



CITIZENS BANK

It's Where You Belong

INTERIM FINANCIAL
STATEMENTS 2016

INTERIM REPORT

For the Half Year Ended 31 March 2016



CHAIRMAN'S REPORT

Citizens Bank Guyana Inc. recorded a Profit After Taxation for the six months ended March 31, 2016 of \$440.8 million compared to \$459.3 million for the corresponding period last year.

Interest Income for the six-month period was \$1.6 billion, while Interest Expense was \$343.0 million, resulting in Net Interest Income of \$1.2 billion the same as the corresponding period last year. Other Income was \$206.2 million, resulting in a surplus before Non-interest Expenses of \$1.4 billion the same corresponding period last year.

Operating Expenses were \$621.6 million compared to \$562.0 million for the corresponding period last year. Inflationary increase in goods and services were the major contributors to the increase in our operating expenses.

Earnings per share for the six-month period were \$7.4 in comparison to \$7.7 for the same period in 2015.

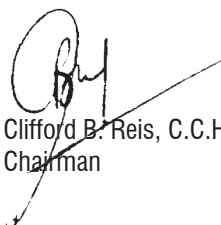
At March 31, 2016, the net loans and advances balance was \$29.4 billion, compared to \$31.8 billion at March 31, 2015. Net investments were \$1.6 billion, compared to \$0.9 billion at March 31, 2015.

Total deposits balance was \$38.3 billion, compared to \$34.7 billion at March 31, 2015.

The Board of Directors has approved an Interim Dividend of \$0.70 per share, the same as the corresponding period in 2015.

The remaining six months of our financial year will require us to overcome many challenges. Citizens Bank Guyana Inc is however, optimistic that our strategies will yield a satisfactory performance and increased shareholders' value.

I take this opportunity to thank our customers for their support, the management and staff for their dedication and hard work, our shareholders and fellow Directors for their co-operation and assistance.



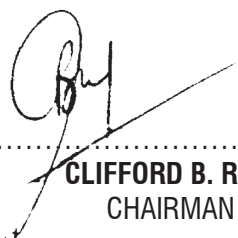
Clifford B. Reis, C.C.H.
Chairman

Thousand of Guyana Dollars	Unaudited For the three months ended 31-Mar-16	Unaudited For the three months ended 31-Mar-15	Unaudited For the six months ended 31-Mar-16	Unaudited For the six months ended 31-Mar-15	Audited For the year ended 30-Sep-15
INTEREST INCOME	768,578	690,293	1,553,588	1,448,166	3,251,754
INTEREST EXPENSE	(177,264)	(142,546)	(342,980)	(286,639)	(601,522)
NET INTEREST INCOME	591,314	547,747	1,210,608	1,161,527	2,650,232
OTHER INCOME	100,464	99,384	206,243	236,574	456,162
TOTAL NET INCOME	691,778	647,131	1,416,851	1,398,101	3,106,394
OPERATING EXPENSES	(298,532)	(273,937)	(621,621)	(561,998)	(1,159,577)
NET IMPAIRMENT ON FINANCIAL ASSETS	(31,380)	(56,724)	(64,706)	(98,078)	(479,418)
PROFIT BEFORE TAXATION	361,866	316,470	730,524	738,025	1,467,399
TAXATION CHARGE	(148,073)	(117,705)	(289,684)	(278,672)	(560,553)
PROFIT AFTER TAXATION	213,793	198,765	440,840	459,353	906,846
EARNINGS PER SHARE	\$3.59	\$3.34	\$7.41	\$7.72	\$15.24

Thousand of Guyana Dollars	Unaudited For the three months ended 31-Mar-16	Unaudited For the three months ended 31-Mar-15	Unaudited For the six months ended 31-Mar-16	Unaudited For the six months ended 31-Mar-15	Audited For the year ended 30-Sep-15
PROFIT AFTER TAXATION	213,793	198,765	440,840	459,353	906,846
OTHER COMPREHENSIVE INCOME:					
<i>Items that may be subsequently reclassified to profit or loss</i>					
Fair value (loss) / gain on available-for-sale asset	(1,125)	(3,257)	355	2,960	2,901
Deferred tax credit / (charge) on fair value (loss) / gain on available-for-sale asset	450	1,303	(142)	(1,184)	(1,160)
	(675)	(1,954)	213	1,776	1,741
TOTAL COMPREHENSIVE INCOME	213,118	196,811	441,053	461,129	908,587

Thousand of Guyana Dollars	Unaudited As At 31-Mar-16	Unaudited As At 31-Mar-15	Audited As At 30-Sep-15
ASSETS			
Cash and balances with Bank of Guyana	6,827,773	4,592,622	5,921,773
Amounts due from other banks	5,882,697	2,738,437	3,020,996
Investment securities	1,635,689	889,708	757,158
Loans and advances	29,433,130	31,832,789	30,680,174
Other assets	2,939,092	2,238,243	2,734,359
TOTAL ASSETS	46,718,381	42,291,799	43,114,460
LIABILITIES			
Customers' deposits	38,274,798	34,698,562	34,905,524
Other liabilities	864,603	759,989	969,874
TOTAL LIABILITIES	39,139,401	35,458,551	35,875,398
SHAREHOLDERS' EQUITY			
Share capital	594,913	594,913	594,913
Statutory reserve	594,913	594,913	594,913
General banking risk reserve	440,058	587,087	587,088
Other reserves	32,924	32,420	32,711
Retained earnings	5,916,172	5,023,915	5,429,437
TOTAL SHAREHOLDERS' EQUITY	7,578,980	6,833,248	7,239,062
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	46,718,381	42,291,799	43,114,460

On behalf of the Board of Directors



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CLIFFORD B. REIS
CHAIRMAN



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ETON M. CHESTER
MANAGING DIRECTOR

Thousand of Guyana Dollars	Share Capital	Statutory Reserve	Revaluation Reserve	Investment Revaluation Reserve	General Banking Risk Reserve	Retained Earnings	Total
For the three months ended 31 March 2015							
As at beginning of period	594,913	594,913	33,838	536	296,760	5,216,612	6,737,572
Total comprehensive income	0	0	0	(1,954)	0	198,765	196,811
Transfer to general banking risk reserve	0	0	0	0	290,327	(290,327)	0
Dividend paid	0	0	0	0	0	(101,135)	(101,135)
As at end of period	594,913	594,913	33,838	(1,418)	587,087	5,023,915	6,833,248
For the three months ended 31 March 2016							
As at beginning of period	594,913	594,913	34,164	(565)	383,372	5,860,200	7,466,997
Total comprehensive income	0	0	0	(675)	0	213,793	213,118
Transfer to general banking risk reserve	0	0	0	0	56,686	(56,686)	0
Dividend paid	0	0	0	0	0	(101,135)	(101,135)
As at end of period	594,913	594,913	34,164	(1,240)	440,058	5,916,172	7,578,980
For the six months ended 31 March 2015							
As at beginning of period	594,913	594,913	33,838	(3,194)	296,760	4,956,024	6,473,254
Total comprehensive income	0	0	0	1,776	0	459,353	461,129
Transfer to general banking risk reserve	0	0	0	0	290,327	(290,327)	0
Dividend paid	0	0	0	0	0	(101,135)	(101,135)
As at end of period	594,913	594,913	33,838	(1,418)	587,087	5,023,915	6,833,248
For the six months ended 31 March 2016							
As at beginning of period	594,913	594,913	34,164	(1,453)	587,088	5,429,437	7,239,062
Total comprehensive income	0	0	0	213	0	440,840	441,053
Transfer from general banking risk reserve	0	0	0	0	(147,030)	147,030	0
Dividend paid	0	0	0	0	0	(101,135)	(101,135)
As at end of period	594,913	594,913	34,164	(1,240)	440,058	5,916,172	7,578,980

Thousand of Guyana Dollars	Unaudited For the three months 31-Mar-16	Unaudited For the three months ended 31-Mar-15	Unaudited For the six months ended 31-Mar-16	Unaudited For the six months ended 31-Mar-15	Audited For the year ended 30-Sep-15
OPERATING ACTIVITIES					
Profit before taxation	361,866	316,470	730,524	738,025	1,467,399
Adjustments to reconcile net profit to net cash provided by operating activities:					
Adjustment for non - cash items	28,054	29,870	59,450	60,211	123,869
Decrease / (increase) in operating assets	384,190	(1,151,062)	997,476	(3,183,622)	(1,726,102)
(Decrease) / increase in operating liabilities	(319,428)	1,109,669	3,235,194	1,100,017	1,572,388
Reserve requirement with Bank of Guyana	(56,865)	(234,331)	(409,096)	(193,695)	17,330
Taxes paid	(125,886)	(137,492)	(263,327)	(272,231)	(608,407)
NET CASH INFLOW / (OUTFLOW)					
- INVESTING ACTIVITIES	271,931	(66,876)	4,350,221	(1,751,295)	846,477
INVESTING ACTIVITIES					
Net movement of investment securities	(97,451)	1,729,620	(1,094,490)	2,149,296	2,273,735
Purchase of property and equipment	(5,362)	(8,234)	(13,734)	(85,259)	(931,248)
Purchase of intangible assets	0	0	(4,586)	(2,845)	(15,958)
Proceeds from sale of property and equipment	5,215	0	6,015	0	600
NET CASH (OUTFLOW) / INFLOW					
- INVESTING ACTIVITIES	(97,598)	1,721,386	(1,106,795)	2,061,192	1,327,129
FINANCING ACTIVITIES					
Dividends paid	(101,135)	(101,135)	(101,135)	(101,135)	(142,779)
Proceeds from borrowings	0	0	0	1,640,000	0
Repayments of borrowings	0	(1,640,000)	0	(2,940,000)	(1,300,000)
NET CASH OUTFLOW - FINANCING ACTIVITIES	(101,135)	(1,741,135)	(101,135)	(1,401,135)	(1,442,779)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	73,198	(86,625)	3,142,291	(1,091,238)	730,827
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD	8,422,371	3,617,838	5,353,278	4,622,451	4,622,451
CASH AND CASH EQUIVALENTS AT END OF PERIOD	8,495,569	3,531,213	8,495,569	3,531,213	5,353,278

1 ACCOUNTING POLICIES

These interim financial statements were prepared to comply with Supervisor Guideline 10 as issued by the Bank of Guyana. The accounting policies used are consistent with those applied in the annual financial statements for the year ended 30 September 2015.

2 TAXATION

The taxation charge is based on the actual results of the period, adjusted for the provisions of the applicable tax legislation, and includes an allowance for deferred taxation. Deferred taxation is computed using the liability method for all temporary differences arising between the tax bases of the assets and liabilities and their carrying values for financial reporting purposes.

3 DIRECTORS' INTEREST

	Ordinary Shares of No Par Value	
	Beneficial Interest	Associate's Beneficial Interest
Clifford B. Reis	Nil	125,000
Rakesh K. Puri	Nil	9,929,241
Eton M. Chester	10,001	Nil

No other Director or his known associate has any beneficial interest in any shares of the Company.

4 SUBSTANTIAL SHAREHOLDERS

	Ordinary Shares of No Par Value
Banks DIH Limited	30,340,557
Continental Agencies Limited	9,929,241
Hand - in - Hand Group	5,318,856
Hand - in - Hand Pension Scheme	4,615,385

A substantial shareholder is defined as a person or entity entitled to exercise, or control the exercise of five percent (5%) or more of the voting power at any general meeting.

5 RELATED PARTY BALANCES AND TRANSACTIONS

	As At 31-Mar-16 \$'000	As At 31-Mar-15 \$'000	As At 30-Sep-15 \$'000
Loans	1,180,404	1,236,475	1,258,721
Deposits	10,071,780	7,221,633	8,161,515
Guarantees	25,251	32,271	25,251
	For Half Year Ended 31-Mar-16 \$'000	For Half Year Ended 31-Mar-15 \$'000	For Year Ended 30-Sep-15 \$'000
Interest Income	55,003	55,574	143,976
Interest Expense	23,459	29,189	51,641

Related parties include major shareholders, key management personnel and other organisations controlled or significantly influenced by key management personnel.

6 INTRA - GROUP OBLIGATIONS

Banks DIH Limited, the parent company of Citizens Bank Guyana Inc, has outstanding obligations comprising of loans and guarantees totalling \$568.5 million owing to the Bank as at 31 March 2016 (31 March 2015: \$632.3 million). Of the \$568.5million obligations, \$15.0 million are guarantees while loans total \$553.5 million, (31 March 2015: \$17.9 million were guarantees while loans totalled \$614.4 million). These obligations are included in balances shown in the Note (5).

7 CAPITAL COMMITMENTS

	As At 31-Mar-16 \$'000	As At 31-Mar-15 \$'000	As At 30-Sep-15 \$'000
Capital commitments for property and equipment:			
Authorised but not contracted for	209,994	783,085	211,230
Authorised and contracted for	558,282	678,749	805,378

8 FAIR VALUE

Asset carried at fair value

The Company's available -for-sale investment security of \$133.6 million (2015: \$133.3 million) is carried at fair value based on a quoted price from an active market. It would therefore be classified as level 1.

Assets and liabilities not carried at fair value

The table below shows the fair values of assets and liabilities which are not carried at fair value on the statement of financial position but for which disclosures of fair value is required.

	IFRS 13 Level	31-Mar-16 Carrying Amount	31-Mar-16 Fair Value	31-Mar-15 Carrying Amount	31-Mar-15 Fair Value
Assets:					
Investment securities (Held -to-maturity)	Level 2	1,502,105	1,523,453	756,420	764,235
Loans and advances	Level 2	29,433,130	29,728,123	31,832,789	31,854,431

The fair value of held to maturity investment securities and loans and advances are based on net present values using discount rates reflective of market rates for similar assets.

The fair values of other financial assets and liabilities approximate to their carrying amounts given short term to maturity.