



Republic Bank

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UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS ENDED DECEMBER 31, 2019

CHAIRMAN'S STATEMENT

Dear Stockholder,

Your Bank recorded an after-tax profit of \$1,117.0 million for the first quarter ended December 31, 2019. This represents an increase of \$161.0 million or 16.8%, a significant improvement when compared with the corresponding period last year. Total assets grew by \$20.0 billion or 11.6% and customers' deposits grew by \$14.8 billion or 10.0% year-on-year.

As we move forward, your Bank will continue to explore the various opportunities that present themselves and remain optimistic that our objectives for the year will be achieved.

We take this opportunity to again apologise to our valued stockholders and clients for the inconvenience experienced during our recent IT conversion and thank you for your continued patience and support.

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

Republic Bank (Guyana) Limited Statement of Financial Position

Expressed in millions of Guyana dollars

	UNAUDITED Dec-31-19	UNAUDITED Dec-31-18	AUDITED Sept-30-19
ASSETS			
Cash resources	30,995	22,185	27,005
Statutory deposit with Bank of Guyana	18,687	16,468	16,871
Investment securities	45,721	48,831	47,772
Advances	83,946	74,205	78,794
Other assets	4,924	2,808	2,438
Premises and equipment	7,211	7,010	7,176
Intangible assets	73	87	73
Pension asset	32	14	32
TOTAL ASSETS	191,589	171,608	180,161
LIABILITIES & STOCKHOLDERS' EQUITY			
LIABILITIES			
Customers' chequing, savings and deposit accounts	162,524	147,699	153,605
Due to banks	171	130	138
Other liabilities	6,228	3,559	3,794
TOTAL LIABILITIES	168,923	151,388	157,537
STOCKHOLDERS' EQUITY			
Stated capital	300	300	300
Statutory reserves	300	300	300
Other reserves	845	795	845
Retained earnings	21,221	18,825	21,179
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	191,589	171,608	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 Dec-31-19	UNAUDITED THREE MONTHS ENDED Dec-31-18	UNAUDITED TWELVE MONTHS ENDED Dec-31-19	UNAUDITED TWELVE MONTHS ENDED Dec-31-18	AUDITED YEAR ENDED Sept-30-19
Net interest income	2,172	1,991	8,676	7,664	8,495
Other income	1,230	941	3,441	3,285	3,152
Operating income	3,402	2,932	12,117	10,949	11,647
Credit loss expense on financial assets	(33)	(172)	53	(846)	(86)
Operating expenses	(1,558)	(1,276)	(5,869)	(5,016)	(5,587)
Profit before tax	1,811	1,484	6,301	5,087	5,974
Tax	(694)	(528)	(2,294)	(1,697)	(2,128)
Net profit after tax	1,117	956	4,007	3,390	3,846
Earnings per stock unit (G\$)					
	3.72	3.19	13.36	11.30	12.82
Average number of stock units ('000,000)					
	300	300	300	300	300



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UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS ENDED DECEMBER 31, 2019

Republic Bank (Guyana) Limited Statement of Comprehensive Income

Expressed in millions of Guyana dollars

	UNAUDITED THREE MONTHS ENDED Dec-31-19	UNAUDITED THREE MONTHS ENDED Dec-31-18	AUDITED YEAR ENDED Sept-30-19
Net profit after tax	1,117	956	3,846
<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 loss on defined benefit plans	-	-	(6)
Total Comprehensive Income for the period, net of tax	1,117	956	3,839

Republic Bank (Guyana) Limited Statement of Cash Flows

Expressed in millions of Guyana dollars

	UNAUDITED THREE MONTHS ENDED Dec-31-19	UNAUDITED THREE MONTHS ENDED Dec-31-18	AUDITED YEAR ENDED Sept-30-19
Operating Activities			
Profit before taxation	1,811	1,484	5,974
Adjustments for non-cash items	192	199	568
Increase in operating assets	(8,478)	(5,078)	(10,061)
Increase in operating liabilities	10,165	3,130	9,052
Corporation taxes paid	(567)	(475)	(1,663)
Cash provided by/(used in) from operating activities	3,123	(740)	3,870
Investing Activities			
Net decrease/ (increase) in investments	2,050	(40)	1,159
Additions to premises and equipment	(141)	(48)	(572)
Proceeds from sale of premises and equipment	-	-	7
Cash provided by/(used in) investing activities	1,909	(88)	594
Financing Activities			
Increase in balances due to other banks	33	13	21
Dividends paid	(1,075)	(900)	(1,380)
Cash used in financing activities	(1,042)	(887)	(1,359)
Net increase/ (decrease) in cash resources	3,990	(1,715)	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	30,995	22,185	27,005
Supplemental Information:			
Interest received during the period/year	2,501	1,945	8,971
Interest paid during the period/year	149	93	587
Dividends received	11	-	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 three months ended December 31, 2019					
Balance at October 1, 2019	300	300	845	21,179	22,624
Total comprehensive income for the period	-	-	-	1,117	1,117
Dividends	-	-	-	(1,075)	(1,075)
Balance at December 31, 2019	300	300	845	21,221	22,666
Unaudited Three months ended December 31, 2018					
Balance at October 1, 2018	300	300	795	18,769	20,164
Total comprehensive income for the period	-	-	-	956	956
Dividends	-	-	-	(900)	(900)
Balance at December 31, 2018	300	300	795	18,825	20,220
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 December 31, 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, 2019.

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

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.



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Republic Bank (Guyana) Limited NOTES TO THE FINANCIAL STATEMENTS

Expressed in millions of Guyana dollars

4. Capital commitments

	UNAUDITED Dec-31-19	UNAUDITED Dec-31-18	AUDITED Sept-30-19
Contracts for outstanding capital expenditure not provided for in the financial statements	250	25	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 December 31, 2019, 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 Dec-31-19	UNAUDITED Dec-31-18	AUDITED Sept-30-19
Outstanding balances			
Loans, investments and other assets			
Fellow subsidiaries	1,038	315	487
Directors and key management personnel	74	72	83
Other related parties	234	268	468
	<u>1,346</u>	<u>655</u>	<u>1,038</u>

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

Deposits and other liabilities			
Fellow subsidiaries	378	262	330
Directors and key management personnel	256	178	267
Other related parties	4,285	3,494	4,910
	<u>4,919</u>	<u>3,934</u>	<u>5,507</u>

Interest and other income			
Directors and key management personnel	1	1	3
Other related parties	-	1	12
	<u>1</u>	<u>2</u>	<u>15</u>

Interest and other expense			
Fellow subsidiaries	29	27	134
Directors and key management personnel	4	4	5
Other related parties	1	3	8
	<u>34</u>	<u>34</u>	<u>147</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	33	42	100
	<u>33</u>	<u>42</u>	<u>100</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				
Three months ended December 31, 2019				
Interest income and other income	3,393	7	169	3,569
Unaudited				
Three months ended December 31, 2018				
Interest income and other income	3,043	27	6	3,076
Audited				
Year ended September 30, 2019				
Interest income and other income	12,112	98	25	12,236

8. Contingent liabilities

a) As at December 31, 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 Dec-31-19	UNAUDITED Dec-31-18	AUDITED Sept-30-19
Guarantees	1,908	1,909	1,940
Letters of Credit	265	690	265
	<u>2,173</u>	<u>2,599</u>	<u>2,205</u>
Sectoral Information			
State	760	891	846
Corporate and commercial	1,413	1,708	1,359
	<u>2,173</u>	<u>2,599</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	December 31, 2019	December 31, 2018	September 30, 2019
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	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)

