

CHAIRMAN'S STATEMENT

Dear Stockholder,

Your Bank recorded an after-tax profit of \$2,735 million for the nine month period ended June 30, 2020. This reflects a marginal decrease of \$42.0 million or 1.5%, when compared with the corresponding period last year. Total assets grew by \$25.7 billion or 15.0% and customers' deposits grew by \$19.3 billion or 13.3% year-on-year.

Despite the challenges posed by COVID-19 and the political uncertainty, your Bank remains committed to playing its role in the country's economic recovery.



Nigel M. Baptiste
Chairman of the Board
July 20, 2020

Republic Bank (Guyana) Limited

Statement of Financial Position

Expressed in millions of Guyana dollars

	UNAUDITED Jun-30-20	UNAUDITED Jun-30-19	AUDITED Sept-30-19
ASSETS			
Cash resources	43,891	14,903	27,005
Statutory deposit with Bank of Guyana	18,795	16,156	16,871
Investment securities	41,658	54,973	47,772
Advances	82,057	75,504	78,794
Other assets	3,397	2,648	2,438
Premises and equipment	7,149	7,067	7,176
Intangible assets	73	73	73
Pension asset	32	14	32
TOTAL ASSETS	197,052	171,338	180,161
LIABILITIES & STOCKHOLDERS' EQUITY			
LIABILITIES			
Customers' chequing, savings and deposit accounts	165,255	145,916	153,605
Due to banks	20	140	138
Other liabilities	7,793	3,721	3,794
TOTAL LIABILITIES	173,068	149,777	157,537
STOCKHOLDERS' EQUITY			
Stated capital	300	300	300
Statutory reserves	300	300	300
Other reserves	845	795	845
Retained earnings	22,539	20,166	21,179
	23,984	21,561	22,624
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	197,052	171,338	180,161



Amral F. Khan, 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-30-20	UNAUDITED THREE MONTHS ENDED Jun-30-19	UNAUDITED SIX MONTHS ENDED Jun-30-20	UNAUDITED SIX MONTHS ENDED Jun-30-19	UNAUDITED NINE MONTHS ENDED Jun-30-20	UNAUDITED NINE MONTHS ENDED Jun-30-19	AUDITED YEAR ENDED Sept-30-19
Net interest income	2,094	2,072	4,297	4,058	6,469	6,049	8,495
Other income	614	902	1,143	1,719	2,373	2,659	3,152
Operating income	2,708	2,974	5,440	5,777	8,842	8,708	11,647
Credit loss expense on financial assets	(174)	17	(183)	(58)	(216)	(229)	(86)
Operating expenses	(1,324)	(1,617)	(2,790)	(2,894)	(4,348)	(4,170)	(5,587)
Profit before tax	1,210	1,374	2,467	2,825	4,278	4,309	5,974
Tax	(435)	(483)	(849)	(1,005)	(1,543)	(1,532)	(2,128)
Net profit after tax	775	891	1,618	1,820	2,735	2,777	3,846
Earnings per stock unit (G\$)	2.58	2.97	5.39	6.07	9.12	9.26	12.82
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-30-20	UNAUDITED THREE MONTHS ENDED Jun-30-19	UNAUDITED NINE MONTHS ENDED Jun-30-20	UNAUDITED NINE MONTHS ENDED Jun-30-18	AUDITED YEAR ENDED Sept-30-19
Net profit after tax	775	891	2,735	2,777	3,846
Items of other comprehensive income that will be reclassified to the statement of income in subsequent periods (net of tax):					
Re-measurement gain on defined benefit plans	-	-	-	-	(6)
Total Comprehensive Income for the period, net of tax	775	891	2,735	2,777	3,839

Republic Bank (Guyana) Limited
Statement of Cash Flows
Expressed in millions of Guyana dollars

	UNAUDITED NINE MONTHS ENDED Jun-30-20	UNAUDITED NINE MONTHS ENDED Jun-30-19	AUDITED YEAR ENDED Sept-30-19
Operating Activities			
Profit before taxation	4,278	4,309	5,974
Adjustments for non-cash items	605	589	568
Increase in operating assets	(5,770)	(6,211)	(10,061)
Increase in operating liabilities	15,193	1,457	9,052
Corporation taxes paid	(1,767)	(1,268)	(1,663)
Cash (provided by)/used in operating activities	12,539	(1,124)	3,870
Investing Activities			
Net decrease/ (increase) in investments	6,114	(6,183)	1,159
Additions to premises and equipment	(274)	(339)	(572)
Proceeds from sale of premises and equipment	-	6	7
Cash (provided by)/used in investing activities	5,840	(6,516)	5,924
Financing Activities			
(Decrease)/increase in balances due to other banks	(118)	23	21
Dividends paid	(1,375)	(1,380)	(1,380)
Cash used in financing activities	(1,493)	(1,357)	(1,359)
Net increase/(decrease) in cash resources	16,886	8,997	3,105
Cash and cash equivalents at beginning of period/year	27,005	23,900	23,900
Cash and cash equivalents at end of period/year	43,891	14,903	27,005
Supplemental Information:			
Interest received during the period/year	6,719	6,455	8,971
Interest paid during the period/year	483	382	587
Dividends received	11	2	2

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, 2020					
Balance at October 1, 2019	300	300	845	21,179	22,624
Total comprehensive income for the period	-	-	-	2,735	2,735
Dividends	-	-	-	(1,375)	(1,375)
Balance at June 30, 2020	300	300	845	22,539	23,984
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
Audited					
Year ended September 30, 2019					
Balance at October 1, 2018	300	300	795	18,769	20,164
Profit for the year	-	-	-	3,846	3,846
Other comprehensive loss	-	-	-	(6)	(6)
Total comprehensive income	-	-	-	3,839	3,839
Transfer to general banking risk reserve	-	-	49	(49)	-
Dividends	-	-	-	(1,380)	(1,380)
Balance at September 30, 2019	300	300	845	21,179	22,624

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, 2020 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, 2019.

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

Republic Bank (Guyana) Limited
NOTES TO THE FINANCIAL STATEMENTS

Expressed in millions of Guyana dollars

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, 2019.

4. Capital commitments

	UNAUDITED Jun-30-20	UNAUDITED Jun-30-19	AUDITED Sept-30-19
Contracts for outstanding capital expenditure not provided for in the financial statements	208	203	250

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, 2020, the balance in the General Banking Risk Reserve was \$845 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-30-20	UNAUDITED Jun-30-19	AUDITED Sept-30-19
Outstanding balances			
Loans, investments and other assets			
Fellow subsidiaries	625	174	487
Directors and key management personnel	66	81	83
Other related parties	374	446	468
	<u>1,065</u>	<u>701</u>	<u>1,038</u>

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

Deposits and other liabilities

Fellow subsidiaries	456	349	330
Directors and key management personnel	232	182	267
Other related parties	4,591	3,684	4,910
	<u>5,279</u>	<u>4,215</u>	<u>5,507</u>

Interest and other income

Directors and key management personnel	2	2	3
Other related parties	3	11	12
	<u>5</u>	<u>13</u>	<u>15</u>

Interest and other expense

Fellow subsidiaries	87	80	134
Directors and key management personnel	19	12	16
Other related parties	1	6	8
	<u>107</u>	<u>98</u>	<u>158</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	78	100
	<u>78</u>	<u>78</u>	<u>100</u>

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, 2020				
Interest income and other income	9,291	20	43	9,354
Unaudited Nine months ended June 30, 2019				
Interest income and other income	9,047	82	17	9,146
Audited Year ended September 30, 2019				
Interest income and other income	12,112	98	25	12,235

8. Contingent liabilities

a) As at June 30, 2020 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-30-20	UNAUDITED Jun-30-19	AUDITED Sept-30-19
Guarantees	1,804	1,985	1,940
Letters of Credit	265	332	265
	<u>2,069</u>	<u>2,317</u>	<u>2,205</u>

Sectoral Information

State	724	946	846
Corporate and commercial	1,345	1,371	1,359
	<u>2,069</u>	<u>2,317</u>	<u>2,205</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-30-20	Jun-30-19	Sept-30-19
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	15,000 stock units	15,000 stock units
Mr. Richard M. Lewis	17,850 stock units	17,850 stock units	17,850 stock units
Mr. Shameer Hoosein	5,000 stock units	-	5,000 stock units

*(held jointly with an associate(s))

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