











NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty-Sixth Annual General Meeting of Citizens Bank Guyana Inc. will be held at 231-233 Camp Street & South Road, Lacytown, Georgetown on Tuesday, January 26, 2021 at 2.00 p.m. for the business set out below. In light of the restrictions on public gatherings imposed under the Health Ordinance as a result of the Coronavirus global pandemic (COVID - 19), the Annual General Meeting (AGM) will be conducted in the manner pursuant to the Order of Court made by Honourable Justice Sandil Kissoon and entered on December 14, 2020.

(a) No more than six individuals (whose names are set out at (i) to (vi) below) representing, personally or by proxy, no less that 10% of the shareholding of CITIZENS BANK GUYANA INC. shall be present, in the capacity solely as shareholders, at the Annual General Meeting namely;

(i) Melissa DeSantos(ii) Joan Hadmon(iii) Carlton Joao(iv) Gavin Todd(v) Mary Nagasar(vi) Rakesh Puri

- (b) As a shareholder of Citizens Bank Guyana Inc. you are entitled to observe the AGM via electronic/virtual platform but not to be physically present at the Meeting. The access code for the electronic/virtual platform has been mailed to you along with this Notice;
- (c) As a shareholder of Citizens Bank Guyana Inc. you are entitled to appoint one of the six individuals named at (a) above as your proxy with instructions as to voting on the Motions to be proposed at the AGM. These Motions are set out in the Proxy Form, mailed to you along with this Notice;
- (d) Shareholders may contact the Corporate Secretary's Office (Ms. Frances S. Parris) at telephone number 592-226-1705 Ext. 1102 or email: fsparris@citizensbankgy.com any questions in relation to this Notice or the Annual General Meeting not less than forty-eight (48) hours before the time appointed for the meeting.

AGENDA

1. To receive the Audited Financial Statements for the year ended 30 September 2020 and the Reports of the Directors and the Auditors thereon.

To consider and (if thought fit) pass the following Resolution:

- 1) "That the Audited Financial Statements for the year ended 30 September 2020 and the Reports of the Directors and Auditors thereon be adopted."
- 2. To consider the declaration of a final Dividend of \$2.25 as recommended by the Directors in addition to the interim Dividend of \$0.90 previously declared by them and (if thought fit) pass the following resolution:
 - 2) "That the Interim Dividend of \$0.90 already paid be confirmed and that a Final Dividend of \$2.25 as recommended by the Directors in respect to the year ended 30 September 2020 be approved and paid to the shareholders on the Company's Register at the close of business on January 26, 2021."
- 3. To elect Directors. The Directors retiring are Mr. Wilfred Lee, Mr. George G. McDonald and Ms. Deenawati Panday, who being eligible offer themselves for election.

To consider and (if thought fit) pass the following Resolutions:

- 3.1) "That the Directors be elected en-bloc."
- 3.2) "That Mr. Wilfred Lee, Mr. George G. McDonald and Ms. Deenawati Panday having retired and being eligible for election be and are hereby elected Directors of the Company."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

4. To fix the remuneration of the Directors.

To consider and (if thought fit) pass the following Resolution:

- 4) "That the remuneration of \$1,797,103.00 per annum be paid to the Chairman; the remuneration of \$1,397,103.00 per annum be paid to each Non-Executive Director and that a Travelling Allowance for each Non-Executive Director be fixed at \$587,043.00; and that the additional sum of \$115,854.00 per annum be provided for additional remuneration for each Director serving on Technical Committees."
- 5. To re-appoint the incumbent Auditors.

To consider and (if thought fit) pass the following Resolution:

- 5) "That Messrs Jack A. Alli, Sons & Company be and are hereby re-appointed Auditors for the period ending with the conclusion of the next Annual General Meeting."
- 6. To empower the Directors to fix the remuneration of the auditors.

To consider and (if thought fit) pass the following Resolution:

- 6) "That the Directors be and are hereby authorised to fix the remuneration of the Auditors at a figure to be agreed with them."
- 7. To consider any other business that may be conducted at an Annual General Meeting.

BY ORDER OF THE BOARD

Frances S. Parris

Corporate Secretary
Registered Office

231 – 233 Camp Street and South Road

Lacytown, Georgetown December 14, 2020

NOTES:

- 1. Only Shareholders may attend the Virtual AGM.
- 2. Any shareholder entitled to attend and vote at this virtual meeting is entitled to appoint a proxy being any of six individuals named at sub paragraph (a) above to vote for him/her.
- 3. To be valid, the instrument appointing a proxy must bear a G\$10.00 revenue stamp, be completed and deposited with the Secretary, Citizens Bank Guyana Inc, 231- 233 Camp Street and South Road, Lacytown, Georgetown not less than forty-eight (48) hours before the time appointed for the meeting.
- 4. A proxy form is attached for use.



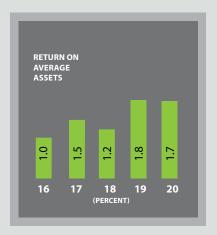
FIVE YEAR FINANCIAL SUMMARY

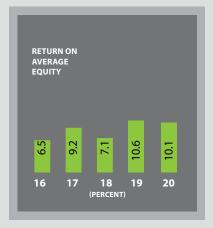
	2020 \$′000	2019 \$′000	2018 \$′000	2017 \$′000	2016 \$′000
	7 000	\$ 000	\$ 600	\$ 000	3 000
Total assets	63,824,269	54,875,759	50,482,351	49,972,449	50,223,938
Loans and advances	31,731,647	29,789,808	25,527,124	28,181,255	29,159,713
Investments	7,733,906	3,502,225	4,323,888	4,197,825	1,638,988
Deposits	51,816,797	44,279,137	40,903,223	40,586,097	42,092,034
Revenue	3,748,682	3,421,514	3,159,879	3,553,400	3,265,865
Expenses and taxes	2,766,531	2,466,261	2,557,578	2,826,841	2,788,740
Profit after taxation	982,151	955,253	602,301	726,559	477,125
Shareholders' equity	10,117,344	9,322,590	8,644,276	8,212,757	7,599,693
Return on average assets (%)	1.7	1.8	1.2	1.5	1.0
Return on average equity (%)	10.1	10.6	7.1	9.2	6.5
Earnings per share (Dollars)	16.5	16.1	10.1	12.2	8.1
FINANCIAL HIGHLIGHTS					
		2020	2019	Inc / (Dec)	%
		\$'000	\$'000	\$'000	Change
Balance Sheet:					
Total assets		63,824,269	54,875,759	8,948,510	16.3
Loans and advances		31,731,647	29,789,808	1,941,839	6.5
Investments		7,733,906	3,502,225	4,231,681	120.8
Deposits		51,816,797	44,279,137	7,537,660	17.0
Shareholders' equity		10,117,344	9,322,590	794,754	8.5
RESULTS OF OPERATIONS:					
Revenue		3,748,682	3,421,514	327,168	9.6
Expenses		2,075,782	1,822,166	253,616	13.9
Profit before taxation		1,672,900	1,599,348	73,552	4.6
Taxation		690,749	644,095	46,654	7.2
Profit after taxation		982,151	955,253	26,898	2.8
RATIOS:					
Return on average assets (%)		1.7	1.8	(0.1)	(5.6)
Return on average equity (%)		10.1	10.6	(0.5)	(4.7)
Earnings per share (Dollars)		16.5	16.1	0.4	2.5
NUMBER OF:					
Shareholders		95	97	(2)	(2.1)
Deposit accounts		56,071	55,631	440	0.8
Employees		165	165	0	0.0
Locations		6	6	0	0.0



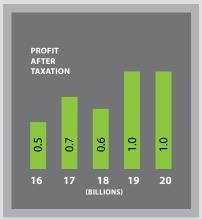
FINANCIAL HIGHLIGHTS (CONT'D)











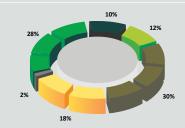




FINANCIAL HIGHLIGHTS (CONT'D)

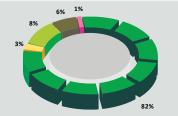
DISTRIBUTION OF INCOME

Interest Expenses Personnel Expenses Other Non Interest Expenses Taxation Dividends	464 1,122 691 54	18% 2%
Retained Earnings	1,052	28%
	3,749	



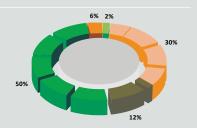
SOURCE OF INCOME

Loans and advances	3,076	82%
Investment securities	125	3%
Fees and commission income	304	8%
Foreign exchange income	221	6%
Other income	23	1%
	3,749	



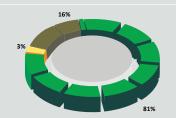
ASSETS

Cash resources	19,370	30%
Investments	7,734	12%
Loans and advances	31,732	50%
Property & equipment	3,739	6%
Other assets	_1,249	2%
	63,824	

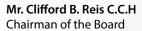


LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits	51,817	81%
Other liabilities	1,890	3%
Shareholders' equity	10,117	16%
	63,824	



CITIZENS BANK 2020 BOARD OF DIRECTORS



Mr. Eton M. Chester, A.A., O.D. Managing Director

Mr. Wilfred A. Lee A.A. Director

Mr. George McDonald, A.A. Director

Mr. Michael H. Pereira Director

Mr. Paul A. Carto, A.A. Director

Ms. Deenawati Panday, LLB Director

Mr. Ronald G. Burch-Smith, LLB Director

Mr. Rakesh K. Puri Director



















DIRECTORS

Mr. Clifford B. Reis, C.C.H., F.I.Mgt. Chairman/Managing Director – Banks DIH Limited

Mr. Eton M. Chester, A.A., O.D., B.Sc. Managing Director – Citizens Bank Guyana Inc.

Mr. George G. McDonald, A.A., B.Sc. Co-Managing Director/Marketing Director – Banks DIH Limited

Mr. Michael H. Pereira Operations Director – Banks DIH Limited

Mr. Paul A. Carto A.A., B.Sc. Human Resources Director – Banks DIH Limited

Mr. Wilfred A. Lee, A.A., Dip. M., B.Sc, MCIC Consultant

Mr. Rakesh K. Puri Managing Director – Continental Agencies Limited

Ms. Deenawati Panday, LLB Attorney-at-Law

Mr. Ronald G. Burch-Smith, LLB, MSc Attorney-at-Law

CORPORATE SECRETARY

Ms. Frances Sarah Parris, B.Sc. General Manager – Citizens Bank Guyana Inc.

REGISTERED OFFICE

231 – 233 Camp Street & South Road, Lacytown, Georgetown, Guyana

AUDITORS

Messrs. Jack A. Alli , Sons & Company Chartered Accountants 145 Crown Street, Queenstown, Georgetown, Guyana

ATTORNEYS-AT-LAW

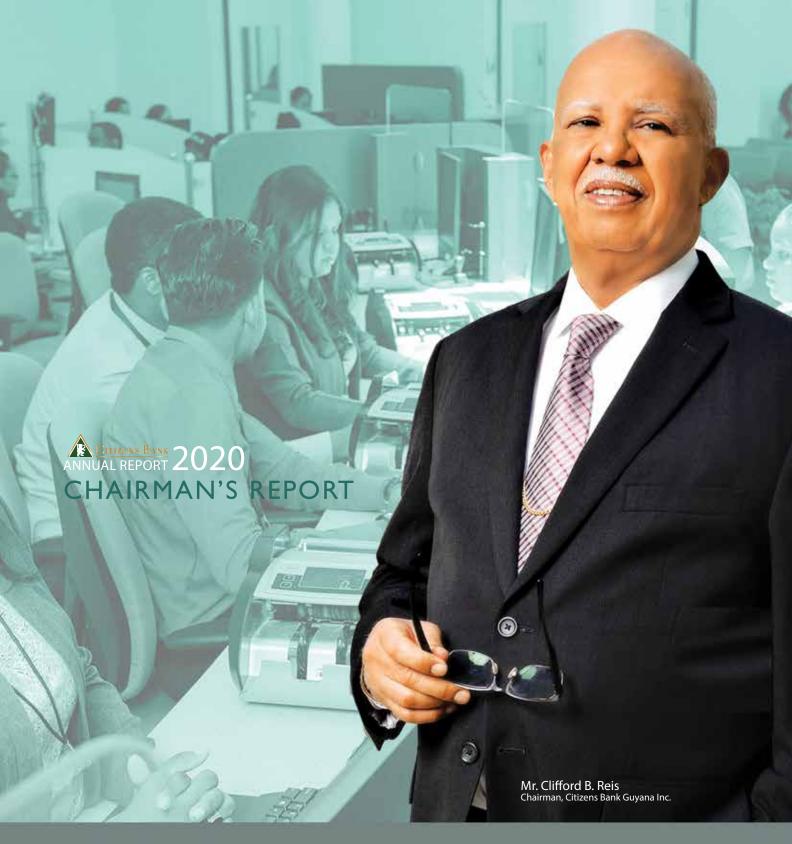
Messrs. Cameron & Shepherd 2 Avenue of the Republic, Georgetown, Guyana

Messrs. Hughes, Fields & Stoby 62 Hadfield Street, Georgetown, Guyana

Messrs. Boston & Boston Duke Chambers, 2 Croal Street, Stabroek, Georgetown, Guyana

Messrs. Fields & Company

Equity Chambers, Suite #318, Sharon's Building, Charlotte & Kings Streets, Georgetown, Guyana



ECONOMIC REVIEW

The global economy is climbing out from the depths to which it had plummeted during the Great Lockdown in April, but with the COVID-19 pandemic continuing to spread, many countries have slowed reopening and some are reinstating partial lockdown. While recovery in China has been faster than expected, the global economy's ascent back to pre-pandemic levels of activity will likely be long, uneven, and uncertain.

Global growth is projected at 4.4% in 2020, a less severe contraction than forecasted in June 2020. The revision reflects better-than-anticipated second quarter GDP outturns, mostly in advanced economies, where activity began to improve sooner than expected after lockdowns were scaled back in May and June, as well as indicators of a stronger recovery in the third quarter.

ECONOMIC REVIEW (CONT'D)

The advanced economy group is expected to grow by 5.8% in 2020, 2.3% points stronger than predicted in June. The upward revision reflects, in particular, the better than foreseen US and EURO area GDP outturns in the second quarter of fiscal 2020 as economies reopened and released constraints on spending and overall activity normalised faster than anticipated. China is an important contributor as its exports recovered from deep declines earlier in the year, supported by an earlier restart of activity and a strong pickup in external demand for medical equipment and for capacity to support the shift to remote working.

The United States' economy contracted at a historic pace in the second quarter, but less severely than projected, with government transfers supporting household incomes.

The Guyana economy recorded significant growth during first six months of 2020, in spite of a decline in the non-oil sectors of 4.5% with real oil GDP increasing by 45.9%.

The local economy is now projected to grow by 26.2% during fiscal 2020, fueled by growth in the oil and gas sector.

Inflation during the first six months of 2020 was 0.05%, primarily due to a marginal increase in the cost of food and medical care & health services reflecting supply shortages because of the COVID-19 pandemic and is expected to measure low single digits for fiscal 2020.

The value of the Guyana dollar relative to the United States dollar remained constant during the review period at US\$1.00 = G\$208.50, the same as at September 30, 2019.

BANKING SECTOR

During the first half of fiscal 2020, commercial banks and other licensed depository financial institutions reported slightly higher profits; an increase of 1.4% compared to the prior year. However, while capital levels continue to be high, there was a marginal increase of non-performing loans when compared to June 2019. The consolidated average capital adequacy ratio computed at 30.7% is well above the prudential benchmark of 8.0% and suggests that the overall banking remains strong.

The COVID-19 pandemic, while posing a global health risk, is also a serious financial threat to the banking sector. In an effort to maintain its commitment to safeguarding and strengthening the resilience of the financial sector, the Bank of Guyana committed to, and implemented a series of measures designed to minimise the economic impact of the COVID-19 pandemic on the entire financial system

Total banking sector loans and advances, grew by 6.0% to \$259.2 billion at September 30, 2020 with private sector credit increasing by 6.5% to \$253.5 billion.

Deposits at the commercial banks increased by 14.7% to \$487.8 billion at September 30, 2020, with private sector deposits growing by 13.7% to \$398.5 billion; representing 81.7% of total banking sector deposits.

CHAIRMAN'S REPORT (CONT'D)

BANKING SECTOR (CONT'D)

The level of liquidity within the banking sector remains very high with banks reporting consolidated reserve account balances which exceed the required reserve requirements by 116.1%, while liquid assets of the sector exceeded the requirements amount by 128.6%, further highlighting the excess liquidity within the sector.

The Bank of Guyana continues to auction Treasury Bills through its open market operation, as this remains the preferred method to sterilise the excess liquidity in the sector and, at September 30, 2020, outstanding Treasury Bills totalled \$70.8 billion with commercial banks holding \$88.9 billion or 79.6%.

The 364-day Treasury Bill is the preferred tenor of the Bank of Guyana, and at September 30, 2020, the discount rate was 1.0%, the same as at September 30, 2019.

The weighted average lending rate declined slightly from 9.9% to 8.9% at September 30, 2020, while the average savings rate was 0.9% at September 30, 2020, compared to 1.0% at September 30, 2019.

OF THE BANK

PERFORMANCE I am pleased to report that Citizens Bank Guyana Inc has recorded an improved performance with profits after taxation of \$982.2 million, an increase of \$27.0 million or 2.8% when compared to the prior year.

> This result may be considered commendable given the disruptive impact on the local economy brought on by the ongoing global COVID-19 pandemic, coupled with other market factors including high liquidity, and declining interest rates.

> Our results were attained mainly through the growth in, and moderate improvement in the overall quality of our loan portfolio, and the continued prudent management of our controllable expenses.

> Total assets grew by 16.3%, customers' deposits by 17.0%, loans by 6.5%, while gross revenue increased by 9.6%.

> Net Income for the year ended September 30, 2020 was \$3.4 billion compared to \$3.1 billion the prior year, an increase of \$310.2 million or 10.1% and Profit Before Taxation of \$1.673 billion compared to \$1.599 billion in the prior year, an increase of \$74.0 million or 4.6%.

> The annualised return on average assets was 1.7%, while the return on shareholders' equity was 10.1% compared to 1.8% and 10.6% respectively in the prior year.

> The Bank's loan portfolio remained sound and performed relatively well during the financial year with the bank working closely with our customers as we sought to minimise any negative impact on our portfolio that may have arisen due to the impact of COVID-19 on many of our borrowers.

> Non-performing loans at September 30, 2020 represented 8.7% of our total loan portfolio compared to 8.9% at September 30, 2019. The consolidated banking sector ratio for non-performing loans was 11.0% at September 30, 2020.



CHAIRMAN'S REPORT (CONT'D)

GROWTH INITIATIVES

The Bank's shares were last traded on the local stock exchange at \$146.00 per share. The local financial environment will continue to be characterised by intense competition amongst commercial banks and other financial institutions as it is anticipated that the high level of excess liquidity will continue in 2021 amidst relatively limited lending and investing opportunities. To succeed, we will have to be creative and our initiatives will focus on ensuring we offer our existing and potential clients unmatched customer service, and product and services.

In 2021, the Bank will continue its efforts to prudently manage its expenses through improved operating efficiencies by automating repetitive operational processes and allow employees to spend more of their time focused on our clients. The strict adherence to robust risk management policies and practices to assure the growth and stability of the Bank, while remaining competitive, is also key to our continued success in a very dynamic sector.

During 2021, the Bank will renew its commitment to focus on our customers' convenience with the continuation of the construction of a state-of-the-art building to relocate our Thirst Park Branch, and the commencement of construction of our 'new' Bartica Branch, both of which upon completion will ensure that our customers and staff conduct business in an enabling environment.

With the advent of the COVID-19 pandemic and its many protocols, including physical distancing, the demand for our electronic banking channels and payment vehicles increased. In 2021, we intend to continue the utilisation of technology to drive our financial and operational performances.

We will explore Digital Client Onboarding which allows clients to apply to open accounts, submit supporting documentation online, and drastically reduce time spent in branch for account opening. Additionally we will expand our online banking platform and commence the process leading to the introduction of a Mobile Banking Application, all of which will improve our customers' experience while doing business in a safe, secure and convenient environment.

Our success over the years is direct testimony to the commitment and motivation of our employees, who remain our principal and most valued asset. Their commitment demonstrated in continuing to serve our clients through the difficult times brought on by COVID-19 is immeasurable. The pandemic has changed the way we operate, but we remain committed to investing in our employees developing a diverse, engaged and competent workforce not only to ensure business continuity and growth, but ensuring that our employees remain motivated and well equipped to offer our clients a consistently high-level of customer relationships and interactions.

The initiatives outlined above will ensure that our Bank meets the expanding financial needs of our valued customers making Citizens Bank one of the industry's leading financial services providers.

LOOKING FORWARD TO 2021 Global Growth for 2021 is projected at 5.2%, a modest increase over 2020. The projected subdued growth comes with a significant projected increase in the stock of sovereign debt. Downward revisions to potential output also imply a smaller tax base over the medium term than previously envisaged, compounding difficulties in servicing debt obligations.

CHAIRMAN'S REPORT (CONT'D)

LOOKING **FORWARD** TO 2021 (CONT'D)

The projection assumes that social distancing will continue into 2021 but will subsequently fade over time as vaccine coverage expands and therapies improve. Additionally, economies will experience scarring from the recession and the need for structural change, resulting in persistent effects on potential output.

These effects include adjustment costs and productivity impacts for surviving firms as they upgrade workplace safety, the amplification of the shock via firm bankruptcies, costly resource reallocation across sectors, and discouraged workers' exit from the workforce.

The scarring is expected to compound forces that dragged productivity growth lower across many economies in the years leading up to the pandemic, relatively slow investment growth weighing on physical capital accumulation, more modest improvements in human capital, and slower efficiency gains in combining technology with factors of production.

In 2021 the advanced economy growth rate is projected at 3.9%. The growth projected for 2021 is accordingly stronger from a lower base as Asian advanced economies are projected to have somewhat more moderate downturns than those of Europe, in light of the more contained pandemic. The United States is projected to grow by 3.1%.

Growth of 6.0% is projected for emerging markets and developing economies in 2021. Prospects for China are much stronger than for most other countries in this group, with China's economy projected to grow by 10 percent in 2021.

The Guyana economy is projected to grow by 8.1% during fiscal 2021 buoyed by the oil and gas sector's anticipated increased output and expansion across major sectors, including construction which will benefit from the Government's continued spending on infrastructure development giving increases in both public and private construction.

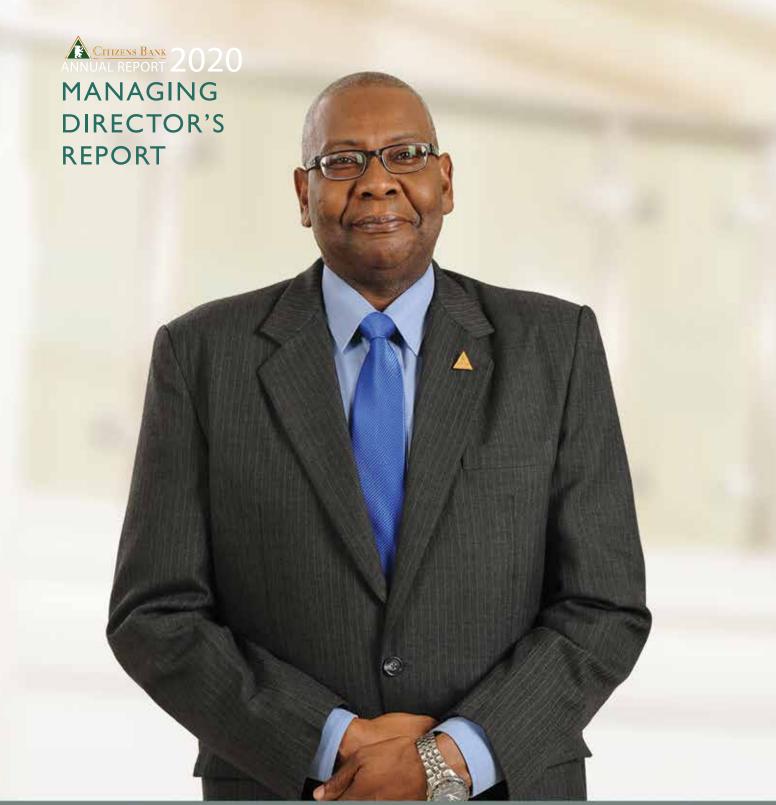
In spite of the ongoing COVID-19 pandemic, Citizens Bank Guyana Inc. remains firm in its commitment and intention to play a pivotal role, in the development of the banking sector and the Guyana economy and will continue to invest in our country. It is our firm belief that the successful implementation of our strategies will mitigate any challenges allowing us to act on the opportunities presented, thus enabling us to achieve an improved performance for our stakeholders.

DIVIDEND

In 2019, shareholders benefited from a dividend of \$3.15 per share. The Bank paid an interim dividend of \$0.90 per share in May 2020. The Directors now recommend a final dividend of \$2.25 per share bringing the total dividend payment to \$3.15 per share for a total payout of \$187.4 million.

APPRECIATION My fellow shareholders permit me to extend my sincere appreciation to my fellow directors and to all our employees for their commitment, their confidence and invaluable contribution during the financial year. I would also like to place on record our continued gratitude to our regulators for their advice and guidance over the year.

> To our customers and shareholders, I wish to express my gratitude for their continuing loyalty, commitment and dedication to the success of our institution.



Mr. Eton Chester Managing Director, Citizens Bank Guyana Inc.

MANAGING DIRECTOR'S REPORT (CONT'D)

OVERVIEW

I am pleased to report that for the just concluded financial year ended September 30, 2020, Citizens Bank Guyana Inc recorded profits after taxation of \$982.2 million, an increase of \$26.9 million or 2.8% over the prior year.

Earnings per share increased to \$16.5 dollars compared to \$16.1 in 2019, while our book value per share increased by 8.5% to \$170.06 as at September 30, 2020 from \$156.7 at September 30, 2019.

During the year we were able to achieve key strategic objectives in terms of growth in loans, deposits, total assets, revenue and shareholders' equity.

RETURN ON AVERAGE ASSETS

The Bank's return on average assets, a key indicator of the utilisation of our assets, was 1.7% compared to 1.8% in 2019.

RETURN ON AVERAGE EQUITY

The return on average equity, a key measure of return on our capital employed, was 10.1% compared to 10.6% in 2019.

NET INTEREST INCOME AND OTHER INCOME Net interest income was \$2.8 billion compared to \$2.5 billion for the prior year, representing an increase of \$0.3 billion or 12.0%. Increases in our loan portfolio and the correspondent increase in interest income is the primary contributor to the growth in our net interest income. Interest income remains the single most significant contributor to the bank's revenue accounting for 85.4% compared to 82.3% for the prior year.

Other income amounted to \$547.5 million compared to \$606.8 million for the prior period; a decrease of \$59.3 million or 9.8%. on account of the waiving of various transaction fees as part of our COVID-19 customer support program. Earnings from foreign currency transactions, the single most significant contributor to other income; accounting for 40.3% of total other, was \$220.4 million compared to \$222.6 million for the prior period.

Net operating income increased by \$0.3 billion or 9.7% to \$3.4 billion compared to \$3.1 billion recorded in 2019.

NON-INTEREST EXPENSES

Non-interest expenses, which include personnel costs and other operating expenses amounted to \$1.586 billion compared to \$1.511 billion, an increase of \$75.0 million. Increases in employees' emoluments and other staff cost, inflationary increase in goods and services, general administrative expenses, and the payment of \$64.7 million towards the Deposit Insurance Fund contributed to the increase in non-interest expenses. We continued to make efficient use of our resources and controlling operating expenses within the company.

NET IMPAIRMENT / RECOVERY EXPENSES

Net impairment on financial assets amounted to \$123.1 million compared to a net recovery of \$39.0 million in 2019. Total reserves for loan losses amounted to \$1.3 billion compared to \$1.2 billion. The increase is due primarily to the impact of the COVID-19 pandemic on customers operations. The general banking risk reserve, which represents statutory and other loss provisions that exceed the impairment provision, amounted to \$128.9 million compared to \$291.4 million at September 30, 2019.

The Bank reviews all financial assets in accordance with IFRS 9, which requires a forward looking approach in determining our expected credit loss (ECL), thus the allowance is based on the probability of default in the next twelve months, unless there is an increase in credit risk since origination. Details are included in the applicable notes to the financial statements.



NET IMPAIRMENT / RECOVERY **EXPENSES** CONT'D

At September 30, 2020, non-accrual loans and advances totalled \$2.9 billion or 8.7% of total loans and advances compared to \$2.7 billion and 8.9% at September 30, 2019. The Banking sector ratio of non-accrual loans to total loans at September 30, 2020 stood at 11.0% during the review period.

Our delinquency ratios are consistent with those that prevail in the sector and we continuously review our risk assessment of our loans and investments as we seek to improve the quality of our financial portfolio.

INVESTMENT **SECURITIES**

Net investments at September 30, 2020 were \$7.7 billion compared to \$3.5 billion at the prior financial year end. Investments in Government of Guyana Treasury Bills continue to account for the significant portion of our investment securities and at September 30, 2020 Government of Guyana treasury bills held, amounted to \$7.1 billion or 91.8% of total investments.

Net Investments accounted for 19.6% of earning assets and 12.1% of total assets, compared to 10.5% and 6.4% respectively in 2019.

Return on our investment securities was 1.1% in 2020 compared to 1.8% in 2019, while income from investments represented 3.9% of interest income in 2020 compared to 4.7% in 2019.

LOANS AND ADVANCES

Net loans and advances increased by \$1.9 billion or 6.5% to \$31.7 billion from \$29.8 billion. Growth was recorded in lending to the household, services and real estate sectors which grew by 23.3%, 8.2% and 7.3% respectively. Our sectoral exposure showed marginal changes from the prior year.

Competition amongst lending institutions, given the high level of excess liquidity, further pushed interest rates downwards and during 2020, the yield recorded from our loans and advances declined to 9.8% from 10.1%. Income from loans and advances represented 96.1% of interest income in 2019, compared to 95.2% in 2019.

Loans and advances accounted for 80.4% of earning assets and 49.7% of total assets compared to 89.5% and 54.3% respectively in 2019.

CUSTOMERS' DEPOSITS

During 2020, customers' deposits grew by 16.9% and at September 30, 2020, total deposits stood at \$51.8 billion, an increase of \$7.5 billion over the prior year.

During the year, savings deposits grew to \$25.3 billion and now represent 48.8% of our deposit base compared to 45.2% the prior year. Demand deposits grew to \$17.7 billion representing 34.2% of total deposits compared to 32.5% the prior year, while time deposits declined to \$8.7 billion to now represent 16.9% of our deposit liabilities compared to 22.3% in 2019.

Private sector, including household deposits account for \$49.1 billion or 94.8% of our deposit base. The effective rate on deposits was 0.8% in 2020 compared to 0.9% the prior year.

EQUITY

SHAREHOLDERS' Shareholders' equity amounted to \$10.1 billion at September 30, 2020 compared to \$9.3 billion at September 30, 2019, after the transfer of net profits earned for the fiscal year 2020.

> The Bank's capital adequacy ratios are computed in accordance with the Basle Committee guidelines adopted by the Bank of Guyana and at September 30, 2020 the Bank's ratio of capital to risk weighted assets was 31.2%. Our risk-based capital exceeds the required minimum risk-based capital to risk weighted assets of 8.0% and the proposed 12.0% with the implementation of Basle III. The Bank remains adequately capitalised and poised to take advantage of anticipated growth opportunities.

MANAGING DIRECTOR'S REPORT (CONT'D)

HUMAN RESOURCES

Our success over the years could not have been achieved without the dedication and commitment of our employees, the most important assets of the bank. The year 2020 brought with it a unique and new challenge in the form of the COVID-19 Pandemic, and I would like to express our heartfelt gratitude to our cadre of employees who all worked under challenging conditions as we sought to ensure the safety of our customers and employees, while continuing to provide an acceptable level of service to all stakeholders.

TECHNOLOGY

During Financial Year 2020 Citizens Bank completed the upgrade to its e-banking service and card management system bringing greater convenience to our customers. Our bill payment application is now 'more user friendly' and we have expanded the number of merchants. Customers can now access their monthly statement online via our e-banking application where statements, including images of cheques processed, can be viewed, downloaded or printed two (2) business days after the applicable month-end.

THE FUTURE

Citizens Bank will have to continue the management of its expenses and ensure robust risk management, including asset quality maintenance. While focus remains on these two (2) critical areas to ensure that the growth and stability of the company continues, attention will be placed on Human Resource development and management, and continued good corporate governance and the utilisation of technology.

The Guyana economy is projected to grow by 8.1% during fiscal 2021, buoyed by the oil and energy sector with oil production having commenced in December 2019. However, while competition amongst lending financial institutions will intensify, lending opportunities will materialise both in the energy sector and traditional sectors as the government pushes forward with expansive development projects.

Construction of a new state-of-the-art building to relocate our Thirst Park branch will continue, while construction of our 'new' Bartica branch will commence bringing much needed improvement to the delivery of service to our customers and future benefits for stakeholders.

During the first quarter of 2021, we will commence the issuance of our contactless Visa debit and credit cards respectively, while our upgraded automatic telling machines (ATMs) will join the national switch. We will continue to seek ways to expand our digital platform to further enhance our customers' experience through value-added options at their convenience.

We are cautiously optimistic that the local economy will expand in fiscal 2021 and are confident that we have aligned our strategies and resources to deliver positive results to our shareholders, customers, employees and the communities in which we operate in the coming year.

APPRECIATION To our customers, I express my appreciation for their support and confidence, I thank the management and staff for their support, commitment and dedication. I wish to also express my gratitude to members of our Board for their oversight, guidance and support all of which sustain our position as a sound indigenous financial institution, and look forward to your continued support during the coming year.



Ms. Frances S. Parris, B.Sc. General Manager/Corporate Secretary

Mr. Kwabina Griffith, B.Sc. Senior Manager - MIS

CITIZENS OUTREACH



Supporting the Fight against Cancer

Citizens Bank aided with the increase of cancer awareness in Guyana and joined the campaign to raise funds to support persons diagnosed with this illness through the sponsorship of GTT Pinktober Campaign 2019.



Visit to Uncle Eddie's Home

"The best classroom in the world is at the feet of an elderly person." - Andy Rooney. The elderly have contributed to the development of our country and we saw it fitting to interact and give back to them at Uncle Eddie's Home.



Ms. Rosemary Benjamin-Noble LLB (Hons.) M.Ed Senior Manager - Legal & Compliance

Ms. Pramila Persaud, FCCA Senior Manager Finance & Treasury

Ms. Margaret Loy Assistant Manager - Registry



Giving Joy Toy & Gift Drive
Putting a smile on the faces of these
little ones through our Giving Joy Toy
& Gift Drive at the Enmore Children's
Home warmed our hearts.



Junior Saver Awards



Naline Bascom (Bartica), Bibi Rehana Hussain (Parika), Natasha Prithwi-Hughes (New Amsterdam)



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements, which follow, were prepared by the Management of Citizens Bank Guyana Inc.

While the form of the financial statements and the accounting policies followed are similar to those used by many banks and are prepared in conformity with the requirements of the Financial Institutions Act of 1995, the Companies Act 1991, the Securities Industries Act 1998 and in accordance with International Financial Reporting Standards, some amounts must of necessity be based on the best estimates and judgment of management.

In discharging its responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorised, assets are safeguarded and proper records maintained. These controls include quality standards in hiring and training of employees, written policies and procedure manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The system of internal control is supported by an Internal Audit function. The Bank Supervision Department of the Bank of Guyana conducts examinations of the Bank's operations in accordance with the Financial Institutions Act 1995.

Messrs Jack A. Alli, Sons & Company, independent Auditors appointed to report to the members of the Bank have examined our financial statements in accordance with International Standards on Auditing.

We have disclosed to the Auditors all matters known to us, which may materially affect the outcome of the financial statements presented. The Auditors have full and free access to the Board Audit Committee to discuss their findings as to the integrity of the Bank's financial reporting and the adequacy of the system of internal control.

ETON M. CHESTER Managing Director

FRANCES SARAH PARRIS General Manager/Corporate Secretary



STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors of Citizens Bank Guyana Inc. recognises the importance of good corporate governance and corporate social responsibility in promoting and strengthening the trust of its stakeholders and the public. The Board believes that good corporate governance will enhance shareholder value and it is committed to maintaining the highest level of corporate governance.

In the execution of its duties and responsibilities, the Board is guided by the Laws of Guyana, the by-laws of Citizens Bank Guyana Inc., the recommendations of the Guyana Securities Council, the Guidelines contained in the various Supervision Guidelines issued by the Bank of Guyana (especially Supervision Guideline No. 8 on Corporate Governance) and the Director's Handbook issued by the Bank of Guyana. The Board is also guided by Supervision Guideline 10 on its responsibilities for the Public Disclosure of Information.

The Board of Directors, which governs the Company, meets monthly and comprises eight Non-Executive Directors and the Managing Director. Directors' information is included on page 10 of this Annual Report.

The positions of the Chairman of the Board of Directors and the Managing Director are filled by separate individuals, Mr. Clifford B. Reis (Non-Executive) and Mr. Eton M. Chester (Executive Director), respectively.

The Company's Articles of Association stipulates that each Non-Executive Director must stand for re-election every three (3) years.

The Board of Directors has the following Committees:

- The Human Resources & Emoluments Committee, which is responsible for providing approval and oversight of all human resource activities including the formulation of human resource policies, the hiring and retention of the Managing Director and Senior Management and formalising the remuneration policy for all employees. The current members of the Committee are Mr. Paul A. Carto (Chairman), Mr. Rakesh K. Puri, Ms. Deenawati Panday and Mr. Eton M. Chester.
- The Credit Committee, which is responsible for developing credit policies and procedures, reviewing credits
 which exceed the approval authority delegated to Management, and generally overseeing and supporting
 efficient and effective lending portfolio management. The current members of the Committee are Messrs.
 Rakesh K. Puri (Chairman), Clifford B. Reis, Wilfred A. Lee, George G. McDonald and Eton M. Chester.
- The Marketing Committee, which is responsible for providing guidance in developing business and marketing plans and strategies and performing oversight of the implementation of these plans. This includes oversight of branching activities, advertising campaigns and product launching. The current members of the Committee are Messrs. George G. McDonald (Chairman), Wilfred A. Lee, Michael H. Pereira and Eton M. Chester.
- The Audit, Finance and Risk Management Committee, which is responsible for:
 - o Reviewing and developing operational policies and procedures to support the implementation of effective internal controls and risk management practices to ensure the safety and soundness of the operations of the Bank.
 - o Reviewing and developing budgets, business plans and strategies.
 - o Reviewing and monitoring the internal and external audit and examination process and compliance with all statutory and regulatory requirements.

A key responsibility of the Board of Directors is ensuring that the risks that are significant to the operation of the Bank are identified and appropriately mitigated and managed. This oversight is performed by the Board which reviews various indicators on a monthly basis. Additionally, the Audit, Finance and Risk Management Committee is specifically tasked with responsibility for overseeing risk management.

The Company has an Internal Audit Department. This Department monitors the implementation of internal controls and performs ongoing reviews to ensure full compliance with the Company's internal policies and procedures as well as with all statutory requirements. The Audit, Finance and Risk Management Committee performs an annual review of the work programmes of this Department. The report of the Internal Audit Department is reviewed by the Board on a monthly basis.

STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

The Bank's approach to the management of credit, liquidity, foreign exchange and interest rate risks are fully discussed in note 29 of the financial statements. In terms of operational risk, which is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, the Internal Audit Department provides independent assessment and validation through testing of key processes and controls across the Company. Operational risk may occur anywhere in the Company and not solely in the operations functions. Its effects may extend beyond financial losses and a sound internal governance structure enhances the effectiveness of the Company's operational risk management.

The current members of the Committee are Messrs. Wilfred A. Lee (Chairman), Clifford B. Reis, George G. McDonald, Ronald G. Burch-Smith, and Eton M. Chester.

- The Legal and Compliance Committee, which is responsible for:
 - Reviewing and developing operational policies and procedures to support the implementation of
 effective practices to ensure the safety and soundness of the operations of the Bank in keeping with the
 requirements of Anti-Money Laundering and the Countering of the Financing of Terrorism (AML/CFT)
 legislation and international best practices.
 - o Reviewing and monitoring the progress of all legal matters.
 - o Reviewing and monitoring the internal AML compliance process and compliance with all statutory and regulatory requirements.

The Company has a Legal and Compliance Department. The duties of this Department include in-house provision of legal services and advice in support of all departments of the Bank, as may be required; serving as liaison with external attorneys on the Bank's behalf; implementation of the Bank's AML Compliance programme and departmental work programme, and provision of training in areas related to the compliance functions of the Bank. The Legal and Compliance Committee performs an annual review of the work programmes of this Department. This Department reports to the Board on a monthly basis.

The current members of the Committee are Ms. Deenawati Panday (Chairman), Mr. Michael H. Pereira, Mr. Paul A. Carto, Mr. Ronald G, Burch-Smith, and Mr. Eton M. Chester.

The day-to-day operations of the Bank are managed by the Managing Director with the assistance of a General Manager and a senior management team. This team, with combined experience that exceeds 120 years, has responsibility for the management and growth of the credit portfolio, branch operations and all supporting activities required for ensuring the prudent and effective management and security of the Bank's operations. Each member of the team has formal qualifications relevant to their area of responsibility and they each have in excess of eight years of experience in their respective fields. Information on the Management Team is included on pages 20-21 of this Annual Report.

The performance of management is reviewed on an annual basis in keeping with the expectations of the Board. These expectations are defined primarily by work program objectives and budget targets. The compensation packages for all employees, including management officers, are commensurate with their responsibilities and experience. These packages comprise basic salary and allowances which are reviewed annually by the Board. Incentive payments are based on a combination of the overall performance of the Bank and individually assessed performances.

The Bank conducts all related party relationships and transactions in keeping with the principles of transparency and prudence. The Board of Directors remains committed to making complete disclosure of all related party transactions. Note 27 of the financial statements contains details of the related party disclosure.

The Board of Directors strongly endorses good corporate governance. The Company has sound governance practices since its incorporation and the Board of Directors will continue to maintain these practices, making improvements as necessary.



REPORT OF THE DIRECTORS

The Directors submit their Annual Report and the Audited Financial Statements for the year ended 30 September 2020.

PRINCIPAL ACTIVITIES

The Bank provides a comprehensive range of banking services at six locations within Guyana. Our main office is located at Lot 231- 233 Camp Street and South Road, Lacytown, Georgetown and our branches are situated at Parika, Bartica, Thirst Park, Linden and New Amsterdam.

FINANCIAL HIGHLIGHTS

ums	2020 \$′000	2019 \$'000
Net Profit After Taxation Dividend	982,151 53,542	955,253 53,542
Revenue Reserves	928,609	901,711
Proposed Dividend	133,855	133,855

DIVIDENDS

The Bank paid an interim dividend of \$0.90 per share in May 2020. The Directors now recommend a final dividend of \$2.25 per share bringing the total dividend payment to \$3.15 per share, the same as the prior year.

STATUTORY, GENERAL BANKING RISK AND REVENUE RESERVES

	2020 \$'000	2019 \$'000
Statutory reserves	594,913	594,913
General banking reserves	128,925	291,399
Revenue reserves	8,740,532	7,783,304

DIRECTORS

The Directors of the Bank are:

Mr. Clifford B. Reis, C.C.H	Mr. George G. McDonald, A.A.	Mr. Paul A. Carto A.A.
Mr. Rakesh K. Puri	Mr. Eton M. Chester, A.A., O.D.	Ms. Deenawati Panday
Mr. Wilfred A. Lee, A.A.	Mr. Michael H. Pereira	Mr. Ronald G. Burch - Smith

Directors Mr. Wilfred A. Lee, A.A., Mr. George G. McDonald, A.A., and Ms. Deenawati Panday retired and being eligible, offer themselves for election.

REPORT OF THE DIRECTORS (CONT'D)

DIRECTORS' AND THEIR ASSOCIATES' INTEREST

The interest of the Directors holding office at 30 September 2020 and their associates in the ordinary shares of the Company were as follows:

,	ORDINARY SHARES		ORDINARY SH	
	2020	2020 Beneficial	2019 Beneficial	2019 Beneficial
	Beneficial			
	Owned	Associates	Owned	Associates
Mr. Clifford B. Reis C.C.H	NIL	125,000	NIL	125,000
Mr. Wilfred A. Lee A.A.	NIL	NIL	NIL	NIL
Mr. Rakesh K. Puri	NIL	9,929,241	NIL	9,929,241
Mr. George G. Mc Donald A.A.	NIL	NIL	NIL	NIL
Mr. Michael H. Pereira	NIL	NIL	NIL	NIL
Mr. Paul A. Carto A.A	NIL	NIL	NIL	NIL
Ms. Deenawati Panday	NIL	NIL	NIL	NIL
Mr. Ronald G. Burch-Smith	NIL	NIL	NIL	NIL
Mr. Eton M. Chester A.A., O.D.	NIL	26,251	10,001	NIL

No other director or his known associates has any beneficial interest in any shares of Citizens Bank Guyana Inc.

DIRECTORS' FEES	2020 \$′000	2019 \$'000
Mr. Clifford B. Reis C.C.H.	2,040	1,740
Mr. Wilfred A. Lee A.A.	1,724	1,424
Mr. Rakesh K. Puri	1,724	1,424
Mr. George G. Mc Donald A.A.	1,724	1,424
Mr. Michael Pereira	1,724	1,424
Mr. Paul A. Carto A.A.	1,724	1,424
Ms. Deenawati Panday	1,724	1,424
Mr. Ronald G. Burch-Smith	1,724	1,424

DIRECTORS' SERVICE CONTRACTS

Other than the standard service contracts under the Companies Act 1991, there are no other service contracts with the Directors proposed for election at the Annual General Meeting or any other Director.

CONTRACTS WITH DIRECTORS

There were no contracts of significance between the Bank and any of its Directors during the year.

SUBSTANTIAL SHAREHOLDERS

	2020	2020	2019	2019
	Amount	%	Amount	%
Banks DIH Limited	30,340,557	51.0	30,340,557	51.0
Continental Agencies Limited	9,929,241	16.7	9,929,241	16.7
Hand-in-Hand Pension	5,802,885	9.8	5,802,885	9.8
Hand-in-Hand Group	4,205,356	7.1	4,205,356	7.1

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.



REPORT OF THE DIRECTORS (CONT'D)

AUDITORS

Messrs. Jack A. Alli, Sons & Company – Chartered Accountants, has informed the Bank of their willingness to continue in office as auditors. A resolution proposing their appointment and authorising the Directors to fix their remuneration will be submitted at the Annual General Meeting.

CONTRIBUTION OF EACH ACTIVITY TO OPERATING PROFIT

Banking services is considered as a single business operation which includes lending, investments, foreign exchange and deposit taking. The contribution or cost of these activities to operating profits is disclosed in notes 17,18 & 19 of the financial statements.

GEOGRAPHICAL ANALYSIS OF CONSOLIDATED REVENUE AND CONTRIBUTION TO RESULTS

The operations of the Bank are based in Guyana. However, several investments are held overseas from which income of \$63.7 million (2019 - \$104.1 million) was earned during the year.

INTRA GROUP DEBT

Banks DIH Limited, the parent company of Citizens Bank Guyana Inc has obligations totalling \$102.4 million owing to the Bank at 30 September 2020 (2019 - \$246.1 million). The \$102.4 million are guarantees (2019: \$102.4 million were guarantees, while loans were \$143.7 million).

MATERIAL CONTRACTS AS AT 30 SEPTEMBER 2020

Citizens Bank Guyana Inc has existing lease agreements to lease from Banks DIH Limited premises situated at Thirst Park, Georgetown, 16 First Avenue, Bartica, 11-12 Republic Avenue & Crabwood Street, Linden and 18 Main & Kent Streets, New Amsterdam for the purpose of carrying on banking business.

Citizens Bank Guyana Inc has an existing lease agreement to lease from Continental Agencies Limited office space at premises situated at Regent and Alexander Streets, Bourda, Georgetown.

BY ORDER OF THE BOARD

FRANCES S. PARRIS

CORPORATE SECRETARY

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CITIZENS BANK GUYANA INC.

Opinion

We have audited the financial statements of Citizens Bank Guyana Inc. which comprise the statement of financial position of the Company as at 30 September 2020, and the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended for the Company, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 39 to 87.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 September 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act and the Financial Institutions Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. The key audit matter described below was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.



Key audit matter

How our audit addressed the key audit matter

Impairment of financial assets

See notes 2.3, 2.4, 2.5, 3, 6, 7, 21 and 29 to the financial statements for disclosures of related accounting policies, judgements, estimates and balances.

The Company has gross financial assets subject to impairment (investment securities carried at amortised cost and loans and advances) amounting to \$40.5 billion, or 63.5 percent of total assets. Against this gross amount, there is a provision for impairment of \$1.3 billion at the year end.

To determine the provision for impairment, the Company applies IFRS 9 Financial Instruments which prescribes a forward-looking expected credit loss (ECL) impairment model. The methodology required by IFRS 9 in respect of impairment provisions is complex and involves significant judgement by management on matters such as:

- Criteria for a significant increase in credit risk, which impacts the stage that the asset is classified as;
- Inputs and techniques to determine probability of default (PD), loss given default (LGD) and exposure at default (EAD);
- · Influence of forward-looking factors;
- Expected recoveries from collateral.

During the year, the Company provided support to qualified borrowers whose operations were impacted by the COVID-19 pandemic. The support was in the form of a moratorium on loan payments. Significant judgement was required by management to determine which of those borrowers experienced a significant deterioration in underlying credit quality.

Our procedures in relation to this key audit matter included, but were not limited to, the following:

- We evaluted the accounting policies adopted by the Company in relation to classification and measurement and impairment of financial instruments.
- We evaluated the criteria used by the Company in determining whether a significant increase in credit risk has occurred, and the definition of default applied.
- We tested the classifications applied by the Company's credit monitoring system by examining actual performance for a sample of accounts.
- We evaluated the appropriateness of management's judgement in respect of the classification of financial assets impacted by the COVID-19 pandemic.
- We tested the completeness of financial assets included in the ECL calculation.
- We evaluated the appropriateness of management's judgement relating to forwardlooking information.
- We tested, on a sample basis, data included in the model and the resulting PD, LGD and EAD estimates. For the sample selected, we tested the calculation of the ECLs.

Key audit matter

How our audit addressed the key audit matter

Given the complexity of impairment methodology and significant reliance on management's judgement, the impairment of financial assets was considered a key audit matter.

- We tested the completeness of the creditimpaired financial assets identified by management by examining sources of objective evidence of credit impairment.
- For a sample of credit-impaired financial assets, we re-performed management's impairment calculations. We considered whether key judgements were appropriate given the prevailing economic, sectoral and individual circumstances. Collateral values were assessed against the reports of valuation experts and current market conditions.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and the requirements of the Companies Act and the Financial Institutions Act, 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.

In preparing these financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe such matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefit of such communication.

The engagement partner in charge of the audit resulting in this independent auditors' report is Khalil Alli.

JACK A. ALLI, SONS & CO.

145 Crown Street, Queenstown,

Jack A. Mi; land.

Georgetown, Guyana

07 December 2020



STATEMENT OF FINANCIAL POSITION

30 September 2020

Thousands of Guyana Dollars	Note	2020	2019
ASSETS			
Cash and balances with Bank of Guyana	4	13,709,496	12,619,068
Amounts due from other banks	5	5,660,637	4,694,019
Investment securities	6	7,733,906	3,502,225
Loans and advances	7	31,731,647	29,789,808
Property and equipment	8	3,612,119	3,534,835
Intangible asset	9	126,960	123,874
Right-of-use assets	10	677,227	0
Taxation recoverable		143,505	143,505
Deferred taxation	П	45,712	42,873
Other assets	12	383,060	425,552
TOTAL ASSETS		63,824,269	54,875,759
LIABILITIES			
Customers' deposits	13	51,816,797	44,279,137
Deferred taxation	11	41,074	51,652
Taxation payable		429,372	522,094
Lease liabilities	10	677,795	0
Other liabilities	14	741,887	700,286
TOTAL LIABILITIES		53,706,925	45,553,169
SHAREHOLDERS' EQUITY			
Share capital	15	594,913	594,913
Statutory reserve	16	594,913	594,913
General banking risk reserve	16	128,925	291,399
Other reserves	16	58,061	58,061
Retained earnings		8,740,532	7,783,304
TOTAL SHAREHOLDERS' EQUITY		10,117,344_	9,322,590
TOTAL LIABILITIES AND SHAREHOLDERS	' EQUITY	63,824,269	54,875,759

The notes on pages 39 to 87 form an integral part of these financial statements. The Board of Directors approved these financial statements for issue on 26 November 2020.

Clifford B. Reis

Director

STATEMENT OF INCOME

for the year ended 30 September 2020

Thousands of Guyana Dollars	Note	2020	2019
INTEREST INCOME	17	3,201,220	2,814,714
INTEREST EXPENSE	17	(366,420)	(349,487)
NET INTEREST INCOME		2,834,800	2,465,227
OTHER INCOME	18	547,462	606,800
TOTAL NET INCOME		3,382,262	3,072,027
OPERATING EXPENSES	19	(1,586,277)	(1,511,710)
NET MOVEMENT IN IMPAIRMENT OF FINANCIAL ASSETS	21	(123,085)	39,031
PROFIT BEFORE TAXATION		1,672,900	1,599,348
TAXATION CHARGE	22	(690,749)	(644,095)
PROFIT AFTER TAXATION		982,151	955,253
EARNINGS PER SHARE	23	\$16.51	\$16.06



STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 September 2020

Thousands of Guyana Dollars	2020_	2019
PROFIT AFTER TAXATION	982,151	955,253
OTHER COMPREHENSIVE INCOME	0	0
TOTAL COMPREHENSIVE INCOME	982,151	955,253

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2020

Thousands of Guyana Dollars	Note						
		Share	Statutory	General Banking Risk	Retained	Revaluation	
		Capital	Reserve	Reserve	Earnings	Reserve	Total
For the year ended							
30 September 2019							
As at beginning of year		594,913	594,913	221,191	7,058,885	58,061	8,527,963
Total comprehensive income		0	0	0	955,253	0	955,253
Transfer to general banking risk reserve	16	0	0	70,208	(70,208)	0	0
Dividends paid	24	0	0	0	(160,626)	0	(160,626)
As at end of year		594,913	594,913	291,399	7,783,304	58,061	9,322,590
For the year ended							
30 September 2020							
As at beginning of year		594,913	594,913	291,399	7,783,304	58,061	9,322,590
Total comprehensive income		0	0	0	982,151	0	982,151
Transfer from general banking risk reserve	16	0	0	(162,474)	162,474	0	0
Dividends paid	24	0	0	0	(187,397)	0	(187,397)
As at end of year		594,913	594,913	128,925	8,740,532	58,061	10,117,344

STATEMENT OF CASH FLOWS

for the year ended 30 September 2020

Thousands of Guyana Dollars	2020	2019
OPERATING ACTIVITIES		
Profit before taxation	1,672,900	1,599,348
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation Interest on lease liabilities Gain on disposal of property and equipment Impact of adoption of IFRS 9 Net movement in impairment of loans and advances Loans and advances Net movement in impairment of investment securities Reserve requirement with Bank of Guyana Customers' deposits Other assets Other liabilities Taxes paid NET CASH INFLOW - OPERATING ACTIVITIES INVESTING ACTIVITIES	305,342 2,385 (798) 0 129,411 (2,071,250) (6,326) 32,112 7,537,660 42,492 41,601 (796,888) 6,888,641	254,069 0 (576) (168,889) (33,952) (4,228,732) (5,079) (325,325) 3,375,914 (118,436) 110,663 (394,120) 64,885
Additions to investment securities (including fair value gains) Maturities of investment securities Purchase of property and equipment Purchase of intangible asset Proceeds from sale of property and equipment	(6,567,899) 2,342,544 (286,177) (49,253) 969	(4,653,872) 5,480,614 (160,650) (62,415) 3,350
NET CASH (OUTFLOW) / INFLOW - INVESTING ACTIVITIES	(4,559,816)	607,027
FINANCING ACTIVITIES		
Dividends paid Principal lease payments	(187,397) (52,270)	(160,626) 0
NET CASH OUTFLOW - FINANCING ACTIVITIES	(239,667)	(160,626)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,089,158	511,286
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	12,326,292	11,815,006
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	14,415,450	12,326,292
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and non-restricted balance with Bank of Guyana Amounts due from other banks	8,754,813 5,660,637	7,632,273 4,694,019
	14,415,450	12,326,292

The notes on pages 39 to 87 form an integral part of these financial statements.

30 September 2020

I. COMPANY IDENTIFICATION AND PRINCIPAL ACTIVITY

Citizens Bank Guyana Inc. (the 'Company') was incorporated in Guyana on 02 November 1993. Its registered office is situated at 231-233 Camp Street and South Road, Lacytown, Georgetown, Guyana. Banks DIH Limited, a company incorporated in Guyana, owns 51% of the Company's share capital.

The Company is licensed to carry on the business of banking under the provisions of the Financial Institutions Act 1995.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of Preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold property and investment securities measured at fair value. The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IFRSs').

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. Such estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances and constitute management's best judgement at the date of the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Pronouncements effective in current year

The following new standard and interpretation, amendments and improvements to existing standards have been published and are effective in the current year.

IFRS 16	Leases
---------	--------

IFRIC 23 Uncertainty over income tax treatments

IFRS 9 Amendments - Prepayment features with negative compensation
IAS 28 Amendments - Long-term interests in associates and joint ventures
IAS 19 Amendments - Plan amendment, curtailment or settlement

Annual improvements cycle (2015 - 2017):

- IFRS 3 Obtaining control of a business that is a joint operation

- IFRS 11 Remeasurement of interest in joint operation when joint control of a business that is a

joint operation is obtained

Annual improvements cycle (2015 - 2017):

IAS 12 Income tax consequences of dividends on financial instruments classified as equity
 IAS 23 Treatment of borrowing costs outstanding after the related qualifying asset is ready for

its intended use or sale

The impact of the pronouncements that are relevant to the Company's financial reporting are described below.

30 September 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of Preparation (Cont'd)

Pronouncements effective in current period (Cont'd)

IFRS 16 - Leases

IFRS 16 Leases sets out the principles for recognition, measurement, presentation and disclosure of leases and it replaces IAS 17 and its related interpretation IFRIC 4, which made a distinction in classification between finance and operating leases. For a lessee, finance leases were recognised as an asset that was depreciated over the lease term and the amount due to the lessor recognised as borrowings, while operating leases were recognised as a periodic rental payment that was treated as a current expense in the statement of income.

IFRS 16 introduces a single lease accounting model for lessees. It requires lessees to recognise a lease liability reflecting future lease payments and a "right-of-use" for virtually all lease contracts. The standard includes an optional exemption for certain short-term leases and leases of low-value assets.

The adoption of IFRS 16 from 01 October 2019 resulted in changes in accounting policies and adjustments to amounts recognised in the financial statements. As permitted under specific transition provisions in the standard, the comparative information presented for the prior year has not been restated. The new accounting policy is disclosed in note 2.10 and the impact on the financial statements on adoption of the new standard is disclosed in note 31.

IFRIC 23 Uncertainty over Income Tax Treatment

This interpretation was finalised and published in June 2017 with an effective date of implementation for the Company's financial year commencing 01 October 2019. The Interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over income tax treatments. In particular, the Interpretation addresses whether uncertain tax treatments should be considered separately or together with one or more other uncertain tax treatments, and addresses the assumptions an entity makes about how probable it is that a taxation authority will accept an uncertain tax treatment. There was no resulting impact on the Company's financial reporting.

Pronouncements effective in future periods

The following new standard and amendments and improvements to existing standards have been published and are effective in future financial years. No significant impact is expected to arise from these new pronouncements.

IFRS 17 Insurance contracts

IAS I Amendment - Classification of liabilities as current or non-current

IAS I / IAS 8 Amendments - Definition of material

IAS 16 Amendments - Proceeds before intended use

IAS 37 Amendment - Onerous contracts: Cost of fulfilling a contract

IFRS 3 Amendments - Definition of a business

IFRS 10 / IAS 28 Amendments - Sale or contribution of assets between an investor and its associate or

joint venture

IFRS 16 Amendment - Covid-19-related rent concessions IFRS 9 / IAS 39 Interest rate benchmark reform (Phases 1 and 2)

Annual improvements to IFRS Standards 2018 - 2020 Cycle:

- Minor amendments to IFRS 1, IFRS 9 and IAS 41
- Amendment to illustrative examples accompanying IFRS 16

30 September 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Foreign Currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Guyana Dollars, which is the Company's functional currency.

Transactions and balances

Transactions involving foreign currencies are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions (arising on trading or otherwise) and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income. Translation differences arising on non-monetary financial assets, such as equity holdings classified as FVOCI, are included in other comprehensive income.

2.3 Financial Assets and Liabilities - Recognition and Derecognition

Recognition

The initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to the issuance or purchase.

Derecognition

The Company, in some instances, renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. If the terms are substantially different, the Company derecognises the original financial asset and recognises a new asset at fair value and recalculates a new effective interest rate for the asset.

The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Company also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are recognised in the statement of income as a gain or loss on derecognition.

In cases other than modification, a financial asset is derecognised when the contractual rights to the cash flows from the asset have expired; or when the Company transfers the contractual rights to receive the cash flows from the financial asset; or has assumed an obligation to pay those cash flows to an independent third party; or the Company has transferred substantially all the risks and rewards of ownership of that asset to an independent third-party. Management determines whether substantially all the risks and rewards of ownership have been transferred by quantitatively comparing the variability in cash flows before and after the transfer. If the variability in cash flows remains significantly similar subsequent to the transfer, the Company has retained substantially all of the risks and rewards of ownership.

On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the statement of income.

30 September 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Financial Assets and Liabilities - Recognition and Derecognition (Cont'd)

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. If an existing financial liability is replaced by another from the same counterparty on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability at fair value. The difference in the respective carrying amount of the existing liability and the new liability is recognised as a gain/loss in the statement of income.

2.4 Financial Assets and Liabilities - Classification and Measurement

Classification of financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss);
- those to be measured at amortised cost.

The classification requirements for debt and equity instruments are described below.

Classification - Debt instruments

The classification of debt instruments depends on the business model used for managing the financial assets and the contractual terms of the cash flows.

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets, or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of the 'other' business model and measured at FVPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, and how risks are assessed and managed.

Where the business model is to hold assets to collect contractual cash flows or collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for the time value of money, credit risk, and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured as FVPL.

Measurement - Debt instruments

There are three measurement approaches for debt instruments depending on the classification of the financial assets.

- Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in the statement of income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of income.

30 September 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial Assets and Liabilities - Classification and Measurement (Cont'd)

Measurement - Debt instruments (Cont'd)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Changes in fair value are taken through OCI. The recognition of interest income and impairment gains or losses are recognised in the statement of income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in the statement of income using the effective interest rate method. Impairment losses are presented as a separate line item in the statement of income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A
 gain or loss on a debt instrument that is measured at FVPL is recognised in statement of income in the
 period in which it arises. Assets held for trading are classified as FVPL.

Classification and measurement - Equity instruments

Equity instruments are instruments that meet the definition of equity: that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Company measures all equity instruments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the statement of income following the derecognition of the investment. Dividends from such investments continue to be recognised in the statement of income when the Company's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in the statement of income.

Classication and measurement - Financial liabilities

Financial liabilities are classified as "measured at amortised cost".

Criteria for non-performing loans and advances

In accordance with the Bank of Guyana's Supervision Guideline 5 "Loan Portfolio Review, Classification, Provisioning, and Other Related Requirements" (SG 5), the Company classifies loans and advances as 'non-performing' when:

- (a) for a loan or an account with fixed repayment dates -
 - (i) principal or interest is due and unpaid for three months or more; or
 - (ii) interest charges for three months or more have been capitalised, refinanced, or rolled-over.
- (b) for an overdraft or an account without fixed repayment dates -
 - (i) approved limit has been exceeded for three months or more; or
 - (ii) credit line has expired for three months or more; or
 - (iii) interest charges for three months or more have not been covered by deposits; or
 - (iv) the account has developed a hardcore which was not converted into a term loan after three months or more.

30 September 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial Assets and Liabilities - Classification and Measurement (Cont'd)

Criteria for non-performing loans and advances (Cont'd)

A non-performing account may be restored to a performing status when all arrears of principal and interest have been paid or when it otherwise becomes well-secured and full collection is expected within three months.

Loans which have been refinanced, rescheduled, rolled-over, or otherwise modified because of weaknesses in the borrower's financial position or the non-repayment of the debt as arranged are classified as renegotiated. Facilities are only renegotiated if the Company is satisfied that the financial position of the borrower can service the debt under the new conditions. Per the SG 5, commercial loans are not renegotiated more than twice over the life of the original loan while mortgages or personal loans are not renegotiated more than twice in a five-year period.

During the year, the Company provided support to qualified borrowers whose operations were impacted by the COVID-19 pandemic. These borrowers were granted a moratorium on loan payments up to December 2020.

30 September 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Impairment of Financial Assets

Expected Credit Loss (ECL) Model

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments classified at amortised cost and FVOCI and with the exposures arising from loan commitments and guarantees. The Company recognises a loss allowance for such losses at each reporting date.

The measurement of ECL reflects:

- An unbiased and probability-weighted amount determined from possible outcomes;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL is calculated by multiplying the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

- PD is an estimate of the likelihood of default over the next 12 months or over the remaining lifetime of the obligation.
- LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by counterparty, type of claim and availability of collateral. It is expressed as a percentage loss per unit of exposure at the time of default.
- EAD is based on the amounts that the Company expects to be owed at the time of default, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, expected drawdowns on commitments and accrued interest from missed payments.

The ECL is determined by projecting PD, LGD and EAD for future months and for each individual exposure. The multiplication of the three components results in the ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective rate.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data.

The I2-month and lifetime LGDs are determined based on the factors which impact the recoveries post default including collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.

The 12-month and lifetime EADs are determined based on expected payment profile.

Forward-looking macroeconomic information is also included in determining these factors.

30 September 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Impairment of Financial Assets (Cont'd)

Expected Credit Loss (ECL) Model (Cont'd)

There are no differences in the estimation techniques or significant assumptions for the ECL calculations as at 30 September 2019 and 30 September 2020.

Three-stage method

The ECL impairment model uses a three-stage approach based on the extent of credit deterioration since origination.

- Stage 1: 12 month ECL applies to all financial assets that have not experienced a significant increase in credit risk since origination and are not credit impaired. The ECL is computed using a 12-month PD that represents the probability of default occurring over the next 12 months.
- Stage 2: When a financial asset experiences a significant increase in credit risk subsequent to origination but is not credit impaired, it is considered to be in Stage 2. This requires the computation of ECL based on lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset.
- Stage 3: Financial assets with objective evidence of impairment are included in this stage. Similar to Stage 2, the allowance for credit losses continue to capture the lifetime ECL.

Definition of default and credit - impaired assets

The Company defines a financial asset as in default, which is fully aligned with the definition of creditimpaired, when it meets either quantitative or qualitative criteria, as defined below.

Quantitative criteria - The Company ordinarily considers that default on a financial asset has occurred when the borrower is more than 90 days past due on contractual payments. In the current year, consideration was taken of the moratorium granted to qualified borrowers on loan payments until December 2020 (note 2.4).

Qualitative criteria - The Company considers a financial instrument to be in default if there are clear indicators that the borrower is in significant financial difficulty and therefore unlikely to pay. Some indicators are: bankruptcy of the borrower; breach of financial covenants; borrower is in long-term forbearance.

The criteria for default have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes.

An instrument is considered to no longer be in default (i.e. to be 'cured') when it no longer meets any of the default criteria for a consecutive period of twelve months.

Assessment of significant increase in credit risk

The Company assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers macroeconomic outlook, management judgement, and delinquency. In the current year, consideration was taken of the moratorium granted to qualified borrowers on loan payments until December 2020 (note 2.4). There is a rebuttal presumption that the credit risk of the financial instrument has increased since initial recognition when contractual payments are more than 30 days overdue. The Company has not chosen to rebut this assumption.

30 September 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Impairment of Financial Assets (Cont'd)

Expected Credit Loss (ECL) Model (Cont'd)

Forward-looking information

The estimation of expected credit losses for each stage and the assessment of significant increases in credit risk consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement. In its ECL model, the Company incorporates forward-looking information on macroeconomic performance, specifically GDP growth.

Modified financial assets

If the terms of a financial asset are modified or an existing financial asset is replaced with a new one, an assessment is made to determine if the existing financial asset should be derecognised. Where a modification does not result in derecognition, the date of origination continues to be used to determine significant increase in credit risk. Where a modification results in derecognition, the new financial asset is recognised at its fair value on the modification date. The modification date is also the date of origination for this new asset.

Modifications of the contractual terms of financial assets may result in derecognition of the original asset when the changes to the terms are considered substantial. The original financial asset is derecognised and the new asset is recognised at fair value; any difference arising is recognised in the statement of income.

Write-off policy

The Company writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, write-off is generally after receipt of any proceeds from the realisation of security. In circumstances where, based on the net realisable value of any collateral, there is no reasonable expectation of full recovery, write-off may occur earlier. The Company also recognises the statutory provisions contained in Supervision Guideline 5 relative to the write off of accounts classified as 'Loss'.

Guarantees and credit commitments

Financial guarantees are initially measured at fair value and subsequently measured at the higher of the loss allowance and the premium received on initial recognition. Loan commitments are measured as the amount of the loss allowance. For financial guarantees and loan commitments, the loss allowance is recognised as a provision. Based on the historical experience and collateral pledged, the Company considers the risk of loss in the event of default to be low and consequently, the ECL to be immaterial.

Cash resources

Cash and balances with the Bank of Guyana and amounts due from other banks are within the scope of IFRS 9 impairment approach. However, based on the historical experience and the nature of the counterparties, the Company considers the risk of default to be low and consequently, the ECL to be immaterial.

30 September 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Impairment of Financial Assets (Cont'd)

Bank of Guyana Supervision Guideline 5

The Company is required to consider the need for impairment of financial assets in accordance with IFRS, as well as the provisioning requirements of the Bank of Guyana, as set out in SG 5. Where the impairment provision required under SG 5 is greater than that required under IFRS 9, the excess is dealt with as an appropriation of retained earnings to a general banking risk reserve.

The Company is required to conduct a loan review of at least 70 percent of its portfolio including large accounts and off-balance sheet commitments, and all past-due and non-performing accounts.

The following information is considered in the review:

- a) original terms and purpose of facility against current balance and status;
- b) financial information on the borrower;
- c) evaluation of the project being financed;
- d) status of collateral including recent valuation, legal assignments and insurance;
- e) past record of the borrower; and
- f) performance of other members of the group (if applicable).

Following the review of portfolio, accounts are classified into one of five categories being Pass, Special Mention, Substandard, Doubtful or Loss.

The provision levels stipulated in SG 5 are as follows.

Classification	Provision
Pass	0%
Special Mention Substandard	0%
 portion secured by cash, cash substitutes, government securities 	
or government guarantees	0%
- others	20%
Doubtful	50%
Loss	100%

Each of the five categories has specific classification criteria based on facility performance, collateral status and financial condition of borrower. Additionally, a general provision equivalent to 1 percent of the portfolio not reviewed is required.

2.6 Guarantees and Letters of Credit

The Company's potential liability under guarantees and letters of credit is reported as a contingent liability given that there are equal and offsetting claims against its customers in the event of a call on these commitments. Where there is doubt on the asset cover against these contingent liabilities, a provision for impairment is established.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash-in-hand, balances held with other banks and the non-restricted balance with the Bank of Guyana, items in course of collection and investment securities with original maturity of less than three months.

30 September 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, except for freehold property held as at 30 September 2016 which is stated at revalued amount less accumulated depreciation. Freehold land is not depreciated. Other fixed assets are depreciated on a straight-line method at rates estimated to write off the assets over their expected useful economic lives.

The current rates of depreciation are as follows:

Freehold building 2%

Furniture, fixtures and equipment 10 - 33 1/3%

Motor vehicles 20%

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or at least at each reporting date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains or losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. Repairs and renewals are charged to income when incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

2.9 Intangible Asset (Computer Software)

The costs of acquiring, customising and installing computer software are capitalised and amortised over their estimated useful economic life of five years on a straight line basis. Costs associated with maintenance of computer software are expensed as incurred.

2.10 Leases

IFRS16 - applicable from 01 October 2019

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a net present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable under residual value guarantees
- exercise price of a purchase option, if option reasonably certain to be exercised
- payments of penalties for terminating the lease, if option expected to be exercised

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The Company has applied judgement to determine the lease term for some lease contracts that include renewal options.

30 September 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Leases (Cont'd)

IFRS16 - applicable from 01 October 2019 (Cont'd)

The present value is determined by applying the interest rate implicit in the lease, or, if that rate cannot be readily determined, at the Company's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made.

The right-of-use asset is measured at cost comprising the following:

- the amount of the initial measurement of the lease liability
- lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases, which are those with a lease term of 12 months or less, are recognised on a straight-line basis as an expense in the statement of income.

IAS 17 - applicable up to 30 September 2019

Leases entered into by the Company are operating leases. Payments made under operating leases are charged to the statement of income on a straight line basis over the period of the lease.

2.11 Repossessed Assets

Repossessed assets are measured at the lower of carrying amount and fair value less costs to sell, and reported within "Other Assets".

2.12 Share Capital and Dividends

Ordinary shares with discretionary dividends are classified as equity.

Dividends are recognised as a deduction from shareholders' equity in the period in which they are approved by shareholders or, as in the case of interim dividends, when paid by the directors as authorised under the Company's by-laws.

2.13 Interest Income and Expense

Interest income and expense are recognised in the statement of income for all interest-bearing instruments on an accrual basis using the effective interest rate method.

The effective interest rate is the rate that exactly discounts the future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees that are integral to the effective interest rate.

30 September 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Interest Income and Expense (Cont'd)

In accordance with Bank of Guyana Supervision Guideline 5, interest income on 'non-performing' accounts is not accrued unless it is well-secured and full collection of arrears is expected within 3 months. Note 2.4 to these financial statements describes the basis for classifying accounts as 'non-performing'. Any uncollected interest is reversed from income at the time the facility is classified as 'non-performing'.

2.14 Fees and Commission Income

The recognition of fees and commission is determined by the purpose of the fee or commission and the basis of accounting for any associated financial instrument. Income earned on completion of a significant act is recognised when the act is completed. Income earned from the provision of services is recognised as revenue as the services are provided.

2.15 Taxation

The tax expense for the year comprises of current and deferred tax and is recognised in the statement of income or the other comprehensive income, as appropriate.

The current corporate tax charge is identified on the basis of the tax laws enacted at the reporting date. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Company provides for deferred tax 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. The currently enacted tax rate is used to determine deferred corporation tax.

The principal temporary differences arise from depreciation on property and equipment, revaluations of certain assets and impairment provisions. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.16 Retirement Benefit Plan

The Company offers a defined contribution pension arrangement to eligible employees. The Company's contributions are charged to the statement of income in the year to which they relate.

2.17 Segment Reporting

The Company is managed as a single unit engaged in commercial banking and its operations are located only in Guyana.

30 September 2020

Thousands of Guyana Dollars

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also exercises judgement in applying the Company's accounting policies. Areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment are described in this note.

Impairment Losses on Financial Assets

The measurement of the expected credit loss allowance for financial assets under IFRS 9 is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). The ECL provisions generated by the models adopted are influenced by a number of factors, changes in which can result in different outcomes.

Some of the significant judgements and estimates that influence the outcome of the ECL provisions are:

- Choice of criteria for determining significant increase in credit risk;
- Choice of models and assumptions for the measurement of ECL;
- Recoverable values from collateral and time to recovery;
- Pattern of future cash flows:
- Basis for establishing forward-looking overlay adjustments; and
- Basis for establishing groups of similar financial assets for ECL purposes.

Lease term

Where the leases contain extension options, the period of extension is only taken into account in measuring lease liabilities when the Company is reasonably certain to exercise the option.

4.	CASH AND BALANCES WITH BANK OF GUYANA	2020	2019
	Cash in hand	1,079,113	921,148
	Balance with Bank of Guyana in excess of reserve requirement	7,675,700	6,711,125
	Included in cash and cash equivalents	8,754,813	7,632,273
	Reserve requirement with Bank of Guyana	4,954,683	4,986,795
		13,709,496_	12,619,068

The Company is required to maintain a monetary reserve with the Bank of Guyana which is based on customers' deposits and other specified liabilities.

5.	AMOUNTS DUE FROM OTHER BANKS	2020	2019
	Items in course of collection	339,069	65,331
	Deposits held with foreign banks	5,321,568	4,628,688
		5,660,637	4,694,019

Deposits held with foreign banks include amounts due on demand or held for fixed periods not exceeding 90 days.

30 September 2020

Thousands of Guyana Dollars

6. INVESTMENT SECURITIES	2020	2019
Debt instruments at amortised cost		
Issued in Guyana:		
Government securities	7,281,506	2,179,138
Corporate securities	0	26,330
Issued out of Guyana:		
Government securities	247,282	247,122
Corporate securities	0	861,485
	7,528,788	3,314,075
Less provision for impairment - note 21	(49,794)	(56,120)
	7,478,994	3,257,955
Fair value through Profit or Loss		
Issued out of Guyana:		
Corporate securities	254,912	244,270
Total Investment Securities	7,733,906	3,502,225
7. LOANS AND ADVANCES		
Overdrafts	1,764,879	1,631,688
Term loans	16,996,455	15,711,803
Mortgages	10,496,511	10,539,772
Non-accrual accounts	2,874,368	2,749,101
	32,132,213	30,632,364
Accrued interest receivable	878,405	307,004
Less provision for impairment - note 21	(1,278,971)	(1,149,560)
	31,731,647	29,789,808

30 September 2020

Thousands of Guyana Dollars

8. PROPERTY AND EQUIPMENT

	Freehold Land and Building	Leasehold Improvements	Furniture, Fixtures and Equipment	Motor Vehicles	Work in Progress	Total
Cost						
As at 01 October 2019	2,869,757	1,445	1,524,532	80,318	74,096	4,550,148
Additions	110,601	0	25,967	10,815	138,794	286,177
Disposals	0	0	(24,361)	(4,410)	0	(28,771)
As at 30 September 2020	2,980,358	1,445	1,526,138	86,723	212,890	4,807,554
Accumulated Depreciation						
As at 01 October 2019	(121,082)	(721)	(832,300)	(61,210)	0	(1,015,313)
Depreciation charge	(45,289)	(360)	(154,564)	(8,509)	0	(208,722)
Written back on disposals	0	0	24,190	4,410	0	28,600
As at 30 September 2020	(166,371)	(1,081)	(962,674)	(65,309)	0	(1,195,435)
Net Carrying Amount						
As at 30 September 2020	2,813,987	364	563,464	21,414	212,890	3,612,119
Cost						
As at 01 October 2018	2,838,757	1,538	1,498,231	80,765	0	4,419,291
Additions	31,000	0	42,205	13,349	74,096	160,650
Disposals	0	(93)	(15,904)	(13,796)	0	(29,793)
As at 30 September 2019	2,869,757	1,445	1,524,532	80,318	74,096	4,550,148
Accumulated Depreciation						
As at 01 October 2018	(75,794)	(419)	(684,561)	(67,734)	0	(828,508)
Depreciation charge	(45,288)	(375)	(161,149)	(7,012)	0	(213,824)
Written back on disposals	0	73	13,410	13,536	0	27,019
As at 30 September 2019	(121,082)	(721)	(832,300)	(61,210)	0	(1,015,313)
Net Carrying Amount						
As at 30 September 2019	2,748,675	724	692,232	19,108	74,096	3,534,835

In September 2016 the Company revalued its freehold land and building based on a valuation carried out by Patterson Associates on the basis of open market value, with the exception of its Head Office which was completed during the financial year ended 30 September 2017. The revaluation surplus is restricted from distribution as a cash dividend.

If the freehold land and building was stated on a historical cost basis, the carrying value would be \$2,812,924 (2019 - \$2,747,079) at the year end.

30 September 2020

Thousands of Guyana Dollars

9. INTANGIBLE	ASSET	2020	2019
Computer Sof	ftware		
Cost			
As at beginni	ing of year	570,726	519,000
Additions	- ,	49,253	62,415
Disposals		0	(10,689)
As at end of	year	619,979	570,726
Accumulated Am	nortisation		
As at beginni	ing of year	(446,852)	(417,296)
Charges		(46,167)	(40,245)
Written back	c on disposals	0	10,689
As at end of y	vear	(493,019)	(446,852)
Net Carrying Am	nount		
As at end of y		126,960	123,874
Amounts reco	gnised in Statement of Financial Position		
Cost			
Additions		727,680	0
Accumulated De		(50.450)	•
Charge in the	year	(50,453)	0
Net Carrying Am			
As at end of ye	ear	677,227	0
Lease Liabilitie	es		
Current		677,795	0
Non-current		0	0
		677,795	0
Amounts reco	gnised in Statement of Income		
	parge on right-of-use assets	50,453	0
Interest expense		2,385	0
	ng to short term leases	23,790	0

The Company leases various properties to carry out its banking activities. During the year, the Company signed Memoranda of Understanding with its parent company (the owner of two such properties) to acquire ownership of those properties. The process of property acquisition has commenced and is expected to be completed by 31 March 2021. The Company has therefore recognised right-of-use assets and associated lease liabilities in respect of those two properties, based on lease payments up to that date and expected purchase prices. All other property leases are short term in nature.

30 September 2020

Thousands of Guyana Dollars

II. DEFERRED TAXATION	2020	2019
Deferred tax assets arising on:		
ECL on financial assets	44,145	42,873
Other	1,567_	0
	45,712	42,873
Deferred tax liabilities arising on:		
Accelerated tax depreciation	25,201	35,567
Gain on revaluation of property	15,873	16,085
	41,074	51,652
Portion of deferred tax balances expected to materialise after more than 12 months:		
Deferred tax assets	45,485	36,225
Deferred tax liabilities	41,074	46,785
12. OTHER ASSETS		
Accrued interest receivable	4,716	15,153
Repossessed assets	94,035	78,511
Prepayments	223,697	238,546
Miscellaneous	60,612	93,342
	383,060	425,552
13. CUSTOMERS' DEPOSITS		
Demand deposits	17,740,612	14,386,226
Savings deposits	25,304,180	19,960,380
Time deposits	8,652,193	9,770,598
	51,696,985	44,117,204
Accrued interest payable	119,812	161,933
	51,816,797	44,279,137

30 September 2020

Thousands of Guyana Dollars

13. CUSTOMERS' DEPOSITS (CONT"D)

Sectoral Analysis				
•	Personal	Commercial	Government	Total
As at 30 September 2020				
Demand deposits	4,317,961	11,241,371	2,181,309	17,740,641
Savings deposits	18,876,454	6,292,994	170,748	25,340,196
Time deposits	1,151,531	7,228,555	355,874	8,735,960
	24,345,946	24,762,920	2,707,931	51,816,797
As at 30 September 2019				
Demand deposits	3,968,509	10,311,475	106,272	14,386,256
Savings deposits	16,359,460	3,539,845	97,583	19,996,888
Time deposits	1,198,115	8,233,856	464,022	9,895,993
	21,526,084	22,085,176	667,877	44,279,137
14. OTHER LIABILITIES			2020	2019
Accruals			110,963	122,191
Items in the course of payment			292,139	251,058
Deferred income			126,084	128,423
Miscellaneous			212,701	198,614
			741,887	700,286
15. SHARE CAPITAL				
Authorised				
83,000,000 ordinary shares of no par v	/alue			
Issued and Fully Paid 59,491,300 ordinary shares of no par v	value		594,913	594,913
27,171,300 or arriar y strates of the par v			371,719	

30 September 2020

Thousands of Guyana Dollars

16. RESERVES

Statutory Reserve

The Financial Institutions Act 1995 requires registered institutions to transfer annually a minimum of 15% of profit after taxation to a reserve until the balance on this statutory reserve is equal to the paid up capital of the institution.

General Banking Risk Reserve

This reserve represents statutory and other loss provisions that exceed the impairment provision and that are appropriated from retained earnings.

Revaluation Reserve

ľ

The surplus arising on revaluation of freehold land and building, net of deferred tax, is transferred to this reserve.

7. NET INTEREST INCOME	2020	2019
Interest Income:		
Loans and advances	3,076,333	2,681,152
Investment securities - earned in Guyana	61,167	29,489
Investment securities - earned out of Guyana	63,720	104,073
	3,201,220	2,814,714
Interest Expense:		
Demand deposits	10,595	10,358
Savings deposits	155,904	145,823
Time deposits	199,921	193,306
	366,420	349,487

30 September 2020

Thousands of Guyana Dollars

18. OTHER INCOME	2020	2019
Fee and commission income	304,485	301,723
Gains on foreign exchange trading	220,412	222,572
Gains of FVPL financial asset	10,642	43,176
Sundry income	11,923	39,329
	547,462	606,800
19. OPERATING EXPENSES		
Staff costs (note 20)	464,493	443,859
Depreciation and amortisation	305,342	254,069
Operating lease rental	23,790	65,513
Auditors' remuneration (including expenses)	14,175	13,306
General administrative expenses	605,946	542,167
Other operating costs	172,531	192,796
	1,586,277	1,511,710
20. STAFF COSTS		
Wages and salaries	398,654	368,528
Social security costs	30,407	27,611
Pension costs	12,260	10,701
Other staff costs	23,172	37,019
	464,493	443,859

30 September 2020

Thousands of Guyana Dollars

21. PROVISION FOR IMPAIRMENT OF FINANCIAL ASSETS

IFRS 9

	Loans and Advances (Mortgages)	Loans and Advances (Term Loans)	Loans and Advances (Overdrafts)	Investment Securities (AC)	2020 Total
Stage I: I2 month ECL					
Balance as at 01 October 2019	21,850	45,210	2,336	6,278	75,674
ECL on new instruments issued	8,987	13,895	0	4,125	27,007
ECL of transfers between categorie	s (12,541)	(24,278)	(2,336)	(777)	(39,932)
Balance as at 30 September 2020	18,296	34,827	0	9,626	62,749
Stage 2: Lifetime ECL					
Balance as at 01 October 2019	28,413	9,373	0	0	37,786
ECL on new instruments issued	6,615	3,879	34,706	0	45,200
ECL of transfers between categories	s (25,744)	0	0	0	(25,744)
Balance as at 30 September 2020	9,284	13,252	34,706	0	57,242
Stage 3: Lifetime ECL credit-impaired	152.251	004.707	5 224	40.042	1 002 220
Balance as at 01 October 2019	152,351	884,706	5,321	49,842	1,092,220
Additional provision Reversal of provision	78,397 (24,135)	223,657 (154,949)	8,226 (4,968)	0 (9,674)	310,280 (193,726)
Reversar of provision	(24,133)	(134,747)	(4,766)	(7,674)	(173,726)
Balance as at 30 September 2020	206,613	953,414	8,579	40,168	1,208,774
Total ECL					
Balance as at 01 October 2019	202,614	939,289	7,657	56,120	1,205,680
Balance as at 30 September 2020	234,193	1,001,493	43,285	49,794	1,328,765

30 September 2020

Thousands of Guyana Dollars

21. PROVISION FOR IMPAIRMENT OF FINANCIAL ASSETS

IFRS 9

	Loans and Advances (Mortgages)	Loans and Advances (Term Loans)	Loans and Advances (Overdrafts)	Investment Securities (AC)	2019 Total
Stage I: I2 month ECL					
Balance as at 01 October 2018	21,305	32,892	3,337	6,022	63,556
ECL on new instruments issued	8,341	35,614	418	256	44,629
ECL of transfers between categories	1,241	263	(1,419)	0	85
Other credit loss movements	(9,037)	(23,559)	0	0	(32,596)
Balance as at 30 September 2019	21,850	45,210	2,336	6,278	75,674
Stage 2: Lifetime ECL					
Balance as at 01 October 2018	28,960	14,086	0	0	43,046
ECL on new instruments issued	2,115	3,112	0	0	5,227
ECL of transfers between categories	8,551	3,162	0	0	11,713
Other credit loss movements	(11,213)	(10,987)	0	0	(22,200)
Balance as at 30 September 2019	28,413	9,373	0	0	37,786
Stage 3: Lifetime ECL					
credit-impaired	174 204	1 114 005	200 152	210.040	1 700 (71
Balance as at 01 October 2018	174,384	1,116,085	289,153	210,049	1,789,671
Amounts written off	(7,488) 56,333	(242,352) 151,735	(246,850) 0	(154,872) 0	(651,562) 208,068
Additional provision Reversal of provision	(70,878)	(140,762)	<u> </u>	(5,335)	(253,957)
Reversal of provision	(70,676)	(140,762)	(36,762)	(3,333)	(233,737)
Balance as at 30 September 2019	152,351	884,706	5,321	49,842	1,092,220
Total ECL					
Balance as at 01 October 2018	224,649	1,163,063	292,490	216,071	1,896,273
Balance as at 30 September 2019	202,614	939,289	7,657	56,120	1,205,680

30 September 2020

Thousands of Guyana Dollars

The provisional charge for taxation in the financial statements is made up as follows: Current tax	22. TAXATION	2020	2019
Deferred tax			
Reconciliation of the Company's profit before taxation to the theoretical amount using the basic rate of tax: Profit before taxation	Deferred tax	(13,417)	17,289
Reconciliation of the Company's profit before taxation to the theoretical amount using the basic rate of tax: Profit before taxation	Thor year adjustments		
Corporation tax on profit at 40% (2019 - 40%) 669,159 639,739 Income not subject to tax (85,674) (97,062) Expenses not deductible for tax purposes 142 131 Property and withholding taxes 86,810 79,997 Prior year adjustments 20,526 44 Other (214) 21,246 690,749 644,095 23. EARNINGS PER SHARE Profit attributable to shareholders 982,151 955,253 Weighted average number of ordinary shares (thousands) 59,491 59,491 Basic earnings per share \$16.51 \$16.06 24. DIVIDENDS Prior year final dividend paid \$2.25 per share (2019 - \$1.80) 133,855 107,084 Interim dividend paid \$0.90 per share (2019 - \$0.90) 53,542 53,542 Santa Perior year final dividend paid \$0.90 per share (2019 - \$0.90) 53,542 53,542 Santa Perior year final dividend paid \$0.90 per share (2019 - \$0.90) 53,542 53,542 Santa Perior year final dividend paid \$0.90 per share (2019 - \$0.90) 53,542 53,542 Santa Perior year final dividend paid \$0.90 per share (2019 - \$0.90) 53,542 53,542 Santa Perior year final dividend paid \$0.90 per share (2019 - \$0.90) 53,542 Santa Perior year final dividend paid \$0.90 per share (2019 - \$0.90) 53,542 Santa Perior year final dividend paid \$0.90 per share (2019 - \$0.90) 53,542 Santa Perior year final dividend paid \$0.90 per share (2019 - \$0.90) 53,542 Santa Perior year final dividend paid \$0.90 per share (2019 - \$0.90) 53,542 Santa Perior year final dividend paid \$0.90 per share (2019 - \$0.90) 53,542 Santa Perior year final dividend paid \$0.90 per share (2019 - \$0.90) 53,542 Santa Perior year final dividend paid \$0.90 per share (2019 - \$0.90) 53,542 Santa Perior year final dividend paid \$0.90 per share (2019 - \$0.90) 53,542 Santa Perior year final dividend paid \$0.90 per share (2019 - \$0.90) 53,542 Santa Perior year final dividend paid \$0.90 per share (2019 - \$0.90) 53,542 Santa Perior year final dividend paid \$0.90 per share (2019 - \$0.9		690,749	644,095
Income not subject to tax	Profit before taxation	1,672,900	1,599,348
Profit attributable to shareholders 982,151 955,253 Weighted average number of ordinary shares (thousands) 59,491 59,491 Basic earnings per share \$16.51 \$16.06 24. DIVIDENDS Prior year final dividend paid \$2.25 per share (2019 - \$1.80) 133,855 107,084 Interim dividend paid \$0.90 per share (2019 - \$0.90) 53,542 53,542	Income not subject to tax Expenses not deductible for tax purposes Property and withholding taxes Prior year adjustments	(85,674) 142 86,810 20,526 (214)	(97,062) 131 79,997 44 21,246
Weighted average number of ordinary shares (thousands) 59,491 59,491 Basic earnings per share \$16.51 \$16.06 24. DIVIDENDS Prior year final dividend paid \$2.25 per share (2019 - \$1.80) 133,855 107,084 Interim dividend paid \$0.90 per share (2019 - \$0.90) 53,542 53,542	23. EARNINGS PER SHARE		
Basic earnings per share \$16.51 \$16.06 24. DIVIDENDS Prior year final dividend paid \$2.25 per share (2019 - \$1.80)	Profit attributable to shareholders	982,151	955,253
24. DIVIDENDS Prior year final dividend paid \$2.25 per share (2019 - \$1.80) 133,855 107,084 Interim dividend paid \$0.90 per share (2019 - \$0.90) 53,542 53,542	Weighted average number of ordinary shares (thousands)	59,491	59,491
Prior year final dividend paid \$2.25 per share (2019 - \$1.80) Interim dividend paid \$0.90 per share (2019 - \$0.90) Interim dividend paid \$0.90 per share (2019 - \$0.90) Interim dividend paid \$0.90 per share (2019 - \$0.90)	Basic earnings per share	\$16.51	\$16.06
Interim dividend paid \$0.90 per share (2019 - \$0.90) 53,542 53,542	24. DIVIDENDS		
187,397 160,626			
		187,397	160,626

A final dividend in respect of 2020 of \$2.25 per share (2019 - \$2.25 per share), amounting to \$133,855 (2019 - \$133,855) is to be proposed at the annual general meeting on 26 January 2021.

30 September 2020

Thousands of Guyana Dollars

25. COMMITMENTS	2020	2019
Undrawn credit facilities	1,209,745	856,856
Capital commitments for property and equipment Authorised but not contracted for	437,336	857,604
Authorised and contracted for Capital commitments for intangible assets	1,594,790	2,071
Authorised but not contracted for	48,617	67,497
Authorised and contracted for	35,433	25,027

26. CONTINGENCIES

Litigations

As at the year end there were certain legal proceedings outstanding against the Company. No provision has been made as management is of the opinion that such proceedings are either without merit or will result in an insignificant loss to the Company.

Guarantees

	2020	2019
Guarantees	1,013,531	1,114,506

Tax Assessments

On 20 December 2018, the Company received Notices of Assessment ("Assessments") from the Guyana Revenue Authority claiming additional corporation taxes of \$534,416 as a result of the disallowance of the Company's claim for deduction for impairment losses on financial assets in relation to the years of income ended 30 September, 2010 to 2012, and 2014 to 2016, inclusive.

The accounting policy on impairment losses on financial assets, as described in Note 2.5 to these financial statements, recognises the Company's obligation to comply with provisioning requirements contained in International Financial Reporting Standards (IFRS) and in the Supervision Guidelines issued by the Bank of Guyana.

For purposes of its corporation tax computations, the Company's impairment losses on financial assets as determined under IFRS, were claimed as deductions in accordance with Section 16(1)(e) of the Income Tax Act, which provides for the deduction of provisions for bad and doubtful debts incurred in a trade or business.

Accordingly, the Company on 04 January 2019 filed Notices of Objection to these assessments under the provisions of the Income Tax Act. The Guyana Revenue Authority acknowledged the objections and that the tax in dispute is being held in abeyance until the objections are determined. The objections remain undetermined to the present. The Company has been advised by its attorneys that its objections are well founded.

30 September 2020

Thousands of Guyana Dollars

27. RELATED PARTY TRANSACTIONS

(a) Loans, advances and other credit commitments

A number of transactions were entered into with related parties during the course of the year. The related parties include major shareholders, key management personnel and other organisations controlled or significantly influenced by key management personnel. Loans and advances to employees of the Company are extended at preferential rates.

The total loans, advances and other credit commitments, as shown in the tables below, aggregate to 3 percent (2019 - 3 percent) of the total exposure to all customers. Additionally the total loans, advances and other credit commitments extended to the five related parties with the highest exposures as at the year end amount to \$518,636 (2019 - \$584,893) or 5 percent (2019 - 7 percent) of the capital base.

2020	Parent Company	Other Major Shareholders	Directors	Other Key Management	Other Related Parties	Total
Loans and advances as at beginning of year Advanced in the year Repaid in the year	143,746 1,000,000 (1,143,746)	0 0 0	138,342 109,901 (76,714)	95,415 1,000 (17,000)	326,666 338,466 (244,945)	704,169 1,449,367 (1,482,405)
Loans and advances as at end of year	0	0	171,529	79,415	420,187	671,131
Guarantees as at end of year	102,351	1,065	31,524	5,751	14,910	155,601
Interest income	50,531	0	12,006	3,774	35,433	101,744

2019	Parent Company	Other Major Shareholders	Directors	Other Key Management	Other Related Parties	Total
Loans and advances as at beginning of year	290,421	0	85,067	70,851	391,304	837,643
Advanced in the year Repaid in the year	0 (146,675)	0	79,661 (26,386)	68,728 (44,164)	204,542 (269,180)	352,931 (486,405)
Loans and advances as at end of year	143,746	0	138,342	95,415	326,666	704,169
Guarantees as at end of year	102,351	1,065	27,264	5,751	15,443	151,874
Interest income	19,304	0	9,483	4,284	33,904	66,975

(b) Customers' deposits

2020	Parent Company	Other Major Shareholders	Directors	Other Key Management	Other Related Parties	Total
Balance as at beginning						
of year	8,091,131	925,542	120,470	20,203	6,523,213	15,680,559
Deposits during the year	47,675,660	4,093,343	501,679	92,625	19,775,687	72,138,994
Withdrawals in the year	(44,688,754)	(4,138,567)	(512,033)	(91,544)	(19,004,879)	(68,435,777)
Balance as at end of year	11,078,037	880,318	110,116	21,284	7,294,021	19,383,776
Interest expense	13,399	3,516	2,032	231	121,100	140,278

30 September 2020

Thousands of Guyana Dollars

27. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Customers' deposits (Cont'd)

2019	Parent Company	Other Major Shareholders	Directors	Other Key Management	Other Related Parties	Total
Balance as at beginning						
of year	5,994,317	735,828	145,070	24,552	6,171,295	13,071,062
Deposits during the year	31,147,018	4,778,722	521,139	145,373	15,805,919	52,398,171
Withdrawals in the year	(29,050,204)	(4,589,008)	(545,739)	(149,722)	(15,454,001)	(49,788,674)
Balance as at end of year	8,091,131	925,542	120,470	20,203	6,523,213	15,680,559
Interest expense	11,007	3.690	1.575	257	116,573	133,102
interest expense	11,007	3,670	1,3/3	237	110,373	133,102
					2020	2019
(c) Key Management Con	npensation					
Short term benefits					86,381	78,792
Post employment benefit	ts				3,628	3,501
					90,009	82,293
(d) Other Related Party T	ransactions					
Property rent charges fro	om parent co	mpany			62,280	64,138
Property rent charges from other related party					4,516	4,516
Professional services pro		p/			.,	.,
other related parties	,,,asa 5,				13,951	5,704
Insurance services provide	ded by major				, ,	3,701
shareholder and other i					40,804	40,150
Expenses settled on beh	. ,	nagement			0	11,550
Expenses settled on ben	an or key mai	agement				11,550

28. DIRECTORS' EMOLUMENTS

Emoluments, including expenses, paid in respect of services of directors and included in key management compensation:

	2020	2019
Clifford B. Reis	2,040	1,740
Rakesh K. Puri	1,724	1,424
Wilfred A. Lee	1,724	1,424
George McDonald	1,724	1,424
Michael H. Pereira	1,724	1,424
Paul A. Carto	1,724	1,424
Deenawati Panday	1,724	1,424
Ronald Burch-Smith	1,724_	1,424
	14,108	11,708

No emoluments were paid to the executive director for his service as a director to the Company.

30 September 2020

Thousands of Guyana Dollars

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Categories of Financial Instruments

Financial instruments carried at the reporting date include cash resources (cash, balances with Bank of Guyana and amounts due from other banks), investment securities, loans and advances, accrued interest and other receivables, customers' deposits, and other liabilities.

As at 30 September 2020, the measurement categories and carrying amounts of the financial assets and liabilities in accordance with IFRS 7 are as follows:

		2020	2019
	Measurement	Carrying	Carrying
	Category	Amount	Amount
Cash resources	Amortised cost	19,370,133	17,313,087
Investment securities	FVPL	254,912	244,270
	Amortised cost	7,478,994	3,257,955
Loans and advances	Amortised cost	31,731,647	29,789,808
Other financial assets	Amortised cost	65,328	108,495
Customer deposits	Amortised cost	51,816,797	44,279,137
Other financial liabilities	Amortised cost	1,293,598	571,863

Risks arising from Financial Instruments

Financial risks are inherent to the operations of the Company and management of these risks is central to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk, interest rate risk and foreign exchange risk. The objective of the Company's risk management policies and efforts is to minimise the effects of the risks inherent to its operations. Risk management is an ongoing process which involves the identification, assessment and monitoring of risks through the application of various approaches which are guided by the Company's policies.

These risks are continuously monitored at both the executive and directorate levels. Management engages in the daily monitoring of risks and provides the Board of Directors with monthly reports which analyse exposures to the various elements of risk. The main financial risks affecting the Company are discussed in the following parts to this note.

30 September 2020

Thousands of Guyana Dollars

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Risks arising from Financial Instruments (Cont'd)

Credit Risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due, through its holding of cash resources, investment securities and loans and advances. It can also arise from guarantees and letters of credit provided by the Company or credit commitments given.

For financial assets recognised on the statement of financial position, the exposure to credit risk equals their carrying amounts. For guarantees and letters of credit, the maximum exposure to credit risk is the amount that the Company would have to pay if the guarantees and letters of credit were to be called upon. For credit commitments that are irrevocable over the life of the respective facilities, the maximum exposure to credit risk is the full amount of the committed facilities.

The following table presents the maximum exposure to credit risk arising from financial instruments, before taking account of any collateral held or other credit enhancements and after allowance for impairment where appropriate.

	2020	2019
On statement of financial position:		
Cash and balances with Bank of Guyana	13,709,496	12,619,068
Amounts due from other banks	5,660,637	4,694,019
Investment securities	7,478,994	3,257,955
Loans and advances	31,731,647	29,789,808
Other financial assets	65,328	108,495
	58,646,102	50,469,345
Off statement of financial position:		
Guarantees	1,013,531	1,114,506
Credit commitments	1,209,745	856,856
	2,223,276	1,971,362
Maximum exposure to credit risk	60,869,378	52,440,707

30 September 2020

Thousands of Guyana Dollars

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

Credit risk is managed to achieve a sustainable and superior risk-reward performance while maintaining exposures within acceptable risk parameters. The Company's policies and processes for managing credit risk are described below for each of its major financial assets.

Management of loans and advances, including off balance sheet exposures

The granting of credit through loans, advances, guarantees and letters of credit is one of the Company's major sources of income and is therefore one of its most significant risks. The Company therefore dedicates considerable resources towards controlling it effectively including a specialised Credit Department responsible for reviewing loan applications and monitoring granted loan facilities within the policies and guidelines established by the Board of Directors.

In executing its lending activities, the following measures are relied upon to mitigate the risk of default:

- (a) Credit applications are initially reviewed by an officer of the Company's Credit Department during which details of the purpose of the facility, the financial standing of the applicant and the collateral available as security are obtained. The applicant's ability to repay the sums required are assessed based on information collected and an initial recommendation made by the Credit Department.
- (b) The Company usually requires that collateral be lodged. Forms of acceptable collateral include cash, real estate, securities, machinery or equipment. The Company has established policies that guide its loan to value based on the type of collateral lodged. During the review of the loan application, an independent valuation of the collateral to be lodged is obtained, where possible.
- (c) Any recommended loan applications are then subject to the approval from either senior management or the Board of Directors depending on the level of the amount applied for. There are internally pre-set limits which dictate the level of approval required.
- (d) The Company's exposure to any single borrower is limited by the applicable provisions of the Financial Institutions Act. Additionally, the Company monitors exposure to industry segments to avoid over-exposure to any one sector.
- (e) The Credit Department is required to carry out weekly reviews of any past due or impaired facilities. For all other facilities, quarterly reviews are carried out by the Credit Department.
- (f) Independent valuations of collateral lodged against facilities are carried out at least every three years, where possible. Where securities are lodged as collateral, management monitors their market performance for indicators of impairment.
- (g) Oversight from the Credit Committee of the Board of Directors.
- (h) The Company's risk management practices provides information to assist with the identification of changes in credit risk of loans and advances; estimation of recoverable amounts from collateral and the likely exposure at default.

30 September 2020

Thousands of Guyana Dollars

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

Management of investment securities and amounts due from other banks

Managing the credit risks associated with investment securities and cash balances with other banks differs in an important respect from loans originated by the Company in that the counterparties involved are usually government bodies or established financial institutions. Within the Company, management of the portfolio of investment securities and cash balances with other banks is the responsibility of the Finance and Treasury Department.

The Board of Directors of the Company is required to approve all acquisitions of investment securities or the use of new financial institutions for the placement of cash resources. Thereafter re-investments into investment securities or use of banking facilities with financial institutions is at the discretion of management. The Company's acquisition of investment securities is guided by the 'single borrower' limits contained in the Financial Institutions Act.

Collateral is not usually collected on investment securities issued by government bodies or secured on government assets. Corporate investment securities are usually secured on the assets of the issuer. Valuations are not usually carried out on these assets given the corporate standing of the issuers. Collateral is not usually collected on amounts due from other banks as funds are only placed with institutions that are deemed to be financially sound.

Management continuously monitors the financial standing of issuers of investment securities and holders of cash balances. This practice provides necessary information to determine any changes in credit risk, thereby triggering ECL provisions.

Credit risk concentration

A concentration of credit risk exists when a number of counterparties are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

The Company's five most significant credit concentrations (excluding government securities, cash and cash equivalents) expressed as a percentage of the Company's capital base is shown below.

	2020	2019	
Counterparty I	19.2%	20.3%	
Counterparty 2	15.5%	15.7%	
Counterparty 3	12.4%	10.3%	
Counterparty 4	10.3%	9.3%	
Counterparty 5	9.5%	9.3%	

The analyses of credit risk concentrations presented in the following tables are based on the industry in which the counterparty is engaged and its geographic location.

30 September 2020

Thousands of Guyana Dollars

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

Credit risk concentration (Cont'd)

The tables below analyse the Company's exposure to credit risk on its financial instruments by industry sector.

As at 30 September 2020	Households	Services	Real Estate	Manufacturing
On statement of financial position:				
Cash and balances with Bank of Guyana	0	0	0	0
Amounts due from other banks	0	0	0	0
Investment securities	0	0	0	0
Loans and advances	2,982,250	9,566,974	13,684,148	1,167,502
Other financial assets	0	0	0	0
	2,982,250	9,566,974	13,684,148	1,167,502
Off statement of financial position:				
Guarantees	465,497	379,911	0	99,201
Credit commitments	294,063	607,040	0	139,860
	759,560	986,951	0	239,061
Total	3,741,810	10,553,925	13,684,148	1,406,563
Individual instruments or group of related instruments aggregating to more than 10% of capital base	0	3,821,260	588,465	0
As at 30 September 2019				
On statement of financial position:				
Cash and balances with Bank of Guyana	0	0	0	0
Amounts due from other banks	0	0	0	0
Investment securities	0	18,764	0	0
Loans and advances	2,418,886	8,839,461	12,757,230	1,383,409
Other financial assets	0	0	0	0
	2,418,886	8,858,225	12,757,230	1,383,409
0.00				
Off statement of financial position:	200.240	400.000		107.004
Guarantees	380,369	498,857	0	185,234
Credit commitments	292,198	319,255	0	55,990
	672,567	818,112	0	241,224
Total	3,091,453	9,676,337	12,757,230	1,624,633
Individual instruments or group of related				
instruments aggregating to more than	0	4 100 171	0	431 110
10% of capital base	0	4,199,171	0	631,110

30 September 2020

Mining & Quarry	Construction	A griculture	Government	Financial	Other	Total
0	0	0	0	13,709,496	0	13,709,496
0	0	0	0	5,660,637	0	5,660,637
0	0	0	7,478,994	0	0	7,478,994
963,190	2,764,560	603,023	0	0	0	31,731,647
0	0	0	3,840	875	60,613	65,328
963,190	2,764,560	603,023	7,482,834	19,371,008	60,613	58,646,102
0	68,922	0	0	0	0	1,013,531
24,058	143,965	759	0	0	0	1,209,745
24,058	212,887	759	0	0	0	2,223,276
987,248	2,977,447	603,782	7,482,834	19,371,008	60,613	60,869,378
250,942	941,397	0	7,096,915	17,795,834	0	30,494,813
0	0	0	0	12,619,068	0	12,619,068
0	0	0	0	4,694,019	0	4,694,019
0	0	0	2,383,985	855,206		3,257,955
949,029	2,812,472	629,321	0	0	0	29,789,808
0	0	0	2,172	12,981	93,342	108,495
949,029	2,812,472	629,321	2,386,157	18,181,274	93,342	50,469,345
0	50,046	0	0	0	0	1,114,506
94,543	94,556	314	0	0	0	856,856
94,543	144,602	314	0	0	0	1,971,362
1,043,572	2,957,074	629,635	2,386,157	18,181,274	93,342	52,440,707
0	997,898	0	2,015,514	16,292,180	0	24,135,873
	.,,,,,,	<u> </u>	_,- 10,011	. 0,2,2,100	<u> </u>	_ :, : 55,575

30 September 2020

Thousands of Guyana Dollars

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

Credit risk concentration (Cont'd)

The tables below analyse the Company's exposure to credit risk on its financial instruments by geographic region.

			North		
As at 30 September 2020	Guyana	Caricom	America	Europe	Total
On statement of financial position:					
Cash and balances with Bank of Guyana	a 13.709.496	0	0	0	13,709,496
Amounts due from other banks	339,069	156,118	2,916,507	2,248,943	5,660,637
Investment securities	7,271,880	207,114	0	0	7,478,994
Loans and advances	31,731,647	0	0	0	31,731,647
Other financial assets	62,361	2,178	34	755	65,328
	53,114,453	365,410	2,916,541	2,249,698	58,646,102
Off statement of financial position:	1 012 521	•	•	•	1 012 521
Guarantees	1,013,531	0	0	0	1,013,531
Credit commitments	1,209,745	0	0	0	1,209,745
	2,223,276	0	0	0	2,223,276
Total	55,337,729	365,410	2,916,541	2,249,698	60,869,378
As at 30 September 2019					
On statement of financial position:					
Cash and balances with Bank of Guyan	a 12.619.068	0	0	0	12,619,068
Amounts due from other banks	65,331	34,427	2,444,308	2,149,953	4,694,019
Investment securities	2,197,902	204,847	632,721	222,485	3,257,955
Loans and advances	29,789,808	0	0	0	29,789,808
Other financial assets	95,152	430	7,169	5,744	108,495
	44,767,261	239,704	3,084,198	2,378,182	50,469,345
Off statement of financial position:					
Guarantees	1,114,506	0	0	0	1,114,506
Credit commitments	856,856	0	0	0	856,856
	1,971,362	0	0	0	1,971,362
Total	46,738,623	239,704	3,084,198	2,378,182	52,440,707

30 September 2020

Thousands of Guyana Dollars

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

Financial assets subject to impairment

The Company monitors the quality of its financial assets through use of an internal grading system representing management's best estimate of the credit risk for the counterparty based on information presently available. The grades used are as follows:

Grade Description

- I High grade very strong likelihood of the asset being recovered.
- 2 Standard grade good likelihood of the asset being recovered.
- 3 Special monitoring grade concern over counterparty's ability to make payments when due.
- 4 Sub-standard grade past due or individually impaired.

The following tables analyse the credit risk exposure of financial instruments for which an ECL allowance is recognised.

MORTGAGES

		30 SEP 2019			
Grade	Stage I I2-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Total
I	362,539	0	0	362,539	3,021,388
2	6,414,949	630,009	0	7,044,958	6,955,394
3	2,151,276	390,751	0	2,542,027	126,256
4	0	0	1,277,571	1,277,571	982,771
Gross	8,928,764	1,020,760	1,277,571	11,227,095	11,085,809
ECL loss allowance	18,296	9,284	206,613	234,193	202,614
Carrying amount	8,910,468	1,011,476	1,070,958	10,992,902	10,883,195

TERM LOANS

		30 SEP 2019			
Grade	Stage I I2-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Total
1	785,199	0	0	785,199	1,277,726
2	5,462,549	987,580	0	6,450,129	13,183,591
3	6,705,619	2,698,520	0	9,404,139	43,126
4	0	0	3,204,405	3,204,405	3,556,201
Gross	12,953,367	3,686,100	3,204,405	19,843,872	18,060,644
ECL loss allowance	34,827	13,252	953,414	1,001,493	939,289
Carrying amount	12,918,540	3,672,848	2,250,991	18,842,379	17,121,355

30 September 2020

Thousands of Guyana Dollars

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

Financial assets subject to impairment (Cont'd)

OVERDRAFTS

		30 SEP 2020							
Grade	Stage I 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Total				
1	0	415,271	0	415,271	491,389				
2	0	1,345,377	0	1,345,377	1,129,192				
3	0	0	0	0	11,107				
4	0	0	179,003	179,003	161,227				
Gross	0	1,760,648	179,003	1,939,651	1,792,915				
ECL loss allowance	0	34,706	8,579	43,285	7,657				
Carrying amount	0	1,725,942	170,424	1,896,366	1,785,258				

INVESTMENT SECURITIES (AC)

		30 SEP 2020						
	Stage I	Stage 2	Stage 3					
Grade	12-month ECL	Lifetime ECL	Lifetime ECL	Total	Total			
1	7,439,983	0	0	7,439,983	3,198,939			
2	0	0	0	0	0			
3	0	0	0	0	0			
4	0	0	88,805	88,805	115,136			
Gross	7,439,983	0	88,805	7,528,788	3,314,075			
ECL loss allowance	9,626	0	40,168	49,794	56,120			
Carrying amount	7,430,357	0	48,637	7,478,994	3,257,955			

TOTAL

		30 SEP 2020						
	Stage I	Stage 2	Stage 3					
Grade	12-month ECL	Lifetime ECL	Lifetime ECL	Total	Total			
1	8,587,721	415,271	0	9,002,992	7,989,442			
2	11,877,498	2,962,966	0	14,840,464	21,268,177			
3	8,856,895	3,089,271	0	11,946,166	180,489			
4	0	0	4,749,784	4,749,784	4,815,335			
Gross	29,322,114	6,467,508	4,749,784	40,539,406	34,253,443			
ECL loss allowance	62,749	57,242	1,208,774	1,328,765	1,205,680			
Carrying amount	29,259,365	6,410,266	3,541,010	39,210,641	33,047,763			

30 September 2020

Thousands of Guyana Dollars

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

Financial assets subject to impairment (Cont'd)

Commentary on movement in ECL provision

The reasons for changes in the ECL loss provision between 01 October 2019 and 30 September 2020 are:

- Stage I ECL a decrease of \$12,925 or 17%:
 - Transfers to other stages due to increase in credit risk of certain customers.
 - Transfers to other stages due to impact of COVID-19 on specific sectors of the economy.
- Stage 2 ECL an increase of \$19,456 or 51%:
 - Transfers from stage I due to increase in credit risk of certain customers.
 - Transfers from stage I due to impact of COVID-19 on specific sectors of the economy.
- Stage 3 ECL an increase of \$116,554 or 11%:
 - Transfers from other stages due to increase in credit risk of certain customers.
 - Transfers from other stages due to impact of COVID-19 on specific sectors of the economy.

The reasons for changes in the ECL loss provision between 01 October 2018 and 30 September 2019 are:

- Stage I ECL an increase of \$12,118 or 19%:
 - Growth in the portfolio which resulted in increase in allowances during the year.
 - Transfers from other stages due to improved credit risk performance
- Stage 2 ECL a decrease of \$5,260 or 12%:
 - Early / partial repayments and maturities of facilities which resulted in assets and related allowances being derecognised during the year.
- Stage 3 ECL a decrease of \$697,451 or 39%:
 - Write-off of loss facilities totalling to \$651,562.
 - Improvements in the credit risk profile of customers.

30 September 2020

Thousands of Guyana Dollars

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

Financial assets subject to impairment (Cont'd)

Additional analysis of the impairment provision by industry is shown in the table below.

As at 30 September 2020	Households	Services	Real Estate	Manufacturing
Investment securities, loans and advances	3,161,984	10,091,824	13,996,072	1,218,859
Credit-impaired accounts, including non-performing accounts	401,304	1,581,823	1,912,997	189,573
Provision for impairment	179,734	524,850	311,924	51,357
As at 30 September 2019				
Investment securities, loans and advances	2,418,886	8,858,225	12,757,230	1,383,409
Credit-impaired accounts, including non-performing accounts	260,755	2,391,139	1,376,754	130,064
Provision for impairment	113,922	543,387	260,385	36,291

30 September 2020

Mining & Quarry	Construction	Agriculture	Government	Financial	Other	Total
1,017,286	2,821,753	702,840	7,528,788	0	0	40,539,406
105,486	103,409	366,387	88,805	0	0	4,749,784
54,096	57,193	99,817	49,794	0	0	1,328,765
949,029	2,812,472	629,321	2,383,985	855,206	0	33,047,763
	<u> </u>	·	<u> </u>	<u> </u>		
107,033	93,824	366,960	88,805	0	0	4,815,334
_						
56,328	46,967	99,846	42,275	6,279	0	1,205,680
	,	,=	,	, <u>-</u>		.,=,

30 September 2020

Thousands of Guyana Dollars

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

Financial instruments not subject to impairment

There are investment securities with a carrying value of \$254,912 (2019 - \$244,270) which are not subject to impairment as they are classified as FVPL.

Collateral

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Company has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Company prepares a valuation of the collateral obtained as part of the loan origination process. This valuation is reviewed periodically. The principal collateral types for loans and advances are:

- Mortgages over properties
- Charges over premises, vehicles, equipment and inventory

Investments in debt securities and government instruments are generally unsecured.

The Company's policies regarding obtaining collateral have not significantly change during the reporting period and there has been no significant change in the overall quality of the collateral held by the Company since the prior period.

A portion of the Company's loans and advances has sufficiently low 'loan to value' ratios, which results in no loss allowance being recognised in accordance with the expected credit loss model. The carrying amount of such instruments is \$13,014,766 as at 30 September 2020 (2019 - \$13,315,541).

The Company closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Company will take possession of collateral to mitigate potential credit losses. The fair value of collateral held for financial assets that are credit-impaired amounted to \$4,660,980 as at 30 September 2020 (2019 - \$4,904,455).

The Company's policy is to advertise collateral to the public in an effort to recover outstanding sums.

During the year the Company obtained collateral from defaulting counterparties. The nature and carrying amounts of assets obtained, which are still held at the reporting date, are shown in the table below.

Real Estate 8,783 36,978 Equipment 6,085 0		2020	2019
	Real Estate Equipment	8,783 6,085	36,978 0

30 September 2020

Thousands of Guyana Dollars

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

Modified facilities

The Company sometimes modifies the terms of loans and advances due to commercial renegotiations, or for distressed loans, with a view of maximising recovery. Renegotiations are usually considered upon request or where it is judged that a defaulting borrower will be better able to service outstanding debt under revised conditions.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition. The Company may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 to Stage 2 to Stage 1. This is only the case for assets which have performed in accordance with the new terms for 12 consecutive months or more. The gross carrying amount of such assets held as at 30 September 2020 was \$56,140 (2019 - \$81,183).

Written-off financial assets

During the financial year the Company did not write-off any financial assets (2019 - \$651,562).

30 September 2020

Thousands of Guyana Dollars

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity Risk

This is the risk that the Company will be unable to meet its obligations when they fall due and to replace funds when they are withdrawn, with consequent failure to repay depositors and fulfil commitments to lend. The risk that it will be unable to meet its obligations is inherent in banking obligations and can be impacted by a range of institution specific and market-wide events.

Management of Liquidity Risk

The Audit, Finance and Risk Management Committee of the Board of Directors is responsible for approving the Company's risk management policies and practices. Management is responsible for implementing those approved policies and practices.

The Company's liquidity management process is monitored by the Finance and Treasury function and includes the following measures:

- (a) Day to day funding is managed by monitoring future cash flows to ensure that requirements can be met. Projections of cash flow profiles and expected maturities of financial instruments are relied upon to monitor future cash flows.
- (b) Funds are borrowed on the inter-bank market to meet day-to-day shortfalls.
- (c) A portfolio of highly marketable assets (including government securities) is maintained that can be sold or used as collateral for funding in the event of any unforeseen interruption to cash flow.
- (d) Statutory liquidity ratios are regularly monitored.
- (e) The Company is required to retain a balance of cash at the Bank of Guyana to meet any unforeseen and significant shortfalls in liquidity. The amount to be deposited at the Bank of Guyana is dependent on the level of liabilities held in the form of customers' deposits.

Given the nature of the Company's operations, most of its financial liabilities are not demanded on the earliest date that repayment is due.

30 September 2020

Thousands of Guyana Dollars

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity Risk (Cont'd)

Contractual maturity of assets and liabilities

The following tables summarise the liquidity risk of the Company by analysing the assets and liabilities into relevant maturity groupings, based on the remaining period from the reporting date to contractual maturity date.

As at 30 September 2020	Within 3 months	Over 3 months but not over 6 months	Over 6 months but not over 12 months	Over I year but not over 5 years	Over 5 years	Total
Assets						
Cash and balances with						
Bank of Guyana	13,709,496	0	0	0	0	13,709,496
Amounts due from other banks	5,660,637	0	0	0	0	5,660,637
Investment securities	1,743,087	4,097,071	1,660,519	0	233,229	7,733,906
Loans and advances	3,298,370	1,808,136	740,107	5,492,726	20,392,308	31,731,647
Other assets	383,061	25,227	4,580,295	0	0	4,988,583
Total assets	24,794,651	5,930,434	6,980,921	5,492,726	20,625,537	63,824,269
Liabilities						
Customers' deposits	45,078,300	2,878,303	3,320,967	539,227	0	51,816,797
Other liabilities	741,887	677,795	429,372	41,074	0	1,890,128
Total liabilities	45,820,187	3,556,098	3,750,339	580,301	0	53,706,925
Net liquidity gap	(21,025,536)	2,374,336	3,230,582	4,912,425	20,625,537	
As at 30 September 2019						
Assets						
Cash and balances with						
Bank of Guyana	12,619,068	0	0	0	0	12,619,068
Amounts due from other banks	4,694,019	0	0	0	0	4,694,019
Investment securities	1,118,240	158,317	1,984,486	0	241,182	3,502,225
Loans and advances	1,250,290	777,485	2,459,315	6,758,550	18,544,168	29,789,808
Other assets	425,567	0	3,845,072	0	0	4,270,639
Total assets	20,107,184	935,802	8,288,873	6,758,550	18,785,350	54,875,759
Liabilities						
Customers' deposits	36,963,784	3,126,206	4,076,009	113,138	0	44,279,137
Other liabilities	700,286	0	522,094	51,652	0	1,274,032
Total liabilities	37,664,070	3,126,206	4,598,103	164,790	0	45,553,169
Net liquidity gap	(17,556,886)	(2,190,404)	3,690,770	6,593,760	18,785,350	

30 September 2020

Thousands of Guyana Dollars

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity Risk (Cont'd)

Contractual maturity of financial liabilities

The tables below present the cash flows payable by the Company under financial liabilities by remaining contractual maturities at the reporting date. The amounts disclosed in the tables are the contractual undiscounted cash flows of financial liabilities including future payments of interest.

As at 30 September 2020	Within 3 months	Over 3 months but not over 6 months	Over 6 months but not over 12 months	Over I year but not over 5 years	Over 5 years	Total
On statement of financial position:						
Customers' deposits	45,086,850	2,895,341	3,379,663	584,997	0	51,946,851
'				•		
Other financial liabilities	628,870	665,067	0	0	0	1,293,937
Off statement of financial position:						
Guarantees	283,805	93,065	190,840	445,821	0	1,013,531
Credit commitments	1,209,745	0	0	0	0	1,209,745
_	47,209,270	3,653,473	3,570,503	1,030,818	0	55,464,064
As at 30 September 2019						
On statement of financial position:						
Customers' deposits	36,977,344	3,173,181	4,180,281	115,879	0	44,446,685
Other financial liabilities	571,863	0	0	0	0	571,863
Off statement of financial position:						
Guarantees and letters of credit	412,199	94,344	388,880	219,083	0	1,114,506
Credit commitments	856,856	0	0	0	0	856,856
_	38,818,262	3,267,525	4,569,161	334,962	0	46,989,910

Foreign Exchange Risk

Foreign currency exposure arises from the Company's holding of foreign denominated assets and liabilities. The risk is that the carrying value of a financial instrument will fluctuate unfavourably because of changes in foreign exchange rates.

The Audit, Finance and Risk Management Committee of the Board of Directors is responsible for approving the Company's risk management policies and practices. Management is responsible for implementing those approved policies and practices.

Management of the Company reviews and manages the risk of unfavourable exchange rate movements by constant monitoring of market trends. The Company holds a large percentage of its foreign - denominated assets and liabilities in stable currencies and maintains net currency exposures within acceptable limits.

The aggregate amounts of assets and liabilities denominated in foreign currencies are shown in the tables below, along with the pre-tax impact of a reasonably possible change in the exchange rate (all changes in exchange rates reflect a strengthening against the Guyana Dollar).

30 September 2020

Thousands of Guyana Dollars

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Foreign Exchange Risk (Cont'd)

As at 30 September 2020	Assets	Liabilities	Net Position	% change	Impact on profit increase/ (decrease)	Impact on OCI increase/ (decrease)
United States Dollar	5,865,697	3,911,853	1,953,844	1.0%	19,538	0
Trinidad & Tobago Dollar	297,631	0	297,631	1.0%	2,976	0
Eastern Caribbean Dollar	162,366	0	162,366	1.0%	1,624	0
Other	218,098	2,780	215,318	1.0%	2,153	0
As at 30 September 2019						
United States Dollar	5,556,005	3,007,062	2,548,943	1.0%	25,489	0
Trinidad & Tobago Dollar	277,114	0	277,114	1.0%	2,771	0
Eastern Caribbean Dollar	161,940	0	161,940	1.0%	1,619	0
Other	44,781	2,295	42,486	1.0%	425	0

Interest Rate Risk

The Company is exposed to certain risks associated with fluctuations in the prevailing levels of interest rates. Interest rate risk arises from movements in interest rates where the Company's assets and liabilities have varying repricing dates.

The Audit, Finance and Risk Management Committee of the Board of Directors is responsible for approving the Company's risk management policies and practices. Management is responsible for implementing those approved policies and practices.

Management manages this risk by a number of measures, including selection of assets which best match the maturity of liabilities and the offering of deposit opportunities that match the maturity profile of assets. Maturity gap profiles and interest rate sensitivity analysis are relied upon to manage this risk.

The Company holds a minimal amount of floating rate instruments and therefore has limited exposure to the cash flow risk that could arise.

The tables below set out the Company's exposure to interest rate risk by categorising the Company's assets and liabilities, by the earlier of contractual repricing or maturity dates.

30 September 2020

Thousands of Guyana Dollars

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Interest Rate Risk (Cont'd)

		Over I year			
		but not over		Non-interest	
As at 30 September 2020	Up to I year	5 years	5 years	bearing	Total
Assets					
Cash and balances with					
Bank of Guyana	0	0	0	13,709,496	13,709,496
Amounts due from other banks	3,840,967	0	0	1,819,670	5,660,637
Investment securities	7,245,765	0	233,229	254,912	7,733,906
Loans and advances	4,968,208	5,492,726	20,392,308	878,405	31,731,647
Other assets	0	0	0	4,988,583	4,988,583
Total assets	16,054,940	5,492,726	20,625,537	21,651,066	63,824,269
Liabilities					
Customers' deposits	46,464,215	539,227	0	4,813,355	51,816,797
Other liabilities	0	0	0	1,890,128	1,890,128
Total liabilities	46,464,215	539,227	0	6,703,483	53,706,925
Interest sensitivity gap	(30,409,275)	4,953,499	20,625,537	_	
As at 30 September 2019					
Assets					
Cash and balances with					
Bank of Guyana	0	0	0	12,619,068	12,619,068
Amounts due from other banks	2,476,986	0	0	2,217,033	4,694,019
Investment securities	3,016,773	0	241,182	244,270	3,502,225
Loans and advances	4,180,085	6,758,550	18,544,169	307,004	29,789,808
Other assets	0	0	0	4,270,639	4,270,639
Total assets	9,673,844	6,758,550	18,785,351	19,658,014	54,875,759
Liabilities					
Customers' deposits	39,424,974	113,139	0	4,741,024	44,279,137
Other liabilities	0	0	0	1,274,032	1,274,032
Total liabilities	39,424,974	113,139	0	6,015,056	45,553,169
Interest sensitivity gap	(29,751,130)	6,645,411	18,785,351	_	

30 September 2020

Thousands of Guyana Dollars

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Interest Rate Risk (Cont'd)

The table below summarises the average effective interest rates for monetary financial instruments:

	2020	2019
	%	%
Assets		
Investment securities	1.1	1.8
Loans and advances	9.8	10.1
Liabilities		
Customers' deposits	0.8	0.9

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to the shareholders and benefits to other stakeholders, to maintain an optimal capital structure to reduce the cost of capital and maintain a prudent relationship between the capital base and the underlying risks of the business.

In pursuing these objectives, the Company has regard to capital requirements imposed by the Bank of Guyana. These requirements measure capital adequacy as a percentage of capital resources to risk weighted assets (Risk Asset Ratio). Risk weighted assets are a function of risk weights stipulated by the Bank of Guyana applied to the Company's assets. The Risk Asset Ratio should not be less than 8% with a Tier I component of not less than 4%.

The table below summarises the composition of regulatory capital and the ratios of the Company as at the date of the statement of financial position. The Company complied with the Bank of Guyana's capital requirements throughout the current year and prior year.

	2020	2019
Regulatory Capital		
Tier I Capital:		
Share capital	594,913	594,913
Statutory reserve	594,913	594,913
Retained earnings	8,740,532	7,783,304
Tier II Capital:		
Revaluation reserve	58,061	58,061
Prescribed deduction	(126,960)	(123,874)
	9,861,459	8,907,317

30 September 2020

Thousands of Guyana Dollars

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Capital Management (Cont'd)		
	2020	2019
Risk-weighted Assets		
On-balance sheet	31,147,471	30,183,222
Off-balance sheet	506,766	557,253
	31,654,237	30,740,475
Regulatory ratios		
Tier I capital ratio	31.4%	29.2%
Total capital ratio	31.2%	29.0%

Fair Values

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The sections that follow provide an analysis of the fair values of the Company's assets and liabilities based on the following hierarchy contained in IFRS 13:

Level I Quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2 Inputs other than quoted prices included within level I that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 Inputs for the asset that are not based on observable market data (that is unobservable inputs)

Asset carried at fair value

The Company's FVPL investment security 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 disclosure of fair value is required.

	IFRS13 Level	2020 Carrying Amount	2020 Fair Value	2019 Carrying Amount	2019 Fair Value
Assets:					
Investment securities	Level 2	7,478,994	7,481,041	3,257,955	3,290,546
Loans and advances	Level 2	31,731,647	31,815,291	29,789,808	30,407,677

The fair values of investment securities and loans and receivables 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.

30 September 2020

Thousands of Guyana Dollars

30. SEGMENTAL INFORMATION

Sources of Income

The various sources of income earned by the Company are shown in notes 17 and 18.

Geographical Information

The analysis of the Company's revenue between earnings in Guyana and earnings out of Guyana is shown in note 17 to these financial statements. There are no assets, other than financial instruments, located out of Guyana. The geographic analysis of the Company's financial instruments held at the year end is shown in note 29 to these financial statements.

Major Customers

There was no revenue deriving from transactions with a single customer that amounted to 10 percent or more of the Company's revenue.

31. ADOPTION OF IFRS16

The Company adopted IFRS 16 Leases from 01 October 2019 and recognised lease liabilities and right-of-use assets in relation to certain leases which had previously been classified as operating leases under the principles of IAS 17 Leases.

As noted in the accounting policy for new standards, the transition provisions applied by the Company do not require comparative figures to be restated. The total impact of adoption was therefore recognised in the opening statement of financial position on 01 October 2019.

The adoption of IFRS 16 resulted in an increase in the lease liabilities of \$727,680 and the corresponding increase of right-of-use assets on 01 October 2019. The lease liabilities were measured at the present value of the remaining lease payments and expected purchase prices, discounted using the incremental borrowing rate of 4.5%.

United States Dollar (USD) TRANSACTIONS

BNY MELLON, NY 225 Liberty Street New York, NY 10286

ABA# 021000018 SWIFT: IRVTUS3N

A/C No. 8901413550 (USD)

CROWN AGENTS BANK LIMITED

St Nicholas House St Nicholas Road Sutton, Surrey SM1 1EL United Kingdom

SWIFT: CRASGB2L

A/C No. 33076101 (USD)

Canadian Dollar (CAD) TRANSACTIONS

CROWN AGENTS BANK LIMITED

St Nicholas House St Nicholas Road Sutton, Surrey SM1 1EL United Kingdom

SWIFT: CRASGB2L

IBAN: GB88CRAS40528733076901

A/C No. 33076901 (CAD)

Pound Sterling (GBP) TRANSACTIONS

CROWN AGENTS BANK LIMITED

St Nicholas House St Nicholas Road Sutton, Surrey SM1 1EL United Kingdom

SWIFT: CRASGB2L

IBAN: GB41CRAS40528733076001

A/C No. 33076001 (GBP)

Euro (EUR) TRANSACTIONS

CROWN AGENTS BANK LIMITED

St Nicholas House St Nicholas Road Sutton, Surrey SM1 1EL United Kingdom

SWIFT: CRASGB2L

IBAN: GB08CRAS40528733076401

A/C No. 33076401 (EUR)

Jamaican Dollar (JMD) TRANSACTIONS

SAGICOR BANK JAMAICA LIMITED

17 Dominica Drive New Kingston Kingston 5 Jamaica

A/C No. 0341330000159 (JMD)

PRODUCTS AND SERVICES

REGULAR CHEQUING ACCOUNT

Minimum opening balance \$25,000 No Interest No service charge if minimum balance is over \$25,000 ATM access..... 24 hours Monthly Statements Special conditions apply

PREMIUM CHEQUING ACCOUNT

Minimum opening balance \$200,000 Competitive interest accrues on lowest daily balance over \$200,000 and credited monthly No service charge if minimum balance is over \$200,000 ATM access ... 24 hours Monthly Statements Special conditions apply

CORPORATE CHEQUING ACCOUNT

Minimum opening balance \$500,000 Competitive interest accrues on lowest daily balance over \$500,000 and credited monthly No service charge if minimum balance is over \$500,000 Monthly Statements Special conditions apply

JACKPOT SAVINGS ACCOUNT

Minimum opening balance \$3,000 Competitive interest accrues on minimum quarterly balance and credited twice yearly Accounts with balances in excess of \$10,000 qualify for a chance to win prizes in Jackpot Draws ATM access ... 24 hours Monthly Statements

EXCEL SAVINGS ACCOUNT

Minimum opening balance \$200,000 Competitive interest accrues on minimum monthly balance and credited quarterly No service charge if minimum balance is over \$200,000 ATM access 24 hours

GOLDEN GRAND SAVINGS ACCOUNT

(Special Account for Senior Citizens)
Minimum opening balance \$1,000
Interest rate above Jackpot Savings rate
Interest accrues on minimum quarterly
balance and credited twice yearly
No service charges
No charges on foreign transfers
ATM access ... 24 hours
Monthly Statements

JUNIOR SAVERS ACCOUNT

(Special account for Children) Minimum opening balance \$1,000 Receive gift on opening of account Interest rate above Jackpot Savings rate

Interest accrues on minimum quarterly balance and credited twice yearly

No service charges Special Incentives for educational achievements ATM access ... 24 hours Monthly Statements

MONEY MARKET ACCOUNT

Minimum opening balance \$1,000,000 Competitive interest rate accrues on daily collected balances over \$1,000,000 and credited monthly ATM access ... 24 hours Monthly Statements

CERTIFICATE OF DEPOSIT

Minimum deposit \$50,000 Available for standard periods of 90 and 365 days (other terms can be negotiated) Interest rate is negotiable and guaranteed for a fixed period Interest accrues daily and is paid at maturity

RETAIL BANKING SERVICES

Consumer Loans
Mortgage Loans
Money Lines and Overdrafts
Sweep transfers for Chequing
Accounts
Standing Orders for regular periodic
payments

CORPORATE BANKING SERVICES

Commercial Loans and Mortgages
Overdrafts
Sweep transfers for Chequing
Accounts
Lines of Credit
Bonds and Guarantees
Letters of Credit
Collections
Banker's Acceptances
Loan Syndication
Payroll Services
Standing Orders

POINT-OF-SALE TERMINALS

(VISA Merchant Acquiring) Merchants with VISA Point-of-Sale terminals can accept payment by all VISA branded cards (credit & debit)

MONEY CARD

All Citizens Bank personal account holders can get their own personal money card to access our automated teller machines to withdraw funds, transfer funds between accounts and request account balances. Deposits can also be done at some of these machines.

INTERNATIONAL CREDIT CARDS (For Personal or Corporate Use)

VISA Classic Credit Cards: Limits US\$300 – US\$5,000 Available for co-applicants

VISA Gold Credit Cards: Limits US\$5,000 – US\$50,000 Available for co-applicants

VISA Business Credit Cards: Limits US\$5,000 – US\$50,000 Available with individual or shared limits

FOREIGN EXCHANGE SERVICES

Competitive Exchange Rates Wire Transfers (incoming and outgoing) Foreign Currency Accounts (USD, GBP, CAD and EURO) - Special conditions apply

WESTERN UNION MONEY TRANFER

Send and receive Western Union Money Transfers at any of our Branches.

UTILITY BILL PAYMENT SERVICES

Pay your utility bills at any of our Branches Telephone (GTT+ and Digicel) bills Water (GWI) bills Electricity (GPL) bills No Charges apply

NIGHT DEPOSITORY SERVICES

Secure bags Secure fire proof chute

NOTES

CIT	IZENS BANK PROXY FORM			
	s form is for use by shareholders only.			
/W	е			
ōĒ				
- ei	ng a member/members of the above named Company, hereby appoir	nt*		
- be	ing any of five individuals named at sub - paragraph (a) of the AGM No			
of or, t	failing him/her			
be of	ing another of the six individuals named at sub-paragraph (a) of the A	GM Notice		
	ny/our proxy to vote for my/our behalf at the annual general meeting ny adjournment thereof.	of the Company to k	oe held on Jan	uary 26, 2021 a
ig	ned this day of 2021. Signature			
		(Strike out which	h is not desired	d)
	To receive the Report of the Directors and the Audited Financial Statements for the year ended 30 September 2020.	IN FAVOUR OF	AGAINST	ABSTAIN
	To approve the declaration of a dividend.	IN FAVOUR OF	AGAINST	ABSTAIN
3.	To Elect Directors Mr. Wilfred Lee, A.A. Mr. George G. McDonald, A.A. Ms. Deenawati Panday	IN FAVOUR OF	AGAINST	ABSTAIN
	To fix the remuneration of the Directors.	IN FAVOUR OF	AGAINST	ABSTAIN
•	To re-appoint the incumbent Auditors.	IN FAVOUR OF	AGAINST	ABSTAIN
	To empower the Directors to fix the remuneration of the Auditors.	IN FAVOUR OF	AGAINST	ABSTAIN
'le	ase give the following information in block capitals:			
- ul	name:			
	dress:			
_ nit	ials and Surname of any joint holder(s)			

Notes:

- Unless otherwise instructed, the proxy will, at his/her discretion, vote as he/she thinks fit or abstain from voting.
 Votes by proxy may be given only on a poll.
 If desired, the Chairman of the meeting may be appointed as proxy.

MAIN OFFICE

Lot 231-233 Camp Street & South Road, Lacytown, Georgetown, Guyana. Telephone: (592) 226-1705 E-mail: info@citizensbankgy.com Website: www.citizensbankgy.com

BRANCH OFFICES

Lot 298 Parika Highway, East Bank Essequibo, Guyana. Telephone: (592) 260-4005

Lot 16 First Avenue, Bartica, Essequibo, Guyana. Telephone: (592) 455-3012

Thirst Park, Georgetown, Guyana. Telephone: (592) 223-7659

Lot 11-12 Republic Avenue, and Crabwood Street Linden, Guyana. Telephone: (592) 444-2938

Lot 18 Main & Kent Streets, New Amsterdam, Berbice, Guyana. Telephone: (592) 333-4475