

CHAIRMAN'S STATEMENT

Dear Stockholder,

Your Bank recorded an after-tax profit of \$2,777 million for the nine month period ended June 30, 2019. This reflects an increase of \$632.2 million or 29.5%, a significant improvement when compared with the corresponding period last year. Total assets grew by \$3.5 billion or 2.1% and customers' deposits grew by \$1.1 billion or 0.7% year-on-year.

During the quarter under review, the Bank took steps to be compliant with the Deposit Insurance Act 2018 which was introduced to provide further protection to deposit customers in Guyana.

As previously advised, Republic Financial Holdings Limited (RFHL), the majority stockholder of Republic Bank (Guyana) Limited, entered into an Agreement to acquire the banking operations of the Bank of Nova Scotia in Guyana, St. Maarten and the Eastern Caribbean countries including Grenada. At this stage, RFHL has submitted information to the regulators for review as part of the usual process for a transaction of this nature. Your Bank will continue to apprise stockholders of developments via additional disclosures.

As your Bank embarks upon the final quarter, we remain focused on enhancing performance in order to meet our strategic objectives.



Nigel M. Baptiste
Chairman of the Board
July 15, 2019

Republic Bank (Guyana) Limited
Statement of Financial Position

Expressed in millions of Guyana dollars

	UNAUDITED Jun-30-19	UNAUDITED Jun-30-18	AUDITED Sept-30-18
ASSETS			
Cash resources	14,903	26,336	23,900
Statutory deposit with Bank of Guyana	16,156	16,204	16,178
Investment securities	54,973	46,777	48,790
Advances	75,504	68,918	69,748
Other assets	2,662	2,389	2,401
Premises and equipment	7,067	7,152	7,071
Intangible assets	73	105	95
TOTAL ASSETS	171,338	167,881	168,183
LIABILITIES & STOCKHOLDERS' EQUITY			
LIABILITIES			
Customers' chequing, savings and deposit accounts	145,916	144,852	144,655
Due to banks	140	312	117
Pension liability	-	153	-
Other liabilities	3,721	3,662	3,247
TOTAL LIABILITIES	149,777	148,979	148,019
STOCKHOLDERS' EQUITY			
Stated capital	300	300	300
Statutory reserves	300	300	300
Other reserves	795	741	795
Retained earnings	20,166	17,561	18,769
	21,561	18,902	20,164
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	171,338	167,881	168,183



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-30-19	UNAUDITED THREE MONTHS ENDED Jun-30-18	UNAUDITED SIX MONTHS ENDED Jun-30-19	UNAUDITED SIX MONTHS ENDED Jun-30-18	UNAUDITED NINE MONTHS ENDED Jun-30-19	UNAUDITED NINE MONTHS ENDED Jun-30-18	AUDITED YEAR ENDED Sept-30-18
Net interest income	2,072	1,762	4,058	3,452	6,049	5,184	7,405
Other income	902	825	1,719	1,586	2,659	2,394	3,153
Operating income	2,974	2,587	5,777	5,038	8,708	7,578	10,558
Credit loss expense on financial assets	17	(151)	(58)	(437)	(229)	(648)	(885)
Operating expenses	(1,617)	(1,222)	(2,894)	(2,396)	(4,170)	(3,664)	(5,008)
Profit before tax	1,374	1,214	2,825	2,205	4,309	3,266	4,665
Tax	(483)	(424)	(1,005)	(759)	(1,532)	(1,121)	(1,531)
Net profit after tax	891	790	1,820	1,446	2,777	2,145	3,134
Earnings per stock unit (G\$)	2.97	2.63	6.07	4.82	9.26	7.15	10.45
Average number of stock units ('000,000)	300	300	300	300	300	300	300

Republic Bank (Guyana) Limited
Statement of Comprehensive Income

Expressed in millions of Guyana dollars

	UNAUDITED THREE MONTHS ENDED Jun-30-19	UNAUDITED THREE MONTHS ENDED Jun-30-18	UNAUDITED NINE MONTHS ENDED Jun-30-19	UNAUDITED NINE MONTHS ENDED Jun-30-18	AUDITED YEAR ENDED Sept-30-18
Net profit after tax	891	790	2,777	2,145	3,134
<i>Items of other comprehensive income that will be reclassified to the statement of income in subsequent periods (net of tax):</i>					
Net gain on available-for-sale investments	-	30	-	-	-
<i>Items of other comprehensive income that will not be reclassified to the statement of income in subsequent periods (net of tax):</i>					
Re-measurement gain on defined benefit plans	-	-	-	-	73
Total Comprehensive Income for the period, net of tax	891	820	2,777	2,145	3,207

Republic Bank (Guyana) Limited
Statement of Cash Flows

Expressed in millions of Guyana dollars

	UNAUDITED NINE MONTHS ENDED Jun-30-19	UNAUDITED NINE MONTHS ENDED Jun-30-18	AUDITED YEAR ENDED Sept-30-18
Operating Activities			
Profit before taxation	4,309	3,266	4,665
Adjustments for non-cash items	589	1,029	1,203
Increase in operating assets	(6,211)	(10,353)	(10,626)
Increase in operating liabilities	1,457	20,196	19,847
Corporation taxes paid	(1,268)	(1,054)	(1,424)
Cash (used in)/provided by operating activities	(1,124)	13,084	13,665
Investing Activities			
Net (increase)/decrease in investments	(6,183)	703	(2,275)
Additions to premises and equipment	(339)	(268)	(325)
Proceeds from sale of premises and equipment	6	6	219
Cash (used in)/provided by investing activities	(6,516)	441	(2,381)
Financing Activities			
Increase/(decrease) in balances due to other banks	23	184	(11)
Dividends paid	(1,380)	(1,235)	(1,235)
Cash used in financing activities	(1,357)	(1,051)	(1,246)
Net (decrease)/increase in cash resources	(8,997)	12,474	10,038
Cash and cash equivalents at beginning of period/year	23,900	13,862	13,862
Cash and cash equivalents at end of period/year	14,903	26,336	23,900
Supplemental Information:			
Interest received during the period/year	6,455	3,685	7,810
Interest paid during the period/year	382	276	569
Dividends received	2	9	10

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
Unaudited					
Nine months ended June 30, 2019					
Balance at October 1, 2018	300	300	795	18,769	20,164
Total comprehensive income for the period	-	-	-	2,777	2,777
Dividends	-	-	-	(1,380)	(1,380)
Balance at June 30, 2019	300	300	795	20,166	21,561
Unaudited					
Nine months ended June 30, 2018					
Balance at October 1, 2017	300	300	3,530	14,170	18,300
Net impact of adopting IFRS 9	-	-	(18)	(90)	(108)
Restated opening balance under IFRS 9	300	300	3,512	14,080	18,192
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)
Balance at June 30, 2018	300	300	741	17,761	19,102
Audited					
Year ended September 30, 2018					
Balance at October 1, 2017	300	300	3,530	14,170	18,300
Net impact of adopting IFRS 9	-	-	(18)	(90)	(108)
Restated opening balance under IFRS 9	300	300	3,512	14,080	18,192
Total comprehensive income for the period	-	-	-	3,134	3,134
Re-measurement gain on defined benefit plans	-	-	-	73	73
Transfer from general banking risk reserve	-	-	(2,717)	2,717	-
Dividends	-	-	-	(1,235)	(1,235)
Balance at September 30, 2018	300	300	795	18,769	20,164

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

The Bank was registered as a reporting issuer under the Securities Industry Act, Cap. 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, Cap. 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.

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 Ghana.

2. Basis of preparation

This interim financial report for the period ended June 30, 2019 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, 2018.

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, 2018.

4. Capital commitments

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

	UNAUDITED Jun-30-19	UNAUDITED Jun-30-18	AUDITED Sept-30-18
Contracts for outstanding capital expenditure not provided for in the financial statements	203	341	451

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, 2019, the balance in the General Banking Risk Reserve was \$795 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-30-19	UNAUDITED Jun-30-18	AUDITED Sept-30-18
Outstanding balances			
Loans, investments and other assets			
Fellow subsidiaries	174	38	132
Directors and key management personnel	81	66	77
Other related parties	446	433	290
	<u>701</u>	<u>537</u>	<u>499</u>

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

Deposits and other liabilities

Fellow subsidiaries	349	228	217
Directors and key management personnel	182	153	164
Other related parties	3,684	3,051	2,980
	<u>4,215</u>	<u>3,432</u>	<u>3,361</u>

Interest and other income

Directors and key management personnel	2	2	3
Other related parties	11	6	3
	<u>13</u>	<u>8</u>	<u>6</u>

Interest and other expense

Fellow subsidiaries	80	73	107
Directors and key management personnel	12	12	8
Other related parties	6	6	8
	<u>98</u>	<u>91</u>	<u>123</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	78	72	90
	<u>78</u>	<u>72</u>	<u>90</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) Unaudited				
Nine months ended June 30, 2019				
Interest income and other income	9,047	82	17	9,146
Unaudited				
Nine months ended June 30, 2018				
Interest income and other income	7,894	84	18	7,996
Audited				
Year ended September 30, 2018				
Interest income and other income	10,993	112	23	11,128

8. Contingent liabilities

a) As at June 30, 2019 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-30-19	UNAUDITED Jun-30-18	AUDITED Sept-30-18
Guarantees	1,985	2,028	1,908
Letters of Credit	332	188	196
	<u>2,317</u>	<u>2,216</u>	<u>2,104</u>
Sectoral Information			
State	946	881	831
Corporate and commercial	1,371	1,335	1,273
	<u>2,317</u>	<u>2,216</u>	<u>2,104</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-30-19	Jun-30-18	Sept-30-18
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	15,000 stock units	13,000 stock units	15,000 stock units
Mr. Richard M. Lewis	17,850 stock units	-	17,850 stock units

*(held jointly with an associate(s))

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