



## 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, 2012, 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 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### 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, 2012, and of its financial performance and 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 22, 2012

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

AS AT SEPTEMBER 30, 2012  
Expressed in thousands of Guyana dollars (\$'000)

	2012	2011
<b>ASSETS</b>		
Cash	1,321,714	975,963
Statutory deposit with Bank of Guyana	11,856,323	11,137,660
Due from banks	10,102,855	4,278,720
Treasury bills	40,208,527	40,525,362
Investment interest receivable	70,972	54,631
Advances	38,631,805	32,814,345
Investment securities	5,957,434	7,187,075
Premises and equipment	5,430,787	4,975,920
Goodwill	1,228,222	1,228,222
Deferred tax assets	175,868	156,945
Other assets	371,027	540,860
<b>TOTAL ASSETS</b>	<b>115,355,534</b>	<b>103,875,703</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>LIABILITIES</b>		
Due to banks	253,897	137,247
Customers' current, savings and deposit accounts	101,736,334	91,871,620
Net pension liability	276,100	256,300
Taxation payable	314,276	218,888
Deferred tax liabilities	208,033	194,736
Accrued interest payable	33,407	33,274
Other liabilities	1,729,700	1,523,817
<b>TOTAL LIABILITIES</b>	<b>104,551,747</b>	<b>94,235,882</b>
<b>EQUITY</b>		
Stated capital	300,000	300,000
Statutory reserves	300,000	300,000
Net unrealised gains	75,709	74,679
General banking risk reserve	1,282,602	1,039,437
Retained earnings	8,845,476	7,925,705
<b>TOTAL EQUITY</b>	<b>10,803,787</b>	<b>9,639,821</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>115,355,534</b>	<b>103,875,703</b>

These financial statements were approved by the Board of Directors on October 22, 2012 and signed on its behalf by:

John N. Alves, Managing Director

Christine A. McGowan, Company Secretary

Roy E. Cheong, Director, Chairman of Audit Committee

## Republic Bank (Guyana) Limited Statement of Income

For the year ended September 30, 2012  
Expressed in thousands of Guyana dollars (\$'000)

	2012	2011
Interest income	5,683,450	5,664,308
Interest expense	(851,588)	(889,875)
<b>Net interest income</b>	<b>4,831,862</b>	<b>4,774,433</b>
Other income	1,929,748	1,792,995
	6,761,610	6,567,428
Loan impairment expense	(134,252)	(175,214)
Operating expenses	(3,406,044)	(3,216,784)
<b>Profit before taxation</b>	<b>3,221,314</b>	<b>3,175,430</b>
Taxation - Current	(1,214,415)	(1,196,313)
- Deferred	6,037	(50,753)
<b>Total taxation expense</b>	<b>(1,208,378)</b>	<b>(1,247,066)</b>
<b>Net profit after taxation</b>	<b>2,012,936</b>	<b>1,928,364</b>
<b>Earnings per stock unit (\$)</b>	<b>6.71</b>	<b>6.43</b>



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

For the year ended September 30, 2012  
Expressed in thousands of Guyana dollars (\$'000)

	2012	2011
<b>Net profit after taxation</b>	2,012,936	1,928,364
Net gains/(losses) on available-for-sale investments	1,717	(171,820)
Tax relating to components of other comprehensive income	(687)	68,728
<b>Other comprehensive income for the year, net of tax</b>	1,030	(103,092)
<b>Total comprehensive income for the year, net of tax</b>	2,013,966	1,825,272

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

For the year ended September 30, 2012  
Expressed in thousands of Guyana dollars (\$'000)

	2012	2011
<b>Operating activities</b>		
Profit before taxation	3,221,314	3,175,430
<b>Adjustments for:</b>		
Depreciation	322,835	319,756
Loan impairment expense	134,252	175,214
Gain on sale of premises and equipment	(2,353)	(212)
Increase in employee benefits	19,800	19,700
Increase in advances	(5,951,712)	(4,683,930)
Increase in customers' deposits and other fund raising instruments	9,864,714	7,664,575
Increase in statutory deposit with Bank of Guyana	(718,663)	(999,150)
Decrease in other assets and investment interest receivable	153,492	313,778
Increase/(decrease) in other liabilities and accrued interest payable	213,944	(272,300)
Net cash from operating activities before tax	7,257,623	5,712,861
Taxes paid	(1,102,950)	(1,561,860)
<b>Cash provided by operating activities</b>	6,154,673	4,151,001
<b>Investing activities</b>		
Purchase of investment securities	(120,000)	(500,000)
Redemption of investment securities	1,241,633	3,159,753
Purchase of treasury bills	(40,625,350)	(42,428,378)
Redemption of treasury bills	41,012,150	36,076,710
Additions to premises and equipment	(818,087)	(783,334)
Proceeds from sale of premises and equipment	58,217	2,936
<b>Cash provided by/(used in) investing activities</b>	748,563	(4,472,313)
<b>Financing activities</b>		
Increase/(decrease) in balances due to other banks	116,650	(13,376)
Dividends paid	(850,000)	(850,010)
<b>Cash used in financing activities</b>	(733,350)	(863,386)
<b>Net increase/(decrease) in cash and cash equivalents</b>	6,169,886	(1,184,698)
<b>Cash and cash equivalents at beginning of year</b>	5,254,683	6,439,381
<b>Cash and cash equivalents at end of year</b>	11,424,569	5,254,683
<b>Cash and cash equivalents at end of year are represented by:</b>		
Cash on hand	1,321,714	975,963
Due from banks	10,102,855	4,278,720
	11,424,569	5,254,683
<b>Supplemental information:</b>		
Interest received during the year	5,573,190	5,675,943
Interest paid during the year	851,455	898,653
Dividends received	5,800	5,600

## FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2012

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

For the year ended September 30, 2012  
Expressed in thousands of Guyana dollars (\$'000)

	Stated capital	Statutory reserves	Net unrealised gains	General banking risk reserve	Retained earnings	Total equity
<b>Balance at September 30, 2010</b>	300,000	300,000	177,771	350,536	7,536,252	8,664,559
Profit for the year	-	-	-	-	1,928,364	1,928,364
Other comprehensive income	-	-	(103,092)	-	-	(103,092)
Total comprehensive income for the year	-	-	(103,092)	-	1,928,364	1,825,272
Transfer to general banking risk reserve	-	-	-	688,901	(688,901)	-
Dividends	-	-	-	-	(850,010)	(850,010)
<b>Balance at September 30, 2011</b>	300,000	300,000	74,679	1,039,437	7,925,705	9,639,821
Profit for the year	-	-	-	-	2,012,936	2,012,936
Other comprehensive income	-	-	1,030	-	-	1,030
Total comprehensive income for the year	-	-	1,030	-	2,012,936	2,013,966
Transfer to general banking risk reserve	-	-	-	243,165	(243,165)	-
Dividends	-	-	-	-	(850,000)	(850,000)
<b>Balance at September 30, 2012</b>	300,000	300,000	75,709	1,282,602	8,845,476	10,803,787

## Republic Bank (Guyana) Limited Board of Directors

### Directors

Chairman  
Managing Director - Republic Bank Limited  
David Dulal-Whiteway  
BSc Mgmt. Studies, MBA, CGA

Managing Director  
John N. Alves  
FICB

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

### Non-Executive Directors

Roy E. Cheong  
AA, FCII, FLMI, CLU

Nigel M. Baptiste  
BSc (Econ.) (Hons.), MSc (Econ.), ACIB

William H. Pierpont Scott  
FCCA, CA

John G. Carpenter  
BSc (Food Sciences)

Richard I. Vasconcellos

Derwin M. Howell  
BSc (Elect. Eng.) (Hons.), Executive MBA,  
MSc (Tele. Systems), MIET, MIEEE, C.Eng

Yolande M. Foo  
AICB

### Registered Office

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Messrs. Cameron & Shepherd  
2 Avenue of the Republic  
Robbstown  
Georgetown  
Guyana  
South America

Auditors  
Messrs. Ram & McRae  
Chartered Accountants  
157 'C' Waterloo Street  
North Cummingsburg  
Georgetown  
Guyana  
South America

### 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		
	2012	2011	
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 associates)

### Dividends

An interim dividend of \$0.92 per stock unit (\$275.0 million) was paid during the year and a final dividend of \$2.00 per stock unit (in total \$875.0 million) for the year ended September 30, 2012 is recommended.

