



# Republic Bank

We're the One for you!

## UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS

ENDED DECEMBER 31, 2020

### CHAIRMAN'S STATEMENT

Dear Stockholder,

Your Bank recorded an after-tax profit of \$881 million for the three-month period ended December 31, 2020. This reflects a decrease of \$236 million or 21.1% when compared with the corresponding period last year. Total assets grew by \$20.4 billion or 10.6% and customers' deposits grew by \$19.8 billion or 12.2% year-on-year.

This performance reflects the financial impact so far of the COVID-19 pandemic. However, in response to the anticipated economic and social fallout as a result of the pandemic, the Bank continues to lend the necessary support to ensure the sustainability of the business community, its employees and customers.

Notwithstanding the ongoing challenges, your Bank continues to focus on its strategic objectives premised on the promising economic outlook for the country, while remaining true to its corporate social responsibility

Nigel M. Baptiste  
Chairman of the Board  
January 18, 2021

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

Expressed in millions of Guyana dollars

	UNAUDITED Dec-31-20	UNAUDITED Dec-31-19	AUDITED Sept-30-20
<b>ASSETS</b>			
Cash resources	56,687	30,995	53,087
Statutory deposit with Bank of Guyana	17,444	18,687	16,463
Investment securities	39,995	45,721	43,545
Advances	84,597	83,946	81,868
Other assets	6,121	4,924	3,170
Premises and equipment	7,040	7,211	7,122
Intangible assets	47	73	51
Rights of use assets	25	-	30
Pension asset	-	32	-
<b>TOTAL ASSETS</b>	<b>211,956</b>	<b>191,589</b>	<b>205,336</b>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Customers' chequing, savings and deposit accounts	182,355	162,524	175,349
Due to banks	23	171	14
Pension liability	161	-	161
Lease liabilities	25	-	29
Other liabilities	4,879	6,228	5,175
<b>TOTAL LIABILITIES</b>	<b>187,443</b>	<b>168,923</b>	<b>180,729</b>
<b>STOCKHOLDERS' EQUITY</b>			
Stated capital	300	300	300
Statutory reserves	300	300	300
Other reserves	843	845	843
Retained earnings	23,070	21,221	23,164
	<b>24,513</b>	<b>22,666</b>	<b>24,607</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>211,956</b>	<b>191,589</b>	<b>205,336</b>

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-31-20	UNAUDITED THREE MONTHS ENDED Dec-31-19	UNAUDITED TWELVE MONTHS ENDED Dec-31-20	UNAUDITED TWELVE MONTHS ENDED Dec-31-19	AUDITED YEAR ENDED Sept-30-20
Net interest income	2,074	2,172	8,786	6,049	8,883
Other income	905	1,230	2,523	2,659	2,848
Operating income	2,979	3,402	11,309	8,708	11,731
Credit loss expense on financial assets	(149)	(33)	(482)	(229)	(366)
Operating expenses	(1,447)	(1,558)	(5,928)	(4,170)	(6,039)
<b>Profit before tax</b>	<b>1,383</b>	<b>1,811</b>	<b>4,899</b>	<b>4,309</b>	<b>5,326</b>
Tax	(502)	(694)	(1,639)	(1,532)	(1,832)
<b>Net profit after tax</b>	<b>881</b>	<b>1,117</b>	<b>3,260</b>	<b>2,777</b>	<b>3,494</b>
<b>Earnings per stock unit (G\$)</b>	<b>2.94</b>	<b>3.72</b>	<b>10.87</b>	<b>9.26</b>	<b>11.65</b>
<b>Average number of stock units ('000,000)</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>



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## UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS

ENDED DECEMBER 31, 2020

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

Expressed in millions of Guyana dollars

	UNAUDITED THREE MONTHS ENDED Dec-31-20	UNAUDITED THREE MONTHS ENDED Dec-31-19	AUDITED YEAR ENDED Sept-30-20
<b>Net profit after tax</b>	<b>881</b>	<b>1,117</b>	<b>3,494</b>
Items of other comprehensive income that will not be reclassified to the statement of income in subsequent periods (net of tax):			
<b>Re-measurement loss on defined benefit plans</b>	<b>-</b>	<b>-</b>	<b>(134)</b>
<b>Total Comprehensive Income for the period, net of tax</b>	<b>881</b>	<b>1,117</b>	<b>3,360</b>

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

Expressed in millions of Guyana dollars

	UNAUDITED THREE MONTHS ENDED Dec-31-20	UNAUDITED THREE MONTHS ENDED Dec-31-19	AUDITED YEAR ENDED Sept-30-20
<b>Operating Activities</b>			
Profit before taxation	1,383	1,811	5,326
Adjustments for non-cash items	269	192	830
Increase in operating assets	(5,791)	(8,478)	(3,380)
Increase in operating liabilities	5,393	10,165	23,670
Corporation taxes paid	(211)	(567)	(2,408)
<b>Cash provided by operating activities</b>	<b>1,043</b>	<b>3,123</b>	<b>24,038</b>
<b>Investing Activities</b>			
Net decrease in investments	3,550	2,050	3,931
Additions to premises and equipment	(28)	(141)	(385)
Proceeds from sale of premises and equipment	-	-	15
<b>Cash provided by investing activities</b>	<b>3,522</b>	<b>1,909</b>	<b>3,561</b>
<b>Financing Activities</b>			
Increase/(decrease) in balances due to other banks	9	33	(124)
Repayment of principal portion of lease liabilities	-	-	(18)
Dividends paid	(975)	(1,075)	(1,375)
<b>Cash used in financing activities</b>	<b>(966)</b>	<b>(1,042)</b>	<b>(1,517)</b>
<b>Net increase in cash resources</b>	<b>3,599</b>	<b>3,990</b>	<b>26,082</b>
Cash and cash equivalents at beginning of period/year	53,088	27,005	27,005
<b>Cash and cash equivalents at end of period/year</b>	<b>56,687</b>	<b>30,995</b>	<b>53,087</b>
<b>Supplemental Information:</b>			
Interest received during the period/year	2,260	2,501	9,063
Interest paid during the period/year	183	149	660
Dividends received	-	11	11

### 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
<b>Unaudited</b>					
<b>Three months ended December 31, 2020</b>					
<b>Balance at October 1, 2020</b>	<b>300</b>	<b>300</b>	<b>843</b>	<b>23,164</b>	<b>24,607</b>
Total comprehensive income for the period	-	-	-	881	881
Dividends	-	-	-	(975)	(975)
<b>Balance at December 31, 2020</b>	<b>300</b>	<b>300</b>	<b>843</b>	<b>23,070</b>	<b>24,513</b>

<b>Unaudited</b>					
<b>Three months ended December 31, 2019</b>					
<b>Balance at October 1, 2019</b>	<b>300</b>	<b>300</b>	<b>845</b>	<b>21,179</b>	<b>22,624</b>
Total comprehensive income for the period	-	-	-	1,117	1,117
Dividends	-	-	-	(1,075)	(1,075)
<b>Balance at December 31, 2019</b>	<b>300</b>	<b>300</b>	<b>845</b>	<b>21,222</b>	<b>22,666</b>

<b>Audited</b>					
<b>Year ended September 30, 2020</b>					
<b>Balance at October 1, 2019</b>	<b>300</b>	<b>300</b>	<b>845</b>	<b>21,179</b>	<b>22,624</b>
Profit for the year	-	-	-	3,494	3,494
Other comprehensive loss	-	-	-	(134)	(134)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,360</b>	<b>3,360</b>
Transfer from general banking risk reserve	-	-	(2)	-	(2)
Dividends	-	-	-	(1,375)	(1,375)
<b>Balance at September 30, 2020</b>	<b>300</b>	<b>300</b>	<b>843</b>	<b>23,164</b>	<b>24,607</b>

### 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, 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, 2020.

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, 2020.

#### 4. Capital commitments

	UNAUDITED Dec-31-20	UNAUDITED Dec-31-19	AUDITED Sept-30-20
Contracts for outstanding capital expenditure not provided for in the financial statements	149	250	422



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### Republic Bank (Guyana) Limited

#### NOTES TO THE FINANCIAL STATEMENTS

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##### 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, 2020, the balance in the General Banking Risk Reserve was \$843 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-31-20	UNAUDITED Dec-31-19	AUDITED Sept-30-20
<b>Outstanding balances</b>			
<b>Loans, investments and other assets</b>			
Fellow subsidiaries	1,018	1,038	884
Directors and key management personnel	70	74	87
Other related parties	653	234	548
	<u>1,741</u>	<u>1,346</u>	<u>1,519</u>
No provisions have been made against amounts due from related parties.			
<b>Deposits and other liabilities</b>			
Fellow subsidiaries	489	378	442
Directors and key management personnel	262	256	252
Other related parties	7,436	4,285	5,214
	<u>8,187</u>	<u>4,919</u>	<u>5,908</u>
<b>Interest and other income</b>			
Directors and key management personnel	3	1	3
Other related parties	6	-	5
	<u>9</u>	<u>1</u>	<u>8</u>
<b>Interest and other expense</b>			
Fellow subsidiaries	29	29	118
Directors and key management personnel	8	4	27
Other related parties	1	1	2
	<u>38</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.			
<b>Key management compensation</b>			
Short term benefits	41	33	99
	<u>41</u>	<u>33</u>	<u>99</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) <b>Unaudited</b>				
Three months ended December 31, 2020				
Interest income and other income	3,137	7	19	3,163
<b>Unaudited</b>				
Three months ended December 31, 2019				
Interest income and other income	3,393	7	169	3,569
<b>Audited</b>				
Year ended September 30, 2020				
Interest income and other income	12,336	26	62	12,424

### Republic Bank (Guyana) Limited

#### NOTES TO THE FINANCIAL STATEMENTS

Expressed in millions of Guyana dollars

##### 8. Contingent liabilities

a) As at December 31, 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 Dec-31-20	UNAUDITED Dec-31-19	AUDITED Sept-30-20
Guarantees	2,506	1,908	2,317
Letters of Credit	<u>234</u>	<u>265</u>	<u>265</u>
	<u>2,740</u>	<u>2,173</u>	<u>2,582</u>
<b>Sectoral Information</b>			
State	957	760	780
Corporate and commercial	<u>1,783</u>	<u>1,413</u>	<u>1,802</u>
	<u>2,740</u>	<u>2,173</u>	<u>2,582</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, 2020	December 31, 2019	September 30, 2020
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)

