



CITIZENS BANK

# ANNUAL REPORT 2018





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**OUR MISSION** 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 \$50.5 billion at September 30, 2018.

Our one hundred and fifty-one (151) employees serve a customer base of more than fifty two thousand, seven hundred (52,700).

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 of our six branches as well as at four (4) off-site locations.



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty-Fourth Annual General Meeting of Citizens Bank Guyana Inc. will be held at 231 – 233 Camp Street & South Road, Georgetown on Tuesday, January 22, 2019 at 5:00 p.m. for the following purposes:

1. To receive the Audited Financial Statements for the year ended 30 September 2018 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 2018 and the Reports of the Directors and Auditors thereon be adopted.”
2. To consider the declaration of a final Dividend of \$1.80 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 \$1.80 as recommended by the Directors in respect to the year ended 30 September 2018 be approved and paid to the shareholders on the Company’s Register at the close of business on January 22, 2019.”

3. To elect Directors. The Directors retiring are Mr. Michael H. Pereira and Mr. Ronald G. Burch-Smith, 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. Michael H. Pereira and Mr. Ronald G. Burch-Smith, 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 \$1,263,252.00 per annum be paid to the Chairman; the remuneration of \$947,439.00 per annum be paid to each non-executive Director and that a Travelling Allowance for each non-executive Director be fixed at \$398,101.00; and that the additional sum of \$78,565.00 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 19, 2018

### NOTES:

- Please bring this notice to gain entry to the meeting. Only Shareholders may attend.
- 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.
- 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.
- 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.
- A proxy form is attached for use, if desired.

## FINANCIAL HIGHLIGHTS

### FIVE YEAR FINANCIAL SUMMARY

	2018	2017	2016	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000
Total assets	50,482,351	49,972,449	50,223,938	43,114,460	42,124,160
Loans and advances	25,527,124	28,181,255	29,159,713	30,680,174	28,902,052
Investments	4,323,888	4,197,825	1,638,988	757,158	3,035,138
Deposits	40,903,223	40,586,097	42,092,034	34,905,524	33,225,407
Revenue	3,159,879	3,553,400	3,265,865	3,707,916	3,217,429
Expenses & taxes	2,557,578	2,826,841	2,786,740	2,801,070	2,228,274
Profit after taxation	602,301	726,559	479,125	906,846	989,155
Shareholders' equity	8,644,276	8,212,757	7,599,693	7,239,062	6,473,151
Return on average assets (%)	1.2	1.5	1.0	2.1	2.4
Return on average equity (%)	7.1	9.2	6.5	13.2	16.4
Earnings per share (Dollars)	10.1	12.2	8.1	15.2	16.6

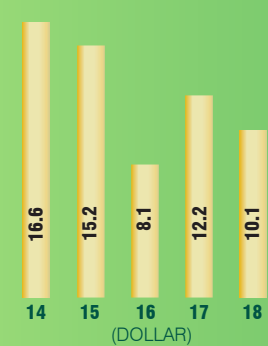
### FINANCIAL HIGHLIGHTS

	2018	2017	Inc/(Dec)	%
	\$'000	\$'000	\$'000	Change
BALANCE SHEET:				
Total assets	50,482,351	49,972,449	509,902	1.0
Loans and advances	25,527,124	28,181,255	(2,654,131)	(9.4)
Investments	4,323,888	4,197,825	126,063	3.0
Deposits	40,903,223	40,586,097	317,126	0.8
Shareholders' equity	8,644,276	8,212,757	431,519	5.3
RESULTS OF OPERATIONS:				
Revenue	3,159,879	3,553,400	(393,521)	(11.1)
Expenses	2,150,486	2,331,833	(181,347)	(7.8)
Profit before taxation	1,009,393	1,221,567	(212,174)	(17.4)
Taxation	407,092	495,008	(87,916)	(17.8)
Profit after taxation	602,301	726,559	(124,258)	(17.1)
RATIOS:				
Return on average assets (%)	1.2	1.5	(0.3)	(20.0)
Return on average equity (%)	7.1	9.2	(2.1)	(22.8)
Earnings per share (Dollars)	10.1	12.2	(2.1)	(17.2)
NUMBER OF:				
Shareholders	95	95	0	0.0
Deposit accounts	52,708	50,858	1,850	3.6
Employees	151	149	2	1.3
Locations	6	6	0	0.0

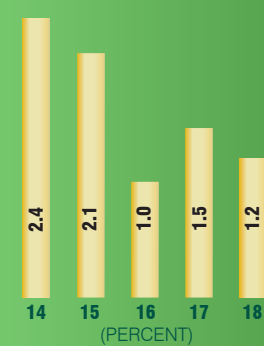


## FINANCIAL HIGHLIGHTS

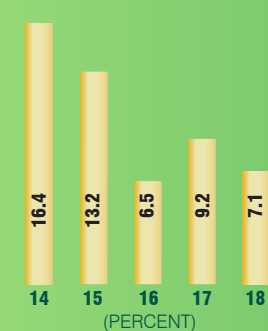
### EARNINGS PER SHARE



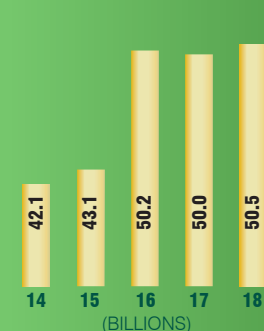
### RETURN ON AVERAGE ASSETS



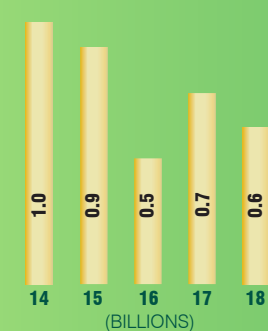
### RETURN ON AVERAGE EQUITY



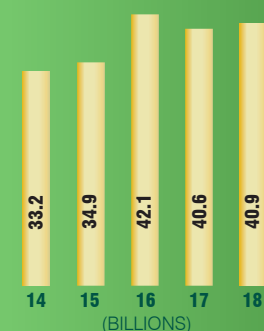
### TOTAL ASSETS



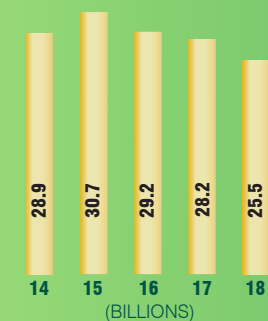
### PROFIT AFTER TAXATION



### DEPOSITS

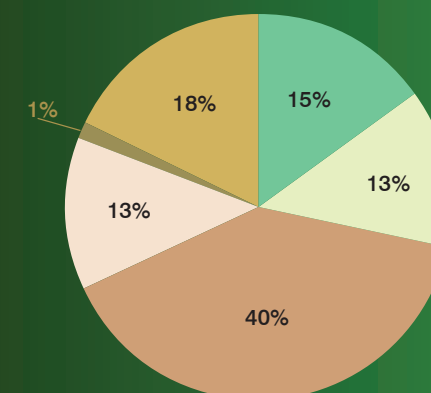


### LOANS & ADVANCES



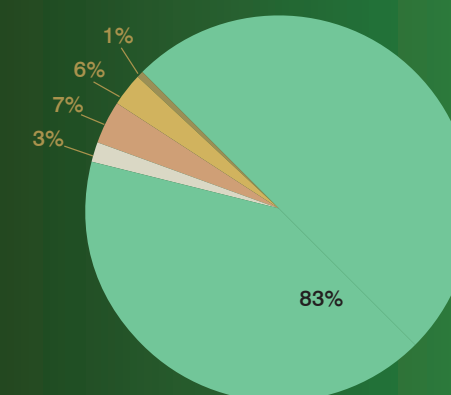
### DISTRIBUTION OF INCOME

Interest Expenses	481
Personnel Expenses	416
Other Non Interest Expenses	1,253
Taxation	407
Dividends	42
Retained Earnings	561
	<u>3,160</u>



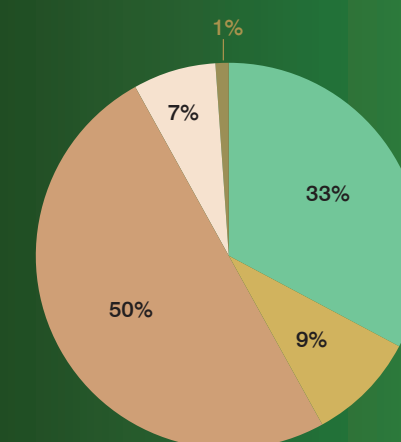
### SOURCE OF INCOME

Loans and Advances	2,630
Investment Securities	96
Fees and Commission Income	234
Foreign Exchange Income	179
Other Income	21
	<u>3,160</u>



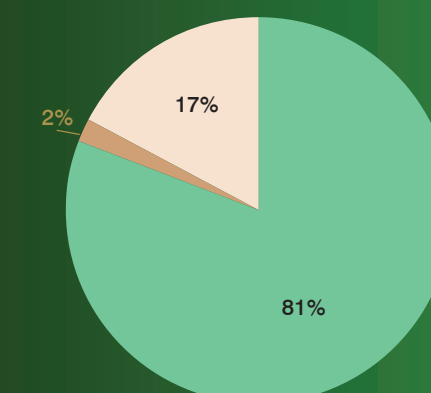
### ASSETS

Cash Resources	16,476
Investments	4,324
Loans & Advances	25,527
Property & Equipment	3,693
Other Assets	462
	<u>50,482</u>



### LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits	40,903
Other Liabilities	935
Shareholders' Equity	8,644
	<u>50,482</u>



## BOARD OF DIRECTORS



MR. CLIFFORD B. REIS



MR. ETON M. CHESTER



MR. WILFRED A. LEE



MR. RAKESH K. PURI



MR. MICHAEL H. PEREIRA



MR. GEORGE G. McDONALD



MS. DEENAWATI PANDAY



MR. PAUL A. CARTO



MR. RONALD G. BURCH-SMITH

## CORPORATE INFORMATION

### DIRECTORS

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

Mr. Eton M. Chester, A.A., 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

Mr. Ronald G. Burch - Smith, LLB, MSc

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

Attorney-at-Law

### CORPORATE SECRETARY

Ms. Frances Sarah Parris, B.Sc.

General Manager – Citizens Bank Guyana Inc.

### REGISTERED OFFICE

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

### AUDITORS

Messrs. Jack A. Alli , Sons & Company

Chartered Accountants

145 Crown Street, Queenstown, Georgetown, Guyana

### ATTORNEYS-AT-LAW

Messrs. Cameron & Shepherd

2 Avenue of the Republic, Georgetown, Guyana

Messrs. Hughes, Fields & Stoby

62 Hadfield Street, Georgetown, Guyana

Messrs. Boston & Boston

Duke Chambers, 2 Croal Street, Stabroek, Georgetown, Guyana

Messrs. Fields & Company

Equity Chambers, Suite # 318, Sharon's Building, Charlotte and King Streets, Lacytown, Georgetown



## CHAIRMAN'S REPORT



### ECONOMIC REVIEW

Global economies grew by 3.9% during the first six months of 2018, but are now projected to grow by 3.7% during fiscal 2018, reflecting suppressed activities in some major advanced economies, the negative effect of trade measures implemented or approved, as well as a weaker outlook for some key emerging markets and developing economies arising from country specific factors, tighter financial conditions, geopolitical tension, and higher oil import bills.

Growth in advanced economies is projected at 2.4% in fiscal 2018, while emerging and developing economies are projected to grow by 4.7% as financial conditions remain generally supportive of growth.

The United States' economy is projected to grow at 2.9% due to substantial fiscal stimulus together with an already robust final demand for goods and services.

The Guyana economy grew by 4.5% during the first six months of 2018, reflecting increases in the output of the livestock, forestry, bauxite and other mining sectors as well as the activities of construction, wholesale and retail trade and other services due to favourable commodity prices, stronger domestic demand and improved pace in the executing of the public investment program. The output for gold, sugar and rice contracted because of poor weather.

The Guyana economy is now projected to grow by 3.4% during fiscal 2018, fueled by anticipated growth in the production of rice, forestry and other crops as well as in the activities within the wholesale and retail sales and other services.

Inflation during the first six months of 2018 was 0.9% and is projected to measure 2.0% for fiscal 2018 due to moderate increases in the price for food, fuel and semi-durables attributed to seasonality, and consumer spending.

The value of the Guyana dollar relatively to the United States dollar depreciated during the review period to US\$1.00 = G\$208.50 compared to US\$1.00 = G\$206.50 at September 30, 2017.

### BANKING SECTOR

During the first half of fiscal 2018, the local banking system remained relatively sound, in spite of the high level of non-performing loans, with commercial banks and other licensed depository financial institutions reporting higher capital and profits respectively. The consolidated average capital adequacy ratio computed at 30.6% is well above the prudential benchmark of 8.0%.

Total loans and advances, grew by 5.0% to \$227.2 billion at September 30, 2018 with credit to the private sector credit increasing by 4.8% to \$226.0 billion.

Deposits at the commercial banks increased by 8.0% to \$396.7 billion at September 30, 2018, with private sector deposits growing by 7.0% to \$316.5 billion; representing 79.8% of total banking sector deposits.

The banking sector continues to report high levels of liquidity with the consolidated required reserve requirements being exceeded by 74.9%, while liquid assets of the sector exceeded the requirements amount by 48.9%, 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 preferred method to sterilise the excess liquidity in the sector and, at September 30, 2018, outstanding Treasury Bills totalled \$71.1 billion with commercial banks holding \$57.5 billion or 80.9%.

The 91-day Treasury Bill rate, used as a market reference was 1.5% at September 30, 2018, the same as at September 30, 2017.

The weighted average lending rate declined slightly from 10.3% to 10.1% at September 30, 2018, while the average savings rate was 1.0% at September 30, 2018 compared to 1.1% at September 30, 2017.

### PERFORMANCE OF THE BANK

I wish to report that Citizens Bank Guyana Inc has recorded a profit after taxation of \$602.3 million compared to \$726.6 million in the prior year. During fiscal 2017, the bank benefited from a one-off transaction, the after-tax results of which increased the bank's net profits by \$210.3 million.

## CHAIRMAN'S REPORT CONT'D

### PERFORMANCE OF THE BANK CONT'D

During fiscal 2018, the Bank focused efforts to improve its risk management, as well as asset maintenance as the operating environment continued to experience many of the challenges encountered during the prior year, including underperforming economic sectors, a high level of non-performing loans, delays in projects implementation and high liquidity.

Net income for the year ended September 30, 2018 was \$2.7 billion compared to \$2.9 billion the prior year, with profit before taxation of \$1.0 billion compared to \$1.2 billion in the prior year.

During the year, total revenue amounted to \$3.2 billion, while our balances for total assets and deposits grew marginally. Loans and advances balances declined during the fiscal year.

The return on average assets was 1.2%, while the return on shareholders' equity was 7.1% compared to 1.5% and 9.2% respectively in the prior year.

The Bank's loan portfolio continues to be relatively sound, however, our customers continued to encounter challenges during 2018 that continue to impact the performance of our overall portfolio. Non-performing loans at September 30, 2018 represented 11.7% of our total loan portfolio compared to 13.1% at September 30, 2017.

The consolidated banking sector ratio for non-performing loans was 12.8% at June 30, 2018. The Bank's shares were last traded on the local stock exchange at \$146.0 per share.

### GROWTH INITIATIVES

In fiscal 2019, the Guyana economy and financial environment is expected to be characterized by many of the factors that existed at the end of

fiscal 2018. However, as the country approaches the extraction of its first barrel, it is anticipated that the growth and development of this sector may well energise the non-energy sectors as well as the early implementation of the 2019 budgetary measures, and an improved implementation of the Public-Sector Investment Programs thus creating opportunities for the Bank.

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

The condition of the local economy necessitates that the Bank continues its efforts to prudently manage its expenses through improved operating efficiencies and the strict adherence to robust risk management policies and practices to assure the growth and stability of the Bank while remaining competitive.

In keeping with our commitment to ensure that our customers and staff conduct business in an enabling environment, in fiscal 2019, the Bank will commence the construction of a modern office building to relocate our Thirst Park Branch.

During 2018, our investment in, and utilisation of technology not only brought about greater efficiencies to the operational performance of the Bank but facilitated the upgrade or introduction of a number of technology driven services for the benefit of our customers. During 2019 we intend to further harness the efficiencies and convenience derived from our investment in technology to deliver new products and services to our customers.

Our human capital remains our principal asset, and our investment in that sector of our operations has become more important as the nature of their work evolves. In 2019, we will continue to

strengthen and improve our Human Resources Management capacity thus ensuring that our clients benefit from a consistently high level of customer relationships and interactions.

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

### LOOKING FORWARD TO 2019

Global Growth for 2019 is projected at 3.7%, the same as for 2018 and is set to soften over the medium term. Global financial conditions are expected to tighten, and trade measures will impact activities in 2019 with China showing slower growth on account of weaker credit growth and rising trade barriers.

Advanced economies are projected to grow by 2.1%, as recent trade measures are expected to impact economic activities especially 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 2019, growth of 4.7% is projected for emerging markets and developing economies largely reflecting offsetting developments as growth slows in China while it improves in India owing to structural reform.

The Guyana economy is projected to grow by 4.6% in fiscal 2019. It is anticipated that in 2019, growth will be broad based with all major sectors expanding with construction projected to record the highest growth rate of 10.5% driven by a significant increase, and the improved implementation within the public sector investment program.

Citizens Bank Guyana Inc. remains committed to the development of the banking sector and the Guyana economy despite anticipated challenges during 2019. With the country's extraction of its first barrel drawing closer, we remain confident of playing a pivotal role in supporting the development of this sector. It is our firm belief that the successful implementation of our strategies for growth will enable us to achieve an improved performance for our stakeholders.

### DIVIDEND

In 2017, shareholders benefited from a dividend of \$2.70 per share. The Bank paid an interim dividend of \$0.70 per share in May 2018. The Directors now recommend a final dividend of \$1.80 per share bringing the total dividend payment to \$2.50 per share for a total payout of \$148.7 million.

### APPRECIATION

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

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



## MANAGING DIRECTOR'S REPORT

### OVERVIEW

Citizens Bank Guyana Inc recorded profits after taxation of \$602.3 million for the financial year ended September 30, 2018 compared to \$726.6 million in 2017. During fiscal 2017, the Bank benefited from a one-off transaction which increased the Bank's net profits by \$210.3 million.

Earnings per share were \$10.1 compared to \$12.2 in 2017 while our book value per share increased by 5.3% to \$145.3 as at September 30, 2018 from \$138.1 at September 30, 2017.

### RETURN ON AVERAGE ASSETS

The Bank's return on average assets, a key indicator of the utilisation of our assets, was 1.2% compared to 1.5% in 2017.

### RETURN ON AVERAGE EQUITY

The return on average equity, a key measure of return on our capital employed, was 7.1% compared to 9.2% in 2017.

### NET INTEREST INCOME AND OTHER INCOME

Net interest income was \$2.2 billion compared to \$2.5 billion for the prior year, a decrease of \$0.3 billion or 12.0%. A reduction in our loan portfolio balance and a corresponding decline in loan interest contributed to the decline in net interest income. Interest income continues to be the significant contributor to the Bank's net operating income accounting for 86.3% compared to 88.2% for the prior year.

Other income amounted to \$434.1 million compared to \$419.1 million for the prior period; an increase of 3.6%. Earnings from foreign currency transactions was \$179.0 million compared to \$194.2 million for the prior period.

Net operating income decreased by \$0.2 billion or 6.9% to \$2.7 billion compared to \$2.9 billion recorded in 2017.

### NON-INTEREST EXPENSES

Non-interest expenses, which include personnel costs and other operating expenses amounted to \$1.5 billion compared to \$1.4 billion. 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 control expenses within the company.

### NET IMPAIRMENT EXPENSES

Net impairment on the valuation of financial assets amounted to \$194.1 million compared to \$298.2 million in 2017, and at September 30, 2018, total reserves for loan losses amounted to \$1.5 billion compared to \$1.6 billion. The general banking risk reserve, which represents statutory and other loss provisions that exceed the impairment provision, amounted to \$468.8 million.

At September 30, 2018, non-accrual loans and advances totalled \$3.1 billion or 11.7% of total loans and advances compared to \$3.8 billion and 13.1% at September 30, 2017. 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 as we seek to improve the quality of our financial portfolio. Our non-accrual loans and advances are well collateralized and in spite of the challenges encountered with our legal system during our recovery efforts, we anticipate further reductions in the new financial year.

### INVESTMENT SECURITIES

Net investments at September 30, 2018 were \$4.3 billion compared to \$4.2 billion at the prior financial year end. Investment in Government of Guyana Treasury Bills continues to account for the significant portion of our investment securities and at September 30, 2018 Government of Guyana Treasury Bills held amounted to \$2.5 billion or 58.1% of total investments.

Net Investments accounted for 14.5% of earning assets and 8.6% of total assets, compared to 13.0% and 8.0% respectively in 2017.

Return on our investment securities was 1.8% in 2018 compared to 1.7% in 2017 while income from investments represented 3.5% of interest income in 2018 compared to 2.3% in 2017.

### LOANS AND ADVANCES

Net loans and advances were \$25.5 billion at September 30, 2018 compared to \$28.2 billion for the prior year. While our total portfolio declined during 2018, growth was recorded in lending to the household and real estate sectors which grew by 21.0% and 1.0% respectively. Our sectorial exposure showed marginal changes from the prior year.

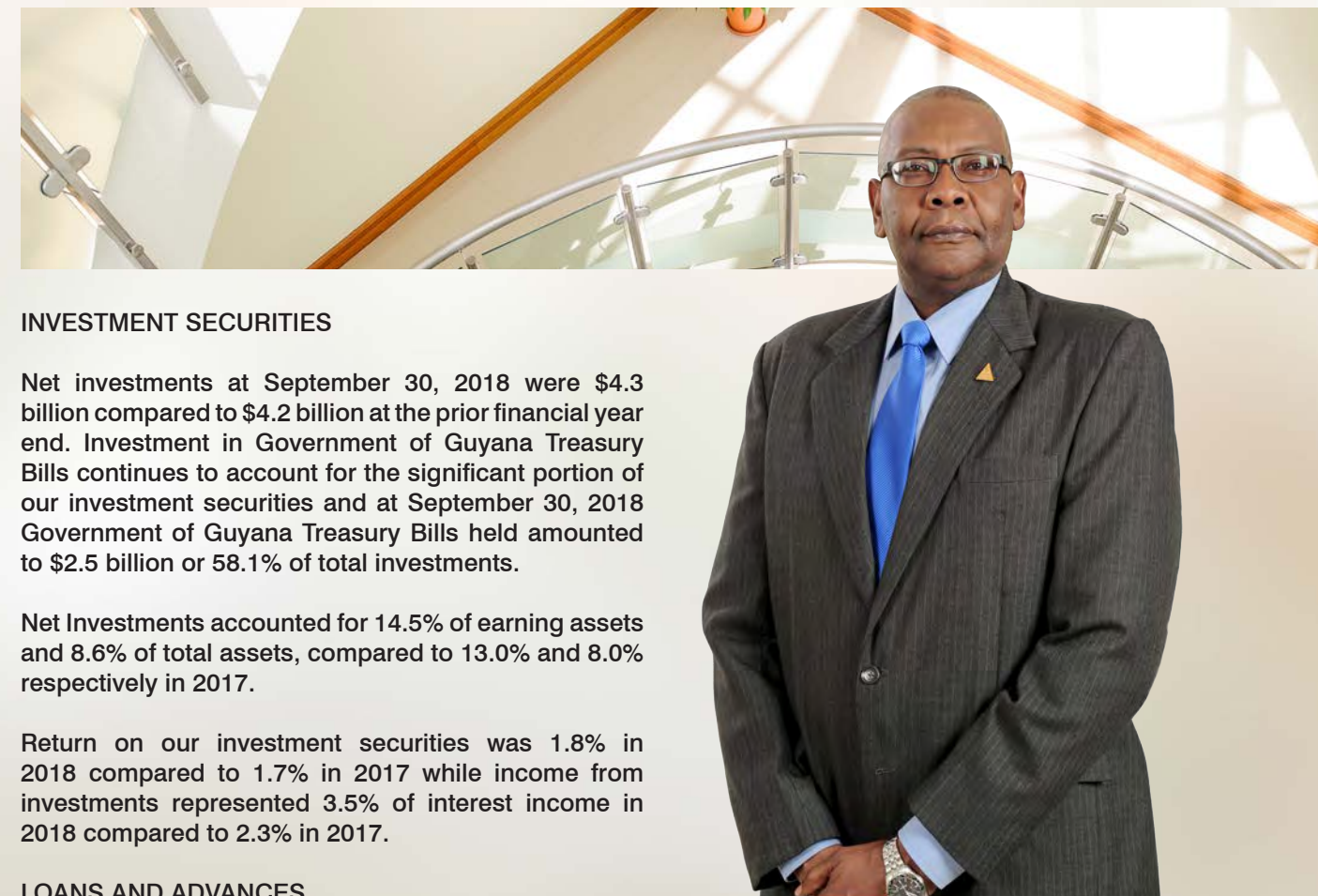
During 2018, the yield recorded from our loans and advances was 10.5%, a marginal change from the 10.3% obtained in 2017. Income from loans and advances represented 96.5% of interest income in 2018, compared to 97.7% in 2017.

Loans and advances accounted for 85.5% of earning assets and 50.6% of total assets compared to 87.0% and 56.4% respectively in 2017.

### CUSTOMERS' DEPOSITS

Customers' deposits at September 30, 2018 were \$40.9 billion compared to \$40.6 billion at September 30, 2017.

Savings deposits amounted to \$17.2 billion, representing 42.2% of our deposit base. Time deposits were \$12.8 billion accounting for 31.2% of total deposits while demand deposits amounted to \$10.9 billion and now represent 26.6% of total deposits. Private sector deposits account for \$21.4 billion or 52.2% of our deposit base. The effective rate on deposits was 1.2% in 2018 compared to 1.7% the prior year.





## MANAGING DIRECTOR'S REPORT (CONT'D)

### SHAREHOLDERS' EQUITY

Shareholders' equity amounted to \$8.6 billion at September 30, 2018 compared to \$8.2 billion at September 30, 2017, after the transfer of \$0.6 million from income earned in 2018.

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, 2018 the Bank's ratio of capital to risk weighted assets was 30.7%. 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

Our company's future and services are built on the development of a diverse and competent team of employees. To this end, in fiscal 2018, 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 remain engaged and equipped to provide a consistently high level of service to our stakeholders.

### TECHNOLOGY

Our investment in technology to provide easy, secure and convenient access to banking products and services continued during 2018 with the establishment of a new full function Disaster Recovery and Business Continuity Site, the establishment of which will result in minimal downtime for the Bank and its stakeholders in the event of a major disaster. The upgrade of our ATM network to make them compliant with the global standard for credit and debit payment cards based on chip card technology developed by Europay, Mastercard, and Visa (EMV) in preparation for joining the national switch is in its final stage of completion, and our e-banking service and point-of-sale terminals became fully operational. Significant progress was also made with regards to the migration to EMV credit and debit cards respectively and our upgraded card management system now provides debit card holders with transaction alerts.

### THE FUTURE

We continue to embrace our belief that improved customer relationships, the management of risk, asset quality maintenance, human resource development and management, good corporate governance and the leveraging of existing and new technology are the foundation on which our Company will achieve sustainable growth and stability. These along with prudent expenditure control will receive renewed impetus during 2019.

While the Guyana economy appears poised for growth with GDP projected at 4.6% for 2019 with all major economic sectors projected to grow, the financial sector is expected to remain aggressively competitive and operate in a 'low interest rate' environment further eroding net interest margins.

During 2019, we intend to commence construction of a new state-of-the-art building to relocate our Thirst Park Branch, bringing much needed improvement to the delivery of service to our customers and future benefits for stakeholders.

During the first quarter of fiscal 2019, we will commence the issuance of our EMV Visa credit cards, while during the second quarter our upgraded automatic telling machines (ATMs) will join the national switch simultaneously with the commencement of the issuance of our EMV Visa debit cards. Our e-banking service and card management system will both be upgraded, allowing our customers to experience the convenience of electronic services and products.

There will be challenges in fiscal 2019, but there will also be opportunities. We have the resilience to overcome these challenges and are confident that we have aligned our strategies and resources such that we 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 dedication. I wish to also express my gratitude to members of our Board for their oversight, 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



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

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

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

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

Ms. Margaret Loy  
Assistant Manager - Registry

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

CITIZENS OUTREACH



Citizen Bank Sports and Culture Club spreading Christmas Cheer through its Toy Drive at the Children's Ward of the Georgetown Public Hospital Corporation.



Citizens Bank Sports Club, Supporting Breast Cancer Awareness



Junior Saver's Award Presentation CAPE and CSEC 2018

Presentation to Top NGSA students in Region 3 Parika Branch





## STATEMENT OF CORPORATE GOVERNANCE

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

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

The Board of Directors, which governs the Company, meets monthly and comprises eight Non-Executive Directors and the Managing Director. Directors' information is included on page 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 processes 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, Ronald G. Burch - Smith and Eton M. Chester.

The Legal and Compliance Committee, which is responsible for:

- Reviewing and developing operational policies and procedures to support the implementation of effective practices to ensure the safety and soundness of the operations of the Bank in keeping with the requirements of Anti-Money Laundering and the Countering of the Financing of Terrorism (AML/CFT) legislation and international best practices.
- 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, Mr. Ronald G. Burch-Smith and Mr. Eton M. Chester

The day-to-day operations of the Bank are managed by the Managing Director with the assistance of a General Manager and a senior management team. This team, with combined experience that exceeds 120 years, has responsibility for the management and growth of the credit portfolio, branch operations and all supporting activities required for ensuring the prudent and effective management and security of the Bank's operations. Each member of the team has formal qualifications relevant to their area of responsibility and they each have in excess of eight years of experience in their respective fields. Information on the Management Team is included on page 18 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.

## REPORT OF THE DIRECTORS

The Directors submit their Annual Report and the Audited Financial Statements for the year ended 30 September 2018.

### 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

	2018 \$'000	2017 \$'000
Net Profit After Taxation	602,301	726,559
Interim Dividend	41,644	41,644
Interim Revenue Reserves	560,657	684,915
Proposed Dividend	107,084	118,982

### DIVIDENDS

The Bank paid an interim dividend of \$0.70 per share in May 2018. The Directors now recommend a final dividend of \$1.80 per share bringing the total dividend payment to \$2.50 per share, compared to \$2.70 for 2017, for a total payout of \$148.7 million.

### STATUTORY, GENERAL BANKING RISK AND REVENUE RESERVES

	2018 \$'000	2017 \$'000
Statutory reserves	594,913	594,913
General banking reserves	468,791	459,218
Revenue reserves	6,945,230	6,513,128

### DIRECTORS

The Directors of the Bank during the year ended 30 September 2018 were:

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

Directors Mr. Michael H. Pereira and Mr. Ronald G. Burch-Smith retire and being eligible, offer themselves for election.

### DIRECTORS' AND THEIR ASSOCIATES' INTEREST

The interest of the Directors holding office at 30 September 2018 and their associates in the ordinary shares of the Company were as follows:

	ORDINARY SHARES 2018 Beneficial Owned		ORDINARY SHARES 2017 Beneficial Owned	
	2018 Beneficial Associates		2017 Beneficial Associates	
Mr. Clifford B. Reis C.C.H	NIL	125,000	NIL	125,000
Mr. Wilfred A. Lee A.A.	NIL	NIL	NIL	NIL
Mr. Rakesh K. Puri	NIL	9,929,241	NIL	9,929,241
Mr. George G. Mc Donald A.A.	NIL	NIL	NIL	NIL
Mr. Michael H. Pereira	NIL	NIL	NIL	NIL
Mr. Paul A. Carto	NIL	NIL	NIL	NIL
Ms. Deenawati Panday	NIL	NIL	NIL	NIL
Mr. Ronald G. Burch-Smith	NIL	NIL	NIL	NIL
Mr. Eton M. Chester A.A., O.D.	NIL	10,001	10,001	NIL

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

### 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

	2018 Amount	2018 %	2017 Amount	2017 %
Banks DIH Limited	30,340,557	51.0	30,340,557	51.0
Continental Agencies Limited	9,929,241	16.7	9,929,241	16.7
Hand-in-Hand Pension	5,802,885	9.8	5,802,885	9.8
Hand-in-Hand Group	4,205,356	7.1	4,205,356	7.1

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

## REPORT OF THE DIRECTORS (CONT'D)

### AUDITORS

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

### CONTRIBUTION OF EACH ACTIVITY TO OPERATING PROFIT

Banking services is considered as a single business operation which includes lending, investments, foreign exchange and deposit taking. The contribution or cost of these activities to operating profits is disclosed in notes, 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 \$41.9 million (2017 - \$14.8 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 \$392.8 million owing to the Bank at 30 September 2018 (2017 - \$1,056.4 million). Of the \$392.8 million obligation, \$102.4 million are guarantees while loans total \$290.4 million (2017: \$102.2 million were guarantees, while loans were \$954.2 million).

### MATERIAL CONTRACTS AS AT 30 SEPTEMBER 2018

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 2018, 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 35 to 73.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 September 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act and the Financial Institutions Act.

### Basis for Opinion

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

### Key Audit Matters

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



## REPORT OF THE INDEPENDENT AUDITORS CONT'D

### Key audit matter

### How our audit 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 \$26.8 billion outstanding at the year end. Against this gross amount, there is a provision for impairment of \$1.5 billion at the year end.

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.

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.
- 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.

## REPORT OF THE INDEPENDENT AUDITORS CONT'D

### Other Information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and the requirements of the Companies Act and the Financial Institutions Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

## REPORT OF THE INDEPENDENT AUDITORS CONT'D

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

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

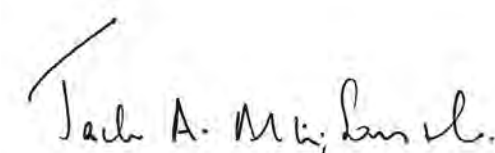
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

## REPORT OF THE INDEPENDENT AUDITORS CONT'D

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

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



JACK A. ALLI, SONS & CO.  
145 Crown Street, Queenstown,  
Georgetown, Guyana  
13 December 2018



## STATEMENT OF FINANCIAL POSITION

30 SEPTEMBER 2018

Thousands of Guyana Dollars	Note	2018	2017
<b>ASSETS</b>			
Cash and balances with Bank of Guyana	4	12,721,701	12,154,648
Amounts due from other banks	5	3,754,775	1,223,104
Investment securities	6	4,323,888	4,197,825
Loans and advances	7	25,527,124	28,181,255
Property and equipment	8	3,590,783	3,710,705
Intangible asset	9	101,704	92,947
Taxation recoverable		143,505	143,505
Deferred taxation	10	11,755	5,019
Other assets	11	307,116	263,441
<b>TOTAL ASSETS</b>		<b>50,482,351</b>	<b>49,972,449</b>
<b>LIABILITIES</b>			
Customers' deposits	12	40,903,223	40,586,097
Deferred taxation	10	55,821	59,005
Taxation payable		289,408	445,930
Other liabilities	13	589,623	668,660
<b>TOTAL LIABILITIES</b>		<b>41,838,075</b>	<b>41,759,692</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	14	594,913	594,913
Statutory reserve	15	594,913	594,913
General banking risk reserve	15	468,791	459,218
Other reserves	15	40,429	50,585
Retained earnings		6,945,230	6,513,128
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>8,644,276</b>	<b>8,212,757</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>50,482,351</b>	<b>49,972,449</b>

The notes on pages 35 to 73 form an integral part of these financial statements. The Board of Directors approved these financial statements for issue on 22 November 2018.



Clifford B. Reis  
Director



Eton M. Chester  
Director

## STATEMENT OF INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Thousands of Guyana Dollars	Note	2018	2017
<b>INTEREST INCOME</b>	<b>16</b>	2,725,802	3,134,263
<b>INTEREST EXPENSE</b>	<b>16</b>	(481,013)	(662,682)
<b>NET INTEREST INCOME</b>		2,244,789	2,471,581
<b>OTHER INCOME</b>	<b>17</b>	434,077	419,137
<b>TOTAL NET INCOME</b>		2,678,866	2,890,718
<b>OPERATING EXPENSES</b>	<b>18</b>	(1,475,364)	(1,370,977)
<b>NET IMPAIRMENT OF FINANCIAL ASSETS</b>	<b>20</b>	(194,109)	(298,174)
<b>PROFIT BEFORE TAXATION</b>		1,009,393	1,221,567
<b>TAXATION CHARGE</b>	<b>21</b>	(407,092)	(495,008)
<b>PROFIT AFTER TAXATION</b>		602,301	726,559
<b>EARNINGS PER SHARE</b>	<b>22</b>	\$10.12	\$12.21

The notes on pages 35 to 73 form an integral part of these financial statements.





## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Thousands of Guyana Dollars	2018	2017
<b>PROFIT AFTER TAXATION</b>	602,301	726,559
<b>OTHER COMPREHENSIVE INCOME:</b>		
<i>Items that may be subsequently reclassified to profit or loss.</i>		
Fair value loss on available-for-sale asset	(16,927)	(10,686)
Deferred tax credit on fair value loss on available-for-sale asset	6,771	4,275
	(10,156)	(6,411)
<b>TOTAL COMPREHENSIVE INCOME</b>	592,145	720,148

The notes on pages 35 to 73 form an integral part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Thousands of Guyana Dollars		Note	Share Capital	Statutory Reserve	General Banking Risk Reserve	Retained Earnings	Revaluation Reserve	Available-for-Sale Investments Reserve	Total
<b>For the year ended 30 September 2017</b>									
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
<b>For the year ended 30 September 2018</b>									
As at beginning of year			594,913	594,913	459,218	6,513,128	58,061	(7,476)	8,212,757
Total comprehensive income			0	0	0	602,301	0	(10,156)	592,145
Transfer to general banking risk reserve	15		0	0	9,573	(9,573)	0	0	0
Dividends paid	23		0	0	0	(160,626)	0	0	(160,626)
As at end of year			594,913	594,913	468,791	6,945,230	58,061	(17,632)	8,644,276

The notes on pages 35 to 73 form an integral part of these financial statements.



## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Thousands of Guyana Dollars	2018	2017
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	1,009,393	1,221,567
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation	255,958	232,289
(Gain) / loss on disposal of property and equipment	(4,059)	6,625
Net impairment of loans and advances	204,362	276,296
Loans and advances	2,449,769	702,162
Net impairment of investment securities	(10,253)	21,878
Reserve requirement with Bank of Guyana	137,996	95,235
Customers' deposits	317,126	(1,505,937)
Other assets	(43,675)	(135,552)
Other liabilities	(79,037)	238,530
Taxes paid	(566,763)	(92,112)
<b>NET CASH INFLOW - OPERATING ACTIVITIES</b>	<b>3,670,817</b>	<b>1,060,981</b>
<b>INVESTING ACTIVITIES</b>		
Additions to investment securities	(9,403,376)	(11,974,686)
Maturities of investment securities	9,270,639	9,278,226
Purchase of property and equipment	(94,833)	(550,571)
Purchase of intangible asset	(50,594)	(47,347)
Proceeds from sale of property and equipment	4,693	1,850
<b>NET CASH OUTFLOW - INVESTING ACTIVITIES</b>	<b>(273,471)</b>	<b>(3,292,528)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid	(160,626)	(107,084)
<b>NET CASH OUTFLOW - FINANCING ACTIVITIES</b>	<b>(160,626)</b>	<b>(107,084)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,236,720</b>	<b>(2,338,631)</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR</b>	<b>8,578,286</b>	<b>10,916,917</b>
<b>CASH AND CASH EQUIVALENTS AS AT END OF YEAR</b>	<b>11,815,006</b>	<b>8,578,286</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and non-restricted balance with Bank of Guyana	8,060,231	7,355,182
Amounts due from other banks	3,754,775	1,223,104
	<b>11,815,006</b>	<b>8,578,286</b>

The notes on pages 35 to 73 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2018

### 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 amendments and improvement to an existing standard have been published and are effective in the current financial year but do not have an impact on the Company's financial reporting.

IAS 7	Amendment - Disclosure related to financing activities
IAS 12	Amendment - Recognition of deferred tax assets
Annual improvements cycle (2014 - 2016):	
- IFRS 12	Clarification that disclosure requirements of IFRS 12 applies to interests in entities classified as held for sale

#### 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 28	Amendment - Application of IFRS 9 to interests in associates and joint ventures
IAS 40	Amendment - Transfers of assets 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



## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2018

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.1 Basis of Preparation (Cont'd)

*Pronouncements effective in future periods (Cont'd)*

Annual improvements cycle (2014 - 2016):

- IFRS 1 Removal of short-term exemptions covering transition provisions of IFRS 7, IAS 19 and IFRS 10
- IAS 28 Use of election to measure investments in associates or joint ventures at fair value through profit and loss

Annual improvements cycle (2015 - 2017):

- IAS 12 Income tax consequences of payments on financial instruments classified as equity
- IAS 23 Borrowing costs eligible for capitalisation
- IFRS 3 Measurement of interest in joint operation when control is obtained
- IFRS 11 Re-measurement when an entity obtains joint control of a business that is a joint operation

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 has determined that this standard could have a material impact on its financial statements, particularly in relation to the impairment of financial assets carried at amortised cost, with the use of an 'expected loss' model. Efforts are currently underway to develop internal systems that will allow the Company to comply with the impairment requirements of the standard. The Company will apply IFRS 9 in the financial year beginning on 01 October 2018.

*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 has determined that this standard will be applicable to its operating leases for properties. These leases will give rise to a right-of-use asset equivalent to the present value of future lease payments, initial direct costs and estimated costs for restoring the property to the condition required by the terms and conditions of the leases. A lease liability will also be recorded equivalent to the present value of future lease payments. Subsequent to initial recognition, the right-of-use asset will be depreciated while the lease liability will be adjusted for payments made and interest arising.

Efforts are currently underway to quantify the financial impacts of these changes arising from the new standard. The Company will apply IFRS 16 in the financial year beginning on 01 October 2019.

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2018

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.2 Foreign Currencies

*Functional and presentation currency*

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

*Transactions and balances*

Transactions involving foreign currencies are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions (arising on trading or otherwise) and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income. Translation differences arising on non-monetary financial assets, such as equity holdings classified as 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 2018

### 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:

- significant financial difficulties of the borrower;
- actual delinquencies;
- adverse change in the payment status of the borrower;
- 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 2018

### 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:

- original terms and purpose of facility against current balance and status;
- financial information on the borrower;
- evaluation of the project being financed;
- status of collateral including recent valuation, legal assignments and insurance;
- past record of the borrower; and
- 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 2018

### 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 Repossessed Assets

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

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2018

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.12 Share Capital and Dividends

Ordinary shares with discretionary dividends are classified as equity.

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

#### 2.13 Customers' Deposits

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

#### 2.14 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.

#### 2.15 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.

#### 2.16 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.

#### 2.17 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.

#### 2.18 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 2018

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	2018	2017
Cash in hand	1,069,886	867,737
Balance with Bank of Guyana in excess of reserve requirement	6,990,345	6,487,445
Included in cash and cash equivalents	8,060,231	7,355,182
Reserve requirement with Bank of Guyana	4,661,470	4,799,466
	<u>12,721,701</u>	<u>12,154,648</u>

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	2018	2017
Items in course of collection	35,947	75,701
Deposits held with foreign banks	3,718,828	1,147,403
	<u>3,754,775</u>	<u>1,223,104</u>

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 2018

Thousands of Guyana Dollars

### 6. INVESTMENT SECURITIES

#### Held-to-Maturity Securities

*Issued in Guyana:*

Government securities

2,693,643 2,800,842

Corporate securities

51,526 98,710

*Issued out of Guyana:*

Government securities

354,554 197,522

Corporate securities

1,231,081 1,100,994

4,330,804 4,198,068  
(208,008) (218,261)

#### Total Held-to-Maturity Securities

4,122,796 3,979,807

#### Available-for-Sale Securities

*Issued out of Guyana:*

Corporate securities

201,092 218,018

#### Total Investment Securities

4,323,888 4,197,825

### 7. LOANS AND ADVANCES

Overdrafts 1,880,632 2,191,641  
Term loans 11,526,372 12,863,835  
Mortgages 10,258,576 10,279,692  
Non-accrual accounts 3,131,236 3,837,144

26,796,816 29,172,312  
Accrued interest receivable 249,684 564,563  
Less provision for impairment (note 20) (1,519,376) (1,555,620)

25,527,124 28,181,255





## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2018

Thousands of Guyana Dollars

### 8. PROPERTY AND EQUIPMENT

	Freehold Land and Building	Leasehold Improvements	Furniture, Fixtures and Equipment	Motor Vehicles	Work in Progress	Total
<i>Cost</i>						
As at 01 October 2017	2,766,088	95	1,492,248	79,860	0	4,338,291
Additions	72,669	1,443	17,191	3,530	0	94,833
Disposals	0	0	(11,208)	(2,625)	0	(13,833)
As at 30 September 2018	2,838,757	1,538	1,498,231	80,765	0	4,419,291
<i>Accumulated Depreciation</i>						
As at 01 October 2017	(30,506)	(41)	(536,519)	(60,520)	0	(627,586)
Depreciation charge	(45,288)	(378)	(158,616)	(9,839)	0	(214,121)
Written back on disposals	0	0	10,574	2,625	0	13,199
As at 30 September 2018	(75,794)	(419)	(684,561)	(67,734)	0	(828,508)
<i>Net Carrying Amount</i>						
As at 30 September 2018	2,762,963	1,119	813,670	13,031	0	3,590,783
<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

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 \$2,691,942 (2017 - \$2,662,679) at the year end.

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2018

Thousands of Guyana Dollars

### 9. INTANGIBLE ASSET

#### Computer Software

	2018	2017
<i>Cost</i>		
As at beginning of year	468,406	421,059
Additions	50,594	47,347
As at end of year	519,000	468,406
<i>Accumulated Amortisation</i>		
As at beginning of year	(375,459)	(322,010)
Charges	(41,837)	(53,449)
As at end of year	(417,296)	(375,459)
<i>Net Carrying Amount</i>		
As at end of year	101,704	92,947

### 10. DEFERRED TAXATION

Deferred tax assets arising on:

Deferred income	0	36
Loss on investment security	11,755	4,983
	11,755	5,019

Deferred tax liabilities arising on:

Accelerated tax depreciation	39,523	42,494
Gain on revaluation of property	16,298	16,511
	55,821	59,005

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

Deferred tax assets	11,755	4,983
Deferred tax liabilities	30,283	58,792



## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2018

Thousands of Guyana Dollars

11. OTHER ASSETS	2018	2017
Accrued interest receivable	9,167	7,887
Reposessed assets	62,999	48,337
Prepayments	203,812	181,047
Miscellaneous	31,138	26,170
	<u>307,116</u>	<u>263,441</u>

### 12. CUSTOMERS' DEPOSITS

Demand deposits	10,903,364	10,287,177
Savings deposits	17,215,333	16,600,649
Time deposits	12,553,908	13,408,361
	<u>40,672,605</u>	<u>40,296,187</u>
Accrued interest payable	230,618	289,910
	<u>40,903,223</u>	<u>40,586,097</u>

#### Sectoral Analysis:

	Personal	Commercial	Government	Total
<i>As at 30 September 2018</i>				
Demand deposits	3,206,904	6,488,875	1,207,615	10,903,394
Savings deposits	10,164,928	6,943,030	139,802	17,247,760
Time deposits	1,974,350	7,936,113	2,841,606	12,752,069
	<u>15,346,182</u>	<u>21,368,018</u>	<u>4,189,023</u>	<u>40,903,223</u>

*As at 30 September 2017*

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>

13. OTHER LIABILITIES	2018	2017
Accruals	138,917	242,282
Items in the course of payment	191,746	192,750
Deferred income	114,735	119,200
Miscellaneous	144,225	114,428
	<u>589,623</u>	<u>668,660</u>

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2018

Thousands of Guyana Dollars

14. SHARE CAPITAL	2018	2017
<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	2018	2017
Interest Income:		
Loans and advances	2,630,223	3,063,245
Investment securities - earned in Guyana	53,643	56,230
Investment securities - earned out of Guyana	41,936	14,788
	<u>2,725,802</u>	<u>3,134,263</u>
Interest Expense:		
Demand deposits	9,205	10,285
Savings deposits	143,976	183,019
Time deposits	327,832	469,378
	<u>481,013</u>	<u>662,682</u>

### 17. OTHER INCOME

Fee and commission income	234,673	213,522
Gains on foreign exchange trading	152,064	194,156
Revaluation gains	26,795	0
Sundry income	20,545	11,459
	<u>434,077</u>	<u>419,137</u>



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### 18. OPERATING EXPENSES

	2018	2017
Staff costs (note 19)	416,173	399,886
Depreciation and amortisation	255,958	232,289
Operating lease rental	61,504	103,457
Auditors' remuneration (including expenses)	11,805	11,286
General administrative expenses	541,004	462,020
Other operating costs	188,920	162,039
	<u>1,475,364</u>	<u>1,370,977</u>

### 19. STAFF COSTS

Wages and salaries	352,807	315,929
Social security costs	25,655	24,481
Pension costs	9,047	8,196
Other staff costs	28,664	51,280
	<u>416,173</u>	<u>399,886</u>

### 20. PROVISION FOR IMPAIRMENT OF FINANCIAL ASSETS

#### Impairment of Loans and Advances

*Individually assessed:*

Balance as at beginning of year	1,401,699	1,320,606
Amounts written off in the year	(240,606)	(103,671)
Additional provision for the year	409,685	409,336
Reversal of provision in the year	(218,946)	(224,572)
	<u>1,351,832</u>	<u>1,401,699</u>

*Collectively assessed:*

Balance as at beginning of year	153,921	62,389
Additional provision for the year	13,623	91,532
	<u>167,544</u>	<u>153,921</u>
Balance as at end of year		
	<u>1,519,376</u>	<u>1,555,620</u>

*Total:*

#### Impairment of Investment Securities

Balance as at beginning of year	218,261	196,383
Additional provision for the year	7,920	21,878
Reversal of provision in the year	(18,173)	0
	<u>208,008</u>	<u>218,261</u>

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### 21. TAXATION

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

	2018	2017
Current tax	402,962	479,582
Deferred tax	(3,149)	13,109
Prior year adjustments	7,279	2,317
	<u>407,092</u>	<u>495,008</u>
Reconciliation of the Company's profit before taxation to the theoretical amount using the basic rate of tax:		
Profit before taxation	1,009,393	1,221,567
Corporation tax on profit at 40% (2017 - 40%)	403,757	488,627
Income not subject to tax	(88,410)	(79,347)
Expenses not deductible for tax purposes	12,358	19,794
Property and withholding taxes	72,285	63,617
Prior year adjustments	7,279	2,317
Other	(177)	0
	<u>407,092</u>	<u>495,008</u>

### 22. EARNINGS PER SHARE

Profit attributable to shareholders	602,301	726,559
Weighted average number of ordinary shares (thousands)	59,491	59,491
Basic earnings per share	<u>\$10.12</u>	<u>\$12.21</u>

### 23. DIVIDENDS PAID

Prior year final dividend paid \$2.00 per share (2017 - \$1.10)	118,982	65,440
Interim dividend paid \$0.70 per share (2017 - \$0.70)	41,644	41,644
	<u>160,626</u>	<u>107,084</u>

A final dividend in respect of 2018 of \$1.80 per share (2017 - \$2.00 per share), amounting to \$107,084 (2017 - \$118,982) is to be proposed at the annual general meeting on 22 January 2019.





## NOTES TO THE FINANCIAL STATEMENTS

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### 24. COMMITMENTS

	2018	2017
Undrawn credit facilities	909,209	796,450
Capital commitments for property and equipment		
Authorised but not contracted for	637,711	380,921
Authorised and contracted for	33,071	96,521
Capital commitments for intangible assets		
Authorised but not contracted for	46,740	14,814
Authorised and contracted for	27,427	49,425

### 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

	2018	2017
Guarantees	844,268	705,875

### 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 4 percent (2017 - 5 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 \$794,392 (2017 - \$1,332,415) or 10 percent (2017 - 17 percent) of the capital base.

	Parent Company	Other Major Shareholders	Directors	Other Key Management	Other Related Parties	Total
<b>2018</b>						
Loans and advances as at beginning of year	954,210	0	15,341	77,402	311,042	1,357,995
Reclassification	0	0	29,991	0	(29,991)	0
Advanced in the year	0	0	61,538	1,000	434,253	496,791
Repaid in the year	(663,789)	0	(21,803)	(7,551)	(324,000)	(1,017,143)
Loans and advances as at end of year	290,421	0	85,067	70,851	391,304	837,643
Guarantees as at end of year	102,351	0	26,945	5,751	8,520	143,567
Interest income	52,190	0	3,336	3,239	33,858	92,623

## NOTES TO THE FINANCIAL STATEMENTS

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### 26. RELATED PARTY TRANSACTIONS (CONT'D)

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

	Parent Company	Other Major Shareholders	Directors	Other Key Management	Other Related Parties	Total
<b>2017</b>						
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

#### (b) Customers' deposits

	Parent Company	Other Major Shareholders	Directors	Other Key Management	Other Related Parties	Total
<b>2018</b>						
Balance as at beginning of year	5,687,565	769,440	115,680	27,810	5,391,085	11,991,580
Reclassification	0	0	124	0	(124)	0
Deposits during the year	38,731,515	8,520,930	403,451	90,495	15,598,677	63,345,068
Withdrawals in the year	(38,424,763)	(8,554,542)	(374,185)	(93,753)	(14,818,343)	(62,265,586)
Balance as at end of year	5,994,317	735,828	145,070	24,552	6,171,295	13,071,062
Interest expense	11,512	4,004	1,595	302	110,169	127,582
<b>2017</b>						
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



## NOTES TO THE FINANCIAL STATEMENTS

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### 26. RELATED PARTY TRANSACTIONS (CONT'D)

#### (c) Key Management Compensation

	2018	2017
Short term benefits	76,844	74,378
Post employment benefits	2,901	2,146
	<u>79,745</u>	<u>76,524</u>

#### (d) Other Related Party Transactions

Property rent charges from parent company	53,620	58,270
Property rent charges from other related party	4,490	4,410
Professional services provided by other related parties	176	13,022
Insurance services provided by major shareholder and other related party	<u>41,522</u>	<u>35,557</u>

### 27. DIRECTORS' EMOLUMENTS

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

	2018	2017
Clifford B. Reis	1,673	1,593
Richard B. Fields (deceased 26 August 2017)	0	1,195
Rakesh K. Puri	1,369	1,304
Wilfred A. Lee	1,369	1,304
George McDonald	1,369	1,304
Michael H. Pereira	1,369	1,304
Paul A. Carto	1,369	1,304
Deenawati Panday (appointed 23 January 2017)	1,369	972
Ronald G. Burch-Smith (appointed 22 January 2018)	<u>1,014</u>	<u>0</u>
	<u>10,901</u>	<u>10,280</u>

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

## NOTES TO THE FINANCIAL STATEMENTS

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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.



## NOTES TO THE FINANCIAL STATEMENTS

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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.

	2018	2017
<i>On statement of financial position:</i>		
Cash and balances with Bank of Guyana	12,721,701	12,154,648
Amounts due from other banks	3,754,775	1,223,104
Investment securities	4,122,796	3,979,807
Loans and advances	25,527,124	28,181,255
Other financial assets	40,305	82,394
	<u>46,166,701</u>	<u>45,621,208</u>
<i>Off statement of financial position:</i>		
Guarantees	844,268	705,875
Credit commitments	909,209	796,450
	<u>1,753,477</u>	<u>1,502,325</u>
Maximum exposure to credit risk	<u>47,920,178</u>	<u>47,123,533</u>

## NOTES TO THE FINANCIAL STATEMENTS

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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:

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- Oversight from the Credit Committee of the Board of Directors.



## NOTES TO THE FINANCIAL STATEMENTS

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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.

## NOTES TO THE FINANCIAL STATEMENTS

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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.

	2018	2017
Counterparty 1	15.3%	17.6%
Counterparty 2	11.7%	15.8%
Counterparty 3	11.5%	13.9%
Counterparty 4	10.0%	13.6%
Counterparty 5	9.6%	13.5%

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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### 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 2018	Households	Services	Real Estate	Manufacturing	Mining & Quarry	Construction	Agriculture	Government	Financial	Other	Total
On statement of financial position:											
Cash and balances with Bank of Guyana	0	0	0	0	0	0	0	0	12,721,701	0	12,721,701
Amounts due from other banks	0	0	0	0	0	0	0	0	3,754,775	0	3,754,775
Investment securities	0	43,536	0	0	0	0	0	3,003,948	1,075,312	0	4,122,796
Loans and advances	873,069	7,727,215	11,031,947	1,894,983	467,138	2,537,215	351,517	0	0	644,040	25,527,124
Other financial assets	0	0	0	0	0	0	0	2,259	6,924	31,122	40,305
	873,069	7,770,751	11,031,947	1,894,983	467,138	2,537,215	351,517	3,006,207	17,558,712	675,162	46,166,701
Off statement of financial position:											
Guarantees	0	359,732	0	99,201	0	43,545	0	0	0	341,790	844,268
Credit commitments	69,928	415,619	0	124,270	5,000	62,396	0	0	0	231,996	909,209
	69,928	775,351	0	223,471	5,000	105,941	0	0	0	573,786	1,753,477
Total	942,997	8,546,102	11,031,947	2,118,454	472,138	2,643,156	351,517	3,006,207	17,558,712	1,248,948	47,920,178
Individual instruments or group of related instruments aggregating to more than 10% of capital base	0	2,289,504	0	727,472	0	937,213	0	2,489,534	15,342,224	0	21,785,947
As at 30 September 2017											
On statement of financial position:											
Cash and balances with Bank of Guyana	0	0	0	0	0	0	0	0	12,154,648	0	12,154,648
Amounts due from other banks	0	0	0	0	0	0	0	0	1,223,104	0	1,223,104
Investment securities	0	81,473	0	0	0	0	0	2,952,384	945,950	0	3,979,807
Loans and advances	719,227	7,857,760	10,966,123	2,538,983	513,418	4,564,435	364,702	0	0	656,607	28,181,255
Other financial assets	0	2,224	0	0	0	0	0	3,795	1,868	74,507	82,394
	719,227	7,941,457	10,966,123	2,538,983	513,418	4,564,435	364,702	2,956,179	14,325,570	731,114	45,621,208
Off statement of financial position:											
Guarantees	0	210,564	0	93,201	0	138,606	0	0	0	263,504	705,875
Credit commitments	14,082	494,189	0	80,118	5,000	15,962	0	0	0	187,099	796,450
	14,082	704,753	0	173,319	5,000	154,568	0	0	0	450,603	1,502,325
Total	733,309	8,646,210	10,966,123	2,712,302	518,418	4,719,003	364,702	2,956,179	14,325,570	1,181,717	47,123,533
Individual instruments or group of related instruments aggregating to more than 10% of capital base	0	3,113,266	774,599	2,117,198	0	2,138,119	0	2,589,096	12,320,483	0	23,052,761



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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 2018	Guyana	Caricom	North America	Europe	Total
On statement of financial position:					
Cash and balances with Bank of Guyana	12,721,701	0	0	0	12,721,701
Amounts due from other banks	35,946	28,419	1,464,196	2,226,214	3,754,775
Investment securities	2,737,179	310,305	0	1,075,312	4,122,796
Loans and advances	25,527,124	0	0	0	25,527,124
Other financial assets	33,019	414	0	6,872	40,305
	41,054,969	339,138	1,464,196	3,308,398	46,166,701
Off statement of financial position:					
Guarantees	844,268	0	0	0	844,268
Credit commitments	909,209	0	0	0	909,209
	1,753,477	0	0	0	1,753,477
Total	42,808,446	339,138	1,464,196	3,308,398	47,920,178

#### As at 30 September 2017

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

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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 2018	High	Standard	Special Monitoring	Total
On statement of financial position:				
Cash and balances with Bank of Guyana	12,721,701	0	0	12,721,701
Amounts due from other banks	3,754,775	0	0	3,754,775
Investment securities	3,768,956	264,481	0	4,033,437
Loans and advances	6,399,863	11,545,523	67,928	18,013,314
Other assets	8,768	31,190	347	40,305
	26,654,063	11,841,194	68,275	38,563,532
Off statement of financial position:				
Guarantees	324,543	519,512	213	844,268
Credit commitments	425,156	483,953	100	909,209
	749,699	1,003,465	313	1,753,477
Total	27,403,762	12,844,659	68,588	40,317,009



## NOTES TO THE FINANCIAL STATEMENTS

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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 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

## NOTES TO THE FINANCIAL STATEMENTS

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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
<b>As at 30 September 2018</b>					
Loans and advances	2,343,655	1,302,007	0	3,645,662	5,204,402
<b>As at 30 September 2017</b>					
Loans and advances	887,145	1,908,937	0	2,796,082	3,863,311

#### 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
<b>As at 30 September 2018</b>				
Loans and advances	5,387,522	1,351,830	4,035,692	7,147,690
Investment securities	297,367	208,008	89,359	0
<b>As at 30 September 2017</b>				
Loans and advances	6,127,687	1,401,699	4,725,988	7,311,801
Investment securities	351,773	218,261	133,512	0





## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2018

Thousands of Guyana Dollars

### 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 2018	Households	Services	Real Estate	Manufacturing	Mining & Quarry	Construction	Agriculture	Government	Financial	Other	Total
Investment securities, loans and advances	873,069	7,770,751	11,031,947	1,894,983	467,138	2,537,215	351,517	3,003,948	1,075,312	644,040	29,649,920
Impaired accounts, including non-performing accounts	91,461	2,415,404	1,689,965	386,971	130,676	105,190	369,229	90,073	155,768	250,152	5,684,889
Provision for impairment	36,931	611,517	171,949	269,927	54,686	53,763	87,587	44,250	155,768	241,006	1,727,384
As at 30 September 2017											
Investment securities, loans and advances	719,227	7,939,233	10,966,123	2,538,983	513,418	4,564,435	364,702	2,952,384	945,950	656,607	32,161,062
Impaired accounts, including non-performing accounts	348,772	2,221,777	1,949,238	690,343	121,287	477,102	401,071	98,019	155,044	16,807	6,479,460
Provision for impairment	93,116	471,540	257,280	329,106	74,196	105,890	71,000	45,980	155,044	170,729	1,773,881



## NOTES TO THE FINANCIAL STATEMENTS

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Thousands of Guyana Dollars

### 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.

	2018	2017
Real Estate	71,240	86,552
Equipment	1,995	22,695

##### 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 \$1,793,664 (2017 - \$644,590), 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 2018

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 2018	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
<b>Assets</b>						
Cash and balances						
with Bank of Guyana	12,721,701	0	0	0	0	12,721,701
Amounts due from other banks	3,754,775	0	0	0	0	3,754,775
Investment securities	889,208	2,754,015	430,732	0	249,933	4,323,888
Loans and advances	1,356,327	838,385	707,737	5,331,082	17,293,593	25,527,124
Other assets	307,127	0	3,835,981	0	11,755	4,154,863
Total assets	19,029,138	3,592,400	4,974,450	5,331,082	17,555,281	50,482,351
<b>Liabilities</b>						
Customers' deposits	33,222,888	2,851,048	4,329,670	499,617	0	40,903,223
Other liabilities	589,623	0	289,408	8,620	47,201	934,852
Total liabilities	33,812,511	2,851,048	4,619,078	508,237	47,201	41,838,075
Net liquidity gap	(14,783,373)	741,352	355,372	4,822,845	17,508,080	

#### As at 30 September 2017

<b>Assets</b>						
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
<b>Liabilities</b>						
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	



## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2018

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 2018	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	33,232,853	2,871,594	4,411,479	527,662	0	41,043,588
Other financial liabilities	474,888	0	0	0	0	474,888
Off statement of financial position:						
Guarantees	48,582	127,798	410,826	257,062	0	844,268
Credit commitments	909,209	0	0	0	0	909,209
	34,665,532	2,999,392	4,822,305	784,724	0	43,271,953

#### As at 30 September 2017

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

#### 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 2018

Thousands of Guyana Dollars

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

#### Foreign Exchange Risk (Cont'd)

	Assets	Liabilities	Net Position	% change	Impact on profit increase/ (decrease)	Impact on OCI increase/ (decrease)
As at 30 September 2018						
United States Dollar	5,597,959	2,516,997	3,080,962	1.0%	30,810	0
Trinidad & Tobago Dollar	228,299	0	228,299	1.0%	272	2,011
Eastern Caribbean Dollar	267,556	0	267,556	1.0%	2,676	0
Other	56,391	3,745	52,646	1.0%	526	0

#### As at 30 September 2017

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 Dollar	102,112	0	102,112	1.0%	1,021	0
Other	147,211	5,794	141,417	1.0%	1,414	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 2018

Thousands of Guyana Dollars

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

#### Interest Rate Risk (Cont'd)

As at 30 September 2018	Up to 1 year	Over 1 year but not over 5 years	Over 5 years	Non-interest bearing	Total
<b>Assets</b>					
Cash and balances with Bank of Guyana	0	0	0	12,721,701	12,721,701
Amounts due from other banks	26,520	0	0	3,728,255	3,754,775
Investment securities	3,872,863	0	249,933	201,092	4,323,888
Loans and advances	2,652,765	5,331,082	17,293,593	249,684	25,527,124
Other assets	0	0	0	4,154,863	4,154,863
<b>Total assets</b>	<b>6,552,148</b>	<b>5,331,082</b>	<b>17,543,526</b>	<b>21,055,595</b>	<b>50,482,351</b>
<b>Liabilities</b>					
Customers' deposits	37,027,774	499,617	0	3,375,832	40,903,223
Other liabilities	0	0	0	934,852	934,852
<b>Total liabilities</b>	<b>37,027,774</b>	<b>499,617</b>	<b>0</b>	<b>4,310,684</b>	<b>41,838,075</b>
Interest sensitivity gap	(30,475,626)	4,831,465	17,543,526		

#### As at 30 September 2017

<b>Assets</b>					
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
<b>Total assets</b>	<b>7,387,583</b>	<b>5,292,386</b>	<b>19,046,222</b>	<b>18,246,258</b>	<b>49,972,449</b>
<b>Liabilities</b>					
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
<b>Total liabilities</b>	<b>37,096,222</b>	<b>980,452</b>	<b>0</b>	<b>3,683,018</b>	<b>41,759,692</b>
Interest sensitivity gap	(29,708,639)	4,311,934	19,046,222		

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2018

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:

	2018 %	2017 %
<b>Assets</b>		
Investment securities	1.8	1.7
Loans and advances	10.5	10.3
<b>Liabilities</b>		
Customers' deposits	1.2	1.7

#### 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.

	2018	2017
<b>Regulatory Capital</b>		
Tier I Capital:		
Share capital	594,913	594,913
Statutory reserve	594,913	594,913
Retained earnings	6,945,230	6,513,128
Tier II Capital:		
Revaluation reserve	58,061	58,061
Available-for-sale investments reserve	(17,632)	(7,476)
Prescribed deduction	(101,704)	(92,947)
	<b>8,073,781</b>	<b>7,660,592</b>



## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2018

Thousands of Guyana Dollars

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

#### Capital Management (Cont'd)

	2018	2017
<b>Risk-weighted Assets</b>		
On-balance sheet	25,909,611	28,123,945
Off-balance sheet	422,134	352,937
	<u>26,331,745</u>	<u>28,476,882</u>
<b>Regulatory ratios</b>		
Tier I capital ratio	<u>30.9%</u>	<u>27.0%</u>
Total capital ratio	<u>30.7%</u>	<u>26.9%</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.

	IFRS 13 Level	2018 Carrying Amount	2018 Fair Value	2017 Carrying Amount	2017 Fair Value
<b>Assets:</b>					
Investment securities	Level 2	4,122,796	4,144,396	3,979,807	3,997,435
Loans and advances	Level 2	25,527,124	26,843,536	28,181,255	28,492,844

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 2018

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

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

ABA# 021000018

SWIFT: IRVTUS3N

A/C No. 8901413550 (USD)

### CROWN AGENTS BANK LIMITED

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

SWIFT: CRASGB2L

A/C No. 33076101 (USD)

### Canadian Dollar (CAD) TRANSACTIONS

### CROWN AGENTS BANK LIMITED

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

SWIFT: CRASGB2L

IBAN: GB88CRAS40528733076901

A/C No. 33076901 (CAD)

### Pound Sterling (GBP) TRANSACTIONS

### CROWN AGENTS BANK LIMITED

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

SWIFT: CRASGB2L

IBAN: GB41CRAS40528733076001

A/C No. 33076001 (GBP)

### Euro (EUR) TRANSACTIONS

### CROWN AGENTS BANK LIMITED

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

SWIFT: CRASGB2L

IBAN: GB08CRAS40528733076401

A/C No. 33076401 (EUR)

### Jamaican Dollar (JMD) TRANSACTIONS

### SAGICOR BANK JAMAICA LIMITED

17 Dominica Drive  
New Kingston  
Kingston 5  
Jamaica

A/C No. 0341330000159 (JMD)

## PRODUCTS AND SERVICES

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

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

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

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

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

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

**JUNIOR SAVERS ACCOUNT**  
(Special account for Children)  
Minimum opening balance \$1,000  
Receive gift on opening of account  
Interest rate above Jackpot Savings rate  
Interest accrues on minimum quarterly balance and credited twice yearly  
No service charges  
Special Incentives for educational achievements  
ATM access ... 24 hours  
Monthly Statements

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

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

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

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

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

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

**INTERNATIONAL CREDIT CARDS**  
(For Personal or Corporate Use)

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

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

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

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

**WESTERN UNION MONEY 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









## **MAIN OFFICE**

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