED Jun-30-18	UNAUDITED THREE MONTHS ENDED Jun-30-17	UNAUDITED SIX MONTHS ENDED Jun-30-18	UNAUDITED SIX MONTHS ENDED Jun-30-17	UNAUDITED NINE MONTHS ENDED Jun-30-18	UNAUDITED NINE MONTHS ENDED Jun-30-17	AUDITED YEAR ENDED Sept-30-17
Net interest income	1,762	1,765	3,452	3,451	5,184	5,188	7,130
Other income	825	654	1,586	1,359	2,394	2,106	2,523
Operating income	2,587	2,419	5,038	4,810	7,578	7,294	9,653
Credit loss expense on financial assets	(151)	105	(437)	(198)	(648)	(339)	(676)
Operating expenses	(1,222)	(1,211)	(2,396)	(2,403)	(3,664)	(3,543)	(4,748)
<b>Profit before tax</b>	<b>1,214</b>	<b>1,313</b>	<b>2,205</b>	<b>2,209</b>	<b>3,266</b>	<b>3,412</b>	<b>4,229</b>
Tax	(424)	(477)	(759)	(787)	(1,121)	(1,216)	(1,490)
<b>Net profit after tax</b>	<b>790</b>	<b>836</b>	<b>1,446</b>	<b>1,422</b>	<b>2,145</b>	<b>2,196</b>	<b>2,739</b>
<b>Earnings per stock unit (G\$)</b>	<b>2.63</b>	<b>2.79</b>	<b>4.82</b>	<b>4.74</b>	<b>7.15</b>	<b>7.32</b>	<b>9.13</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>	<b>300</b>	<b>300</b>

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

Expressed in millions of Guyana dollars

	UNAUDITED THREE MONTHS ENDED Jun-30-18	UNAUDITED THREE MONTHS ENDED Jun-30-17	UNAUDITED NINE MONTHS ENDED Jun-30-18	UNAUDITED NINE MONTHS ENDED Jun-30-17	AUDITED YEAR ENDED Sept-30-17
Net profit after tax	790	836	2,145	2,196	2,739
<i>Other comprehensive income (net of tax) that may be reclassified to profit and loss in subsequent periods or have been transferred to profit and loss in the current period:</i>					
Net gain/(loss) on available-for-sale investments	30	1	-	(70)	68
<i>Other comprehensive income (net of tax) that will not be reclassified to profit and loss in subsequent periods:</i>					
Re-measurement gain on defined benefit plans	-	-	-	-	13
<b>Total Comprehensive Income for the period, net of tax</b>	<b>820</b>	<b>837</b>	<b>2,145</b>	<b>2,126</b>	<b>2,820</b>

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

Expressed in millions of Guyana dollars

	UNAUDITED NINE MONTHS ENDED Jun-30-18	UNAUDITED NINE MONTHS ENDED Jun-30-17	AUDITED YEAR ENDED Sept-30-17
<b>Operating Activities</b>			
Profit before taxation	2,205	3,412	4,229
Adjustments for non-cash items	1,029	659	1,136
Increase in operating assets	(10,353)	(1,280)	(2,503)
Increase/(decrease) in operating liabilities	21,257	(9,600)	(6,365)
Corporation taxes paid	(1,054)	(1,318)	(1,706)
<b>Cash from/(used in) operating activities</b>	<b>13,084</b>	<b>(8,127)</b>	<b>(5,209)</b>
<b>Investing Activities</b>			
Net decrease in investments	703	5,971	5,148
Additions to premises and equipment	(268)	(827)	(997)
Proceeds from sale of premises and equipment	6	8	8
<b>Cash from investing activities</b>	<b>441</b>	<b>5,152</b>	<b>4,159</b>
<b>Financing Activities</b>			
Increase/(decrease) in balances due to other banks	184	28	(15)
Dividends paid	(1,235)	(1,235)	(1,235)
<b>Cash used in financing activities</b>	<b>(1,051)</b>	<b>(1,207)</b>	<b>(1,250)</b>
<b>Net increase/(decrease) in cash resources</b>	<b>12,474</b>	<b>(4,182)</b>	<b>(2,300)</b>
Cash and cash equivalents at beginning of period/year	13,862	16,162	16,162
<b>Cash and cash equivalents at end of period/year</b>	<b>26,336</b>	<b>11,980</b>	<b>13,862</b>
<b>Supplemental Information:</b>			
Interest received during the period/year	3,685	5,571	7,612
Interest paid during the period/year	276	385	575
Dividends received	9	9	9

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

Expressed in millions of Guyana dollars

	Stated Capital	Statutory Reserves	Other Reserves	Retained Earnings	Total Equity
<b>Unaudited</b>					
<b>Nine months ended June 30, 2018</b>					
Balance at October 1, 2017	300	300	3,530	14,170	18,300
Impact of adopting IFRS 9	-	-	(18)	(290)	(308)
<b>Restated opening balance under IFRS 9</b>	<b>300</b>	<b>300</b>	<b>3,512</b>	<b>13,880</b>	<b>17,992</b>
Total comprehensive income for the period	-	-	-	2,145	2,145
Transfer from general banking risk reserve	-	-	(2,771)	2,771	-
Dividends	-	-	-	(1,235)	(1,235)
<b>Balance at June 30, 2018</b>	<b>300</b>	<b>300</b>	<b>741</b>	<b>17,561</b>	<b>18,902</b>
<b>Unaudited</b>					
<b>Nine months ended June 30, 2017</b>					
Balance at October 1, 2016	300	300	2,845	13,270	16,715
Total comprehensive (loss)/income for the period	-	-	(70)	2,196	2,126
Transfer to general banking risk reserve	-	-	484	(484)	-
Dividends	-	-	-	(1,235)	(1,235)
<b>Balance at June 30, 2017</b>	<b>300</b>	<b>300</b>	<b>3,259</b>	<b>13,747</b>	<b>17,606</b>
<b>Audited</b>					
<b>Year ended September 30, 2017</b>					
Balance at October 1, 2016	300	300	2,845	13,270	16,715
Total comprehensive income for the period	-	-	68	2,739	2,807
Re-measurement gain on defined benefit plans	-	-	-	13	13
Transfer to general banking risk reserve	-	-	617	(617)	-
Dividends	-	-	-	(1,235)	(1,235)
<b>Balance at September 30, 2017</b>	<b>300</b>	<b>300</b>	<b>3,530</b>	<b>14,170</b>	<b>18,300</b>

**Republic Bank (Guyana) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**

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 and continued under the Companies Act, Chapter 89:01 on May 16, 1997 and is licensed as Bankers under the Financial Institutions Act, Chapter 85:03.

The Bank was registered as a reporting issuer under the Securities Industry Act, Chapter 73:04 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, Chapter 81:01.

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 now Republic Financial Holdings Limited and subsequently changed its name to Republic Bank (Guyana) Limited on June 5, 2006.

On December 16, 2015 by Trinidad and Tobago Legal Notice No. 215 of 2015, the business of Republic Bank Limited was transferred and vested into Republic Finance and Merchant Bank Limited (FINCOR) save for the shareholdings in several subsidiaries. FINCOR was renamed Republic Bank Limited and Republic Bank Limited was renamed Republic Financial Holdings Limited.

Republic Financial Holdings Limited, the financial holding company for the Republic Group, is incorporated in the Republic of Trinidad and Tobago and its registered office is located at Republic House, 9-17 Park Street, Port of Spain. Republic Financial Holdings Limited is listed on the Trinidad and Tobago Stock Exchange.

The Republic Group (the 'Group') is a financial services group comprising several subsidiaries and associated companies. The Group is engaged in a wide range of banking, financial and related activities in the Caribbean and from November 2012, in Ghana.

**2. Basis of preparation**

This interim financial report for the period ended June 30, 2018 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, 2017.

Reclassifications may be made to the prior period's financial statements to conform to the current period's presentation.

**New standards, interpretations and amendments adopted by the Bank**

The Bank early adopted IFRS 9 in the third quarter of 2018 with effect from October 1, 2017, in advance of the date required by the International Accounting Standards Board (IASB).

**Republic Bank (Guyana) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**

Expressed in millions of Guyana dollars

**2. Basis of preparation (continued)**

The adoption of IFRS 9 resulted in changes in accounting policies relating to classification and measurement and impairment of financial instruments.

As permitted by the standard, the prior year comparative financial statements which are reported under IAS 39 Financial Instruments: Recognition and Measurement were not restated and are therefore not comparable to the information presented for 2018. Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings as at October 1, 2017.

**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 audited financial statements for the year ended September 30, 2017.

**4. Capital commitments**

Contracts for outstanding capital expenditure not provided for in the financial statements

	UNAUDITED Jun-30-18	UNAUDITED Jun-30-17	AUDITED Sept-30-17
Contracts for outstanding capital expenditure not provided for in the financial statements	341	363	376

**5. General Banking Risk 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 statutory provision. As at June 30, 2018, the balance in the General Banking Risk Reserve was \$741 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-30-18	UNAUDITED Jun-30-17	AUDITED Sept-30-17
<b>Outstanding balances</b>			
<b>Loans, investments and other assets</b>			
Fellow subsidiaries	38	10	21
Directors and key management personnel	66	61	64
Other related parties	433	765	420
	<u>537</u>	<u>836</u>	<u>505</u>

No provisions have been made against amounts due from related parties.

**Deposits and other liabilities**

Fellow subsidiaries	228	185	257
Directors and key management personnel	153	137	143
Other related parties	3,051	1,814	2,833
	<u>3,432</u>	<u>2,136</u>	<u>3,233</u>

**Interest and other income**

Parent Company	-	3	-
Directors and key management personnel	2	2	2
Other related parties	6	29	37
	<u>8</u>	<u>34</u>	<u>39</u>

**Interest and other expense**

Fellow subsidiaries	73	71	94
Directors and key management personnel	12	11	7
Other related parties	6	6	8
	<u>91</u>	<u>88</u>	<u>109</u>

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

**Key management compensation**

Short term benefits	72	62	78
	<u>72</u>	<u>62</u>	<u>78</u>

**Republic Bank (Guyana) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**

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 and Tobago	Other Countries	Total
<b>b) Unaudited</b>				
<b>Nine months ended June 30, 2018</b>				
Interest income and other income	7,894	84	18	7,996
<b>Unaudited</b>				
<b>Nine months ended June 30, 2017</b>				
Interest income and other income	7,493	224	12	7,729
<b>Audited</b>				
<b>Year ended September 30, 2017</b>				
Interest income and other income	9,947	267	13	10,227

**8. Contingent liabilities**

a) As at June 30, 2018 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 Jun-30-18	UNAUDITED Jun-30-17	AUDITED Sept-30-17
<b>Guarantees</b>	2,027	1,852	1,934
<b>Letters of Credit</b>	188	181	181
	<u>2,216</u>	<u>2,033</u>	<u>2,115</u>
<b>Sectoral Information</b>			
State	881	823	820
Corporate and commercial	1,335	1,210	1,295
	<u>2,216</u>	<u>2,033</u>	<u>2,115</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	Jun-30-18	Jun-30-17	Sept-30-17
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**
Mrs. Yolande M. Foo	315,000 stock units*	315,000 stock units*	315,000 stock units*
Mr. Richard I. Vasconcellos	13,000 stock units	13,000 stock units	13,000 stock units

\*(held jointly with an associate(s))

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