



CITIZENS BANK

INTERIM FINANCIAL  
STATEMENTS  
2015

# INTERIM REPORT

For the Half Year Ended 31 March 2015

## CHAIRMAN'S REPORT

Citizens Bank Guyana Inc. recorded a Profit After Taxation for the six months ended March 31, 2015 of \$459.4 million compared to \$500.6 million for the corresponding period last year.

Interest Income for the six-month period was \$1.4 billion, while Interest Expense was \$286.6 million, resulting in Net Interest Income of \$1.2 billion compared to \$1.1 billion for the corresponding period last year. Other Income was \$236.6 million, resulting in a surplus before Non-interest Expenses of \$1.4 billion; this represents an increase of \$72.3 million or 5.0% over the corresponding period last year.

Operating Expenses were \$562.0 million compared to \$508.0 million for the corresponding period last year. Expenses associated with our branch expansion and inflationary increase in goods and services were the major contributors to the 11.0% increase in our operating expenses.

Earnings per share for the six-month period were \$7.72 comparison to \$8.41 for the same period in 2014.

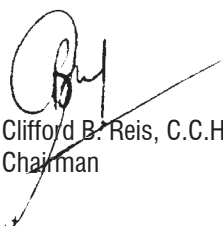
At March 31, 2015, the net loans and advances balance was \$31.8 billion, compared to \$26.0 billion at March 31, 2014. Provision for Loan Losses totalled \$539.2 million at March 31, 2015 compared to \$335.8 million at March 31, 2014. Net investments were \$0.9 billion, compared to \$7.1 billion at March 31, 2014.

Total deposits balance was \$34.7 billion, compared to \$35.5 billion at March 31, 2014.

The Board of Directors has approved an Interim Dividend of \$0.70 per share the same as the corresponding period in 2014.

The remaining six months of our financial year will continue to present many challenges. Citizens Bank Guyana Inc is however, optimistic that with prudent management, we will record a satisfactory performance that will result in increased shareholders 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

# CITIZENS BANK GUYANA INC.

## Statement of Income

For the Half Year Ended 31 March 2015

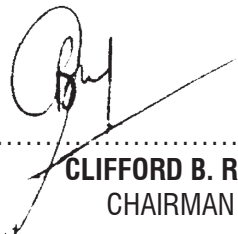
Thousand of Guyana Dollars	Unaudited For the three months ended 31-Mar-15	Unaudited For the three months ended 31-Mar-14	Unaudited For the six months ended 31-Mar-15	Unaudited For the six months ended 31-Mar-14	Audited For the year ended 30-Sep-14
INTEREST INCOME	690,293	694,829	1,448,166	1,355,940	2,850,484
INTEREST EXPENSE	(142,546)	(118,497)	(286,639)	(233,485)	(479,148)
<b>NET INTEREST INCOME</b>	<b>547,747</b>	<b>576,332</b>	<b>1,161,527</b>	<b>1,122,455</b>	<b>2,371,336</b>
OTHER INCOME	99,384	119,997	236,574	203,331	366,945
<b>TOTAL NET INCOME</b>	<b>647,131</b>	<b>696,329</b>	<b>1,398,101</b>	<b>1,325,786</b>	<b>2,738,281</b>
OPERATING EXPENSES	(273,937)	(252,021)	(561,998)	(508,051)	(1,018,784)
NET IMPAIRMENT ON FINANCIAL ASSETS	(56,724)	(6,980)	(98,078)	(16,341)	(120,223)
<b>PROFIT BEFORE TAXATION</b>	<b>316,470</b>	<b>437,328</b>	<b>738,025</b>	<b>801,394</b>	<b>1,599,274</b>
TAXATION CHARGE	(117,705)	(164,054)	(278,672)	(300,816)	(610,119)
<b>PROFIT AFTER TAXATION</b>	<b>198,765</b>	<b>273,274</b>	<b>459,353</b>	<b>500,578</b>	<b>989,155</b>
<b>EARNINGS PER SHARE</b>	<b>\$3.34</b>	<b>\$4.59</b>	<b>\$7.72</b>	<b>\$8.41</b>	<b>\$16.63</b>

**CITIZENS BANK GUYANA INC.**  
**Statement of Comprehensive Income**  
For the Half Year Ended 31 March 2015

Thousand of Guyana Dollars	Unaudited For the three months ended 31-Mar-15	Unaudited For the three months ended 31-Mar-14	Unaudited For the six months ended 31-Mar-15	Unaudited For the six months ended 31-Mar-14	Audited For the year ended 30-Sep-14
<b>PROFIT AFTER TAXATION</b>	<b>198,765</b>	<b>273,274</b>	<b>459,353</b>	<b>500,578</b>	<b>989,155</b>
<b>OTHER COMPREHENSIVE INCOME:</b>					
<i>Items that may be subsequently reclassified to profit or loss</i>					
Fair value (loss) / gain on available-for-sale asset	(3,257)	(829)	2,960	1,658	2,605
Deferred tax (charge) / credit on fair value (loss) / gain on available-for-sale asset	1,303	332	(1,184)	(663)	(1,042)
	<b>(1,954)</b>	<b>(497)</b>	<b>1,776</b>	<b>995</b>	<b>1,563</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>196,811</b>	<b>272,777</b>	<b>461,129</b>	<b>501,573</b>	<b>990,718</b>

Thousand of Guyana Dollars	Unaudited As At 31-Mar-15	Unaudited As At 31-Mar-14	Audited As At 30-Sep-14
<b>ASSETS</b>			
Cash and balances with Bank of Guyana	4,592,622	5,248,972	4,775,560
Amounts due from other banks	2,738,437	2,343,387	3,453,384
Investment securities	889,708	7,073,660	3,035,138
Loans and advances	31,832,789	26,028,430	28,902,052
Other assets	2,238,243	1,650,348	1,958,026
<b>TOTAL ASSETS</b>	<b>42,291,799</b>	<b>42,344,797</b>	<b>42,124,160</b>
<b>LIABILITIES</b>			
Customers' deposits	34,698,562	35,501,406	33,225,407
Amount due to other bank	0	0	1,300,000
Other liabilities	759,989	817,638	1,125,499
<b>TOTAL LIABILITIES</b>	<b>35,458,551</b>	<b>36,319,044</b>	<b>35,650,906</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	594,913	594,913	594,913
Statutory reserve	594,913	594,913	594,913
General banking risk reserve	587,087	265,461	296,760
Other reserves	32,420	29,750	30,644
Retained earnings	5,023,915	4,540,716	4,956,024
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>6,833,248</b>	<b>6,025,753</b>	<b>6,473,254</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>42,291,799</b>	<b>42,344,797</b>	<b>42,124,160</b>

On behalf of the Board of Directors



.....  
**CLIFFORD B. REIS**  
CHAIRMAN



.....  
**ETON M. CHESTER**  
MANAGING DIRECTOR

**CITIZENS BANK GUYANA INC.**  
**Statement Of Changes In Equity**  
31 March 2015

Thousand of Guyana Dollars	Share Capital	Statutory Reserve	Revaluation Reserve	Investment Revaluation Reserve	General Banking Risk Reserve	Retained Earnings	Total
<b>For the three months ended 31 March 2014</b>							
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)
<b>As at end of period</b>	<b>594,913</b>	<b>594,913</b>	<b>33,512</b>	<b>(3,762)</b>	<b>265,461</b>	<b>4,540,716</b>	<b>6,025,753</b>
<b>For the three months ended 31 March 2015</b>							
As at beginning of period	594,913	594,913	33,838	536	296,760	5,216,612	6,737,572
Total comprehensive income	0	0	0	(1,954)	0	198,765	196,811
Transfer to general banking risk reserve	0	0	0	0	290,327	(290,327)	0
Dividend paid	0	0	0	0	0	(101,135)	(101,135)
<b>As at end of period</b>	<b>594,913</b>	<b>594,913</b>	<b>33,838</b>	<b>(1,418)</b>	<b>587,087</b>	<b>5,023,915</b>	<b>6,833,248</b>
<b>For the six months ended 31 March 2014</b>							
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)
<b>As at end of period</b>	<b>594,913</b>	<b>594,913</b>	<b>33,512</b>	<b>(3,762)</b>	<b>265,461</b>	<b>4,540,716</b>	<b>6,025,753</b>
<b>For the six months ended 31 March 2015</b>							
As at beginning of period	594,913	594,913	33,838	(3,194)	296,760	4,956,024	6,473,254
Total comprehensive income	0	0	0	1,776	0	459,353	461,129
Transfer to general banking risk reserve	0	0	0	0	290,327	(290,327)	0
Dividend paid	0	0	0	0	0	(101,135)	(101,135)
<b>As at end of period</b>	<b>594,913</b>	<b>594,913</b>	<b>33,838</b>	<b>(1,418)</b>	<b>587,087</b>	<b>5,023,915</b>	<b>6,833,248</b>

Thousand of Guyana Dollars	Unaudited For the three months 31-Mar-15	Unaudited For the three months ended 31-Mar-14	Unaudited For the six months ended 31-Mar-15	Unaudited For the six months ended 31-Mar-14	Audited For the year ended 30-Sep-14
<b>OPERATING ACTIVITIES</b>					
Profit before taxation	316,470	437,328	738,025	801,394	1,599,274
Adjustments to reconcile net profit to net cash provided by operating activities:					
Adjustment for non - cash items	29,870	27,451	60,211	53,392	113,616
Increase in operating assets	(1,151,062)	(627,537)	(3,183,622)	(2,543,397)	(5,256,697)
Increase / (decrease) in operating liabilities	1,109,669	392,830	1,100,017	1,220,905	(716,678)
Reserve requirement with Bank of Guyana	(234,331)	(288,758)	(193,695)	(133,005)	11,870
Taxes paid	(137,492)	(134,933)	(272,231)	(263,513)	(602,551)
<b>NET CASH OUTFLOW - OPERATING ACTIVITIES</b>	<b>(66,876)</b>	<b>(193,619)</b>	<b>(1,751,295)</b>	<b>(864,224)</b>	<b>(4,851,166)</b>
<b>INVESTING ACTIVITIES</b>					
Net movement of investment securities	1,729,620	(210,979)	2,149,296	1,656,017	5,786,699
Purchase of property and equipment	(8,234)	(54,990)	(88,104)	(57,325)	(588,135)
Proceeds from sale of property and equipment	0	350	0	350	850
<b>NET CASH INFLOW / (OUTFLOW) - INVESTING ACTIVITIES</b>	<b>1,721,386</b>	<b>(265,619)</b>	<b>2,061,192</b>	<b>1,599,042</b>	<b>5,199,414</b>
<b>FINANCING ACTIVITIES</b>					
Dividends paid	(101,135)	(101,135)	(101,135)	(101,135)	(142,779)
Proceeds from borrowings	0	0	1,640,000	0	1,300,000
Repayments	(1,640,000)	0	(2,940,000)	0	0
<b>NET CASH (OUTFLOW) / INFLOW - FINANCING ACTIVITIES</b>	<b>(1,741,135)</b>	<b>(101,135)</b>	<b>(1,401,135)</b>	<b>(101,135)</b>	<b>1,157,221</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(86,625)</b>	<b>(560,373)</b>	<b>(1,091,238)</b>	<b>633,683</b>	<b>1,505,469</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD</b>	<b>3,617,838</b>	<b>4,311,038</b>	<b>4,622,451</b>	<b>3,116,982</b>	<b>3,116,982</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>3,531,213</b>	<b>3,750,665</b>	<b>3,531,213</b>	<b>3,750,665</b>	<b>4,622,451</b>

## 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 2014.

## 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 (Resigned 17 February 2015)	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

	<b>As At 31-Mar-15 \$'000</b>	<b>As At 31-Mar-14 \$'000</b>	<b>As At 30-Sep-14 \$'000</b>
Loans	1,236,475	1,370,332	1,313,161
Deposits	7,221,633	5,965,462	6,343,911
Letters of Credit & Guarantees	32,271	229,928	31,244
	<b>For Half Year Ended 31-Mar-15 \$'000</b>	<b>For Half Year Ended 31-Mar-14 \$'000</b>	<b>For Year Ended 30-Sep-14 \$'000</b>
Interest Income	55,574	63,634	127,029
Interest Expense	29,189	11,067	29,411

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 and guarantees totalling \$632.3 million owing to the Bank as at 31 March 2015 (31 March 2014: \$890.0 million). Of the \$632.3 million obligations, \$17.9 million are guarantees while loans total \$614.4 million, (31 March 2014: \$219.7 million were guarantees while loans totalled \$670.3 million). These obligations are included in balances shown in the Note (5).

## 7 CAPITAL COMMITMENTS

	<b>As At 31-Mar-15 \$'000</b>	<b>As At 31-Mar-14 \$'000</b>	<b>As At 30-Sep-14 \$'000</b>
Capital commitments for property and equipment:			
Authorised but not contracted for	783,085	1,108,377	1,033,329
Authorised and contracted for	678,749	273,053	755,190