



CITIZENS BANK

INTERIM FINANCIAL
STATEMENTS
2014

INTERIM REPORT

For the Half Year Ended 31 March 2014

CHAIRMAN'S REPORT

Citizens Bank Guyana Inc. recorded a Profit After Taxation for the six months ended March 31, 2014 of \$500.6 million compared to \$475.6 million for the corresponding period last year representing a 5.3% increase.

Interest Income for the six-month period was \$1.4 billion, while Interest Expense was \$233.5 million, resulting in Net Interest Income of \$1.1 billion compared to \$1.0 billion for the corresponding period last year. Other Income was \$203.3 million, resulting in a surplus before Non-interest Expenses of \$1.3 billion; this represents an increase of \$132.0 million or 11.0% over the corresponding period last year.

Operating Expenses were \$508.0 million compared to \$475.0 million for the corresponding period last year. Inflationary increase in goods and services was the major contributor to the 6.9% increase in our operating expenses.

Earnings per share for the six-month period were \$8.41 compared to \$7.99 for the same period in 2013.

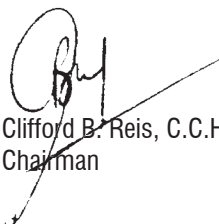
At March 31, 2014, the net loans and advances balance was \$26.0 billion, compared to \$23.1 billion at March 31, 2013. Provision for Loan Losses totalled \$335.8 million at March 31, 2014 compared to \$276.4 million at March 31, 2013. Net investments were \$7.1 billion, compared to \$6.7 billion at March 31, 2013.

Total deposits balance was \$35.5 billion, compared to \$33.3 billion at March 31, 2013.

The Board of Directors has approved an Interim Dividend of \$0.70 per share the same as the corresponding period in 2013.

The remaining six months of our financial year will undoubtedly be challenging. Citizens Bank Guyana Inc is however, optimistic that with prudent management, we will record a satisfactory performance that will result in increased shareholder value.

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



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

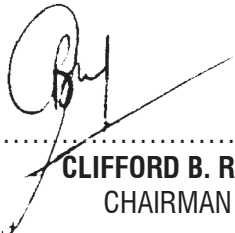
Thousand of Guyana Dollars	Unaudited For the three months ended 31-Mar-14	Unaudited For the three months ended 31-Mar-13	Unaudited For the six months ended 31-Mar-14	Unaudited For the six months ended 31-Mar-13	Audited For the year ended 30-Sep-13
INTEREST INCOME	694,829	635,976	1,355,940	1,274,447	2,633,786
INTEREST EXPENSE	(118,497)	(120,322)	(233,485)	(254,340)	(483,502)
NET INTEREST INCOME	576,332	515,654	1,122,455	1,020,107	2,150,284
OTHER INCOME	119,997	90,783	203,331	173,721	375,968
TOTAL NET INCOME	696,329	606,437	1,325,786	1,193,828	2,526,252
OPERATING EXPENSES	(252,021)	(227,282)	(508,051)	(475,042)	(927,536)
NET IMPAIRMENT ON FINANCIAL ASSETS	(6,980)	31,255	(16,341)	27,601	3,424
PROFIT BEFORE TAXATION	437,328	410,410	801,394	746,387	1,602,140
TAXATION CHARGE	(164,054)	(145,309)	(300,816)	(270,792)	(598,205)
PROFIT AFTER TAXATION	273,274	265,101	500,578	475,595	1,003,935
EARNINGS PER SHARE	\$4.59	\$4.46	\$8.41	\$7.99	\$16.88

CITIZENS BANK GUYANA INC.
Statement of Comprehensive Income
For the Half Year Ended 31 March 2014

Thousand of Guyana Dollars	Unaudited For the three months ended 31-Mar-14	Unaudited For the three months ended 31-Mar-13	Unaudited For the six months ended 31-Mar-14	Unaudited For the six months ended 31-Mar-13	Audited For the year ended 30-Sep-13
PROFIT AFTER TAXATION	273,274	265,101	500,578	475,595	1,003,935
OTHER COMPREHENSIVE INCOME:					
<i>Net items that will not be reclassified to profit or loss:</i>					
DEFERRED TAX CHARGE ON REVALUATION OF PROPERTY	0	0	0	0	(3,409)
<i>Net items that may be subsequently reclassified to profit or loss:</i>					
NET (LOSS) / GAIN ARISING ON AVAILABLE - FOR- SALE INVESTMENTS	(829)	(8,343)	1,658	(8,343)	(7,930)
DEFERRED TAX CREDIT ON FAIR VALUE LOSSES ON AVAILABLE - FOR SALE - ASSET	332	0	(663)	0	3,173
OTHER COMPREHENSIVE INCOME	(497)	(8,343)	995	(8,343)	(8,166)
TOTAL COMPREHENSIVE INCOME	272,777	256,758	501,573	467,252	995,769

Thousand of Guyana Dollars	Unaudited As At 31-Mar-14	Unaudited As At 31-Mar-13	Audited As At 30-Sep-13
ASSETS			
Cash and balances with Bank of Guyana	5,248,972	6,537,373	5,242,774
Amounts due from other banks	2,343,387	1,207,842	1,585,047
Investment securities	7,073,660	6,733,772	8,725,383
Loans and advances	26,028,430	23,132,140	23,670,913
Other assets	1,650,348	1,373,151	1,461,380
TOTAL ASSETS	42,344,797	38,984,278	40,685,497
LIABILITIES			
Customers' deposits	35,501,406	33,262,069	34,173,834
Other liabilities	817,638	583,767	886,348
TOTAL LIABILITIES	36,319,044	33,845,836	35,060,182
SHAREHOLDERS' EQUITY			
Share capital	594,913	594,913	594,913
Statutory reserve	594,913	594,913	594,913
Other reserves	29,750	28,578	28,755
General banking risk reserve	265,461	402,161	265,461
Retained earnings	4,540,716	3,517,877	4,141,273
TOTAL SHAREHOLDERS' EQUITY	6,025,753	5,138,442	5,625,315
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	42,344,797	38,984,278	40,685,497

On behalf of the Board of Directors



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CLIFFORD B. REIS
CHAIRMAN



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ETON M. CHESTER
MANAGING DIRECTOR

Thousand of Guyana Dollars	Share Capital	Statutory Reserve	Revaluation Reserve	Investment Revaluation Reserve	General Banking Risk Reserve	Retained Earnings	Total
For the three months ended 31 March 2013							
As at beginning of period	594,913	594,913	36,921	0	402,161	3,342,013	4,970,921
Total comprehensive income	0	0	0	(8,343)	0	265,101	256,758
Dividend paid	0	0	0	0	0	(89,237)	(89,237)
As at end of period	594,913	594,913	36,921	(8,343)	402,161	3,517,877	5,138,442
For the three months ended 31 March 2014							
As at beginning of period	594,913	594,913	33,512	(3,265)	265,461	4,368,577	5,854,111
Total comprehensive income	0	0	0	(497)	0	273,274	272,777
Dividend paid	0	0	0	0	0	(101,135)	(101,135)
As at end of period	594,913	594,913	33,512	(3,762)	265,461	4,540,716	6,025,753
For the six months ended 31 March 2013							
As at beginning of period	594,913	594,913	36,921	0	402,161	3,131,519	4,760,427
Total comprehensive income	0	0	0	(8,343)	0	475,595	467,252
Dividend paid	0	0	0	0	0	(89,237)	(89,237)
As at end of period	594,913	594,913	36,921	(8,343)	402,161	3,517,877	5,138,442
For the six months ended 31 March 2014							
As at beginning of period	594,913	594,913	33,512	(4,757)	265,461	4,141,273	5,625,315
Total comprehensive income	0	0	0	995	0	500,578	501,573
Dividend paid	0	0	0	0	0	(101,135)	(101,135)
As at end of period	594,913	594,913	33,512	(3,762)	265,461	4,540,716	6,025,753

Thousand of Guyana Dollars	Unaudited For the three months 31-Mar-14	Unaudited For the three months ended 31-Mar-13	Unaudited For the six months ended 31-Mar-14	Unaudited For the six months ended 31-Mar-13	Audited For the year ended 30-Sep-13
OPERATING ACTIVITIES					
Profit before taxation	437,328	410,410	801,394	746,387	1,602,140
Adjustments to reconcile net profit to net cash provided by operating activities:					
Adjustment for non - cash items	27,451	24,866	53,392	48,269	101,531
Increase in operating assets	(627,537)	(667,484)	(2,543,397)	(1,733,869)	(2,103,258)
Increase / (decrease) in operating liabilities	392,830	(70,450)	1,220,905	858,808	1,999,929
Reserve requirement with Bank of Guyana	(288,758)	(54,929)	(133,005)	(138,737)	(211,697)
Taxes paid	(134,933)	(238,062)	(263,513)	(348,949)	(606,187)
NET CASH (OUTFLOW) / INFLOW - OPERATING ACTIVITIES	(193,619)	(595,649)	(864,224)	(568,091)	782,458
INVESTING ACTIVITIES					
Net movement of investment securities	(210,979)	915,039	1,656,017	(610,599)	(2,545,333)
Purchase of property and equipment	(54,990)	(5,569)	(57,325)	(111,913)	(476,329)
Proceeds from sale of property and equipment	350	0	350	1,128	2,088
NET CASH (OUTFLOW) / INFLOW- INVESTING ACTIVITIES	(265,619)	909,470	1,599,042	(721,384)	(3,019,574)
FINANCING ACTIVITIES					
Dividends paid	(101,135)	(89,237)	(101,135)	(89,237)	(130,881)
NET CASH OUTFLOW - FINANCING ACTIVITIES	(101,135)	(89,237)	(101,135)	(89,237)	(130,881)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(560,373)	224,584	633,683	(1,378,712)	(2,367,997)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD	4,311,038	3,881,683	3,116,982	5,484,979	5,484,979
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3,750,665	4,106,267	3,750,665	4,106,267	3,116,982

1 ACCOUNTING POLICIES

These interim financial statements were prepared to comply with Supervision Guideline 10 as issued by the Bank of Guyana. The accounting policies used are consistent with those applied in the annual financial statements for the year ended 30 September 2013.

2 TAXATION

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

3 DIRECTORS' INTEREST

	Ordinary Shares of No Par Value	
	Beneficial Interest	Associate's Beneficial Interest
Clifford B. Reis	Nil	125,000
Rakesh K. Puri	Nil	9,929,241
Dunstan Barrow	140,000	Nil
Eton M. Chester	10,001	Nil

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

4 SUBSTANTIAL SHAREHOLDERS

	Ordinary Shares of No Par Value
Banks DIH Limited	30,340,557
Continental Agencies Limited	9,929,241
Hand - in - Hand Group	5,223,856
Hand - in - Hand Pension Scheme	4,615,385

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

5 RELATED PARTY BALANCES AND TRANSACTIONS

	As At 31-Mar-14 \$'000	As At 31-Mar-13 \$'000	As At 30-Sep-13 \$'000
Loans	1,370,332	1,499,453	1,460,956
Deposits	5,965,462	4,377,686	5,547,469
Letters of Credit & Guarantees	229,928	12,144	110,770
	For Half Year Ended 31-Mar-14 \$'000	For Half Year Ended 31-Mar-13 \$'000	For Year Ended 30-Sep-13 \$'000
Interest Income	63,634	97,842	162,434
Interest Expense	11,067	13,404	74,671

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

6 INTRA - GROUP OBLIGATIONS

Banks DIH Limited, the parent company of Citizens Bank Guyana Inc, has outstanding obligations comprising of loans, letters of credit and guarantees totalling \$890.0 million owing to the Bank as at 31 March 2014 (31 March 2013: \$733.8 million). Of the \$890.0 million obligations, \$219.7 million are letters of credit and guarantees while loans total \$670.3 million, (31 March 2013: \$12.1 million were guarantees while loans totalled \$721.7 million). These obligations are included in balances shown in the Note (5). The collateral securing the credit facilities have been perfected.

7 CAPITAL COMMITMENTS

	As At 31-Mar-14 \$'000	As At 31-Mar-13 \$'000	As At 30-Sep-13 \$'000
Capital commitments for property and equipment:			
Authorised but not contracted for	1,108,377	1,982,565	1,382,085
Authorised and contracted for	273,053	0	202,358