

Mission Statement

The Mission of Citizens Bank Guyana Inc. is to attain distinguished leadership through a team of professionals delivering innovative, superior service to our customers.

*expanding income generation
and financial security*

Business Profile

Citizens Bank with its headquarters located at 201 Camp & Charlotte Streets, Georgetown, had Assets of \$37.8 billion at September 30, 2012.

Our one hundred and thirty three (133) employees serve a customer base of more than thirty three thousand, seven hundred (33,700).

We provide retail and corporate banking services through our branch network of six (6) branches. Our 6th Branch was opened in Charity on October 29, 2012.

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



CITIZENS BANK

2012

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Notice of Annual General Meeting

Notice is hereby given that the Eighteenth Annual General Meeting of Citizens Bank Guyana Inc. will be held at the Georgetown Club Inc. 208 Camp Street, Georgetown on Tuesday, January 15, 2013 at 5.00 p.m. for the following purposes:

1. To receive the Audited Financial Statements for the year ended 30 September 2012 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 2012 and the Reports of the Directors and Auditors thereon be adopted."
2. To consider the declaration of a final Dividend of \$1.50 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 \$1.50 as recommended by the Directors in respect to the year ended 30 September 2012 be approved and paid to the shareholders on the Company's Register at the close of business on January 15, 2013."
3. To elect Directors. The Directors retiring are Mr. Wilfred A. Lee A.A, Mr. Dunstan Barrow A.A., and Mr. George G. McDonald, who being eligible offer themselves for election.

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

- 3.1) "That the Directors be elected en-bloc."
- 3.2) "That Mr. Wilfred A. Lee A.A, Mr. Dunstan Barrow A.A., and Mr. George G. McDonald, 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 \$989,880 per annum be paid to the Chairman; the remuneration of \$742,410 per annum be paid to each non-executive Director and that a Travelling Allowance for each non-executive Director be fixed at \$340,711; and that the additional sum of \$65,000 per annum be provided for additional remuneration for each Director serving on Technical Committees."

Notice of Annual General Meeting

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
201 Camp and Charlotte Streets
Lacytown, Georgetown
December 13, 2012

NOTES:

1. Please bring this notice to gain entry to the meeting. Only Shareholders may attend.
2. Any shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a shareholder.
3. To be valid, the instrument appointing a proxy must bear a G\$10.00 revenue stamp, be completed and deposited with the Secretary, Citizens Bank Guyana Inc, 201 Camp and Charlotte Streets, Lacytown, Georgetown not less than forty-eight (48) hours before the time appointed for the meeting.
4. Any body corporate or association which is a member may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the meeting.
5. A proxy form is attached for use, if desired.

Financial Highlights

FIVE YEAR FINANCIAL SUMMARY

	2012	2011	2010	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Assets	37,825,612	34,995,053	27,157,817	20,940,152	20,636,085
Loans and Advances	21,499,106	18,908,608	12,281,586	10,425,284	9,369,153
Investments	6,130,915	7,732,738	7,705,422	5,273,293	6,572,761
Deposits	32,184,203	30,570,370	23,454,562	17,917,553	17,986,880
Revenue	2,879,297	2,465,216	1,944,178	1,789,255	1,635,240
Expenses	1,957,549	1,660,514	1,409,602	1,398,460	1,197,529
Profit after Taxation	921,748	804,702	534,576	390,795	437,711
Stockholders' Equity	4,760,427	3,914,791	3,205,275	2,742,088	2,428,632
Return on Average Assets(%)	2.53	2.59	2.22	1.88	2.22
Return on Average Equity(%)	21.25	22.60	17.98	15.12	19.54
Earnings per share (Dollars)	15.49	13.53	8.99	6.57	7.36

FINANCIAL HIGHLIGHTS

	2012	2011	INC/(DEC)	%
	\$'000	\$'000	\$'000	CHANGE
BALANCE SHEET:				
Total Assets	37,825,612	34,995,053	2,830,559	8.09
Loans and Advances	21,499,106	18,908,608	2,590,498	13.70
Investments	6,130,915	7,732,738	(1,601,823)	(20.71)
Deposits	32,184,203	30,570,370	1,613,833	5.28
Stockholders' Equity	4,760,427	3,914,791	845,636	21.60

RESULTS OF OPERATIONS:

Revenue	2,879,297	2,465,216	414,081	16.80
Expenses	1,398,000	1,185,783	212,217	17.90
Profit before Taxation	1,481,297	1,279,433	201,864	15.78
Taxation	559,549	474,731	84,818	17.87
Profit after Taxation	921,748	804,702	117,046	14.55

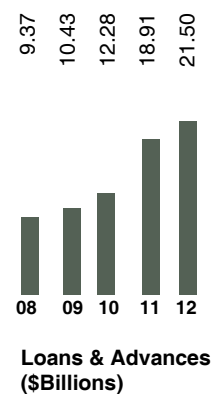
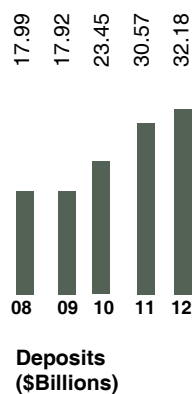
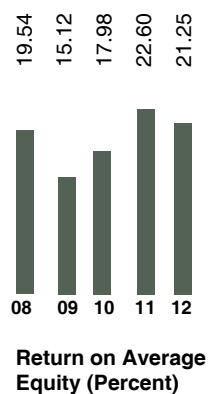
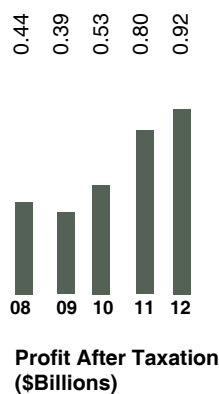
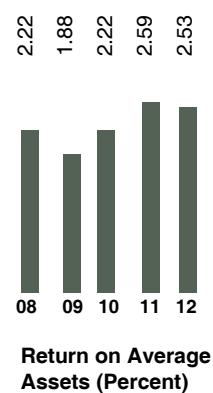
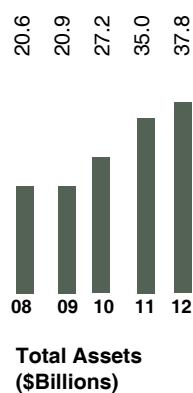
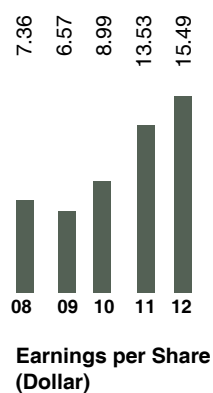
RATIOS:

Return on Average Assets(%)	2.53	2.59	(0.06)	(2.23)
Return on Average Equity(%)	21.25	22.60	(1.35)	(5.99)
Earnings per share (Dollars)	15.49	13.53	1.97	14.55

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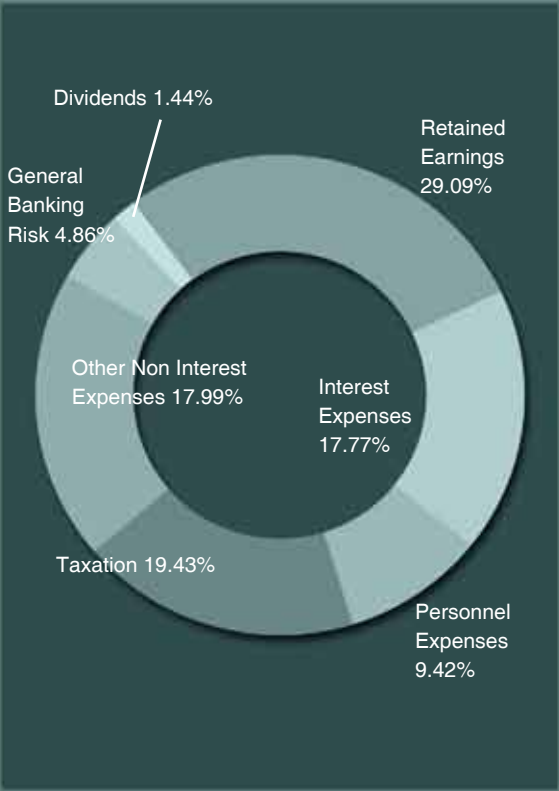
Stockholders	77	76	1	1.32
Deposit Accounts	33,751	28,366	5,385	18.98
Employees	133	94	39	41.49
Locations	5	4	1	25.00

Financial Highlights

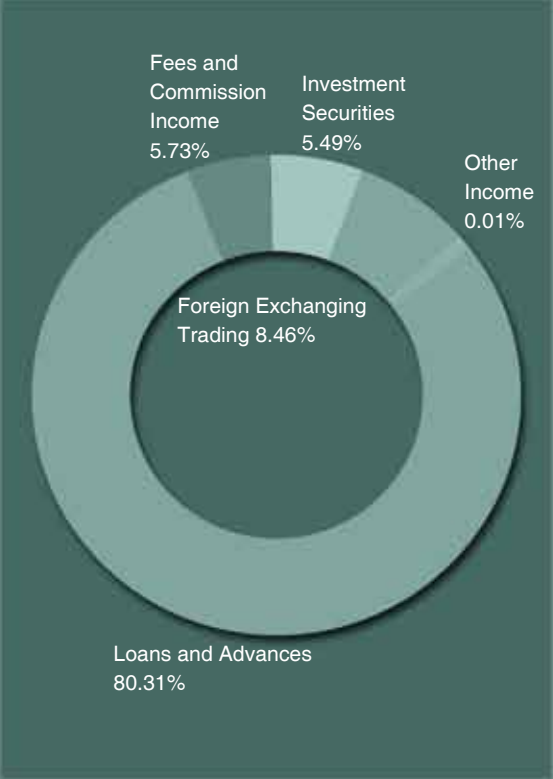


Financial Highlights

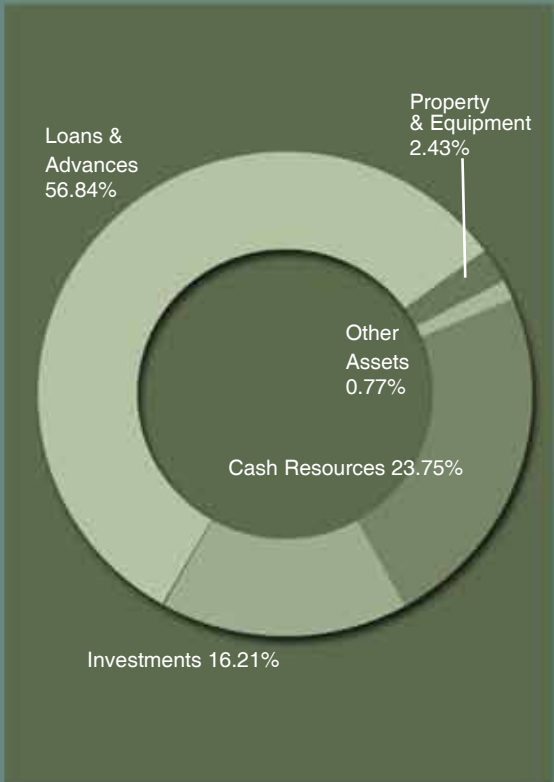
Distribution of Income



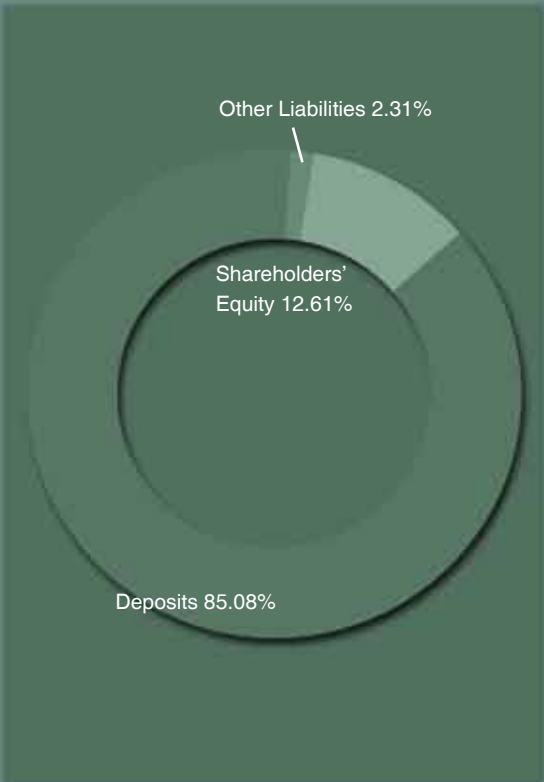
Source of Income



Assets



Liabilities & Shareholders Equity





Mr. R. B. Fields

Mr. R. K. Puri

Mr. M. H. Pereira

Mr. E. M. Chester

Mr. W. A. Lee

Board of Directors

Corporate Information

Mr. Clifford B. Reis, C.C.H., F.I.Mgt.
CHAIRMAN/MANAGING DIRECTOR – BANKS DIH LIMITED

Mr. Eton M. Chester, B.Sc.
MANAGING DIRECTOR – CITIZENS BANK GUYANA INC.

Mr. George G. McDonald, B.Sc.
ASSISTANT MANAGING DIRECTOR/MARKETING DIRECTOR – BANKS DIH LIMITED

Mr. Michael H. Pereira
OPERATIONS DIRECTOR – BANKS DIH LIMITED

Mr. Paul A. Carto
HUMAN RESOURCES DIRECTOR – BANKS DIH LIMITED

Mr. Richard B. Fields, S.C.
ATTORNEY-AT-LAW – MESSRS. HUGHES, FIELDS & STOBY

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

Mr. Rakesh K. Puri
MANAGING DIRECTOR – CONTINENTAL AGENCIES LIMITED

Mr. Dunstan Barrow, A.A., B.Sc., MBA
BUSINESSMAN



Mr. G. G. McDonald

Mr. P. A. Carto

Mr. D. Barrow

Mr. C. B. Reis

CORPORATE SECRETARY

Ms. Frances Sarah Parris, B.Sc.

GENERAL MANAGER – CITIZENS BANK GUYANA INC.

REGISTERED OFFICE

201 Camp & Charlotte Streets, 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

Branches Management & Staff



MAIN OFFICE

201 Camp & Charlotte
Streets, Georgetown
Tel: (592) 226-1705-9
Fax: (592) 226-1719

PARIKA

298 Parika Highway
East Bank Essequibo
Tel: (592) 260-4005-8
Fax: (592) 260-4004

BARTICA

16 First Avenue
Bartica, Essequibo
Tel: (592) 455-3012-5
Fax: (592) 455-3016

THIRST PARK

Banks DIH Complex
Mandela Avenue,
Thirst Park, Georgetown
Tel: (592) 223-7659

LINDEN

Lot 11-12 Republic Avenue
and Crabwood Street, Linden
Tel: (592) 444-2938
Fax: (592) 444-2972



MANAGEMENT & STAFF
MAIN OFFICE
PARIKA, BARTICA
THIRST PARK
LINDEN



Chairman's Report

The local economy is expected to continue on its growth path during the remainder of 2012 through 2013 and is projected to grow by 3.7% in 2012 and by 5.0% in 2013.



ECONOMIC REVIEW

In spite of a moderate growth of 3.6% for the first six months of 2012, global economies remained weak as the ongoing debt crisis of the euro zone and its effect on these economies has impacted negatively on investors' confidence as the sovereign debt crisis continues to be the main concern for European financial markets.

The United States economy is not without its challenges with its sovereign credit being downgraded and the economy is still susceptible to sloth in the global economy resulting from the European debt crisis.

The Guyana economy recorded real economic growth of 2.8% the first six months of 2012, on account of the performance of the mining and quarrying and services sectors. The agriculture and manufacturing sectors' performances were not as anticipated and this led to lower than anticipated economic growth recorded.

The agriculture, mining and quarrying, manufacturing and services sectors, increased investment and spending and higher commodity prices for rice and gold were the main contributors to the improved performance.

The rate of inflation for 2012 is projected at 4.8% and during the first six months of 2012, inflation was recorded at 1.8% due to relatively stable fuel and food prices.

The value of the Guyana dollar has remained relatively stable to the United States dollar during the review period depreciating moderately by 0.3%.

BANKING SECTOR

Our local banking system remained very sound and stable with commercial banks reporting higher levels of capital and profits. Banks however continue to face challenges in their quest for viable lending and investing opportunities.

Deposits at the commercial banks increased by 13.3% to \$301.9 billion; private sector deposits which grew by 15.4% to \$249.8 billion accounted for 82.7% of total banking sector deposits.

Total loans and advances, grew by 21.4% to \$152.4 billion at September 30, 2012 with credit to the private sector increasing by 19.1% to \$101.7 billion.

The level of liquidity in the banking sector remained very high and at September 30, 2012, banking sector reserve requirements were exceeded by 30.5% while liquid assets of the sector exceeded the requirements amount by 83.8%.

At September 30, 2012, outstanding treasury bills totalled \$87.8 billion, a decline of 8.7% over 2011 with commercial banks holding \$68.3 billion or 77.8%. The Bank of Guyana continues to use the auction of Treasury Bills as its monetary tool to mop up the excess liquidity in the sector.

The 91 day Treasury Bill rate, used as a market reference, declined to 1.5% at September 30, 2012, as a result of the high excess liquidity and competitive bidding, compared to 2.1% at September 30, 2011.

The weighted average lending rate declined from 11.6% to 11.4% at September 30, 2012 while the average savings rate was 1.7% at September 30, 2012, compared to 2.1 % as at September 2011.

PERFORMANCE OF THE BANK

I am pleased to report that Citizens Bank Guyana Inc has completed another good year by recording a profit after taxation of \$921.7 million compared to \$804.7 million the previous year representing an increase of \$117.0 million or 14.5%.

This performance was accomplished inspite of the many challenges in the market including high liquidity, lower interest rates and intensive competition amongst lending institutions and was accomplished through the growth of our loans portfolio as the bank continues to invest in the development of the local economy and management of our expenses.

During the year, growth was also recorded for deposits, total assets, and revenues which grew by 5.3%, 8.1% and 16.8% respectively.

Net Income for the year ended September 30, 2012 was \$2.0 billion compared to \$1.5 billion the

prior year, an increase of 33.1% and Profit before Taxation was \$1.5 billion in 2012 compared to \$1.3 billion for the previous year, an increase of 15.8%.

The annualised return on average assets was 2.5% while the return on shareholders' equity was 21.3% compared to 2.6% and 22.6% respectively the prior year.

The bank's loan portfolio remains sound and continues to perform well inspite of the various challenges experienced by our customers during 2012 that required us working closely to minimise the impact on our overall portfolio. Non-performing loans at September 30, 2012 represented 4.4% of our total loan portfolio compared to 1.6% at September 30, 2011. This ratio continues to compare favourably with the consolidated banking sector ratio of 5.6%.

During 2012 the Bank's shares were last traded on the local stock exchange at a price of \$70.00 per share up from \$65.00 per share as was recorded in the previous year. This confirms investors' confidence in the Bank's performance and growth potential.

GROWTH INITIATIVES

The local financial environment will continue to be characterised by intense competition amongst commercial banks and other financial institutions as it is anticipated that the high level of excess liquidity will continue in 2013 amidst relatively limited lending and investing opportunities. To succeed, we will have to be creative and our initiatives will focus on ensuring we offer our existing and potential clients unmatched customer service and products.

During 2013, the Bank will renew our commitment to focus on our customers' convenience and this will see the continuation of the expansion of our branch network and an application will be submitted to the Bank of Guyana for the establishment of a strategically located new branch, in addition to our recently opened Charity Branch as we continue our effort to provide the people of various communities across Guyana with access to our suite of modern banking products and services.

During 2013, the Bank will commence construction of a modern state-of-the-art building which will house its main branch and corporate offices. When completed, customers and staff will be able to conduct the banking business in an enabling environment.

Continued emphasis will be placed on our risk assessment to ensure that best quality of loans and investments are placed on our books and the management of our expenses as this is seen as key to the growth of our bank.

Technology remains a key component of our financial and operational performances and our recent investment in upgrading our core banking applications has begun to show positive results. We will continue to invest in new technologies during 2013 brining even greater benefits to our customers and the organisation.

Our success over the years could not have been achieved without our most important asset, our employees, and during 2013 special focus will be placed on improving our human resources management capability.

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

LOOKING FORWARD TO 2013

The developed world economies are expected to record moderate growth during 2013 but many risks remain due to the ongoing debt crisis in the euro zone and the difficulties faced by the United States as a result of its susceptibility to the debt crisis in the European member countries. Strong performances are expected from the emerging economies, which will contribute to the global economy's growth.

The local economy is expected to continue on its growth path during the remainder of 2012 through 2013 and is projected to grow by 3.7% in 2012 and by 5.0% in 2013. Mining and quarrying are expected to contribute significantly to this growth as this sub-sector continues to benefit from the high gold price, increased large scale investment in gold and bauxite mining and expansion in the construction sector as is expected to continue its efforts to improve the country's infrastructures and develop new housing settlements.

The agricultural sector is also expected to contribute to the aforementioned growth through increased production of rice and paddy as prices remain high while the manufacturing sector is expected to grow from increases in the beverages and pharmaceutical industries further stimulating growth in the local economy and creating opportunities for the Bank.

An enabling environment is critical for the continued growth in our economy and we anticipate that inspite of the new dispensation in the country's political arena, co-operation amongst our representatives in parliament, shall see the continuation of a buoyant economy. Citizens Bank is committed to the development of the local banking sector and the Guyana economy despite the challenges anticipated in 2013. We are confident that our strategies for growth will enable us to attain another successful year.

DIVIDEND

In 2011, shareholders benefited from a dividend of \$1.80 per share. The bank paid an interim dividend of \$0.70 per share in May 2012. The Directors now recommend a final dividend of \$1.50 per share bringing the total dividend payment to \$2.20 per share, compared to \$1.80 per share in 2011, for a total payout of \$130.9 million.

APPRECIATION

As Chairman, I wish to again extend my sincere appreciation to all our employees as well as my colleagues on the Board of Directors for their invaluable contributions during the financial year to help achieve these results. I would also like to place on record our gratitude to our regulators.

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



Managing Director's Report

OVERVIEW

I am pleased to report that our strategies employed during the just concluded financial year ended September 30, 2012 have resulted in Citizens Bank Guyana Inc having another successful year with profits after taxation of \$921.7 million, an increase of \$117.0 million or 14.5% over the prior year.

Earnings per share were increased by 14.8% to \$15.49 compared to \$13.53 in 2011 while our book value per share increased by 21.6% to \$80.00 at September 30, 2012 from \$65.80.

During the year we were able to achieve key strategic objectives in terms of growth of loans, deposits, assets, revenue and equity inspite of the many challenges that prevailed during 2012.

RETURN ON AVERAGE ASSETS

The Bank's return on average assets was 2.5% compared to 2.6% in 2011 comparing favourably with those prevailing in the banking sector.

RETURN ON AVERAGE EQUITY

The return on average equity was 21.2% compared to 22.6% in 2011.

NET INTEREST INCOME AND OTHER INCOME

Net interest income was \$2.0 billion compared to \$1.5 billion in the prior year representing an increase of \$488.1 million or 33.1%. Increases in our loan portfolio contributed to the growth in our net interest income. Net interest income is the most significant contributor to the bank's net operating income accounting for 82.7% compared 75.5% in 2011.

Other income declined from \$478.0 million to \$409.1 million reflecting a decrease of 14.4%. Earnings from foreign currency transactions, the major contributor to other income, declined by 21.2% from \$309.2 million to \$243.5 million on account of lower spreads on transactions.

Net operating income increased by \$418.5 million or 21.5% to \$2.3 billion, compared to \$1.9 billion recorded in 2011.

NON-INTEREST EXPENSES

Non-interest expenses, which include personnel costs and operating expenses, increased by 30.5% to \$789.1 million compared to \$604.6 million for the prior year on account of increases in employees' emoluments, inflationary increase in goods and

Managing Director's Report

services, depreciation and amortisation, general administrative expenses and the cost associated with the operating of our new branch. We have recommitted towards increasing efficiency in use of our resources and controlling expenses throughout the organisation.

NET IMPAIRMENT EXPENSES

Net provision for impairment of financial assets amounted to \$97.4 million compared to \$65.3 million in 2011 and at September 30, 2012, total reserves for loan losses amounted to \$269.1 million compared to \$187.2 million in 2011 while the general banking risk reserve, which represents statutory and other loss provisions that exceed the impairment provision, amounted to \$402.2 million compared to \$262.2 million at September 30, 2011.

Asset quality remained a focal point for the Bank during 2012. However, at September 30, 2012, non-performing loans and advances totalled \$949.5 million or 4.4% of total loans and advances compared to 1.6% in 2011. The industry average for the ratio of non-performing loans to total loans at September 30, 2012 was 5.6% compared to 6.0% at September 30, 2011.

Our delinquency and charge-off ratios remain well within the banking sector average and we continue to adopt the best quality risk assessment of our loans and investments to treat with this situation.

INVESTMENT SECURITIES

Net investments at September 30, 2012 were \$6.1 billion compared to \$7.7 billion at the prior financial year end thus reflecting not only the limited investing options available and more investments in short term instruments, but the bank's focus in investing in the development of the local economy through its lending function during the year. Investments in Government of Guyana Treasury Bills continue to account for the significant portion of our investment securities and at September 30, 2012 treasury bills held amounted to \$4.5 billion representing 70.8% of total investment.

Return on our investment securities declined to 2.7% in 2012 compared to 3.4% in 2011 while income from investments represented 6.4% of interest income in 2012 compared to 14.5% in

2011 reflecting the lower returns on investments and and lower balances.

Investments accounted for 22.2% of earning assets and 16.2% of total assets, compared to 29.7% and 22.1% respectively in 2011.

LOANS AND ADVANCES

Net loans and advances increased by \$2.6 billion or 13.7% to \$21.5 billion from \$18.9 billion. Our portfolio continues to be a well diversified portfolio. During 2012 significant growth was recorded in lending to the agriculture and manufacturing, sectors which grew by 127.3% and 114.0% respectively. Loans for housing grew by 11.7% and the services sector grew by 15.2%.

Competition and the high level of liquidity continue to drive interest rates downwards and yields on our loans and advances declined to 10.6% in 2012 compared to 10.8% in 2011, while income from loans and advances represented 93.6% of interest income in 2012, compared to 85.5% in 2011 reflecting our loan portfolio growth and a decline in our investment portfolio balance and yield respectively.

Loans and advances accounted for 77.8% of earning assets and 56.8% of total assets compared to 70.9% and 50.0% respectively in 2011.

CUSTOMERS' DEPOSITS

During 2012, customers' deposits grew by 5.0% and at September 30, 2012, total deposits stood at \$32.2 billion, an increase of \$1.6 billion over the prior year.

During the year, savings deposits grew by \$1.5 billion or 11.9% to \$14.2 billion and represented 44.6% of our deposit base compared to 41.8% the prior year. Term deposits grew by \$1.9 billion while demand deposits declined by \$1.9 billion and now represent 39.2% and 16.2% of total deposits respectively compared to 34.7% and 23.5% the prior year.

SHAREHOLDERS' EQUITY

Shareholders' equity increased by \$845.6 million or 21.6% to \$4.8 billion from \$3.9 billion after the transfer of \$921.7 million from income earned in 2012.

Managing Director's Report

The capital adequacy ratio computed in accordance with Basle Committee was 23.3% at September 30, 2012, compared to 20.7% at September 30, 2011. Our risk based capital is well in excess of the required minimum risk based capital to risk weighted assets of 8.0% and the proposed 10.5% with the implementation of Basle III in January 2014 thus indicating a well capitalised bank with strong capital and high quality assets.

HUMAN RESOURCES

The contribution of our employees, the most important asset of the bank, has been key to our success over the years and during 2012, the bank recommitted to ensuring that we employ and retain a cadre of employees as a key component of the bank's strategic planning. Employee development by the bank in 2012 saw employees being trained in Customer Care, Internal Audit and Compliance, Anti-money Laundering Activities and Credit Management as we continue to strive to deliver to our customer the best possible customer care.

TECHNOLOGY

During 2012 we began to benefit from the upgrade of our core banking application and cheque processing operations. Both upgrades have resulted in improved levels of operating efficiency and along with our strengthened computer security systems, we are now positioned to provide our customers and prospective clients with a suite of modern banking products and services.

THE FUTURE

The developed world economies are expected to continue turnaround efforts during 2013, however, many risks and uncertainties remain due to the ongoing debt crisis in the euro zone and the difficulties faced by the United States.

The local economy is expected to continue on its growth path propelled by the anticipated good

performance in mining and quarrying as this sector continues to benefit from increased output and high gold price, increased large scale investment in gold and bauxite mining, and expansion in the construction sector and housing sector.

We expect 2013 to be characterised by intense competition amongst commercial banks and non-bank financial institutions as the high level of liquidity in the banking system and declining interest rates are expected to continue. We have identified customer relationship management, improved management of risk, asset quality maintenance, improved human resource management and development, and strict expenditure control as key to our success in 2013.

A recommitment to customer convenience will see the further expansion of our branch and ATM networks and construction of our new state-of-the-art corporate offices and main branch will commence in 2013, significant investments that will no doubt bring great future benefits. The launch of our e-banking service and Visa international credit and debit card respectively will be in addition to other products and services we intend to offer during fiscal 2013.

There will be challenges in fiscal 2013, but there are opportunities, and we remain confident that we have aligned our strategies such that we anticipate continued growth and expansion in the coming year.

APPRECIATION

To our customers, I express my appreciation for your support and confidence, I thank the management and staff for their support and commitment and hard work. I wish to also express my gratitude to members of our Board for their guidance and support and look forward to your continued support during the coming year.





Ms. Pramila Persaud, ACCA
Manager - Finance & Treasury

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

Ms. Denise Thompson, AICB
Senior Manager (Ag)
Human Resources & Administration

Ms. Frances S. Parris, B.Sc.
General Manager

Mr. Phillip Jaiserrisingh, Dip. Banking & Finance
Manager – Credit & Marketing

Ms. Natasha Vieira, LL.B (Hons.), LEC (Hons.)
Legal Officer

Ms. Paulette Newton-Burrowes, B.Sc.
Manager - Credit Services

Ms. Uma Joseph, ACCA Affiliate
Chief Internal Auditor

Statement on Corporate Governance

The Board of Directors of Citizens Bank Guyana Inc. is committed to maintaining the highest level of corporate governance.

The following features exist in the Company:

The Company is governed by the Board of Directors which meets monthly and comprises eight Non-Executive Directors and the Managing Director. Directors' information is included on page 9 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 Director must stand for re-election every three (3) years.

The Board of Directors has a Human Resource & Emoluments Committee, which is responsible for formalising the remuneration policy of employees, including that of the Managing Director and senior management. The current members of the Committee are Messrs. Richard B. Fields (Chairman), Clifford B. Reis, Rakesh K. Puri, Paul A. Carto and Eton M. Chester.

The Board of Directors has a Credit Committee, which is responsible for developing the credit policies and procedures. The current members of the Committee are Messrs. Rakesh K. Puri (Chairman), Wilfred A. Lee, Dunstan Barrow, George G. McDonald and Eton M. Chester.

The Board of Directors has an Audit, Finance and Risk Management Committee which is responsible for reviewing and developing operational policies and procedures. The Company also has an Internal Audit Department that monitors the operation of internal controls of the Company. The current members of the Committee are Messrs. Dunstan Barrow (Chairman), Clifford B. Reis, Wilfred A. Lee, George G. McDonald and Eton M. Chester.

The Board of Directors has a Marketing Committee which is responsible for reviewing and developing marketing plans and strategies. The current members of the Committee are Messrs. Wilfred A. Lee (Chairman), Dunstan Barrow, George G. McDonald, Michael H. Pereira and Eton M. Chester.

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.

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

Report of the Directors

The Directors submit their Annual Report and the Audited Financial Statements for the year ended 30 September 2012.

PRINCIPAL ACTIVITIES

The Bank provides a comprehensive range of banking services at five locations within Guyana. Our main office is located at Lot 201 Camp and Charlotte Streets, Lacytown, Georgetown and our branches are situated at Parika, Bartica, Linden and Georgetown. Our sixth branch at Charity on the Essequibo Coast is scheduled to open in the first quarter of the year ending 30 September 2013.

FINANCIAL HIGHLIGHTS

	2012 \$'000	2011 \$'000
Net Profit after Taxation	921,748	804,702
Transfer to Statutory Reserves	0	92,765
Transfer to General Banking Risk Reserve	140,008	211,517
Interim Dividend	41,643	35,695
Revenue Reserves	740,097	464,725
Proposed Final Dividend	89,237	71,390

DIVIDENDS

The bank paid an interim dividend of \$0.70 per share in May 2012. The Directors now recommend a final dividend of \$1.50 per share bringing the total dividend payment to \$2.20 per share, compared to \$1.80 for 2011, for total payout of \$130.9 million.

STATUTORY AND REVENUE RESERVES

Reserves held in Statutory Reserves total \$594.9 million. Revenue Reserves at 30 September 2012 totalled \$3,131.5 million.

DIRECTORS

The Directors of the Bank are:

Mr. Clifford B. Reis, C.C.H
Mr. Richard B. Fields, S.C
Mr. Rakesh K. Puri
Mr. Wilfred A. Lee, A.A
Mr. George G. McDonald

Mr. Dunstan Barrow, A.A
Mr. Michael H. Pereira
Mr. Paul A. Carto
Mr. Eton M. Chester

Directors Mr. Wilfred A. Lee, A.A, Mr. Dunstan Barrow, A.A, and Mr. George G. Mc Donald retired and being eligible, offer themselves for election.

Report of the Directors

DIRECTORS' AND THEIR ASSOCIATES' INTEREST

The interest of the Directors holding office at 30 September 2012 and their associates in the ordinary shares of the Company were as follows:

	Ordinary Shares 2012		Ordinary Shares 2011	
	Beneficial Owned	Beneficial Associates	Beneficial Owned	Beneficial Associates
Mr. Clifford B. Reis	Nil	125,000	Nil	125,000
Mr. Richard B. Fields	Nil	Nil	Nil	Nil
Mr. Wilfred A. Lee	Nil	Nil	Nil	Nil
Mr. Rakesh K. Puri	Nil	9,929,241	Nil	9,929,241
Mr. George G. McDonald	Nil	Nil	Nil	Nil
Mr. Dunstan Barrow	140,000	Nil	140,000	Nil
Mr. Michael H. Pereira	Nil	Nil	Nil	Nil
Mr. Paul A. Carto	Nil	Nil	Nil	Nil
Mr. Eton M. Chester	10,001	Nil	10,001	Nil

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

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

	2012 Amount	2012 %	2011 Amount	2011 %
Banks DIH Limited	30,340,557	51.00	30,340,557	51.00
Continental Agencies Limited	9,929,241	16.70	9,929,241	16.70
Hand-in-Hand Group	5,173,856	8.70	5,173,856	8.70
Hand-in-Hand Pension Scheme	4,615,385	7.80	4,615,385	7.80

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

AUDITORS

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

CONTRIBUTION OF EACH ACTIVITY TO OPERATING PROFIT

Banking services is considered as a single business operation which includes lending, investments, foreign exchange and deposit taking. The contribution or cost of these activities to operating profits is disclosed in notes 16, 17 and 18 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 \$47.5 million (2011 - \$86.7 million) was earned during the year.

TRANSACTIONS WITH PARENT COMPANY

Related party transactions with the Parent Company are identified in Note 26 to the financial statements.

On 28 October 2011 the Company entered an agreement with its parent company for the purchase of a property located in Georgetown for \$450 million. The transaction was completed on 23 April 2012. The property is intended to be the Company's new head office.

MATERIAL CONTRACTS AS AT 30 SEPTEMBER 2012

Citizens Bank Guyana Inc. has existing lease agreements to lease from Banks DIH Limited premises situated at Thirst Park, Georgetown, 16 First Avenue, Bartica and 11-12 Republic Avenue & Crabwood Street, Linden 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.

145 Crown Street
Queenstown
Georgetown
P.O. Box 10351
Guyana
Telephone: (592) 226-2904
Fax: (592) 225-3849
Website: www.jaasco.com

We have audited the accompanying financial statements of Citizens Bank Guyana Inc. which comprise the statement of financial position as at 30 September 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 30 to 58.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditors' Responsibility

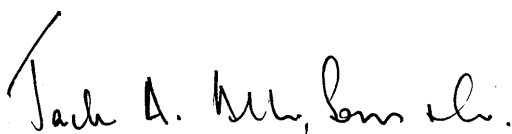
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements give a true and fair view of the financial position of Citizens Bank Guyana Inc. as at 30 September 2012 and of the financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act and the Financial Institutions Act.



JACK A. ALLI, SONS & CO.

05 December 2012

STATEMENT OF FINANCIAL POSITION

30 September 2012

Thousands of Guyana Dollars	Note	2012	2011
ASSETS			
Cash and balances with Bank of Guyana	4	7,011,436	5,189,253
Amounts due from other banks	5	1,974,354	2,653,244
Investment securities	6	6,130,915	7,732,738
Loans and advances	7	21,499,106	18,908,608
Property and equipment	8	842,932	163,931
Intangible asset	9	74,761	10,655
Taxation recoverable		3,320	3,320
Deferred taxation	10	615	1,663
Other assets	11	288,173	331,641
TOTAL ASSETS		37,825,612	34,995,053
LIABILITIES			
Customers' deposits	12	32,184,203	30,570,370
Deferred taxation	10	23,294	8,126
Taxation payable		223,248	262,700
Other liabilities	13	634,440	239,066
TOTAL LIABILITIES		33,065,185	31,080,262
SHAREHOLDERS' EQUITY			
Share capital	14	594,913	594,913
Statutory reserve	15	594,913	594,913
General banking risk reserve	15	402,161	262,153
Revaluation reserve	15	36,921	0
Retained earnings		3,131,519	2,462,812
TOTAL SHAREHOLDERS' EQUITY		4,760,427	3,914,791
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		37,825,612	34,995,053

The notes on pages 30 to 58 form an integral part of these financial statements. The Board of Directors approved these financial statements for issue on 04 December 2012.



Clifford B. Reis
Director



Eton M. Chester
Director

STATEMENT OF COMPREHENSIVE INCOME

For the Year ended 30 September 2012

Thousands of Guyana Dollars	Note	<u>2012</u>	<u>2011</u>
INTEREST INCOME	16	2,470,240	1,987,224
INTEREST EXPENSE	16	(511,499)	(515,877)
NET INTEREST INCOME		1,958,741	1,471,347
OTHER INCOME	17	409,057	477,992
TOTAL NET INCOME		2,367,798	1,949,339
OPERATING EXPENSES	18	(789,120)	(604,606)
NET IMPAIRMENT ON FINANCIAL ASSETS	20	(97,381)	(65,300)
PROFIT BEFORE TAXATION		1,481,297	1,279,433
TAXATION CHARGE	21	(559,549)	(474,731)
PROFIT AFTER TAXATION		921,748	804,702
OTHER COMPREHENSIVE INCOME:			
GAIN ARISING ON REVALUATION OF PROPERTY, NET OF TAX	8	36,921	0
OTHER COMPREHENSIVE INCOME		36,921	0
TOTAL COMPREHENSIVE INCOME		958,669	804,702
EARNINGS PER SHARE	22	\$15.49	\$13.53

The notes on pages 30 to 58 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2012

Thousands of Guyana Dollars

	Note	Share Capital	Statutory Reserve	General Banking Risk Reserve	Retained Earnings	Revaluation Reserve	Total
For the year ended 30 September 2011							
As at beginning of year		594,913	502,148	50,636	2,057,578	0	3,205,275
Total comprehensive income		0	0	0	804,702	0	804,702
Transfer to statutory reserve	15	0	92,765	0	(92,765)	0	0
Transfer to general banking risk reserve	15	0	0	211,517	(211,517)	0	0
Dividends paid	23	0	0	0	(95,186)	0	(95,186)
As at end of year		594,913	594,913	262,153	2,462,812	0	3,914,791
For the year ended 30 September 2012							
As at beginning of year		594,913	594,913	262,153	2,462,812	0	3,914,791
Total comprehensive income		0	0	0	921,748	36,921	958,669
Transfer to general banking risk reserve	15	0	0	140,008	(140,008)	0	0
Dividends paid	23	0	0	0	(113,033)	0	(113,033)
As at end of year		594,913	594,913	402,161	3,131,519	36,921	4,760,427

The notes on pages 30 to 58 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the Year ended 30 September 2012

Thousands of Guyana Dollars	2012	2011
OPERATING ACTIVITIES		
Profit before taxation	1,481,297	1,279,433
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation	77,192	39,738
Gain on disposal of property and equipment	(387)	(3,080)
Net impairment of loans and advances	83,537	26,368
Loans and advances	(2,674,035)	(6,653,390)
Net impairment of investment securities	13,844	38,932
Reserve requirement with Bank of Guyana	(244,249)	(998,069)
Customers' deposits	1,613,833	7,115,808
Other assets	43,468	(119,899)
Other liabilities	395,374	(4,623)
Taxes paid	(592,015)	(457,292)
NET CASH INFLOW - OPERATING ACTIVITIES	197,859	263,926
INVESTING ACTIVITIES		
Additions to investment securities	(5,460,641)	(18,502,830)
Maturities of investment securities	6,497,628	17,335,303
Purchase of property and equipment	(694,523)	(66,574)
Purchase of intangible asset	(84,838)	(346)
Proceeds from sale of property and equipment	5,600	7,101
NET CASH INFLOW / (OUTFLOW) - INVESTING ACTIVITIES	263,226	(1,227,346)
FINANCING ACTIVITIES		
Dividends paid	(113,033)	(95,186)
NET CASH OUTFLOW - FINANCING ACTIVITIES	(113,033)	(95,186)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	348,052	(1,058,606)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	5,136,927	6,195,533
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	5,484,979	5,136,927
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and non-restricted balance with Bank of Guyana	3,284,263	1,706,329
Amounts due from other banks	1,974,354	2,653,244
Investment securities with original maturity of less than three months	226,362	777,354
	5,484,979	5,136,927

The notes on pages 30 to 58 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2012

1. COMPANY IDENTIFICATION AND PRINCIPAL ACTIVITY

Citizens Bank Guyana Inc. was incorporated in Guyana on 02 November 1993. Its registered office is situated at 201 Camp and Charlotte Streets, 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 all 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 conform with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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.

The following changes to existing standards and interpretation have been published and are effective for the current financial period but they do not have a significant impact on the Company's financial reporting.

IAS 24	Related party disclosures (revision)
IFRS 7	Financial instruments: Disclosures (amendments)
IFRIC 14	The limit on a defined benefit asset, minimum funding requirements and their interaction (amendment)

The following new standards, changes to existing standards and interpretation have also been published but are not mandatory for the current financial period. Except for IFRS 9, they are not expected to have a significant impact on the Company's financial reporting.

IFRS 9	Financial instruments
IFRS 10	Consolidated financial statements
IFRS 11	Joint ventures
IFRS 12	Disclosures of interests in other entities
IFRS 13	Fair value measurement
IAS 1	Presentation of financial statements (amendment)
IAS 12	Income taxes (amendment)
IAS 19	Employee benefits (revision)
IAS 27	Separate financial statements (revision)
IAS 28	Investments in associates and joint ventures (revision)
IAS 32	Financial instruments: Presentation (amendment)
IFRS 7	Financial instruments: Disclosures (amendment)
IFRIC 20	Stripping costs in the production phase of a surface mine

NOTES TO THE FINANCIAL STATEMENTS

30 September 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of Preparation (Cont'd)

IFRS 9 will be effective for the financial period beginning on 01 October 2015. It sets out a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. Management is reviewing the provisions of this standard to determine the impact, if any, against current practices. The Company intends to adopt the standard in the financial period when it becomes effective.

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 and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2.3 Investment Securities

The Company classifies its investment securities, except reverse repurchase agreements (note 2.4), into the following categories: 'held-to-maturity' and 'available-for-sale'. Management determines the classification of an investment security at the time of purchase and re-evaluates this designation at every reporting date.

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 intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. No such assets were held during the year.

2.4 Reverse Repurchase Agreements

Securities purchased under agreements to resell (reverse repurchase agreements) are collateralised financing transactions. The difference between the purchase and resale price is treated as interest and accrued over the life of the agreement.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.5 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.

A loan or advance is classified as impaired when there is objective evidence that the Company will not be able to collect amounts due according to the original contractual terms of the facility (note 2.6).

2.6 Impairment of Financial Assets

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.

- i) significant financial difficulties of the borrower;
- ii) actual delinquencies;
- iii) adverse change in the payment status of the borrower;
- iv) 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 that are individually significant. 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.

Statutory and other loss provisions that exceed these amounts are dealt with as an appropriation of retained earnings to a general banking risk reserve.

When an asset is uncollectible, it is written off against the related provision for loan impairment. Recoveries in part or in full of amounts previously written-off are credited to income.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Acceptances, Guarantees and Letters of Credit

The Company's potential liability under acceptances, guarantees and letters of credit is reported as a contingent liability.

2.8 Leases

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

2.9 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.

2.10 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. 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.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.11 Intangible Asset (Computer Software)**

The costs of acquiring 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.

2.12 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 comprehensive income for all interest bearing instruments on an accrual basis using the effective interest method.

In accordance with Guyana banking regulations, where collection of interest income is considered doubtful or payment is outstanding for 90 days or more, interest is accounted for on a cash basis. IFRS 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 comprehensive income.

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

The Company provides for deferred tax using the liability method for all temporary differences arising between the tax bases of the assets and liabilities and their carrying values for financial reporting purposes. The currently enacted tax rate is used to determine deferred corporation tax. The principal temporary differences arise from depreciation on property and equipment, revaluation surplus and deferred income previously subject to taxation.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Retirement Benefit Plan

The Company operates the Citizens Bank Guyana Inc. Pension Scheme which is a defined contribution scheme. The Company's contributions are charged to the statement of comprehensive 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.

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 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.

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4. CASH AND BALANCES WITH BANK OF GUYANA	2012	2011
Cash in hand	500,556	366,630
Balance with Bank of Guyana in excess of reserve requirement	2,783,707	1,339,699
Included in cash and cash equivalents	3,284,263	1,706,329
Reserve requirement with Bank of Guyana	3,727,173	3,482,924
	7,011,436	5,189,253

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	2012	2011
Items in course of collection	344,453	605,904
Deposits held with foreign banks	1,629,901	2,047,340
	1,974,354	2,653,244

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

6. INVESTMENT SECURITIES	2012	2011
Issued in Guyana:		
Government of Guyana treasury bills	4,533,155	5,890,187
Corporate bonds	200,000	206,431
Issued out of Guyana:		
Foreign government bonds	921,905	662,203
Foreign government treasury bills	152,632	144,579
Reverse repurchase agreements	103,947	206,566
Corporate securities	488,834	878,486
	6,400,473	7,988,452
Less provision for impairment (note 20)	(269,558)	(255,714)
	6,130,915	7,732,738

Reverse repurchase agreements are collateralised mainly against securities issued by Caricom governments.

7. LOANS AND ADVANCES	2012	2011
Overdrafts	2,968,572	3,936,547
Term loans	11,091,855	8,950,384
Mortgages	6,578,869	5,753,860
Non-accrual loans and advances	949,473	302,192
	21,588,769	18,942,983
Accrued interest receivable	179,457	152,814
Less provision for impairment (note 20)	(269,120)	(187,189)
	21,499,106	18,908,608

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8. PROPERTY AND EQUIPMENT

	Freehold Land and Buildings	Leasehold Improvements	Furniture, Fixtures and Equipment	Motor Vehicles	Work in Progress	Total
<i>Cost</i>						
As at 01 October 2011	55,490	59,095	483,613	52,432	0	650,630
Additions	0	7,434	181,780	17,995	487,314	694,523
Revaluation	35,110	0	0	0	0	35,110
Disposals	0	0	(23,673)	(7,595)	0	(31,268)
As at 30 September 2012	90,600	66,529	641,720	62,832	487,314	1,348,995
<i>Accumulated Depreciation</i>						
As at 01 October 2011	(11,042)	(59,095)	(397,660)	(18,902)	0	(486,699)
Depreciation charge	(1,633)	(1,127)	(43,389)	(10,311)	0	(56,460)
Written back on revaluation	11,041	0	0	0	0	11,041
Written back on disposals	0	0	22,059	3,996	0	26,055
As at 30 September 2012	(1,634)	(60,222)	(418,990)	(25,217)	0	(506,063)
<i>Net Book Value</i>						
As at 30 September 2012	88,966	6,307	222,730	37,615	487,314	842,932

	Freehold Land and Buildings	Leasehold Improvements	Furniture, Fixtures and Equipment	Motor Vehicles	Total
<i>Cost</i>					
As at 01 October 2010	55,490	59,095	464,807	45,469	624,861
Additions	0	0	39,179	27,395	66,574
Disposals	0	0	(20,373)	(20,432)	(40,805)
As at 30 September 2011	55,490	59,095	483,613	52,432	650,630
<i>Accumulated Depreciation</i>					
As at 01 October 2010	(10,224)	(58,770)	(392,928)	(25,677)	(487,599)
Depreciation charge	(818)	(325)	(24,944)	(9,797)	(35,884)
Written back on disposals	0	0	20,212	16,572	36,784
As at 30 September 2011	(11,042)	(59,095)	(397,660)	(18,902)	(486,699)
<i>Net Book Value</i>					
As at 30 September 2011	44,448	0	85,953	33,530	163,931

During the current year the Company revalued its freehold land and building based on a valuation carried out during October 2011 by Patterson Associates on the basis of open market value. The revaluation surplus of \$46,151 is recorded in the revaluation reserve, net of an associated deferred tax charge of \$9,230, and 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 \$43,632 at the year end.

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9. INTANGIBLE ASSET

Computer Software

Cost

As at beginning of year

Additions

Disposals

As at end of year

Accumulated Amortisation

As at beginning of year

Charges

Written back on disposals

As at end of year

Net Book Value

As at end of year

2012

2011

209,428

84,838

(20,145)

274,121

(198,773)

(20,732)

20,145

(199,360)

74,761

209,082

346

0

209,428

(194,919)

(3,854)

0

(198,773)

10,665

10. DEFERRED TAXATION

Deferred tax asset arising on deferred income:

- to be recovered within 12 months

- to be recovered after 12 months

387

228

615

480

1,183

1,663

Deferred tax liability arising on tax depreciation

- to be realised after 12 months

Deferred tax liability arising on revaluation surplus

- to be realised after 12 months

14,064

9,230

23,294

8,126

0

8,126

11. OTHER ASSETS

Accrued interest receivable

Prepayments

Miscellaneous

42,422

214,522

31,229

288,173

40,292

270,835

20,514

331,641

12. CUSTOMERS' DEPOSITS

Demand deposits

Savings deposits

Term deposits

5,182,823

14,216,426

12,482,184

31,881,433

302,770

32,184,203

7,130,181

12,696,443

10,529,475

30,356,099

214,271

30,570,370

Sectoral Analysis:

Consumers

Private sector

State sector

Other

14,624,939

10,516,085

6,217,841

522,568

31,881,433

13,015,449

6,706,672

10,257,706

376,272

30,356,099

NOTES TO THE FINANCIAL STATEMENTS

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13. OTHER LIABILITIES

	2012	2011
Accrued expenses	37,283	28,194
Items in the course of payment	428,428	125,162
Deferred income	99,047	81,544
Miscellaneous	69,682	4,166
	634,440	239,066

14. SHARE CAPITAL

Authorised

83,000,000 ordinary shares of no par value

Issued and Fully Paid

59,491,300 ordinary shares of no par value

594,913	594,913
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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 is appropriated from retained earnings.

Revaluation Reserve

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

16. NET INTEREST INCOME

	2012	2011
Interest Income:		
Loans and advances	2,312,181	1,699,246
Investment securities - earned in Guyana	110,514	201,323
Investment securities - earned out of Guyana	47,545	86,655
	2,470,240	1,987,224
Interest Expense:		
Demand deposits	12,501	20,541
Savings deposits	188,001	222,499
Term deposits	310,997	272,837
	511,499	515,877

17. OTHER INCOME

Fee and commission income	165,124	161,489
Gains on foreign exchange trading	243,474	309,205
Sundry income	459	7,298
	409,057	477,992

NOTES TO THE FINANCIAL STATEMENTS

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18. OPERATING EXPENSES

	2012	2011
Staff costs (note 19)	272,266	222,636
Depreciation and amortisation	77,192	39,738
Operating lease rental	72,212	38,517
Auditors' remuneration (including expenses)	9,628	8,154
Net foreign exchange losses	0	8,083
General administrative expenses	278,990	228,742
Other operating costs	78,832	58,736
	<u>789,120</u>	<u>604,606</u>

19. STAFF COSTS

Wages and salaries	216,884	176,699
Social security costs	13,999	11,255
Pension costs	4,911	4,504
Other staff costs	36,472	30,178
	<u>272,266</u>	<u>222,636</u>

20. PROVISION FOR IMPAIRMENT OF FINANCIAL ASSETS

Impairment of Loans and Advances

Individually assessed:

Balance as at beginning of year	143,675	141,072
Amounts written off	(1,606)	(4,834)
Additional provision for the year	209,281	100,637
Reversal of provision in the year	(91,048)	(93,200)
	<u>260,302</u>	<u>143,675</u>

Collectively assessed:

Balance as at beginning of year	43,514	24,583
Additional provision for the year	0	18,931
Reversal of provision in the year	(34,696)	0
	<u>8,818</u>	<u>43,514</u>

Total:

<u>269,120</u>	<u>187,189</u>
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Impairment of Investment Securities

Balance as at beginning of year	255,714	216,782
Additional provision for the year	42,312	39,756
Reversal of provision in the year	(28,468)	(824)
	<u>269,558</u>	<u>255,714</u>

NOTES TO THE FINANCIAL STATEMENTS

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21. TAXATION

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

	2012	2011
Current taxation	552,677	475,582
Deferred corporation tax	6,986	(851)
Prior year adjustments	(114)	0
	559,549	474,731
Reconciliation of the Company's profit before taxation to the theoretical amount using the basic rate of tax:		
Profit before taxation	1,481,297	1,279,433
Corporation tax on profit at 40% (2011 - 40%)	592,519	511,773
Income not subject to tax	(73,910)	(71,533)
Expenses not deductible for tax purposes	1,940	1,165
Property and withholding taxes	39,114	34,138
Deferred tax adjustment arising from change of tax rate	0	(812)
Prior year adjustments	(114)	0
	559,549	474,731

22. EARNINGS PER SHARE

Profit attributable to shareholders	921,748	804,702
Weighted average number of ordinary shares (thousands)	59,491	59,491
Basic earnings per share	\$15.49	\$13.53

23. DIVIDENDS PAID

Prior year final dividend paid \$1.20 per share (2011 - \$1.00)	71,390	59,491
Interim dividend paid \$0.70 per share (2011 - \$0.60)	41,643	35,695
	113,033	95,186

A final dividend in respect of 2012 of \$1.50 per share (2011 - \$1.20 per share), amounting to \$89,237 (2011 - \$71,390) is to be proposed at the annual general meeting on 15 January 2013.

24. COMMITMENTS

	2012	2011
Undrawn credit facilities	816,188	598,467
Capital commitments for property and equipment		
Authorised but not contracted for	2,637,349	541,255
Capital commitments for intangible assets		
Authorised but not contracted for	21,239	6,614

NOTES TO THE FINANCIAL STATEMENTS

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25. CONTINGENCIES

Litigations

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

Guarantees and letters of credit

	2012	2011
Guarantees	615,774	1,176,302
Letters of credit	21,164	1,436,786
	636,938	2,613,088

26. RELATED PARTY TRANSACTIONS

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. A provision for impairment of \$19,157 (2011 - \$9,416) exists at the year end in respect of loans and advances outstanding to related parties. The additional provision of \$9,741 (2011 - \$9,416) was recognised as an expense in the year.

Parent Company:

	2012	2011
(i) Loans and advances		
Balance as at end of year	750,000	0
Interest income	5,498	6,122
(ii) Customers' deposits		
Balance as at end of year	2,102,362	1,898,476
Interest expense	7,981	8,038
(iii) Acceptances, guarantees and letters of credit		
Balance as at end of year	6,910	6,910
(iv) Other transactions		
Rental charged for properties	32,791	5,874
Acquisition of property	450,000	0

On 28 October 2011 the Company entered an agreement with its parent company for the purchase of a property located in Georgetown for \$450,000. The transaction was completed on 23 April 2012. The property is intended to be the Company's new head office.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2012

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26. RELATED PARTY TRANSACTIONS (CONT'D)

	2012	2011
Other Major Shareholders:		
(i) Customers' deposits		
Balance as at end of year	721,049	588,359
Interest expense	4,349	5,531
Key Management Personnel:		
(i) Loans and advances		
Balance as at end of year	337,318	333,287
Interest income	13,937	31,477
(ii) Customers' deposits		
Balance as at end of year	59,618	63,259
Interest expense	960	685
(iii) Compensation		
Short term benefits	64,658	64,688
Post employment benefits	1,472	1,500
	66,130	66,188
Other Related Parties:		
(i) Loans and advances		
Balance as at end of year	471,132	602,256
Interest income	55,326	61,764
(ii) Customers' deposits		
Balance as at end of year	1,662,473	1,378,547
Interest expense	6,750	9,214
(iii) Provision of legal services	500	0

NOTES TO THE FINANCIAL STATEMENTS

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27. DIRECTORS' EMOLUMENTS

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

	2012	2011
Clifford B. Reis	1,279	1,169
Azam A. Khan (resigned 31 January 2011)	0	317
Richard B. Fields	1,041	952
Rakesh K. Puri	1,041	952
Wilfred A. Lee	1,041	952
George McDonald	1,041	952
Dunstan Barrow	1,041	952
Michael H. Pereira	1,041	952
Paul A. Carto (appointed 28 March 2011)	1,041	477
	8,566	7,675

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

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 receivable, customers' deposits, and other liabilities.

The Company's financial assets are classified into the following categories identified in IFRS 7: held-to-maturity 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 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 receivable are classified as loans and receivables.

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.

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

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.

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.

	2012	2011
<i>On statement of financial position:</i>		
Cash and balances with Bank of Guyana	7,011,436	5,189,253
Amounts due from other banks	1,974,354	2,653,244
Investment securities	6,130,915	7,732,738
Loans and advances	21,499,106	18,908,608
Other financial assets	73,651	60,806
	36,689,462	34,544,649
<i>Off statement of financial position:</i>		
Guarantees and letters of credit	636,938	2,613,088
Credit commitments	816,188	598,467
	1,453,126	3,211,555
Maximum exposure to credit risk	38,142,588	37,756,204

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.

Thousands of Guyana Dollars

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

Credit Risk (Cont'd)

Management of loans and advances, including off balance sheet exposures

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

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

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

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.

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

Credit Risk (Cont'd)

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.

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 analyses of credit risk concentrations presented in the following tables are based on the industry in which the counterparty is engaged or 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 2012

	Households	Services	Real Estate	Manufacturing
On statement of financial position:				
Cash and balances with Bank of Guyana	0	0	0	0
Amounts due from other banks	0	0	0	0
Investment securities	0	0	0	0
Loans and advances	547,713	6,884,449	7,450,928	2,211,661
Other financial assets	0	0	0	0
	547,713	6,884,449	7,450,928	2,211,661
Off statement of financial position:				
Guarantees and letters of credit	0	141,188	0	4,000
Credit commitments	0	385,669	0	276,120
	0	526,857	0	280,120
Total	547,713	7,411,306	7,450,928	2,491,781

As at 30 September 2011

On statement of financial position:				
Cash and balances with Bank of Guyana	0	0	0	0
Amounts due from other banks	0	0	0	0
Investment securities	0	0	0	0
Loans and advances	549,291	5,977,503	6,671,520	1,033,703
Other financial assets	0	0	0	0
	549,291	5,977,503	6,671,520	1,033,703
Off statement of financial position:				
Guarantees and letters of credit	0	79,834	0	4,000
Credit commitments	3,448	467,442	14	33,781
	3,448	547,276	14	37,781
Total	552,739	6,524,779	6,671,534	1,071,484

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30 September 2012

Construction	Agriculture	Government	Financial	Other	Total
0	0	0	7,011,436	0	7,011,436
0	0	0	1,974,354	0	1,974,354
200,000	0	5,699,220	231,695	0	6,130,915
2,982,766	882,306	0	0	539,283	21,499,106
4,547	0	37,765	110	31,229	73,651
3,187,313	882,306	5,736,985	9,217,595	570,512	36,689,462
359,196	0	0	0	132,554	636,938
68,184	20,236	0	0	65,979	816,188
427,380	20,236	0	0	198,533	1,453,126
3,614,693	902,542	5,736,985	9,217,595	769,045	38,142,588
0	0	0	5,189,253	0	5,189,253
0	0	0	2,653,244	0	2,653,244
200,000	0	6,879,299	570,787	82,652	7,732,738
3,577,119	388,132	0	0	711,340	18,908,608
4,547	0	29,158	6,248	20,853	60,806
3,781,666	388,132	6,908,457	8,419,532	814,845	34,544,649
981,078	0	1,375,736	0	172,440	2,613,088
61,331	708	0	0	31,743	598,467
1,042,409	708	1,375,736	0	204,183	3,211,555
4,824,075	388,840	8,284,193	8,419,532	1,019,028	37,756,204

NOTES TO THE FINANCIAL STATEMENTS

30 September 2012

Thousands of Guyana Dollars

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

Credit Risk (Cont'd)

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

As at 30 September 2012	Guyana	Caricom	North America	Europe	Total
On statement of financial position:					
Cash and balances with					
Bank of Guyana	7,011,436	0	0	0	7,011,436
Amounts due from other banks	344,453	65,248	1,550,261	14,392	1,974,354
Investment securities	4,733,155	1,254,292	143,468	0	6,130,915
Loans and advances	21,499,106	0	0	0	21,499,106
Other financial assets	35,775	37,765	111	0	73,651
	33,623,925	1,357,305	1,693,840	14,392	36,689,462
Off statement of financial position:					
Guarantees and letters of credit	636,938	0	0	0	636,938
Credit commitments	816,188	0	0	0	816,188
	1,453,126	0	0	0	1,453,126
Total	35,077,051	1,357,305	1,693,840	14,392	38,142,588
As at 30 September 2011					
On statement of financial position:					
Cash and balances with					
Bank of Guyana	5,189,253	0	0	0	5,189,253
Amounts due from other banks	605,904	145	1,970,674	76,521	2,653,244
Investment securities	6,146,340	1,222,466	363,932	0	7,732,738
Loans and advances	18,908,608	0	0	0	18,908,608
Other financial assets	25,400	35,355	51	0	60,806
	30,875,505	1,257,966	2,334,657	76,521	34,544,649
Off statement of financial position:					
Guarantees and letters of credit	2,613,088	0	0	0	2,613,088
Credit commitments	598,467	0	0	0	598,467
	3,211,555	0	0	0	3,211,555
Total	34,087,060	1,257,966	2,334,657	76,521	37,756,204

NOTES TO THE FINANCIAL STATEMENTS

30 September 2012

Thousands of Guyana Dollars

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 2012	High	Standard	Special Monitoring	Total
On statement of financial position:				
Cash and balances with Bank of Guyana	7,011,436	0	0	7,011,436
Amounts due from other banks	1,974,354	0	0	1,974,354
Investment securities	5,039,969	1,010,146	0	6,050,115
Loans and advances	3,100,109	13,446,573	87,509	16,634,191
Other assets	69,643	0	4,008	73,651
	17,195,511	14,456,719	91,517	31,743,747
Off statement of financial position:				
Guarantees and letters of credit	9,064	627,874	0	636,938
Credit commitments	117,202	698,954	32	816,188
	126,266	1,326,828	32	1,453,126
Total	17,321,777	15,783,547	91,549	33,196,873
As at 30 September 2011				
On statement of financial position:				
Cash and balances with Bank of Guyana	5,189,253	0	0	5,189,253
Amounts due from other banks	2,653,244	0	0	2,653,244
Investment securities	7,322,649	240,815	0	7,563,464
Loans and advances	1,978,209	14,131,029	137,842	16,247,080
Other assets	53,493	341	6,972	60,806
	17,196,848	14,372,185	144,814	31,713,847
Off statement of financial position:				
Guarantees and letters of credit	1,384,606	1,228,482	0	2,613,088
Credit commitments	83,741	514,454	272	598,467
	1,468,347	1,742,936	272	3,211,555
Total	18,665,195	16,115,121	145,086	34,925,402

NOTES TO THE FINANCIAL STATEMENTS

30 September 2012

Thousands of Guyana Dollars

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

Credit Risk (Cont'd)

Financial assets that are past due but not impaired

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

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

	Up to 30 days	Between 30-60 days	More than 60 days	Total	Collateral
As at 30 September 2012					
Loans and advances	2,055,955	1,486,366	418,547	3,960,868	5,066,755
As at 30 September 2011					
Loans and advances	1,526,747	416,198	18,201	1,961,146	3,925,764

Impaired financial assets

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

	Original Carrying Amount	Impairment Provision	Revised Carrying Amount	Collateral
As at 30 September 2012				
Loans and advances	1,173,167	260,302	912,865	1,321,075
Investment securities	350,358	269,558	80,800	0
As at 30 September 2011				
Loans and advances	887,571	143,675	743,896	1,882,779
Investment securities	424,987	255,713	169,274	0

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.

	2012	2011
Equipment	15,540	3,580

During the year the Company renegotiated the terms of financial assets with a carrying value of \$49,244 (2011 - \$236,084), which would otherwise have been past due or impaired.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2012

Thousands of Guyana Dollars

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

Liquidity Risk

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

Management of Liquidity Risk

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

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

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

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 2012	Up to 1 year	Over 1 year but not over 5 years	Over 5 years	Total
Assets				
Cash and balances with Bank of Guyana	7,011,436	0	0	7,011,436
Amounts due from other banks	1,974,354	0	0	1,974,354
Investment securities	5,551,935	358,887	220,093	6,130,915
Loans and advances	4,921,172	3,288,984	13,288,950	21,499,106
Other assets	1,209,575	226	0	1,209,801
Total assets	20,668,472	3,648,097	13,509,043	37,825,612
Liabilities				
Customers' deposits	31,593,004	591,199	0	32,184,203
Other liabilities	857,688	23,294	0	880,982
Total liabilities	32,450,692	614,493	0	33,065,185
Net liquidity gap	(11,782,220)	3,033,604	13,509,043	

NOTES TO THE FINANCIAL STATEMENTS

30 September 2012

Thousands of Guyana Dollars

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

Liquidity Risk (Cont'd)

As at 30 September 2011	Up to 1 year	Over 1 year but not over 5 years	Over 5 years	Total
Assets				
Cash and balances with Bank of Guyana	5,189,253	0	0	5,189,253
Amounts due from other banks	2,653,244	0	0	2,653,244
Investment securities	7,017,620	453,730	261,388	7,732,738
Loans and advances	5,625,558	3,169,986	10,113,064	18,908,608
Other assets	509,547	1,663	0	511,210
Total assets	20,995,222	3,625,379	10,374,452	34,995,053
Liabilities				
Customers' deposits	30,250,340	320,030	0	30,570,370
Other liabilities	501,766	8,126	0	509,892
Total liabilities	30,752,106	328,156	0	31,080,262
Net liquidity gap	(9,756,884)	3,297,223	10,374,452	

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 2012	Up to 1 year	Over 1 year but not over 5 years	Over 5 years	Total
On statement of financial position:				
Customers' deposits	31,709,000	624,343	0	32,333,343
Other financial liabilities	535,393	0	0	535,393
Off statement of financial position:				
Guarantees and letters of credit	636,938	0	0	636,938
Credit commitments	816,188	0	0	816,188
	33,697,519	624,343	0	34,321,862
As at 30 September 2011				
On statement of financial position:				
Customers' deposits	30,410,516	347,472	0	30,757,988
Other financial liabilities	157,522	0	0	157,522
Off statement of financial position:				
Guarantees and letters of credit	2,613,088	0	0	2,613,088
Credit commitments	598,467	0	0	598,467
	33,779,593	347,472	0	34,127,065

NOTES TO THE FINANCIAL STATEMENTS

30 September 2012

Thousands of Guyana Dollars

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

Foreign Exchange Risk

Foreign currency exposure arises from the Company's holding of foreign denominated assets and liabilities. Management of the Company reviews and manages the risk of unfavourable exchange rate movements by constant monitoring of market trends.

To further mitigate against foreign exchange risk, the Company maintains a large percentage of its foreign - denominated assets and liabilities in stable currencies.

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).

As at 30 September 2012	Assets	Liabilities	Net Position	% change	Impact on profit increase/ (decrease)
United States Dollar	2,698,286	2,077,357	620,929	0.5%	3,105
Trinidad & Tobago Dollar	135,685	0	135,685	0.5%	678
Eastern Caribbean Dollar	253,976	0	253,976	0.5%	1,270
Barbadian Dollar	4,190	0	4,190	0.5%	21
Other	19,488	6,526	12,962	0.5%	65

As at 30 September 2011	Assets	Liabilities	Net Position	% change	Impact on profit increase/ (decrease)
United States Dollar	3,732,437	2,403,366	1,329,071	0.5%	6,645
Trinidad & Tobago Dollar	30,368	0	30,368	0.5%	152
Eastern Caribbean Dollar	144,638	0	144,638	0.5%	723
Barbadian Dollar	7,247	0	7,247	0.5%	36
Other	82,992	4,210	78,782	0.5%	394

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.

Concentration of risk

The Company's management controls this risk by constantly monitoring trends in the market and by implementing relevant strategies to hedge against any adverse movements.

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 2012

Thousands of Guyana Dollars

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

Interest Rate Risk (Cont'd)

As at 30 September 2012	Up to 1 year	Over 1 year but not over 5 years	Over 5 years	Non-interest bearing	Total
Assets					
Cash and balances with Bank of Guyana	0	0	0	7,011,436	7,011,436
Amounts due from other banks	0	0	0	1,974,354	1,974,354
Investment securities	5,551,935	358,887	220,093	0	6,130,915
Loans and advances	4,741,715	3,288,984	13,288,950	179,457	21,499,106
Other assets	0	0	0	1,209,801	1,209,801
Total assets	10,293,650	3,647,871	13,509,043	10,375,048	37,825,612
Liabilities					
Customers' deposits	29,618,566	591,199	0	1,974,438	32,184,203
Other liabilities	0	0	0	880,982	880,982
Total liabilities	29,618,566	591,199	0	2,855,420	33,065,185
Interest sensitivity gap	(19,324,916)	3,056,672	13,509,043		
As at 30 September 2011					
As at 30 September 2011	Up to 1 year	Over 1 year but not over 5 years	Over 5 years	Non-interest bearing	Total
Assets					
Cash and balances with Bank of Guyana	0	0	0	5,189,253	5,189,253
Amounts due from other banks	0	0	0	2,653,244	2,653,244
Investment securities	7,017,620	453,730	261,388	0	7,732,738
Loans and advances	5,472,744	3,169,986	10,113,064	152,814	18,908,608
Other assets	0	0	0	511,210	511,210
Total assets	12,490,364	3,623,716	10,374,452	8,506,521	34,995,053
Liabilities					
Customers' deposits	26,821,236	320,030	0	3,429,104	30,570,370
Other liabilities	0	0	0	509,892	509,892
Total liabilities	26,821,236	320,030	0	3,938,996	31,080,262
Interest sensitivity gap	(14,330,872)	3,303,686	10,374,452		

NOTES TO THE FINANCIAL STATEMENTS

30 September 2012

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 rate for monetary financial instruments:

	2012 %	2011 %
Assets		
Investment securities	2.7	3.4
Loans and advances	10.6	10.8
Liabilities		
Customers' deposits	1.9	2.1

Sensitivity analysis

As the Company's fixed rate financial instruments are carried at amortised cost, changes in market interest rates would not impact the carrying values or future income/expense from these instruments. However, in relation to the floating rate instruments with a total carrying value of \$ 101,750 (2011 - \$101,750), changes in market interest rates by 50 basis points impact profit before tax as shown in the table below.

	+ 50 basis points		- 50 basis points	
	2012	2011	2012	2011
United States Dollar	509	509	(509)	(509)

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 1 component of not less than 4%. The Company complied with the Bank of Guyana's capital requirements throughout the current year and prior year. At the end of the financial year the Company's Risk Asset Ratio was 22.91% (2011 - 20.74%).

NOTES TO THE FINANCIAL STATEMENTS

30 September 2012

Thousands of Guyana Dollars

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

Fair Values

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, in an arms-length transaction between knowledgeable willing parties.

The following table summarises the carrying amounts of financial assets and financial liabilities presented on the Company's statement of financial position and their fair values.

	Basis	2012 Carrying Amount	2012 Fair Value	2011 Carrying Amount	2011 Fair Value
<i>Financial assets:</i>					
Cash and balances					
with Bank of Guyana	A	7,011,436	7,011,436	5,189,253	5,189,253
Amounts due from other banks	A	1,974,354	1,974,354	2,653,244	2,653,244
Investment securities	B	6,130,915	6,184,781	7,732,738	7,787,644
Loans and advances	B	21,499,106	21,588,564	18,908,608	18,979,062
Other financial assets	A	73,651	73,651	60,806	60,806
<i>Financial liabilities:</i>					
Customers' deposits	A	32,184,203	32,184,203	30,570,370	30,570,370
Other financial liabilities	A	535,393	535,393	157,522	157,522

Basis of estimating fair value

A - Approximates fair value due to short-term nature of the financial instrument

B - Fair values estimated using discounted cash flows.

Based on the categorisation of the Company's financial instruments (as explained in note 2 to these financial statements), there is no fair value measurement recognised in the statement of financial position at the year end.

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.

PRODUCTS & SERVICES

REGULAR CHEQUING ACCOUNT

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

PREMIUM CHEQUING ACCOUNT

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

CORPORATE CHEQUING ACCOUNT

Minimum opening balance \$500,000
Competitive interest accrues on lowest monthly 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
ATM access ... 24 hour
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 hour
Monthly Statements

GOLDEN GRAND SAVINGS ACCOUNT

(Special account for senior citizens)
Minimum opening balance \$1,000
Interest rate above regular saving rate. Interest accrues on minimum quarterly balance and credited twice yearly
No service charge
No charge on drafts or transfers
ATM access 24 hour
Monthly Statements

JUNIOR SAVERS ACCOUNT

(Special account for Children)
Minimum opening balance \$1,000
Interest rate above regular saving rate. Interest accrues on minimum quarterly balance and credited twice yearly
No service charge
Special incentives for educational achievements
ATM access ... 24 hour
Monthly statements
Receive gift on opening of this account

MONEY MARKET ACCOUNT

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

CERTIFICATE OF DEPOSIT

Minimum deposit \$50,000
Available for terms of 60, 90 and 365 days
Interest rate is negotiable and guaranteed for a fixed period
Interest accrues daily and is paid on maturity

MONEY CARD

Open a Citizens Bank account and get your own personal money card which gives you access to state-of-the-art automated teller machines at ten (10) locations.
Deposit/Withdraw
Transfer funds between accounts
Request current account statements
Request account balances

CORPORATE BANKING SERVICES

We have expertise in:
Trade finance
Letters of Credit
Collections
Banker's acceptances
Discounting drafts
Bonds and guarantees
Commercial loans
Lines of Credit
Sweep Transfers
Loan syndications
Payroll service

RETAIL BANKING SERVICES

Consumer loans
Money lines and overdrafts
Sweep Transfers
Low income mortgage loans

FOREIGN EXCHANGE

Competitive exchange rates
Negotiation of drafts
Wire transfers
Foreign currency accounts

NIGHT DEPOSITORY

Secure bags
Secure fire proof chute

PAYMENT OF UTILITY BILLS

Pay your GT&T, GWI, Digicel and GPL bills at any of the branches of Citizens Bank Guyana Inc.

WESTERN UNION MONEY TRANSFER AGENCY

Send and receive Western Union Money Transfers at our Branches in Thirst Park, Parika, Bartica, Linden and Charity.



PRODUCTS & SERVICES:

Correspondent Banks

United States Dollar (USD) Transaction

BANK OF AMERICA

100 S.E. 2nd Street, 14th Fl
Miami, Florida 33131, U.S.A.
SWIFT: BOFAUS3N
ABA No. 026009593

A/C No. 1901-6-83601

Euro (EUR) Transaction

BANK OF AMERICA NA.

2 King Edward Street
London, EC1A 1HQ, United Kingdom
IBAN: GB12BOFA16505020597029
SWIFT: BOFAGB22
Branch Code: 6008

A/C No. 20597029

Canadian Dollar (CAD) Transaction

BANK OF AMERICA NA.; CANADA BRANCH

200 Front Street, West 26th Floor
Toronto, Ontario, M5V 3L2, Canada
SWIFT: BOFACATT
SORT CODE: 024156792
Financial Institution Code: 241
Transit Branch No.: 56792

A/C No. 49545206

Jamaican Dollar (JMD) Transaction

RBC ROYAL BANK (JAMAICA) LIMITED

17 Dominica Drive
New Kingston
Kingston 5
Jamaica
SWIFT: RBTTJMKNXXX

A/C No. 0341330000159

Pound Sterling (GBP) Transaction

BANK OF AMERICA NA.

2 King Edward Street
London, EC1A 1HQ, United Kingdom
IBAN: GB13 BOFA 1650 5020 5970 11
SWIFT: BOFAGB22
Branch Code: 6008

A/C No. 20597011

Correspondent
Correspondent

Banks: Correspondent
Banks: Correspondent
Banks: Correspondent
Banks: Correspondent

notes

CITIZENS BANK PROXY FORM

This form is for use by shareholders only.

I/We

of

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

of

or, failing him/her

of

as my/our proxy to vote for my/our behalf at the annual general meeting of the Company to be held on

..... and at any adjournment thereof.

Signed this day of 2013. Signature

(Strike out which is not desired)

1. To receive the Report of the Directors and the Audited Financial Statements for the year ended 30 September 2012.

IN FAVOUR OF	AGAINST
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2. To approve the declaration of a dividend.

IN FAVOUR OF	AGAINST
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3. To Elect Directors

Mr. Wilfred A. Lee, A.A.

Mr. Dunstan Barrow, A.A.

Mr. George G. McDonald

IN FAVOUR OF	AGAINST
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IN FAVOUR OF	AGAINST
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IN FAVOUR OF	AGAINST
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4. To fix the remuneration of the Directors.

IN FAVOUR OF	AGAINST
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5. To re-appoint the incumbent Auditors.

IN FAVOUR OF	AGAINST
--------------	---------

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

IN FAVOUR OF	AGAINST
--------------	---------

Please give the following information in block capitals:

Full name:

Address:

Initials and Surname of any joint holder(s)

Notes:

1. Unless otherwise instructed, the proxy will, at his/her discretion, vote as he/she thinks fits or abstain from voting.

2. Votes by proxy may be given only on a poll.

* If desired, the Chairman of the meeting may be appointed as proxy.

