



# CITIZENS BANK

*It's where you belong*

REGISTERED OFFICE: 201 Camp and Charlotte Sts., Georgetown, Guyana. Tel: 226-1705/9, Fax: 226-1719 or 227-8251  
Statutory Information Published in Accordance with Supervision Guideline 10 issued under the Financial Institutions Act 1995

## QUARTERLY REPORT For the Quarter Ended 31 December 2014

### STATEMENT OF INCOME

Thousands of Guyana Dollars	Unaudited For the three months ended 31-Dec-14	Unaudited For the three months ended 31-Dec-13	Unaudited For the year ended 31-Dec-14	Unaudited For the year ended 31-Dec-13	Audited For the year ended 30-Sep-14
INTEREST INCOME	757,873	661,111	2,947,246	2,656,426	2,850,484
INTEREST EXPENSE	(144,093)	(114,988)	(508,253)	(464,472)	(479,148)
<b>NET INTEREST INCOME</b>	<b>613,780</b>	<b>546,123</b>	<b>2,438,993</b>	<b>2,191,954</b>	<b>2,371,336</b>
OTHER INCOME	137,190	83,334	420,801	376,364	366,945
<b>TOTAL NET INCOME</b>	<b>750,970</b>	<b>629,457</b>	<b>2,859,794</b>	<b>2,568,318</b>	<b>2,738,281</b>
OPERATING EXPENSES	(288,061)	(256,030)	(1,050,815)	(935,806)	(1,018,784)
NET IMPAIRMENT ON FINANCIAL ASSETS	(41,354)	(9,361)	(152,216)	(2,283)	(120,223)
<b>PROFIT BEFORE TAXATION</b>	<b>421,555</b>	<b>364,066</b>	<b>1,656,763</b>	<b>1,630,229</b>	<b>1,599,274</b>
TAXATION CHARGE	(160,967)	(136,762)	(634,324)	(609,484)	(610,119)
<b>PROFIT AFTER TAXATION</b>	<b>260,588</b>	<b>227,304</b>	<b>1,022,439</b>	<b>1,020,745</b>	<b>989,155</b>
<b>EARNINGS PER SHARE</b>	<b>\$4.38</b>	<b>\$3.82</b>	<b>\$17.19</b>	<b>\$17.16</b>	<b>\$16.63</b>

### STATEMENT OF COMPREHENSIVE INCOME

Thousands of Guyana Dollars	Unaudited For the three months ended 31-Dec-14	Unaudited For the three months ended 31-Dec-13	Unaudited For the year ended 31-Dec-14	Unaudited For the year ended 31-Dec-13	Audited For the year ended 30-Sep-14
<b>PROFIT AFTER TAXATION</b>	<b>260,588</b>	<b>227,304</b>	<b>1,022,439</b>	<b>1,020,745</b>	<b>989,155</b>
<b>OTHER COMPREHENSIVE INCOME:</b>					
<i>Items that will not be reclassified to profit or loss</i>					
Deferred tax charge on revaluation of property	0	0	0	(3,409)	0
<i>Items that may be subsequently reclassified to profit or loss</i>					
Fair value gain / (loss) on available-for-sale asset	6,217	2,487	6,335	(5,442)	2,605
Deferred tax (charge) / credit on fair value gain / (loss) on available-for-sale asset	(2,487)	(995)	(2,534)	2,177	(1,042)
	<b>3,730</b>	<b>1,492</b>	<b>3,801</b>	<b>(6,674)</b>	<b>1,563</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>264,318</b>	<b>228,796</b>	<b>1,026,240</b>	<b>1,014,071</b>	<b>990,718</b>

### STATEMENT OF FINANCIAL POSITION

Thousands of Guyana Dollars	Unaudited As At 31-Dec-14	Unaudited As At 31-Dec-13	Audited As At 30-Sep-14
<b>ASSETS</b>			
Cash and balances with Bank of Guyana	5,408,981	5,115,116	4,775,560
Amounts due from other banks	1,774,549	2,750,805	3,453,384
Investment securities	2,622,407	6,862,547	3,035,138
Loans and advances	30,882,843	25,410,947	28,902,052
Other assets	2,058,837	1,608,802	1,958,026
<b>TOTAL ASSETS</b>	<b>42,747,617</b>	<b>41,748,217</b>	<b>42,124,160</b>
<b>LIABILITIES</b>			
Customers' deposits	32,819,504	33,902,669	33,225,407
Amount due to other bank	1,640,000	0	1,300,000
Other liabilities	1,550,541	1,991,437	1,125,499
<b>TOTAL LIABILITIES</b>	<b>36,010,045</b>	<b>35,894,106</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	296,760	265,461	296,760
Other reserves	34,374	30,247	30,644
Retained earnings	5,216,612	4,368,577	4,956,024
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>6,737,572</b>	<b>5,854,111</b>	<b>6,473,254</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>42,747,617</b>	<b>41,748,217</b>	<b>42,124,160</b>

### STATEMENT OF CHANGES IN EQUITY

	Share Capital	Statutory Reserve	Revaluation Reserve	Investment Revaluation Reserve	General Banking Risk Reserve	Retained Earnings	Total
<b>For the year ended 31 December 2013</b>							
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	(3,409)	(3,265)	0	1,020,745	1,014,071
Transfer to general banking risk reserve	0	0	0	0	(136,700)	136,700	0
Dividend paid	0	0	0	0	0	(130,881)	(130,881)
As at end of period	<b>594,913</b>	<b>594,913</b>	<b>33,512</b>	<b>(3,265)</b>	<b>265,461</b>	<b>4,368,577</b>	<b>5,854,111</b>
<b>For the year ended 31 December 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	3,801	0	1,022,439	1,026,240
Transfer from general banking risk reserve	0	0	0	0	31,299	(31,299)	0
Other transfer	0	0	326	0	0	(326)	0
Dividend paid	0	0	0	0	0	(142,779)	(142,779)
As at end of period	<b>594,913</b>	<b>594,913</b>	<b>33,838</b>	<b>536</b>	<b>296,760</b>	<b>5,216,612</b>	<b>6,737,572</b>
<b>For the three months ended 31 December 2013</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	1,492	0	227,304	228,796
As at end of period	<b>594,913</b>	<b>594,913</b>	<b>33,512</b>	<b>(3,265)</b>	<b>265,461</b>	<b>4,368,577</b>	<b>5,854,111</b>
<b>For the three months ended 31 December 2014</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	3,730	0	260,588	264,318
As at end of period	<b>594,913</b>	<b>594,913</b>	<b>33,838</b>	<b>536</b>	<b>296,760</b>	<b>5,216,612</b>	<b>6,737,572</b>

### STATEMENT OF CASH FLOWS

Thousands of Guyana Dollars	Unaudited For the three months ended 31-Dec-14	Unaudited For the three months ended 31-Dec-13	Unaudited For the year ended 31-Dec-14	Unaudited For the year ended 31-Dec-13	Audited For the year ended 30-Sep-14
<b>OPERATING ACTIVITIES</b>					
Profit before taxation	421,555	364,066	1,656,763	1,630,229	1,599,274
Adjustments to reconcile net profit to net cash provided by operating activities:					
Adjustment for non - cash items	30,341	25,941	118,016	104,069	113,616
Increase in operating assets	(2,020,600)	(1,915,860)	(5,361,437)	(2,952,733)	(5,256,697)
(Decrease) / increase in operating liabilities	(9,652)	828,075	(1,554,405)	1,898,746	(716,678)
Reserve requirement with Bank of Guyana	40,636	155,753	(103,247)	27,864	11,870
Taxes paid	(134,739)	(128,580)	(608,709)	(623,880)	(602,551)
<b>NET CASH (OUTFLOW) / INFLOW - OPERATING ACTIVITIES</b>	<b>(1,672,459)</b>	<b>(670,605)</b>	<b>(5,853,019)</b>	<b>84,295</b>	<b>(4,851,166)</b>
<b>INVESTING ACTIVITIES</b>					
Net movement of investment securities	419,676	1,866,996	4,339,379	847,301	5,786,699
Purchase of property and equipment	(91,830)	(2,335)	(677,631)	(372,320)	(588,135)
Proceeds from sale of property and equipment	0	0	850	960	850
<b>NET CASH INFLOW - INVESTING ACTIVITIES</b>	<b>327,846</b>	<b>1,864,661</b>	<b>3,662,598</b>	<b>475,941</b>	<b>5,199,414</b>
<b>FINANCING ACTIVITIES</b>					
Dividends paid	0	0	(142,779)	(130,881)	(142,779)
Proceeds from borrowings	1,640,000	0	2,940,000	0	1,300,000
Repayments	(1,300,000)	0	(1,300,000)	0	0
<b>NET CASH INFLOW / (OUTFLOW) - FINANCING ACTIVITIES</b>	<b>340,000</b>	<b>0</b>	<b>1,497,221</b>	<b>(130,881)</b>	<b>1,157,221</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,004,613)</b>	<b>1,194,056</b>	<b>(693,200)</b>	<b>429,355</b>	<b>1,505,469</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD</b>	<b>4,622,451</b>	<b>3,116,982</b>	<b>4,311,038</b>	<b>3,881,683</b>	<b>3,116,982</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>3,617,838</b>	<b>4,311,038</b>	<b>3,617,838</b>	<b>4,311,038</b>	<b>4,622,451</b>

CLIFFORD B. REIS  
Chairman

ETON M. CHESTER  
Managing Director

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## NOTES TO THE QUARTERLY FINANCIAL STATEMENTS - 31 DECEMBER 2014

### 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' INTERESTS

#### 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-Dec-14 \$'000	As At 31-Dec-13 \$'000	As At 31-Dec-14 \$'000
Loans	1,507,240	1,471,590	1,313,161
Deposits	7,171,708	6,132,646	6,343,911
Letters of Credit & Guarantees	32,271	298,844	31,244
	<b>For three months Ended 31-Dec-14 \$'000</b>	<b>For three months Ended 31-Dec-13 \$'000</b>	<b>For Year Ended 30-Sep-14 \$'000</b>
Interest Income	22,874	30,764	127,029
Interest Expense	9,232	3,214	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 \$650.0 million owing to the Bank as at 31 December 2014 (31 December 2013: \$985.6 million). Of the \$650.0 million obligations, \$21.0 million are guarantees while loans total \$629.0 million (31 December 2013: \$298.8 million were guarantees while loans totalled \$686.8). These obligations are included in balances shown in the Note (5).

### 7. CAPITAL COMMITMENTS

	As At 31-Dec-14 \$'000	As At 31-Dec-13 \$'000	As At 30-Sep-14 \$'000
<b>Capital commitment for property and equipment</b>			
Authorised but not contracted for	1,029,133	1,449,632	1,033,329
Authorised and contracted for	674,113	0	755,190