



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, 2010, 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; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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, 2010, and of its financial performance and its 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 25, 2010

Republic Bank (Guyana) Limited Statement of Financial Position

AS AT SEPTEMBER 30, 2010

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

	2010	2009
ASSETS		
Cash	1,188,228	1,249,922
Statutory deposit with Bank of Guyana	10,138,510	9,648,012
Due from banks	5,251,153	5,367,146
Treasury bills	35,369,244	32,164,672
Investment interest receivable	69,581	124,750
Advances	28,305,627	23,302,210
Investment securities	8,855,437	11,197,128
Assets classified as held-for-sale	20,211	24,639
Premises and equipment	4,512,342	4,238,902
Goodwill	1,228,222	1,228,222
Deferred tax assets	159,264	145,859
Taxation recoverable	-	8,425
Other assets	819,477	633,253
TOTAL ASSETS	95,917,296	89,333,140
LIABILITIES & EQUITY		
LIABILITIES		
Due to banks	150,623	453,738
Customers' current, savings and deposit accounts	84,207,045	79,204,292
Net pension liability	236,600	215,400
Taxation payable	584,434	408,784
Deferred tax liabilities	244,644	265,208
Accrued interest payable	42,052	45,260
Other liabilities	1,787,339	1,273,671
TOTAL LIABILITIES	87,252,737	81,866,353
EQUITY		
Stated capital	300,000	300,000
Statutory reserves	300,000	300,000
Net unrealised gains	177,771	187,091
General banking risk reserve	350,536	309,423
Retained earnings	7,536,252	6,370,273
TOTAL EQUITY	8,664,559	7,466,787
TOTAL LIABILITIES & EQUITY	95,917,296	89,333,140

These financial statements were approved by the Board of Directors on October 25, 2010 and signed on its behalf by:


John N. Alves, Managing Director


Christine Mc Gowan, Company Secretary


Roy E. Cheong, Director, Chairman of Audit Committee

Republic Bank (Guyana) Limited Statement of Income

for the year ended September 30, 2010

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

	2010	2009
Interest income	5,550,145	5,427,183
Interest expense	(921,883)	(1,013,715)
Net interest income	4,628,262	4,413,468
Other income	1,872,361	1,785,953
	6,500,623	6,199,421
Loan impairment expense	(261,453)	(91,180)
Operating expenses	(2,841,713)	(3,185,591)
Net impairment gain on assets classified as held-for-sale	-	83
Profit before taxation	3,397,457	2,922,733
Taxation - Current	(1,441,709)	(1,141,760)
- Deferred	26,344	40,484
Total taxation expense	(1,415,365)	(1,101,276)
Net profit after taxation	1,982,092	1,821,457
Earnings per stock unit (\$)	6.61	6.07



Republic Bank (Guyana) Limited
Statement of Comprehensive Income

for the year ended September 30, 2010
Expressed in thousands of Guyana dollars (\$'000)

	2010	2009
Net profit after taxation	1,982,092	1,821,457
Net gain/(losses) on available-for-sale investments	(16,945)	7,123
Tax relating to components of other comprehensive income	7,625	(3,205)
Other comprehensive income for the year, net of tax	(9,320)	3,918
Total comprehensive income for the year, net of tax	1,972,772	1,825,375

Republic Bank (Guyana) Limited
Statement of Cash Flows

for the year ended September 30, 2010
Expressed in thousands of Guyana dollars (\$'000)

	2010	2009
Operating activities		
Profit before taxation	3,397,457	2,922,733
Adjustments for:		
Depreciation	288,021	230,489
Loan impairment expense	261,453	91,180
Loss/(gain) on sale of premises and equipment	4,010	(7,181)
Impairment gain on assets classified as held-for-sale	-	(83)
Net gain on disposal of assets classified as held-for-sale	-	(183)
Increase in employee benefits	21,200	23,200
Increase in advances	(5,264,870)	(1,806,579)
Increase in customers' deposits and other fund raising instruments	5,002,753	4,081,772
Increase in statutory deposit with Bank of Guyana	(490,498)	(497,838)
(Increase)/decrease in other assets and investment interest receivable	(131,055)	212,888
Increase in other liabilities and accrued interest payable	510,460	69,189
Net cash from operating activities before tax	3,598,931	5,319,587
Taxes paid, net of refund	(1,257,634)	(1,171,697)
Cash provided by operating activities	2,341,297	4,147,890
Investing activities		
Purchase of investment securities	(717,000)	(2,411,501)
Redemption of investment securities	3,041,746	2,760,050
Purchase of treasury bills	(36,069,572)	(32,164,672)
Redemption of treasury bills	32,865,000	28,600,310
Additions to assets classified as held-for-sale	(72)	(1,711)
Proceeds from the disposal of assets classified as held-for-sale	4,500	3,815
Additions to premises and equipment	(579,445)	(918,330)
Proceeds from sale of premises and equipment	13,974	43,840
Cash used in investing activities	(1,440,869)	(4,088,199)
Financing activities		
Decrease in balances due to other banks	(303,115)	(142,917)
Dividends paid	(775,000)	(675,000)
Cash used in financing activities	(1,078,115)	(817,917)
Net decrease in cash and cash equivalents	(177,687)	(758,226)
Cash and cash equivalents at beginning of year	6,617,068	7,375,294
Cash and cash equivalents at end of year	6,439,381	6,617,068
Cash and cash equivalents at end of year are represented by:		
Cash on hand	1,188,228	1,249,922
Due from banks	5,251,153	5,367,146
	6,439,381	6,617,068
Supplemental information:		
Interest received during the year	5,415,275	5,432,782
Interest paid during the year	925,091	1,025,193
Dividends received	3,640	3,320

Republic Bank (Guyana) Limited
Statement of Changes in Equity

for the year ended September 30, 2010
Expressed in thousands of Guyana dollars (\$'000)

	Stated capital	Statutory reserves	Net unrealised gains	General banking risk reserve	Retained earnings	Total equity
Balance at September 30, 2008	300,000	300,000	183,173	455,609	5,077,630	6,316,412
Profit for the year	-	-	-	-	1,821,457	1,821,457
Other comprehensive income	-	-	3,918	-	-	3,918
Total comprehensive income for the year	-	-	3,918	-	1,821,457	1,825,375
Transfer from general banking risk reserve	-	-	-	(146,186)	146,186	-
Dividends	-	-	-	-	(675,000)	(675,000)
Balance at September 30, 2009	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)
Balance at September 30, 2010	300,000	300,000	177,771	350,536	7,536,252	8,664,559

Republic Bank (Guyana) Limited
Board of Directors

Directors

Chairman
David J. Dulal-Whiteway
BS (Mgmt Studies), MBA, CGA

Managing Director
John N. Alves
FICB

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

Non-Executive Directors

Roy E. Cheong
AA, FCII, FLMI, CLU

Nigel M. Baptiste
BS (Econ) (Hons)
MS (Econ), ACIB

William H. Pierpont Scott
FCCA, CA

John G. Carpenter
BS (Food Sciences)

Richard I. Vasconcellos

Derwin M. Howell
BS (Elect Eng) (Hons)
Exc MBA (Bus Admin)
MS (Tele Systems), MIET, MIEEE, CEng

Yolande M. Foo
AICB

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South America

Auditors
Messrs. Ram & McRae
Chartered Accountants
157 'C' Waterloo Street
North Cummingsburg
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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		
	2010	2009	
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 an associate)

Dividends

An interim dividend of \$0.83 per stock unit (\$250.0 million) was paid during the year and a final dividend of \$1.92 per stock unit (in total \$825.0 million) for the year ended September 30, 2010 is recommended.

