



CITIZENS BANK
ANNUAL REPORT 2017



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THE MISSION

OF CITIZENS BANK GUYANA INC.
is to attain distinguished leadership
through a team of professionals delivering
innovative, superior service to our
customers.

BUSINESS PROFILE

Citizens Bank with its headquarters
located at 231-233 Camp Street and
South Road, Georgetown, had assets of
\$50.0 billion at September 30, 2017.

Our one hundred and forty-nine (149)
employees serve a customer base of
more than fifty thousand, eight hundred
(50,800).

We provide retail and commercial banking
services through our branch network of
six (6) branches.

We also provide 24-hour services through
ATM's which are located at each our six
branches as well as at four (4) off-site
locations.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty-Third Annual General Meeting of Citizens Bank Guyana Inc. will be held at 231-233 Camp Street & South Road, Georgetown on Tuesday, January 23, 2018 at 5:00 p.m. for the following purposes:

1. *To receive the Audited Financial Statements for the year ended 30 September 2017 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 2017 and the Reports of the Directors and Auditors thereon be adopted."
2. *To consider the declaration of a final Dividend of \$2.00 as recommended by the Directors in addition to the interim Dividend of \$0.70 previously declared by them and (if thought fit) pass the following resolution:*
 - 2) "That the Interim Dividend of \$0.70 already paid be confirmed and that a Final Dividend of \$2.00 as recommended by the Directors in respect to the year ended 30 September 2017 be approved and paid to the shareholders on the Company's Register at the close of business on January 23, 2018."
3. *To elect Directors. The Directors retiring are Mr. Wilfred A. Lee, A.A., Mr. George G. McDonald A.A., 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 A. Lee, A.A., Mr. George G. McDonald, A.A., and Ms. Deenawati Panday, having retired and being eligible for election be and are hereby elected Directors of the Company."
4. *To fix the remuneration of the Directors.*

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

- 4) " That the remuneration of \$1,214,665 per annum be paid to the Chairman; the remuneration of \$910,999 per annum be paid to each non-executive Director and that a Travelling Allowance for each non-executive Director be fixed at \$382,789; and that the additional sum of \$75,543 per annum be provided for additional remuneration for each Director serving on Technical Committees."

NOTICE OF ANNUAL GENERAL MEETING CONT'D

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 20, 2017

NOTES:

1. Please bring this notice to gain entry to the meeting. Only Shareholders may attend.
2. Any shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a shareholder.
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. Any body corporate or association which is a member may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the meeting.
5. A proxy form is attached for use, if desired.

FINANCIAL HIGHLIGHTS

FIVE YEAR FINANCIAL SUMMARY

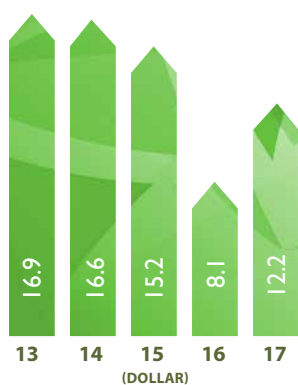
	2017	2016	2015	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000
Total assets	49,972,449	50,223,938	43,114,460	42,124,160	40,685,497
Loans and advances	28,181,255	29,159,713	30,680,174	28,902,052	23,670,913
Investments	4,197,825	1,638,988	757,158	3,035,138	8,725,383
Deposits	40,586,097	42,092,034	34,905,524	33,225,407	34,173,834
Revenue	3,553,400	3,265,865	3,707,916	3,217,429	3,009,754
Expenses & taxes	2,826,841	2,786,740	2,801,070	2,228,274	2,005,819
Profit after taxation	726,559	479,125	906,846	989,155	1,003,935
Shareholder's equity	8,212,757	7,599,693	7,239,062	6,473,151	5,625,315
Return on average assets (%)	1.5	1.0	2.1	2.4	2.6
Return on average equity (%)	9.2	6.5	13.2	16.4	19.3
Earnings per share (Dollars)	12.2	8.1	15.2	16.6	16.9

FINANCIAL HIGHLIGHTS

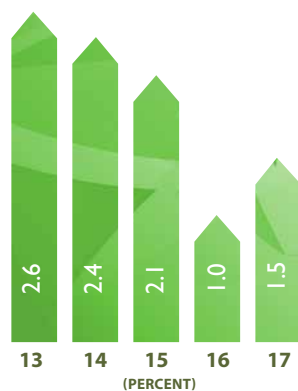
	2017	2016	Inc/(Dec)	%
	\$'000	\$'000	\$'000	Change
BALANCE SHEET:				
Total assets	49,972,449	50,223,938	(251,489)	(0.5)
Loans and advances	28,181,255	29,159,713	(978,458)	(3.4)
Investments	4,197,825	1,638,988	2,558,837	156.1
Deposits	40,586,097	42,092,034	(1,505,937)	(3.6)
Shareholders equity	8,212,757	7,599,693	613,064	8.1
RESULTS OF OPERATIONS:				
Revenue	3,553,400	3,265,865	287,535	8.8
Expenses	2,331,833	2,506,609	(174,776)	(7.0)
Profit before taxation	1,221,567	759,256	462,311	60.9
Taxation	495,008	280,131	214,877	76.7
Profit after taxation	726,559	479,125	247,434	51.6
RATIOS:				
Return on average assets (%)	1.5	1.0	0.5	50.0
Return on average equity (%)	9.2	6.5	2.7	41.5
Earnings per share (Dollars)	12.2	8.1	4.1	50.6
NUMBER OF:				
Shareholders	95	94	1	1.1
Deposit accounts	50,858	49,619	1,239	2.5
Employees	149	147	2	1.4
Locations	6	7	(1)	(14.3)

FINANCIAL HIGHLIGHTS

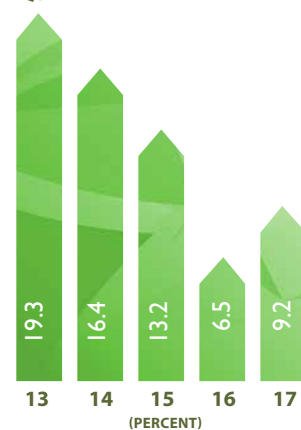
EARNINGS
PER SHARE



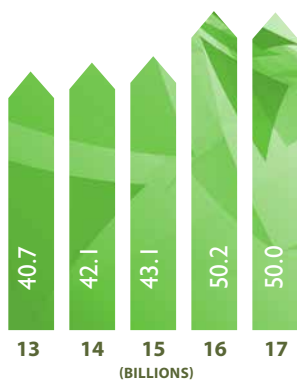
RETURN ON
AVERAGE
ASSETS



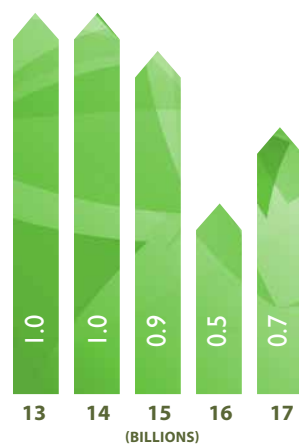
RETURN ON
AVERAGE
EQUITY



TOTAL
ASSETS



PROFIT
AFTER
TAXATION



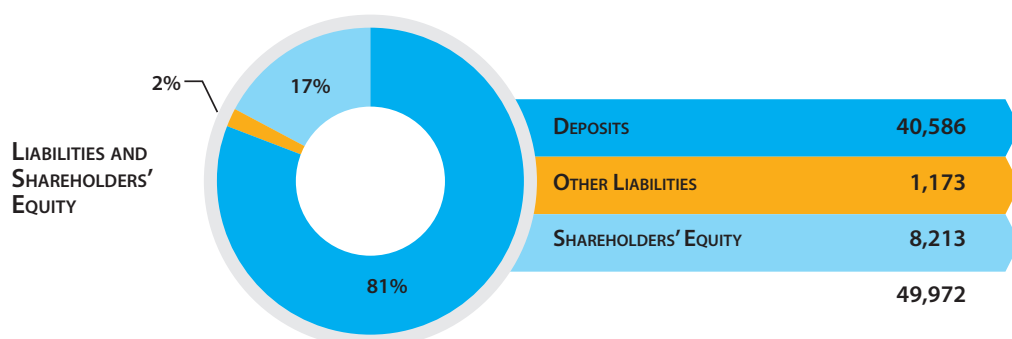
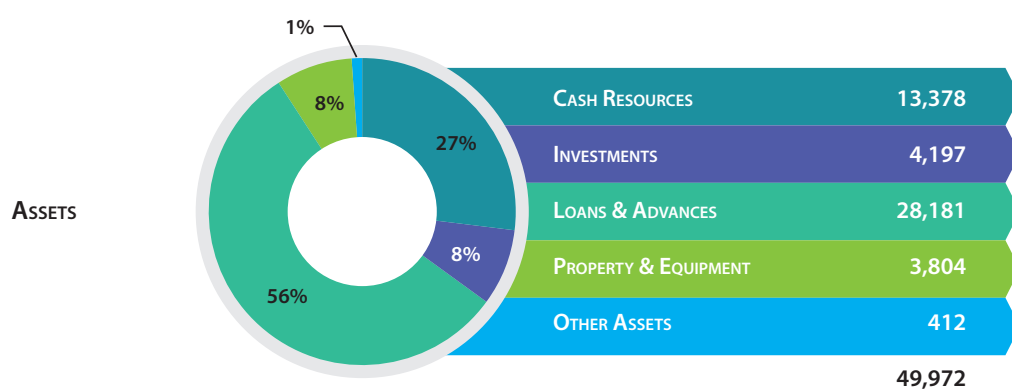
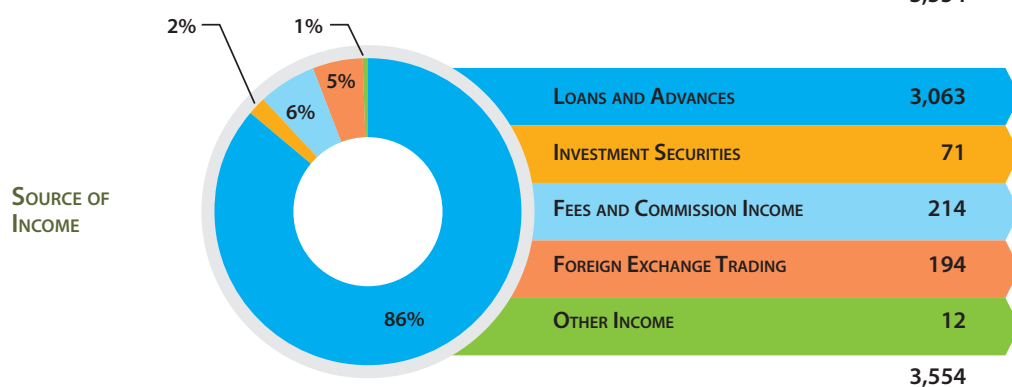
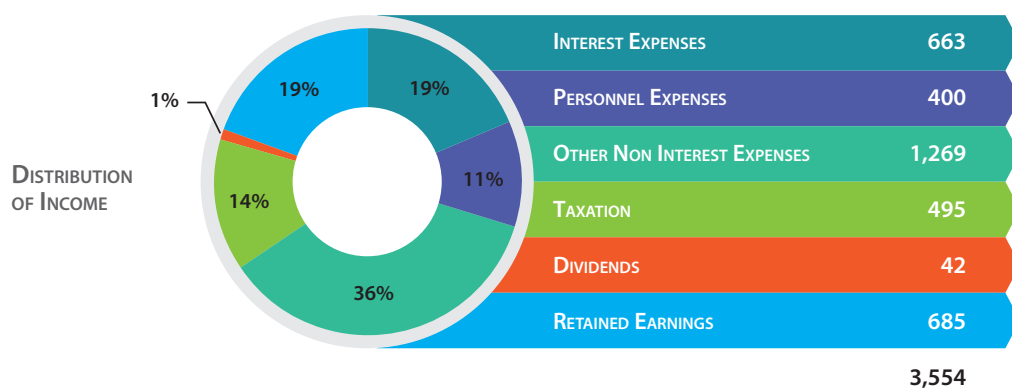
DEPOSITS



LOANS &
ADVANCES



FINANCIAL HIGHLIGHTS



BOARD OF DIRECTORS / CORPORATE INFORMATION



MS. DEENAWATI PANDAY

MR. RAKESH K. PURI

MR. WILFRED A. LEE

MR. ETON M. CHESTER

DIRECTORS

Mr. Clifford B. Reis, C.C.H., F.I.Mgt.

Mr. Eton M. Chester, O.D., B.Sc.

Mr. George G. McDonald A.A., B.Sc.

Mr. Michael H. Pereira

Mr. Paul A. Carto

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

Mr. Rakesh K. Puri

Ms. Deenawati Panday, LLB

Chairman/Managing Director-Banks DIH Limited

Managing Director-Citizens Bank Guyana Inc.

Co-Managing Director/Marketing Director-Banks DIH Limited

Operations Director-Banks DIH Limited

Human Resources Director-Banks DIH Limited

Consultant

Managing Director-Continental Agencies Limited

Attorney-at-Law



MR. CLIFFORD B. REIS

MR. MICHAEL H. PEREIRA

MR. GEORGE G. McDONALD

MR. PAUL A. CARTO

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, Demerara Life Commercial Building, 63 Robb St., Georgetown, Guyana



CHAIRMAN'S REPORT

CITIZENS BANK GUYANA



Citizens Bank Guyana

Inc has recorded a profit after taxation of **\$726.6 million** compared to \$479.1 million the prior year representing **an increase of \$247.5 million** or 51.7%.

ECONOMIC REVIEW

Global economies grew by 3.4% during the first six months of 2017, and are now projected to grow 3.6% during fiscal 2017 with economic activities in all country groups, especially the Euro area, but excluding the middle east.

Advanced economies are projected to grow by 2.2% in fiscal 2017, while emerging and developing economies are projected to grow by 4.6% primarily reflecting stronger activity in China and emerging Europe.

The United States' economy is projected to grow at 2.2% reflecting a continuation of the near-term growth that is moderately above potential due to very supportive financial conditions and strong business and consumer confidence.

The Guyana economy grew by 2.2% during the first six months of 2017 due to the increase in the output in the production of rice, fishing, other crops, manufactured goods and the activities of construction and other services. The output of the mining sector, sugar and forestry sectors, as well as financial and insurance activities contracted because of lower productive capacity and decreased private investments.

The Guyana economy is now projected to grow by 2.9% during fiscal 2017, fueled by anticipated growth in the manufacturing, construction, services and forestry sectors respectively, and increased rice production.

Inflation during the first six months of 2017 was 1.1% and is projected to measure 2.0% for fiscal 2017 due to slower growth in demand and consumer spending.

The value of the Guyana dollar to the United States dollar during the review period as reported by the Bank of Guyana remained relatively stable at US\$1.00 = G\$206.50, the same as at September 30, 2016.

BANKING SECTOR

During the first half of fiscal 2017, the risk to the local banking system remained modest, inspite of the increase in the level of non-performing loans. Commercial banks reported average capital adequacy ratio of 26.6%, this being well above the prudential benchmark of 8.0%.

The stress tests performed by the Bank of Guyana aim at determining the quantitative measures of vulnerability of financial institutions' under various scenarios. The results indicated that the industry and individual institutions remained adequately capitalised.

CHAIRMAN'S REPORT (CONT'D)

Total loans and advances, grew modestly by 1.0% to \$217.1 billion at September 30, 2017 with credit to the private sector increasing by 1.9% to \$212.9 billion.

Deposits at the commercial banks declined by 3.0% to \$366.4 billion at September 30, 2017, with private sector deposits growing by 0.5% to \$287.8 billion; representing 78.5% of total banking sector deposits.

The banking sector continues to report high levels of liquidity with the consolidated required reserve requirements being exceeded by 52.6%, while liquid assets of the sector exceeded the requirements amount by 50.0%, confirming the high liquidity within the sector.

The utilisation by the Bank of Guyana of the auction of Treasury Bills through its open market operation, remains the prefer method to sterilise the excess liquidity in the sector and, at September 30, 2017, outstanding Treasury Bills totalled \$89.4 billion with commercial banks holding \$63.2 billion or 707%.

The 91-day Treasury Bill rate, used as a market reference was 1.5% at September 30, 2017, compared to 1.9% at September 30, 2016.

The weighted average lending rate declined slightly from 10.4% to 10.3% at September 30, 2017, while the average savings rate was 1.1% at September 30, 2017 compared to 1.3% at September 30, 2016.

PERFORMANCE OF THE BANK

I am pleased to report that Citizens Bank Guyana Inc has recorded a profit after taxation of \$726.6 million compared to \$479.1 million the prior year representing an increase of \$247.4 million or 51.6%.

During the year, cognizant of the ongoing challenges in our operating environment, which challenges included underperforming economic sectors, an increasing level of non-performing loans, slow projects implementation, high liquidity and a reduction in the availability of foreign currency, emphasis was placed by the Bank on improved risk management and asset maintenance, and cost control, the result of which was pivotal to the performance reported.

Net Income for the year ended September 30, 2017 was \$2.9 billion compared to \$2.6 billion the prior year, an increase of \$0.3 billion or 11.5%. Profit Before Taxation was \$1.2 billion compared to \$0.7 billion in the prior year, an increase of \$0.5 billion or 71.4%.

During the year, total revenue grew by \$0.3 billion or 9.0% to \$3.6 billion, while our balances for total assets, loans, and deposits declined marginally.

The return on average assets was 1.5%, while the return on shareholders' equity was 9.2% compared to 1.0% and 6.5% respectively in the prior year.

The Bank's loan portfolio continues to be relatively sound. However, the various challenges experienced by our customers because of the decline in business activities during 2017 remain and continue to impact the performance of our overall portfolio. Non-performing loans at September 30, 2017 represented 13.1% of our total loan portfolio compared to 15.5% at September 30, 2016.

The consolidated banking sector ratio for non-performing loans was 13.2% at September 30, 2017.

The Bank's shares were last traded on the local stock exchange at \$144.00 per share.

GROWTH INITIATIVES

In fiscal 2018, the Guyana economy and financial environment is expected to be characterized by many of the factors that existed at the end of fiscal 2017. However, it is anticipated that the early implementation of the 2018 budgetary measures, and an improvement in the implementation of the Public Sector Investment Programs will energise business activities thus creating opportunities for the Bank.

Our initiatives will therefore have to focus on utilising those opportunities, to ensure that we offer to our potential and existing clients unmatched products and customer service.

Continued emphasis will be placed on improving our assessment and management of risk thus ensuring that the best quality of financial assets are placed on our books, the management of our expenses through operational efficiencies and customer relationships as this remains key to successfully competing in the sector.

In January 2017, the Bank commenced occupancy of its modern state-of-the-art building which houses our main branch and corporate offices. Thus our customers and staff now conduct business in an enabling environment. During fiscal 2018, and in keeping with our commitment to our customers' convenience, the Bank will commence the construction of a modern office building to house our Thirst Park Branch.

A key component of our strategy is the utilisation of technology to bring about greater efficiencies to the operational performance of the Bank. In 2018 we intend to continue our investment in technology bringing even greater benefits to our customers and the organisation.

Our success over the years is direct testimony to the commitment and motivation of our cadre of employees, and in 2018, focus will be placed on strengthening and improving our Human Resources Management capacity thus ensuring that our clients benefit from consistent customer relationship.

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 2018

Global Growth for 2018 is projected at 3.7%, an increase from 3.6% in 2017. This growth will be reflected in the pickup in global/economic activity that started in the second half of 2016, and gained momentum during 2017.

Advanced economies are projected to grow by 2.0%, reflecting a continuation of near-term growth that is above potential primarily in the United States. The Euro area is projected to grow moderately due to weak productivity, adverse demographics and in some countries, a public and private debt overhang.

In 2018, growth of 4.9% is projected for emerging markets and developing economies largely because of strong performance from China as authorities are expected to maintain an expansionary policy, especially through

high public investment. In the rest of the emerging markets and developing Asia, growth is projected to be vigorous.

The Guyana economy is projected to grow by 3.8% in fiscal 2018. It is anticipated that in 2018, growth will be recorded in all the key sectors including mining and quarry, manufacturing, services and construction, with the construction sector recording a 15.0% growth due to increased output and improved implementation on major infrastructure projects, and expansion in the housing sector.

The agriculture, fishing, and forestry sectors are projected to contract during 2018 because of a 24.0% contraction in sugar production.

Citizens Bank Guyana Inc. remains committed to the development of the banking sector and the Guyana economy despite anticipated challenges during 2018. The bank is confident and firm in its belief that the successful implementation of our strategies for growth will enable us to achieve an improved performance for our stakeholders.

DIVIDEND

In 2016, shareholders benefited from a dividend of \$1.80 per share. The Bank paid an interim dividend of \$0.70 per share in June 2017. The Directors now recommend a final dividend of \$2.00 per share bringing the total dividend payment to \$2.70 per share for a total payout of \$160.6 million.

APPRECIATION

My fellow shareholders permit me to again extend my sincere appreciation to all our employees as well as my colleagues on the Board for their invaluable contributions during the financial year to help achieve these results. I would also like to place on record our continued gratitude to our regulators.

I wish to acknowledge the sterling contribution of the late Mr. Richard B. Fields, S.C, who served with distinction as a Director of the company for 19 years until his passing on Saturday August 26, 2017. To his family, I wish to extend my sincere condolences and regret on his passing. May his soul rest in peace.

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

MANAGING DIRECTOR'S REPORT

OVERVIEW

I am pleased to report that for the just concluded financial year ended September 30, 2017 Citizens Bank Guyana Inc recorded profits after taxation of \$726.6 million, an increase of \$247.4 million or 51.6%.

Earnings per share were \$12.2 dollars compared to \$8.1 dollars in 2016 while our book value per share increased by 8.1% to \$138.1 as at September 30, 2017 from \$127.7 at September 30, 2016.

RETURN ON AVERAGE ASSETS

The Bank's return on average assets, a key indicator of the utilisation of our assets, was 1.5% compared to 1.0% in 2016.

RETURN ON AVERAGE EQUITY

The return on average equity, a key measure of return on our capital employed, was 9.2% compared to 6.5% in 2016.

NET INTEREST INCOME AND OTHER INCOME

Net interest income was \$2.5 billion compared to \$2.1 billion for the prior year, an increase of \$0.4 billion or 19.0%. The collection of interest on previously non-performing loans and the lower cost of deposits contributed to the growth in net interest income. Interest is the most significant contributor to the bank's net operating income accounting for 88.2% compared to 86.5% for the prior year.

Other income amounted to \$419.1 million compared to \$440.1 million for the prior period; a decline of 4.8%. Earnings from foreign currency transactions was \$194.2 million compared to \$187.8 million for the prior period.

Net operating income increased by \$0.4 billion or 16.0% to \$2.9 billion compared to \$2.5 billion recorded in 2016.

Non-interest Expenses

Non-interest expenses, which include personnel costs and other operating expenses amounted to \$1.4 billion compared to \$1.2 billion for the prior year. Increases in employees' emoluments, inflationary increase in goods and services, depreciation related to the new main branch and corporate offices, amortisation and general administrative expenses all contributed to the increase in non-interest expenses. We will continue to implement measures that will increase our efficiency and to control expenses within the company.



NET IMPAIRMENT EXPENSES

Net impairment on the valuation of financial assets amounted to \$298.2 million compared to \$548.4 million in 2016, and at September 30, 2017, total reserves for loan losses amounted to \$1.6 billion compared to \$1.4 billion. The general banking risk reserve, which represents statutory and other loss provisions that exceed the impairment provision, amounted to \$459.2 million, a decrease of \$258.8 million or 36%.

At September 30, 2017, non-accrual loans and advances totalled \$3.8 billion or 13.1% of total loans and advances compared to \$4.7 billion or 15.5% at September 30, 2016. The Banking sector ratio of non-accrual loans to total loans stood at 13.2% during the review period.

We continuously review our risk assessment of our loans and investments to ensure a quality financial portfolio and our non-accrual loans and advances are well secured, thus we anticipate full recovery in 2018.

INVESTMENT SECURITIES

Net investments at September 30, 2017 were \$4.2 billion compared to \$1.6 billion at the prior financial year end. Investments in Government of Guyana Treasury Bills continues to account for the significant portion of our investment securities and at September 30, 2017 Government of Guyana treasury bills held amounted to \$2.6 billion or 61.7% of total investments.

Net Investments accounted for 13.0% of earning assets and 8.4% of total assets, compared to 5.3% and 3.3% respectively in 2016.

Return on our investment securities was 1.7% in 2017 compared to 2.0% in 2016 while income from investments represented 2.3% of interest income in 2017 compared to 1.5% in 2016.

LOANS AND ADVANCES

Net loans and advances were \$28.2 billion at September 30, 2017 compared to \$29.2 billion for the prior year. During 2017 growth was recorded in lending to the manufacturing and construction sectors which grew by 23.3% and 5.3% respectively. Our sectorial exposure showed marginal changes from the prior year.

During 2017, the yield recorded from our loans and advances was 10.3%, a marginal change from the 10.5% obtained in 2016. Income from loans and advances represented 97.7% of interest income in 2017, compared to 98.5% in 2016.

Loans and advances accounted for 87.0% of earning assets and 56.4% of total assets compared to 94.7% and 58.1% respectively in 2016.

CUSTOMERS' DEPOSITS

Customers' deposits at September 30, 2017 were \$40.6 billion compared to \$42.1 billion at September 30, 2016.

Savings deposits amounted to \$16.6 billion representing 40.9% of our deposit base, time deposits are \$13.7 billion accounting for 33.7% of total deposits while demand deposits amounted to \$10.3 billion and now represent 25.4% of total deposits. Private sector deposits accounted for \$19.1 billion or 47.0% of our deposit base. The effective rate on deposits was 1.7% in 2017 compared to 2.0% the prior year.

SHAREHOLDERS' EQUITY

Shareholders' equity amounted to \$8.2 billion at September 30, 2017 compared to \$7.6 billion at September 30, 2016, after the transfer of \$0.7 billion from income earned in 2017.

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, 2017 the Bank's ratio of capital to risk weighted assets was 27.0%. 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, thus the bank is adequately capitalized and well positioned to increase its financial earning assets.

HUMAN RESOURCES

The Bank is staffed by a team of employees who remain passionate about their roles and customer service. During 2017, our employees were exposed to both in-house and externally held training in Customer Care, Internal Audit and Compliance, Anti-money Laundering Activities, Investments and Credit Management and Supervisory Skills ensuring that our employees are adequately equipped to provide a consistently high level of service to our stakeholders. The implementation of recommendations emanating from the recent job evaluation exercise will be finalised during 2018.

MANAGING DIRECTOR'S REPORT (CONT'D)

TECHNOLOGY

Full online banking services were made available to our customers during 2017. This service includes industry standard security and two factor authentication functionality. Point of sale machines were made available to our merchants in the continued effort to reduce the reliance on cash in our market. Our disaster recovery site can now support the core operations of the bank in the event that the main datacentre becomes inoperable.

THE FUTURE

An enabling operating environment is key to the bank's performance in 2018, and the growth and development of the economy. It is anticipated that the early presentation by the government of its 2018 budget, coupled with the early commencement of, and improved execution of major infrastructure projects in the new year, and improved performance from other key economic sectors will act as the stimuli to propel the economy.

Competition amongst commercial banks and non-bank financial institutions for the limited lending and investing opportunities is expected to continue in fiscal 2018. Improved customer relationship, the management of risk, asset quality maintenance, human resource development and management, corporate governance, the continued leveraging of existing technology and expenditure control are identified as critical factors for us to succeed in 2018.

During 2018, we intend to commence the construction of a new state-of-the-art building to house our Thirst Park branch bringing much needed improvement to the delivery of service to our customers and bringing future benefits for stakeholders.

During the second quarter of fiscal 2018, our upgraded automatic telling machines (ATMs) will join the national switch and the issuance of upgraded EMV Visa credit and debit cards will commence. The deployment of our point-of-sale (POS) terminals will intensify and our e-banking service will be upgraded allowing our customers to experience the convenience of electronic services and products.

The operations of the disaster recovery site will be upgraded to more closely approximate the functionality of the main datacentre. Citizens Bank is also embarking on the digitization of our records to facilitate efficient recovery.

Fiscal 2018 will undoubtedly bring additional challenges and some opportunities for which we are prepared. We remain steadfast and confident in our strategies and anticipate sustainable growth and expansion 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 hard work. I wish to also express my gratitude to members of our Board for their guidance and support and look forward to their continued support during the coming year.

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



PRINCIPAL OFFICERS

from left to right

Ms. Margaret Loy
Assistant Manager - Registry

Ms. Onecia Johnson, EMBA
Manager - Human Resources & Administration

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

Ms. Pramila Persaud, FCCA
Senior Manager - Finance & Treasury

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

Ms. Frances S. Parris, B.Sc.
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 seven Non-Executive Directors and the Managing Director. Directors' information is included on page 8 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:

- 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.
- Reviewing and developing budgets, business plans and strategies.
- 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 reports of the Internal Audit Department are reviewed by the Board on a monthly basis.

The Bank's approach to the management of credit, liquidity, foreign exchange and interest rate risks are fully discussed in note 28 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 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.
- Reviewing and monitoring the progress of all legal matters.
- 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 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 18 and 19 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 26 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.

CITIZENS OUTREACH



JUNIOR SAVERS' AWARDS – NGSA Performances

JUNIOR SAVERS' AWARDS – CSEC & CAPE Performances

STAFF DONATIONS to Region 8 Flood Victims



CAREER DAY – UG Campus, Tain, Berbice

RECOGNITION OF TOP NGSA PERFORMERS in Region 3



REPORT OF THE DIRECTORS

The Directors submit their Annual Report and the Audited Financial Statements for the year ended 30 September 2017.

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

	2017 \$'000	2016 \$'000
Net Profit After Taxation	726,559	479,125
Transfer to General Banking Risk Reserve	0	130,903
Dividend	41,644	41,644
Revenue Reserves	684,915	306,578
Proposed Dividend	118,982	65,440

DIVIDENDS

The Bank paid an interim dividend of \$0.70 per share in June 2017. The Directors now recommend a final dividend of \$2.00 per share bringing the total dividend payment to \$2.70 per share, compared to \$1.80 for 2016, for a total payout of \$160.6 million.

STATUTORY, GENERAL BANKING RISK AND REVENUE RESERVES

	2017 \$'000	2016 \$'000
Statutory reserves	594,913	594,913
General banking reserves	459,218	717,991
Revenue reserves	6,513,128	5,634,880

DIRECTORS

The Directors of the Bank during the year ended 30 September 2017 were:

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

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.

DIRECTORS' AND THEIR ASSOCIATES' INTEREST

The interest of the Directors holding office during the year ended 30 September 2017 and their associates in the ordinary shares of the Company were as follows:

	Ordinary Shares		Ordinary Shares	
	2017 Beneficial Owned	2017 Beneficial Associates	2016 Beneficial Owned	2016 Beneficial Associates
Mr. Clifford B. Reis C.C.H	NIL	125,000	NIL	125,000
Mr. Richard B. Fields S.C.	NIL	NIL	NIL	NIL
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 Pereira	NIL	NIL	NIL	NIL
Mr. Paul A. Carto	NIL	NIL	NIL	NIL
Ms. Deenawati Panday	NIL	NIL	NIL	NIL
Mr. Eton M. Chester O.D.	10,001	NIL	10,001	NIL

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

The Board of Directors wishes to record its sincere appreciation for the contribution by Mr. Richard Berkeley Fields, S.C., towards the growth and development of Citizens Bank during the 19 years that he served as a Director. The Directors extend to his family their sincere condolences and regret on his passing. May his soul rest in peace.

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

	2017 Amount	2017 %	2016 Amount	2016 %
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	4,131,356	6.9

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, have 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, 16 and 17 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 \$14.9 million (2016 - \$8.1 million) was earned during the year.

INTRA GROUP DEBT

Banks DIH Limited, the parent company of Citizens Bank Guyana Inc has obligations (loans and guarantees) totalling \$1,056.4 million owing to the Bank at 30 September 2017 (2016 - \$536.2 million). Of the \$1,056.4 million obligation, \$102.2 million are guarantees while loans total \$954.2 million (2016: \$15.0 million were guarantees, while loans were \$521.2 million).

MATERIAL CONTRACTS AS AT 30 SEPTEMBER 2017

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 2017, 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 37 to 75.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 September 2017 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and 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. These matters were 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 these matters.

Key audit matter

How our audit procedures addressed the key audit matter

Impairment of loans and advances

See notes 2.5, 3.1 and 20 to the financial statements for disclosures of related accounting policies, judgements, estimates and balances.

The Company has gross loans and advances of \$29.2 billion outstanding at the year end. Against this gross amount, there is a provision for impairment of \$1.6 billion at the year end.

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

- We assessed and tested the controls relied on by management to identify impaired loans and advances.



REPORT OF THE INDEPENDENT AUDITORS (CONT'D)

Key audit matter

How our audit procedures addressed the key audit matter

Impairment of loans and advances (cont'd)

The methodologies required by IFRS and Bank of Guyana in respect of impairment provisions are complex and involve significant judgement by management on matters such as:

- classification of facilities as impaired;
- valuation of assets pledged as collateral and probability of realisation;
- time and costs to liquidate pledged collateral;
- amount and timing of other cash flows.

Given the complexity of impairment methodologies and significant reliance on management's judgement, the impairment of loans and advances was considered a key audit matter.

- We tested the completeness of the impaired loans and advances identified by management by examining sources of objective evidence of impairment, including but not limited to, the past due and non-performing portfolios.
- For a sample of unimpaired loans and advances, we validated the classification applied by the Company's credit monitoring system by examining actual performance during the year and current borrower circumstances.
- For a sample of impaired loans and advances, we re-performed management's impairment calculations, both under IFRS provisions and the requirements of the Bank of Guyana. The timing and amount of future cash flows were challenged based on prevailing economic, sector and individual circumstances. Collateral values were assessed against the reports of valuation experts and current market conditions.

Valuation of property, plant and equipment

See notes 2.9 and 8 to the financial statements for disclosures of related accounting policies, judgements, estimates and balances.

The carrying value of property, plant and equipment for the Company amounted to \$3.7 billion with significant recent additions.

Material misstatements relating to the carrying values of property, plant and equipment could arise on

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

- We tested internal controls relevant to the authorisation, procurement and monitoring of property, plant and equipment.

REPORT OF THE INDEPENDENT AUDITORS (CONT'D)

Key audit matter

How our audit procedures addressed the key audit matter

Valuation of property, plant and equipment (cont'd)

(a) the composition of costs capitalized; (b) the choice of depreciation rates; and (c) the identification and estimation of impairment.

Given the increased significance of property, plant and equipment to the financial statements and possibilities for misstatement, the valuation of this category was considered a key audit matter.

- We verified, on a sample basis, costs capitalized in the year to supporting documentation.
- We assessed the appropriateness of depreciation rates applied to capital items, on a sample basis.
- We physically inspected capital items, on a sample basis, to determine the working condition.
- We carried out procedures to identify signs of potential impairment of capital items.
- For impaired items or categories of items, we evaluated the key assumptions, methodologies, cash generating unit determination and other key data used by management in calculating impairment.

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.



REPORT OF THE INDEPENDENT AUDITORS (CONT'D)

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 International Financial Reporting Standards and 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 OF THE INDEPENDENT AUDITORS (CONT'D)

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 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 these 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 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,
Georgetown, Guyana
01 December 2017



STATEMENT OF FINANCIAL POSITION

30 September 2017

Thousands of Guyana Dollars	Note	2017	2016
ASSETS			
Cash and balances with Bank of Guyana	4	12,154,648	10,390,854
Amounts due from other banks	5	1,223,104	5,315,705
Investment securities	6	4,197,825	1,638,988
Loans and advances	7	28,181,255	29,159,713
Property and equipment	8	3,710,705	3,347,449
Intangible asset	9	92,947	99,049
Taxation recoverable		143,505	143,505
Deferred taxation	10	5,019	786
Other assets	11	263,441	127,889
TOTAL ASSETS		49,972,449	50,223,938
LIABILITIES			
Customers' deposits	12	40,586,097	42,092,034
Deferred taxation	10	59,005	45,938
Taxation payable		445,930	56,143
Other liabilities	13	668,660	430,130
TOTAL LIABILITIES		41,759,692	42,624,245
SHAREHOLDERS' EQUITY			
Share capital	14	594,913	594,913
Statutory reserve	15	594,913	594,913
General banking risk reserve	15	459,218	717,991
Other reserves	15	50,585	56,996
Retained earnings		6,513,128	5,634,880
TOTAL SHAREHOLDERS' EQUITY		8,212,757	7,599,693
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		49,972,449	50,223,938

The notes on pages 37 to 75 form an integral part of these financial statements. The Board of Directors approved these financial statements for issue on 21 November 2017.


Clifford B. Reis
Director


Eton M. Chester
Director

STATEMENT OF INCOME

For the year ended 30 September 2017

Thousands of Guyana Dollars	Note	2017	2016
INTEREST INCOME	16	3,134,263	2,825,771
INTEREST EXPENSE	16	(662,682)	(715,245)
NET INTEREST INCOME		2,471,581	2,110,526
OTHER INCOME	17	419,137	440,094
TOTAL NET INCOME		2,890,718	2,550,620
OPERATING EXPENSES	18	(1,370,977)	(1,242,921)
NET IMPAIRMENT OF FINANCIAL ASSETS	20	(298,174)	(548,443)
PROFIT BEFORE TAXATION		1,221,567	759,256
TAXATION CHARGE	21	(495,008)	(280,131)
PROFIT AFTER TAXATION		726,559	479,125
EARNINGS PER SHARE	22	\$12.21	\$8.05

The notes on pages 37 to 75 form an integral part of these financial statements.



STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2017

Thousands of Guyana Dollars	<u>2017</u>	<u>2016</u>
PROFIT AFTER TAXATION	<u>726,559</u>	<u>479,125</u>
OTHER COMPREHENSIVE INCOME:		
<i>Item that may will not be reclassified to profit or loss:</i>		
Revaluation of property	0	28,960
Deferred tax charge arising on revaluation of property	0	(5,063)
<i>Item that may be subsequently reclassified to profit or loss:</i>		
Fair value (loss) / gain on available-for-sale asset	(10,686)	650
Deferred tax credit / (charge) on fair value (loss) / gain on available-for-sale asset	<u>4,275</u>	<u>(262)</u>
	<u>(6,411)</u>	<u>24,285</u>
TOTAL COMPREHENSIVE INCOME	<u>720,148</u>	<u>503,410</u>

The notes on pages 37 to 75 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2017

Thousands of Guyana Dollars

	Note	Share Capital	Statutory Reserve	General Banking Risk Reserve	Retained Earnings	Revaluation Reserve	Available- for-Sale Investments Reserve	Total
For the year ended 30 September 2016								
As at beginning of year		594,913	594,913	587,088	5,429,437	34,164	(1,453)	7,239,062
Total comprehensive income		0	0	0	479,125	23,897	388	503,410
Transfer to general banking risk reserve	15	0	0	130,903	(130,903)	0	0	0
Dividends paid	23	0	0	0	(142,779)	0	0	(142,779)
As at end of year		594,913	594,913	717,991	5,634,880	58,061	(1,065)	7,599,693
For the year ended 30 September 2017								
As at beginning of year		594,913	594,913	717,991	5,634,880	58,061	(1,065)	7,599,693
Total comprehensive income		0	0	0	726,559	0	(6,411)	720,148
Transfer from general banking risk reserve	15	0	0	(258,773)	258,773	0	0	0
Dividends paid	23	0	0	0	(107,084)	0	0	(107,084)
As at end of year		594,913	594,913	459,218	6,513,128	58,061	(7,476)	8,212,757

The notes on pages 37 to 75 form an integral part of these financial statements.



STATEMENT OF CASH FLOWS

For the year ended 30 September 2017

Thousands of Guyana Dollars	2017	2016
OPERATING ACTIVITIES		
Profit before taxation	1,221,567	759,256
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation	232,289	128,745
Loss on disposal of property and equipment	6,625	5,201
Net impairment of loans and advances	276,296	555,450
Loans and advances	702,162	965,011
Net impairment of investment securities	21,878	(7,007)
Reserve requirement with Bank of Guyana	95,235	(985,031)
Customers' deposits	(1,505,937)	7,186,510
Other assets	(135,552)	15,322
Other liabilities	238,530	(338,628)
Taxes paid	(92,112)	(524,443)
NET CASH INFLOW - OPERATING ACTIVITIES	1,060,981	7,760,386
INVESTING ACTIVITIES		
Additions to investment securities	(11,974,686)	(5,213,000)
Maturities of investment securities	9,278,226	4,123,707
Purchase of property and equipment	(550,571)	(909,618)
Purchase of intangible asset	(47,347)	(61,072)
Proceeds from sale of property and equipment	1,850	6,015
NET CASH OUTFLOW - INVESTING ACTIVITIES	(3,292,528)	(2,053,968)
FINANCING ACTIVITIES		
Dividends paid	(107,084)	(142,779)
NET CASH OUTFLOW - FINANCING ACTIVITIES	(107,084)	(142,779)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(2,338,631)	5,563,639
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	10,916,917	5,353,278
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	8,578,286	10,916,917
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and non-restricted balance with Bank of Guyana	7,355,182	5,496,153
Amounts due from other banks	1,223,104	5,315,705
Investment securities with original maturity of less than three months	0	105,059
	8,578,286	10,916,917

The notes on pages 37 to 75 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

1. 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. These policies have been consistently applied to the years presented.

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 available-for-sale investment securities. 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 amendments and improvements to existing standards have been published and are effective in the current financial year.

IFRS 14	Regulatory deferral accounts
IFRS 11	Amendments - Accounting for acquisition of interests in joint operations
IFRS 10 / IAS 28	Sale or contribution of assets between an investor and its associate or joint venture
IAS 1 / IAS 7	Amendments - Disclosure initiative
IAS 16 / IAS 38	Clarification of acceptable methods of depreciation and amortisation
IAS 16 / IAS 41	Amendments - Bearer plants
IAS 27	Amendments - Equity method in separate financial statements
Annual improvements cycle (2012 - 2014):	
- IFRS 5	Changes in methods of disposal
- IFRS 7	Servicing contracts
- IAS 19	Discount rate: regional market issue
- IAS 34	Disclosure of information elsewhere in the interim financial report



NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of Preparation (Cont'd)

Pronouncements effective in future periods

The following new standards and amendments and improvements to existing standards have been published and are effective in future financial years.

IFRS 9	Financial instruments
IFRS 15	Revenue from contracts with customers
IFRS 16	Leases
IFRS 17	Insurance contracts
IAS 7	Amendment - Disclosure related to financing activities
IAS 12	Amendment - Recognition of deferred tax asset on unrealised losses
IAS 40	Amendment - Transfers to or from investment properties
IFRS 2	Amendment - Accounting for cash and equity settled awards
IFRIC 22	Foreign currency transactions and advance consideration
IFRIC 23	Uncertainty over income tax treatments
Annual improvements cycle (2014 - 2016):	
- IFRS 12	Disclosure of interest in entities classified as held for sale
- IFRS 1	Short-term exemptions covering transition provisions of IFRS 7, IAS 19 and IFRS 10
- IAS 28	Use of fair value through profit and loss to measure investments in associates and joint ventures

Of these pronouncements, those that are expected to be relevant to the Company's financial reporting are described below.

IFRS 9- Financial instruments

The standard will be effective for the financial period beginning on 01 October 2018. One component of the standard sets out a single approach to determine whether a financial asset is measured at amortised cost or fair value based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The other components of the standard introduce a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. Management is reviewing the provisions of this standard to determine the impact against current practices.

IFRS 16 - Leases

The standard will be effective for the financial period beginning on 01 October 2019. It replaces IAS 17 and removes the classification of leases as either operating or finance leases. A single model is introduced for lessee accounting that requires assets and liabilities for all leases with a term of more than 12 months to be recognised, and the depreciation of lease assets to be shown separately from interest on lease liabilities in the income statement. Management is reviewing the provisions of this standard to determine the impact against current practices.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Foreign Currencies (Cont'd)

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 available-for-sale, are included in other comprehensive income.

2.3 Investment Securities

The Company classifies its investment securities into the following categories: 'held-to-maturity' and 'available-for-sale'. Management determines the classification of an investment security at the time of purchase.

Held-to-maturity assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. Were the Company to sell other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available-for-sale. Held-to-maturity investment securities are carried at amortised cost.

Available-for-sale assets are non-derivative securities that are either designated in this category or not classified in any category of financial asset. Available-for-sale securities are measured at fair value. Unrealised gains and losses arising from changes in the fair value in available-for-sale securities are recognised in other comprehensive income net of applicable deferred tax. When available-for-sale securities become impaired, the related accumulated fair value adjustments previously recognised in equity are included in the statement of income as an impairment expense on investment securities.

2.4 Loans and Advances

Loans and advances to customers are stated at amortised cost net of an allowance for impairment losses. These are financial assets with fixed or determinable payments that are not quoted in an active market.

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.



NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 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.

2.5 Impairment of Financial Assets

The Company is required to consider the need for impairment of financial assets in accordance with International Accounting Standard 39, '*Financial Instruments: Recognition and Measurement*' (IAS 39) along with 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 IAS 39, the excess is dealt with as an appropriation of retained earnings to a general banking risk reserve.

The separate requirements of IAS 39 and SG 5 are described below.

International Accounting Standard 39

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ('loss event') and that loss event (events) adversely affects the amount or timing of future cash flows from the asset.

Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the Company about the following loss events.

- a) significant financial difficulties of the borrower;
- b) actual delinquencies;
- c) adverse change in the payment status of the borrower;
- d) bankruptcy or reorganisation by the borrower.

If there is objective evidence that an impairment loss on a financial asset has been incurred, the amount of the allowance for impairment is measured as the difference between the carrying amount and the recoverable amount, being the present value of the expected future cash flows, including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of the asset.

The Company first assesses whether objective evidence of impairment exists individually for financial assets. If the Company determines no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Impairment of Financial Assets (Cont'd)

Supervision Guideline 5

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	0%
Substandard	
- 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.

Write-offs and Recoveries

When an asset is uncollectible, it is written off against the related provision for loan impairment. In accordance with SG 5, an account classified as 'Loss' for three months is written off. Recoveries in part or in full of amounts previously written-off are credited to income.

2.6 Acceptances, Guarantees and Letters of Credit

The Company's potential liability under acceptances, 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.



NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Leases

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.

2.8 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.

2.9 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, except for freehold property 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%
Leasehold improvements	Over the period of the lease

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.

2.10 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.

2.11 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.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Customers' Deposits

Customers' deposits are recognised initially at nominal amount of funds received and subsequently at amortised cost.

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.

In accordance with Bank of Guyana Supervision Guideline 5, interest income on 'non-performing' accounts (note 2.4) is not accrued unless it is well-secured and full collection of arrears is expected within 3 months. Any uncollected interest is reversed from income at the time the facility is classified as 'non-performing'.

IFRSs require that when loans become impaired, they are written down to their recoverable amounts and interest income is thereafter recognised based on the rate of interest that was used to discount the future cash flows for the purpose of measuring the recoverable amount. The difference between the regulatory and IFRS bases of interest recognition in this circumstance was assessed to be immaterial.

2.14 Fees and Commission Income

Fees and commission are generally recognised on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are deferred over the term of the loan.

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.

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.



NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

Thousands of Guyana Dollars

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

3.1 Impairment Losses on Financial Assets

To identify impairment in the Company's loan and investment portfolios, judgements are made as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from loans and investment securities. Estimating the quantum and timing of future recoveries involves significant judgement. The size of receipts will depend on the future performance of the borrower / issuer and the value of security, both of which will be affected by future economic conditions; additionally, collateral may not be readily marketable. The actual amount of future cash flows and the date they are received may differ from these estimates and consequently actual losses incurred may differ from those recognised in these financial statements.

3.2 Held-to-Maturity Investments

The Company follows the guidance of IAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement for which management evaluates its intention and ability to hold such investments to maturity.

4. CASH AND BALANCES WITH BANK OF GUYANA

	2017	2016
Cash in hand	867,737	678,884
Balance with Bank of Guyana in excess of reserve requirement	6,487,445	4,817,269
Included in cash and cash equivalents	7,355,182	5,496,153
Reserve requirement with Bank of Guyana	4,799,466	4,894,701
	12,154,648	10,390,854

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

	2017	2016
Items in course of collection	75,701	255,836
Deposits held with foreign banks	1,147,403	5,059,869
	1,223,104	5,315,705

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



NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

Thousands of Guyana Dollars

8. PROPERTY AND EQUIPMENT

	Freehold Land and Buildings	Leasehold Improvements	Furniture, Fixtures and Equipment	Motor Vehicles	Work in Progress	Total
<i>Cost</i>						
As at 01 October 2016	112,500	74,579	801,636	83,535	2,935,983	4,008,233
Additions	114,492	0	33,180	0	402,899	550,571
Transfers	2,539,096	0	799,786	0	(3,338,882)	0
Disposals	0	(74,484)	(142,354)	(3,675)	0	(220,513)
As at 30 September 2017	2,766,088	95	1,492,248	79,860	0	4,338,291
<i>Accumulated Depreciation</i>						
As at 01 October 2016	0	(74,508)	(533,905)	(52,371)	0	(660,784)
Depreciation charge	(30,506)	(17)	(136,493)	(11,824)	0	(178,840)
Written back on disposals	0	74,484	133,879	3,675	0	212,038
As at 30 September 2017	(30,506)	(41)	(536,519)	(60,520)	0	(627,586)
<i>Net Carrying Amount</i>						
As at 30 September 2017	2,735,582	54	955,729	19,340	0	3,710,705
<i>Cost</i>						
As at 01 October 2015	90,600	74,579	790,861	89,614	2,073,840	3,119,494
Additions	0	0	28,824	11,112	869,682	909,618
Disposals	0	0	(18,049)	(17,191)	(7,539)	(42,779)
Revaluation	21,900	0	0	0	0	21,900
As at 30 September 2016	112,500	74,579	801,636	83,535	2,935,983	4,008,233
<i>Accumulated Depreciation</i>						
As at 01 October 2015	(5,650)	(69,361)	(479,041)	(52,927)	0	(606,979)
Depreciation charge	(1,410)	(5,147)	(72,176)	(13,695)	0	(92,428)
Written back on disposals	0	0	17,312	14,251	0	31,563
Revaluation	7,060	0	0	0	0	7,060
As at 30 September 2016	0	(74,508)	(533,905)	(52,371)	0	(660,784)
<i>Net Carrying Amount</i>						
As at 30 September 2016	112,500	71	267,731	31,164	2,935,983	3,347,449

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. 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 \$2,662,679 (2016 - \$40,360) at the year end.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

Thousands of Guyana Dollars

9. INTANGIBLE ASSET

Computer Software

Cost

As at beginning of year
Additions

2017

2016

421,059

359,987

47,347

61,072

As at end of year

468,406

421,059

Accumulated Amortisation

As at beginning of year
Charges

(322,010)

(285,693)

(53,449)

(36,317)

As at end of year

(375,459)

(322,010)

Net Carrying Amount

As at end of year

92,947

99,049

10. DEFERRED TAXATION

Deferred tax assets arising on:

Deferred income
Loss on investment security

36

78

4,983

708

5,019

786

Deferred tax liabilities arising on:

Accelerated tax depreciation
Gain on revaluation of property

42,494

29,214

16,511

16,724

59,005

45,938

Portion of deferred tax balances expected to materialise
after more than 12 months:

Deferred tax assets
Deferred tax liabilities

4,983

595

58,792

42,120



NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

Thousands of Guyana Dollars

11. OTHER ASSETS

	2017	2016
Accrued interest receivable	7,887	3,274
Prepayments	181,047	73,989
Miscellaneous	74,507	50,626
	<u>263,441</u>	<u>127,889</u>

12. CUSTOMERS' DEPOSITS

Demand deposits	10,287,177	8,643,307
Savings deposits	16,600,649	18,535,852
Time deposits	13,408,361	14,597,268
	<u>40,296,187</u>	<u>41,776,427</u>
Accrued interest payable	289,910	315,607
	<u>40,586,097</u>	<u>42,092,034</u>

Sectoral Analysis:

	Personal	Commercial	Government	Total
<i>As at 30 September 2017</i>				
Demand deposits	2,363,179	6,297,665	1,626,362	10,287,206
Savings deposits	12,154,210	4,125,731	358,713	16,638,654
Time deposits	1,312,571	8,658,207	3,689,459	13,660,237
	<u>15,829,960</u>	<u>19,081,603</u>	<u>5,674,534</u>	<u>40,586,097</u>
<i>As at 30 September 2016</i>				
Demand deposits	1,826,565	4,780,462	2,036,308	8,643,335
Savings deposits	11,156,179	7,279,841	142,845	18,578,865
Time deposits	1,263,184	8,354,668	5,251,982	14,869,834
	<u>14,245,928</u>	<u>20,414,971</u>	<u>7,431,135</u>	<u>42,092,034</u>

13. OTHER LIABILITIES

	2017	2016
Accruals	242,282	82,542
Items in the course of payment	192,750	204,787
Deferred income	119,200	128,804
Miscellaneous	114,428	13,997
	<u>668,660</u>	<u>430,130</u>

NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

Thousands of Guyana Dollars

14. SHARE CAPITAL

	<u>2017</u>	<u>2016</u>
<i>Authorised</i>		
83,000,000 ordinary shares of no par value		
<i>Issued and Fully Paid</i>		
59,491,300 ordinary shares of no par value	<u>594,913</u>	<u>594,913</u>

15. 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

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

Available-for-Sale Investments Reserve

This reserve reflects the accumulated fair value gains and losses, net of deferred tax, arising on available-for-sale investment securities.

16. NET INTEREST INCOME

	<u>2017</u>	<u>2016</u>
Interest Income:		
Loans and advances	3,063,245	2,784,018
Investment securities - earned in Guyana	56,230	33,656
Investment securities - earned out of Guyana	<u>14,788</u>	<u>8,097</u>
	<u>3,134,263</u>	<u>2,825,771</u>
Interest Expense:		
Demand deposits	10,285	7,944
Savings deposits	183,019	185,786
Time deposits	<u>469,378</u>	<u>521,515</u>
	<u>662,682</u>	<u>715,245</u>

17. OTHER INCOME

Fee and commission income	213,522	222,363
Gains on foreign exchange trading	194,156	187,835
Sundry income	<u>11,459</u>	<u>29,896</u>
	<u>419,137</u>	<u>440,094</u>



NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

Thousands of Guyana Dollars

18. OPERATING EXPENSES

	2017	2016
Staff costs (note 19)	399,886	405,225
Depreciation and amortisation	232,289	128,745
Operating lease rental	103,457	113,070
Auditors' remuneration (including expenses)	11,286	11,455
General administrative expenses	462,020	441,397
Other operating costs	162,039	143,029
	<u>1,370,977</u>	<u>1,242,921</u>

19. STAFF COSTS

Wages and salaries	315,929	322,640
Social security costs	24,481	23,522
Pension costs	8,196	6,987
Other staff costs	51,280	52,076
	<u>399,886</u>	<u>405,225</u>

20. PROVISION FOR IMPAIRMENT OF FINANCIAL ASSETS

Impairment of Loans and Advances

Individually assessed:

Balance as at beginning of year	1,320,606	785,488
Amounts written off in the year	(103,671)	0
Additional provision for the year	409,336	710,254
Reversal of provision in the year	(224,572)	(175,136)
	<u>1,401,699</u>	<u>1,320,606</u>

Collectively assessed:

Balance as at beginning of year	62,389	42,057
Additional provision for the year	91,532	20,332
	<u>153,921</u>	<u>62,389</u>
	<u>1,555,620</u>	<u>1,382,995</u>

Total:

Impairment of Investment Securities

Balance as at beginning of year	196,383	203,390
Additional provision for the year	21,878	0
Reversal of provision in the year	0	(7,007)
	<u>218,261</u>	<u>196,383</u>

NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

Thousands of Guyana Dollars

21. TAXATION

The provisional charge for taxation in the financial statements is made up as follows:

	2017	2016
Current tax	479,582	290,364
Deferred tax	13,109	(10,511)
Prior year adjustments	2,317	278
	<u>495,008</u>	<u>280,131</u>
Reconciliation of the Company's profit before taxation to the theoretical amount using the basic rate of tax:		
Profit before taxation	1,221,567	759,256
Corporation tax on profit at 40% (2016 - 40%)	488,627	303,702
Income not subject to tax	(79,347)	(81,690)
Expenses not deductible for tax purposes	19,794	1,490
Property and withholding taxes	63,617	56,351
Prior year adjustments	2,317	278
	<u>495,008</u>	<u>280,131</u>

22. EARNINGS PER SHARE

Profit attributable to shareholders	726,559	479,125
Weighted average number of ordinary shares (thousands)	59,491	59,491
Basic earnings per share	<u>\$12.21</u>	<u>\$8.05</u>

23. DIVIDENDS PAID

Prior year final dividend paid \$1.10 per share (2016 - \$1.70)	65,440	101,135
Interim dividend paid \$0.70 per share (2016 - \$0.70)	41,644	41,644
	<u>107,084</u>	<u>142,779</u>

A final dividend in respect of 2017 of \$2.00 per share (2016 - \$1.10 per share), amounting to \$118,982 (2016 - \$65,440) is to be proposed at the annual general meeting on 23 January 2018.

24. COMMITMENTS

	2017	2016
Undrawn credit facilities	796,450	997,916
Capital commitments for property and equipment		
Authorised but not contracted for	380,921	51,368
Authorised and contracted for	96,521	150,000
Capital commitments for intangible assets		
Authorised but not contracted for	14,814	39,153
Authorised and contracted for	49,425	8,694



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25. 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

	2017	2016
Guarantees	705,875	581,786

26. 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 5 percent (2016 - 4 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 \$1,332,415 (2016 - \$981,205) or 17 percent (2016 - 14 percent) of the capital base.

2017	Parent Company	Other Major Shareholders	Directors	Other Key Management	Other Related Parties	Total
Loans and advances as at beginning of year	521,187	0	10,816	75,265	479,319	1,086,587
Advanced in the year	1,115,580	0	21,231	29,340	359,989	1,526,140
Repaid in the year	(682,557)	0	(16,706)	(27,203)	(528,266)	(1,254,732)
Loans and advances as at end of year	954,210	0	15,341	77,402	311,042	1,357,995
Guarantees as at end of year	102,201	0	26,565	5,670	8,925	143,361
Interest income	84,267	0	1,561	3,462	26,067	115,357

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26. RELATED PARTY TRANSACTIONS (CONT'D)

(a) Loans, advances and other credit commitments (Cont'd)

2016	Parent Company	Other Major Shareholders	Directors	Other Key Management	Other Related Parties	Total
Loans and advances as at beginning of year	584,734	0	10,862	85,078	578,047	1,258,721
Advanced in the year	0	0	61,522	33,309	225,670	320,501
Repaid in the year	(63,547)	0	(61,568)	(43,122)	(324,398)	(492,635)
Loans and advances as at end of year	521,187	0	10,816	75,265	479,319	1,086,587
Guarantees as at end of year	15,026	0	8,260	4,130	7,228	34,644
Interest income	48,040	0	1,130	3,898	49,969	103,037

(b) Customers' deposits

2017	Parent Company	Other Major Shareholders	Directors	Other Key Management	Other Related Parties	Total
Balance as at beginning of year	6,785,437	818,817	114,793	23,755	4,581,341	12,324,143
Deposits during the year	43,930,737	3,652,303	256,770	101,849	21,736,576	69,678,235
Withdrawals in the year	(45,028,609)	(3,701,680)	(255,883)	(97,794)	(20,926,832)	(70,010,798)
Balance as at end of year	5,687,565	769,440	115,680	27,810	5,391,085	11,991,580
Interest expense	12,434	5,151	2,183	274	96,052	116,094
2016						
Balance as at beginning of year	3,361,238	485,421	151,886	16,806	4,146,164	8,161,515
Deposits during the year	38,123,203	3,308,586	279,680	103,316	24,761,867	66,576,652
Withdrawals in the year	(34,699,004)	(2,975,190)	(316,773)	(96,367)	(24,326,690)	(62,414,024)
Balance as at end of year	6,785,437	818,817	114,793	23,755	4,581,341	12,324,143
Interest expense	13,971	3,332	3,063	151	54,899	75,416



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26. RELATED PARTY TRANSACTIONS (CONT'D)

(c) Key Management Compensation

	2017	2016
Short term benefits	74,378	79,255
Post employment benefits	2,146	1,779
	<u>76,524</u>	<u>81,034</u>

(d) Other Related Party Transactions

Property rent charges from parent company	58,270	51,490
Property rent charges from other related party	4,410	4,434
Professional services provided by other related parties	13,022	12,670
Insurance services provided by major shareholder and other related party	<u>35,557</u>	<u>32,197</u>

27. DIRECTORS' EMOLUMENTS

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

	2017	2016
Clifford B. Reis	1,593	1,593
Richard B. Fields (deceased 26 August 2017)	1,195	1,304
Rakesh K. Puri	1,304	1,304
Wilfred A. Lee	1,304	1,304
George McDonald	1,304	1,304
Michael H. Pereira	1,304	1,304
Paul A. Carto	1,304	1,304
Deenawati Panday (appointed 23 January 2017)	972	0
	<u>10,280</u>	<u>9,417</u>

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

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28. 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.

The Company's financial assets are classified into the following categories identified in IFRS 7: held-to-maturity, available-for-sale, and loans and receivables. All of the Company's financial liabilities are classified as financial liabilities measured at amortised cost.

Financial assets classified as held-to-maturity are non-derivative instruments with fixed or determinable payments and fixed maturities that management has the positive intent and ability to hold to maturity. The Company's investment securities are largely classified as held-to-maturity.

Financial assets classified as loans and receivables are non-derivative instruments with fixed or determinable payments that are not quoted in an active market. The Company's cash resources, loan assets and accrued interest and other receivables are classified as loans and receivables.

Financial assets classified as available-for-sale are non-derivative instruments that are either designated in this category or not classified in any of the other categories. The Company had one available-for-sale investment security in the year.

Financial liabilities which are not classified as fair value through the profit and loss are classified as financial liabilities measured at amortised cost. A financial liability which is acquired principally for the purpose of selling in the short-term or derivatives are categorised as fair value through the profit and loss. The Company holds no such financial liabilities. As such, the Company's customers' deposits and other liabilities are classified as financial liabilities measured at amortised cost.

There were no changes in these classifications from the prior year.

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.



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28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (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.

	2017	2016
<i>On statement of financial position:</i>		
Cash and balances with Bank of Guyana	12,154,648	10,390,854
Amounts due from other banks	1,223,104	5,315,705
Investment securities	3,979,807	1,505,108
Loans and advances	28,181,255	29,159,713
Other financial assets	82,394	53,900
	<u>45,621,208</u>	<u>46,425,280</u>
<i>Off statement of financial position:</i>		
Guarantees	705,875	581,786
Credit commitments	796,450	997,916
	<u>1,502,325</u>	<u>1,579,702</u>
Maximum exposure to credit risk	<u>47,123,533</u>	<u>48,004,982</u>

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28. 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.



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28. 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.

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

Credit Risk (Cont'd)

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.

	2017	2016
Counterparty 1	17.6%	19.8%
Counterparty 2	15.8%	19.0%
Counterparty 3	13.9%	17.1%
Counterparty 4	13.6%	17.0%
Counterparty 5	13.5%	12.0%

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.



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Thousands of Guyana Dollars

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

Credit Risk (Cont'd)

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

As at 30 September 2017

	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	81,473	0	0
Loans and advances	719,227	7,857,760	10,966,123	2,538,983
Other financial assets	0	2,224	0	0
	719,227	7,941,458	10,966,123	2,538,983
Off statement of financial position:				
Guarantees	0	210,564	0	93,201
Credit commitments	14,082	494,189	0	80,118
	14,082	704,753	0	173,319
Total	733,309	8,646,211	10,966,123	2,712,302
Individual instruments or group of related instruments aggregating to more than 10% of capital base	0	3,113,266	774,599	2,117,198

As at 30 September 2016

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	120,790	0	0
Loans and advances	788,953	9,026,526	10,964,284	2,058,355
Other financial assets	0	2,730	0	0
	788,953	9,150,046	10,964,284	2,058,355
Off statement of financial position:				
Guarantees	0	255,946	0	4,701
Credit commitments	24,057	616,705	0	82,174
	24,057	872,651	0	86,875
Total	813,010	10,022,697	10,964,284	2,145,230
Individual instruments or group of related instruments aggregating to more than 10% of capital base	0	3,110,568	816,071	1,150,492

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Mining & Quarry	Construction	Agriculture	Government	Financial	Other	Total
0	0	0	0	12,154,648	0	12,154,648
0	0	0	0	1,223,104	0	1,223,104
0	0	0	2,952,384	945,950	0	3,979,807
513,418	4,564,435	364,702	0	0	656,607	28,181,255
0	0	0	3,795	1,868	74,507	82,394
513,418	4,564,435	364,702	2,956,179	14,325,570	731,114	45,621,208
0	138,606	0	0	0	263,504	705,875
5,000	15,962	0	0	0	187,099	796,450
5,000	154,568	0	0	0	450,603	1,502,325
518,418	4,719,003	364,702	2,956,179	14,325,570	1,181,717	47,123,533
0	2,138,119	0	2,589,096	12,320,483	0	23,052,761
0	0	0	0	10,390,854	0	10,390,854
0	0	0	0	5,315,705	0	5,315,705
0	0	0	864,813	519,505	0	1,505,108
685,151	4,334,335	640,150	0	0	661,959	29,159,713
0	0	0	125	419	50,626	53,900
685,151	4,334,335	640,150	864,938	16,226,483	712,585	46,425,280
0	62,688	0	0	0	258,451	581,786
5,000	97,022	0	0	0	172,958	997,916
5,000	159,710	0	0	0	431,409	1,579,702
690,151	4,494,045	640,150	864,938	16,226,483	1,143,994	48,004,982
0	2,268,538	0	0	15,158,972	0	22,504,641



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

Credit Risk (Cont'd)

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

As at 30 September 2017	Guyana	Caricom	North America	Europe	Total
On statement of financial position:					
Cash and balances with Bank of Guyana	12,154,648	0	0	0	12,154,648
Amounts due from other banks	75,701	129,697	0	1,017,706	1,223,104
Investment securities	2,882,315	151,542	0	945,950	3,979,807
Loans and advances	28,181,255	0	0	0	28,181,255
Other financial assets	78,683	1,873	0	1,838	82,394
	43,372,602	283,112	0	1,965,494	45,621,208
Off statement of financial position:					
Guarantees	705,875	0	0	0	705,875
Credit commitments	796,450	0	0	0	796,450
	1,502,325	0	0	0	1,502,325
Total	44,874,927	283,112	0	1,965,494	47,123,533

As at 30 September 2016

On statement of financial position:					
Cash and balances with Bank of Guyana	10,390,854	0	0	0	10,390,854
Amounts due from other banks	255,836	25,867	819,292	4,214,710	5,315,705
Investment securities	919,064	173,044	0	413,000	1,505,108
Loans and advances	29,159,713	0	0	0	29,159,713
Other financial assets	53,356	152	0	392	53,900
	40,778,823	199,063	819,292	4,628,102	46,425,280
Off statement of financial position:					
Guarantees	581,786	0	0	0	581,786
Credit commitments	997,916	0	0	0	997,916
	1,579,702	0	0	0	1,579,702
Total	42,358,525	199,063	819,292	4,628,102	48,004,982

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

Credit Risk (Cont'd)

Asset quality

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
1	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 quality of financial assets subject to credit risk, that were neither past due nor impaired, based on the internal grade identified above.

As at 30 September 2017	High	Standard	Special Monitoring	Total
On statement of financial position:				
Cash and balances with Bank of Guyana	12,154,648	0	0	12,154,648
Amounts due from other banks	1,223,104	0	0	1,223,104
Investment securities	3,746,791	99,504	0	3,846,295
Loans and advances	6,199,471	14,412,276	201,359	20,813,106
Other assets	3,789	74,537	4,068	82,394
	23,327,803	14,586,317	205,427	38,119,547
Off statement of financial position:				
Guarantees	296,662	409,003	210	705,875
Credit commitments	387,859	407,858	733	796,450
	684,521	816,861	943	1,502,325
Total	24,012,324	15,403,178	206,370	39,621,872



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

Credit Risk (Cont'd)

Asset quality (Cont'd)

As at 30 September 2016	High	Standard	Special Monitoring	Total
On statement of financial position:				
Cash and balances with Bank of Guyana	10,390,854	0	0	10,390,854
Amounts due from other banks	5,315,705	0	0	5,315,705
Investment securities	1,211,274	105,059	120,790	1,437,123
Loans and advances	8,000,906	10,587,200	143,394	18,731,500
Other assets	392	50,653	2,855	53,900
	24,919,131	10,742,912	267,039	35,929,082
Off statement of financial position:				
Guarantees	167,118	411,571	3,097	581,786
Credit commitments	888,257	108,244	1,415	997,916
	1,055,375	519,815	4,512	1,579,702
Total	25,974,506	11,262,727	271,551	37,508,784

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

Credit Risk (Cont'd)

Financial assets that are past due but not impaired

An age analysis of financial assets that are past due but not individually impaired is set out in the following tables. The Company's sole exposure to past due assets is from among its loans and advances.

For the purposes of this analysis an asset is considered past due and included below when any payment due under the strict contractual terms is received late or missed. The amount included is the entire financial asset, not just the payment of principal or interest or both overdue.

	Up to 30 days	Between 30-60 days	More than 60 days	Total	Collateral
As at 30 September 2017					
Loans and advances	887,145	1,908,937	0	2,796,082	3,863,311
As at 30 September 2016					
Loans and advances	2,964,243	1,449,561	0	4,413,804	5,879,353

Impaired financial assets

An analysis of the financial assets that have been individually assessed as impaired is shown in the tables below.

	Original Carrying Amount	Impairment Provision	Revised Carrying Amount	Collateral
As at 30 September 2017				
Loans and advances	6,127,687	1,401,699	4,725,988	7,311,801
Investment securities	351,773	218,261	133,512	0
As at 30 September 2016				
Loans and advances	7,397,404	1,320,606	6,076,798	10,052,484
Investment securities	264,368	196,383	67,985	0



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

Credit Risk (Cont'd)

Additional analysis of the impairment provision by industry is shown in the table below with the collective element being included in the 'Other' category.

As at 30 September 2017	Households	Services	Real Estate	Manufacturing
Investment securities, loans and advances	719,227	7,939,234	10,966,123	2,538,983
Impaired accounts, including non-performing accounts	348,772	2,221,777	1,949,238	690,343
Provision for impairment	93,116	471,540	257,280	329,106
As at 30 September 2016				
Investment securities, loans and advances	788,953	9,147,316	10,964,284	2,058,355
Impaired accounts, including non-performing accounts	163,224	2,322,820	1,898,635	576,206
Provision for impairment	76,193	390,894	172,085	299,647

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Mining & Quarry	Construction	Agriculture	Government	Financial	Other	Total
513,418	4,564,435	364,702	2,952,384	945,950	656,607	32,161,062
121,287	477,102	401,071	98,019	155,044	16,807	6,479,460
74,196	105,890	71,000	45,980	155,044	170,729	1,773,881
685,151	4,334,335	640,150	864,813	519,505	661,959	30,664,821
143,477	1,559,832	440,009	110,464	153,905	293,200	7,661,772
53,205	166,437	69,810	43,923	152,460	154,724	1,579,378



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

Credit Risk (Cont'd)

Collateral Held

The collateral held against past due and impaired financial assets comprise real estate and equipment primarily. 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 is shown in the table below.

	2017	2016
Real Estate	86,552	797,149
Equipment	22,695	26,258

Renegotiated Facilities

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.

During the year the Company renegotiated the terms of financial assets with a carrying value of \$644,590 (2016 - \$2,159,606), which would otherwise have been past due or impaired. The renegotiations were primarily refinancing of facilities or rescheduling of payments.

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:

- 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.
- Funds are borrowed on the inter-bank market to meet day-to-day shortfalls.
- 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.
- Statutory liquidity ratios are regularly monitored.
- 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.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

Thousands of Guyana Dollars

28. 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 2017	Within 3 months	Over 3 months but not over 6 months	Over 6 months but not over 12 months	Over 1 year but not over 5 years	Over 5 years	Total
Assets						
Cash and balances with						
Bank of Guyana	12,154,648	0	0	0	0	12,154,648
Amounts due from other banks	1,223,104	0	0	0	0	1,223,104
Investment securities	2,032,379	1,510,684	392,724	0	262,038	4,197,825
Loans and advances	2,210,690	1,477,203	416,792	5,292,386	18,784,184	28,181,255
Other assets	263,452	0	3,952,165	0	0	4,215,617
Total assets	17,884,273	2,987,887	4,761,681	5,292,386	19,046,222	49,972,449
Liabilities						
Customers' deposits	32,336,643	3,072,739	4,196,263	980,452	0	40,586,097
Other liabilities	668,660	0	445,930	59,005	0	1,173,595
Total liabilities	33,005,303	3,072,739	4,642,193	1,039,457	0	41,759,692
Net liquidity gap	(15,121,030)	(84,852)	119,488	4,252,929	19,046,222	

As at 30 September 2016

Assets						
Cash and balances with						
Bank of Guyana	10,390,854	0	0	0	0	10,390,854
Amounts due from other banks	5,315,705	0	0	0	0	5,315,705
Investment securities	253,935	1,006,500	206,500	120,790	51,263	1,638,988
Loans and advances	1,629,904	807,453	555,923	7,357,040	18,809,393	29,159,713
Other assets	127,898	0	3,590,780	0	0	3,718,678
Total assets	17,718,296	1,813,953	4,353,203	7,477,830	18,860,656	50,223,938
Liabilities						
Customers' deposits	30,984,906	3,482,301	5,329,784	2,295,043	0	42,092,034
Other liabilities	430,130	0	56,143	45,938	0	532,211
Total liabilities	31,415,036	3,482,301	5,385,927	2,340,981	0	42,624,245
Net liquidity gap	(13,696,740)	(1,668,348)	(1,032,724)	5,136,849	18,860,656	



NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

Thousands of Guyana Dollars

28. 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 2017	Within 3 months	Over 3 months but not over 6 months	Over 6 months but not over 12 months	Over 1 year but not over 5 years	Over 5 years	Total
On statement of financial position:						
Customers' deposits	32,350,214	3,102,007	4,272,092	1,050,162	0	40,774,475
Other financial liabilities	549,460	0	0	0	0	549,460
Off statement of financial position:						
Guarantees	38,142	149,067	395,761	122,905	0	705,875
Credit commitments	796,450	0	0	0	0	796,450
	33,734,266	3,251,074	4,667,853	1,173,067	0	42,826,260

As at 30 September 2016

On statement of financial position:						
Customers' deposits	31,003,401	3,527,464	5,455,299	2,411,622	0	42,397,786
Other financial liabilities	301,326	0	0	0	0	301,326
Off statement of financial position:						
Guarantees	159,386	89,256	212,133	121,011	0	581,786
Credit commitments	997,916	0	0	0	0	997,916
	32,462,029	3,616,720	5,667,432	2,532,633	0	44,278,814

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).

NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

Thousands of Guyana Dollars

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

Foreign Exchange Risk (Cont'd)

As at 30 September 2017	Assets	Liabilities	Net Position	% change	Impact on profit increase/ (decrease)	Impact on OCI increase/ (decrease)
United States Dollar	2,457,046	1,891,312	565,734	1.0%	5,657	0
Trinidad & Tobago Dollar	238,736	0	238,736	1.0%	207	2,180
Eastern Caribbean Dollars	102,112	0	102,112	1.0%	1,021	0
Other	147,211	5,794	141,417	1.0%	1,414	0

As at 30 September 2016						
United States Dollar	5,812,779	5,644,055	168,724	1.0%	1,687	0
Trinidad & Tobago Dollar	159,436	0	159,436	1.0%	255	1,339
Other	58,132	5,129	53,003	1.0%	530	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.



NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

Thousands of Guyana Dollars

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

Interest Rate Risk (Cont'd)

As at 30 September 2017	Up to 1 year	Over 1 year but not over 5 years	Over 5 years	Non-interest bearing	Total
Assets					
Cash and balances with					
Bank of Guyana	0	0	0	12,154,648	12,154,648
Amounts due from other banks	129,691	0	0	1,093,413	1,223,104
Investment securities	3,717,769	0	262,038	218,018	4,197,825
Loans and advances	3,540,123	5,292,386	18,784,184	564,562	28,181,255
Other assets	0	0	0	4,215,617	4,215,617
Total assets	7,387,583	5,292,386	19,046,222	18,246,258	49,972,449
Liabilities					
Customers' deposits	37,096,222	980,452	0	2,509,423	40,586,097
Other liabilities	0	0	0	1,173,595	1,173,595
Total liabilities	37,096,222	980,452	0	3,683,018	41,759,692
Interest sensitivity gap	(29,708,639)	4,311,934	19,046,222		

As at 30 September 2016

Assets					
Cash and balances with					
Bank of Guyana	0	0	0	10,390,854	10,390,854
Amounts due from other banks	25,849	0	0	5,289,856	5,315,705
Investment securities	1,333,055	120,790	51,263	133,880	1,638,988
Loans and advances	2,746,053	7,357,040	18,809,393	247,227	29,159,713
Other assets	0	0	0	3,718,678	3,718,678
Total assets	4,104,957	7,477,830	18,860,656	19,780,495	50,223,938
Liabilities					
Customers' deposits	39,796,991	2,295,043	0	0	42,092,034
Other liabilities	0	0	0	532,211	532,211
Total liabilities	39,796,991	2,295,043	0	532,211	42,624,245
Interest sensitivity gap	(35,692,034)	5,182,787	18,860,656		

NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

Thousands of Guyana Dollars

28. 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:

	2017 %	2016 %
Assets		
Investment securities	1.7	2.0
Loans and advances	10.3	10.5
Liabilities		
Customers' deposits	1.7	2.0

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.

	2017	2016
Regulatory Capital		
Tier I Capital:		
Share capital	594,913	594,913
Statutory reserve	594,913	594,913
Retained earnings	6,513,128	5,634,880
Tier II Capital:		
Revaluation reserve	58,061	58,061
Available-for-sale investments reserve	(7,476)	(1,065)
Prescribed deduction	(92,947)	(99,049)
	<u>7,660,592</u>	<u>6,782,653</u>



NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

Thousands of Guyana Dollars

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

Capital Management (Cont'd)

	2017	2016
Risk-weighted Assets		
On-balance sheet	28,123,945	29,088,060
Off-balance sheet	352,937	290,893
	<u>28,476,882</u>	<u>29,378,953</u>
Regulatory ratios		
Tier I capital ratio	<u>27.0%</u>	<u>23.2%</u>
Total capital ratio	<u>26.9%</u>	<u>23.1%</u>

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 1 Quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2 Inputs other than quoted prices included within level 1 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 available-for-sale 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	2017 Carrying Amount	2017 Fair Value	2016 Carrying Amount	2016 Fair Value
<i>Assets:</i>					
Investment securities	Level 2	3,979,807	3,997,435	1,505,108	1,505,202
Loans and advances	Level 2	28,181,255	28,492,844	29,159,713	29,417,299

The fair values of held to maturity 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.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2017

Thousands of Guyana Dollars

29. SEGMENTAL INFORMATION

Sources of Income

The various sources of income earned by the Company are shown in notes 16 and 17.

Geographical Information

The analysis of the Company's revenue between earnings in Guyana and earnings out of Guyana is shown in note 16 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 28 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.





CORRESPONDENT BANKS

United States Dollar (USD) TRANSACTIONS

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 TRANSFER AGENCY

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

CITIZENS BANK PROXY FORM

This form is for use by shareholders only.

I/We

of

being a member/members of the above named Company, hereby appoint*

of

or, failing him/her

of

as my/our proxy to vote for my/our behalf at the annual general meeting of the Company to be held on 23 January 2018 and at any adjournment thereof.

Signed this day of 2018. Signature

(Strike out which is not desired)

1. To receive the Report of the Directors and the Audited Financial Statements for the year ended 30 September 2017.

IN FAVOUR OF

AGAINST

2. To approve the declaration of a dividend.

IN FAVOUR OF

AGAINST

3. To Elect Directors
Mr. Wilfred A. Lee, A.A.
Mr. George G. McDonald, A.A.
Ms. Deenawati Panday

IN FAVOUR OF

AGAINST

4. To fix the remuneration of the Directors.

IN FAVOUR OF

AGAINST

5. To re-appoint the incumbent Auditors.

IN FAVOUR OF

AGAINST

6. To empower the Directors to fix the remuneration of the Auditors.

IN FAVOUR OF

AGAINST

Please give the following information in block capitals:

Full name:

Address:

Initials and Surname of any joint holder(s)

Notes:

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

MAIN OFFICE

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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