



# INTERIM REPORT

MARCH 31, 2022

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# CHAIRMAN'S REPORT

# INTERIM REPORT

**Citizens Bank Guyana Inc. recorded a Profit After Taxation for the six months ended March 31, 2022 of \$722.2 million compared to \$478.4 million for the corresponding period last year representing an increase of \$243.8 million or 51.0%.**

Interest Income for the six-month period was \$1.8 billion, while Interest Expense was \$157.6 million, resulting in Net Interest Income of \$1.7 billion, compared to \$1.4 billion for the corresponding period last year. Other Income was \$453.4 million, resulting in a surplus before Non-interest Expenses of \$2.1 billion; this represents an increase of \$436.8 million or 25.7% over the corresponding period last year.

The Bank's Operating Expenses were \$834.4 million, reflecting an increase of 1.9% over the corresponding period last year on account of increases in personnel cost, as well as the cost of goods and services. Net impairment on financial assets was \$83.5 million compared to \$70.5 million for the corresponding period last year.

At March 31, 2022, the net loans and advances balance was \$34.0 billion, compared to \$32.3 billion at March 31, 2021. Net investments were \$23.8 billion, compared to \$8.0 billion at March 31, 2021.

Total deposits balance was \$72.1 billion, compared to \$63.3 billion at March 31, 2021.

The Board of Directors has approved an Interim Dividend of \$1.00 per share, compared to \$0.90 for the corresponding period in 2021.

While there are indicators that suggest that the economy has begun a slow and long recovery from the impact of the COVID-19 pandemic, the remaining six months of the financial year is not expected to be without challenges. We continue to be optimistic that our strategies will result in 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.

# STATEMENT OF INCOME

For The Half Year Ended 31 March 2022

Thousands of Guyana Dollars	Unaudited For the three months ended 31-Mar-22	Unaudited For the three months ended 31-Mar-21	Unaudited For the six months ended 31-Mar-22	Unaudited For the six months ended 31-Mar-21	Unaudited For the year ended 30-Sep-21
INTEREST INCOME	906,775	787,694	1,838,348	1,544,157	3,209,249
INTEREST EXPENSE	(73,619)	(84,079)	(157,643)	(174,507)	(342,872)
<b>NET INTEREST INCOME</b>	<b>833,156</b>	<b>703,615</b>	<b>1,680,705</b>	<b>1,369,650</b>	<b>2,866,377</b>
OTHER INCOME	209,377	172,013	453,366	327,657	739,419
<b>TOTAL NET INCOME</b>	<b>1,042,533</b>	<b>875,628</b>	<b>2,134,071</b>	<b>1,697,307</b>	<b>3,605,796</b>
OPERATING EXPENSES	(413,213)	(400,014)	(834,352)	(818,674)	(1,607,993)
NET MOVEMENT IN IMPAIRMENT OF FINANCIAL ASSETS	(41,745)	(32,061)	(83,495)	(70,521)	(215,963)
<b>PROFIT BEFORE TAXATION</b>	<b>587,575</b>	<b>443,553</b>	<b>1,216,224</b>	<b>808,112</b>	<b>1,781,840</b>
TAXATION CHARGE	(238,138)	(186,840)	(494,021)	(329,685)	(726,319)
<b>PROFIT AFTER TAXATION</b>	<b>349,437</b>	<b>256,713</b>	<b>722,203</b>	<b>478,427</b>	<b>1,055,521</b>
<b>EARNINGS PER SHARE</b>	<b>\$5.87</b>	<b>\$4.32</b>	<b>\$12.14</b>	<b>\$8.04</b>	<b>\$17.74</b>

# STATEMENT OF COMPREHENSIVE INCOME

For The Half Year Ended 31 March 2022

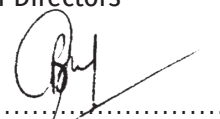
Thousands of Guyana Dollars	Unaudited For the three months ended 31-Mar-22	Unaudited For the three months ended 31-Mar-21	Unaudited For the six months ended 31-Mar-22	Unaudited For the six months ended 31-Mar-21	Unaudited For the year ended 30-Sep-21
<b>PROFIT AFTER TAXATION</b>	<b>349,437</b>	<b>256,713</b>	<b>722,203</b>	<b>478,427</b>	<b>1,055,521</b>
OTHER COMPREHENSIVE INCOME	0	0	0	0	0
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>349,437</b>	<b>256,713</b>	<b>722,203</b>	<b>478,427</b>	<b>1,055,521</b>

# STATEMENT OF FINANCIAL POSITION

For The Half Year Ended 31 March 2022

Thousands of Guyana Dollars	Unaudited As at 31-Mar-22	Unaudited As at 31-Mar-21	Audited As at 30-Sep-21
<b>ASSETS</b>			
Cash and balances with Bank of Guyana	20,213,533	28,514,815	27,992,635
Amounts due from other banks	2,273,297	1,616,367	6,370,612
Investment securities	23,833,046	7,988,639	9,392,478
Loans and advances	34,029,452	32,304,120	33,801,039
Other assets	5,493,106	5,084,427	5,179,508
<b>TOTAL ASSETS</b>	<b>85,842,434</b>	<b>75,508,368</b>	<b>82,736,272</b>
<b>LIABILITIES</b>			
Customers' deposits	72,150,986	63,267,448	69,737,482
Other liabilities	2,138,454	1,779,004	2,013,322
<b>TOTAL LIABILITIES</b>	<b>74,289,440</b>	<b>65,046,452</b>	<b>71,750,804</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	211,941	128,925	211,941
Other reserves	58,061	58,061	58,061
Retained earnings	10,093,166	9,085,104	9,525,640
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>11,552,994</b>	<b>10,461,916</b>	<b>10,985,468</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>85,842,434</b>	<b>75,508,368</b>	<b>82,736,272</b>

On behalf of the Board of Directors

  
 CLIFFORD B. REIS  
 CHAIRMAN

  
 ETON M. CHESTER  
 MANAGING DIRECTOR

# STATEMENT OF CHANGES IN EQUITY

For The Half Year Ended 31 March 2022

Thousands of Guyana Dollars	Share Capital	Statutory Reserve	Revaluation Reserve	General Banking Risk Reserve	Retained Earnings	Total
<b>For the three months ended 31 March 2021</b>						
As at beginning of period	594,913	594,913	58,061	128,925	8,962,246	10,339,058
Total comprehensive income	0	0	0	0	256,713	256,713
Dividend paid	0	0	0	0	(133,855)	(133,855)
As at end of period	<b>594,913</b>	<b>594,913</b>	<b>58,061</b>	<b>128,925</b>	<b>9,085,104</b>	<b>10,461,916</b>
<b>For the three months ended 31 March 2022</b>						
As at beginning of period	549,913	549,913	58,061	211,941	9,898,406	11,358,234
Total comprehensive income	0	0	0	0	349,437	349,437
Dividend paid	0	0	0	0	(154,677)	(154,677)
As at end of period	<b>594,913</b>	<b>594,913</b>	<b>58,061</b>	<b>211,941</b>	<b>10,093,166</b>	<b>11,552,994</b>
<b>For the six months ended 31 March 2021</b>						
As at beginning of period	549,913	549,913	58,061	128,925	8,740,532	10,111,344
Total comprehensive income	0	0	0	0	478,427	478,427
Dividend paid	0	0	0	0	(133,855)	(133,855)
As at end of period	<b>594,913</b>	<b>594,913</b>	<b>58,061</b>	<b>128,925</b>	<b>9,085,104</b>	<b>10,461,916</b>
<b>For the six months ended 31 March 2022</b>						
As at beginning of period	549,913	549,913	58,061	211,941	9,525,640	10,985,468
Total comprehensive income	0	0	0	0	722,203	722,203
Dividend paid	0	0	0	0	(154,677)	(154,677)
As at end of period	<b>594,913</b>	<b>594,913</b>	<b>58,061</b>	<b>211,941</b>	<b>10,093,166</b>	<b>11,552,944</b>

# STATEMENT OF CASH FLOWS

For The Half Year Ended 31 March 2022

Thousands of Guyana Dollars	Unaudited For the three months ended 31-Mar-22	Unaudited For the three months ended 31-Mar-21	Unaudited For the six months ended 31-Mar-22	Unaudited For the six months ended 31-Mar-21	Audited For the year ended 30-Sep-21
<b>OPERATING ACTIVITIES</b>					
Profit before taxation	587,575	443,553	1,216,224	808,112	1,781,840
Adjustments to reconcile net profit to net cash provided by operating activities:					
Adjustment for non - cash items	48,061	76,711	112,330	153,376	296,992
Increase in operating assets	(218,091)	(302,960)	(642,868)	(820,005)	(2,014,309)
Increase in operating liabilities	703,409	2,810,240	2,347,690	11,339,312	18,673,966
Reserve requirement with Bank of Guyana	(128,774)	(290,710)	(130,362)	(1,202,884)	(1,823,266)
Taxes paid	(150,177)	(141,865)	(303,077)	(303,674)	(743,029)
<b>NET CASH INFLOW - OPERATING ACTIVITIES</b>	<b>842,003</b>	<b>2,594,969</b>	<b>2,599,937</b>	<b>9,974,237</b>	<b>16,172,194</b>
<b>INVESTING ACTIVITIES</b>					
Net movement of investment securities	(2,884,399)	2,981,339	(14,440,569)	(248,333)	(1,671,287)
Purchase of property and equipment	(3,652)	(6,343)	(11,469)	(7,417)	(1,066,683)
Purchase of intangible assets	0	0	0	(331)	(92,409)
Proceeds from sale of property and equipment	0	0	0	0	67,700
<b>NET CASH (OUTFLOW) / INFLOW - INVESTING ACTIVITIES</b>	<b>(2,888,051)</b>	<b>2,974,996</b>	<b>(14,452,038)</b>	<b>(256,081)</b>	<b>(2,762,679)</b>
<b>FINANCING ACTIVITIES</b>					
Dividends paid	(154,677)	(133,855)	(154,677)	(133,855)	(187,9397)
Principal lease payments	0	(13,068)	0	(26,135)	(52,270)
<b>NET CASH OUTFLOW- FINANCING ACTIVITIES</b>	<b>(154,677)</b>	<b>(146,923)</b>	<b>(154,677)</b>	<b>(159,990)</b>	<b>(239,667)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,200,725)</b>	<b>5,423,042</b>	<b>(12,006,778)</b>	<b>9,558,166</b>	<b>13,169,848</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD</b>	<b>17,779,245</b>	<b>18,550,574</b>	<b>27,585,298</b>	<b>14,415,450</b>	<b>14,415,450</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>15,578,520</b>	<b>23,973,616</b>	<b>15,578,520</b>	<b>23,973,616</b>	<b>27,585,298</b>

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

For The Half Year Ended 31 March 2022

## 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 2021.

## 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
Eton M. Chester	Nil	26,251

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	3,034,557
Continental Agencies Limited	9,929,241
Hand-in-Hand Pension Scheme	5,802,885
Hand-in-Hand Group	4,205,356

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.

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

For The Half Year Ended 31 March 2022

## 5 RELATED PARTY BALANCES AND TRANSACTIONS

	As at 31-Mar-22 \$'000	As at 31-Mar-21 \$'000	As at 30-Sep-21 \$'000
Loans	473,229	568,560	514,154
Deposits	24,090,761	22,645,232	24,933,247
Guarantees	158,410	176,901	106,901

	For the six months ended 31-Mar-22 \$'000	For the six months ended 31-Mar-21 \$'000	For the Year ended 30-Sep-21 \$'000
Interest Income	9,465	26,635	45,654
Interest Expense	69,239	68,091	133,084

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 totalling \$85.4 million owing to the Bank as at 31 March 2022 (31 March 2021: \$102.4 million). These obligations are included in balances shown in the Note (5).

## 7 CAPITAL COMMITMENTS

	As at 31-Mar-22 \$'000	As at 31-Mar-21 \$'000	As at 30-Sep-21 \$'000
Capital commitments for property and equipment:			
Authorised but not contracted for	809,006	462,703	1,114,206
Authorised and contracted for	600,549	1,452,373	601,049

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

For The Half Year Ended 31 March 2022

## 8 FAIR VALUE

*Asset carried at fair value*

The Company's fair value through profit or loss investment security of \$300.5 million (2021: AFS - \$253.6 million) is carried at fair value based on a quoted price from an active market. It would therefore be classified as level 1.

*Assets and liabilities not carried at fair value*

The table below shows the fair values of assets and liabilities which are not carried at fair value on the statement of financial position but for which disclosures of fair value is required.

	IFRS 13 Level	31-Mar-22 Carrying Amount	31-Mar-22 Fair Value	31-Mar-21 Carrying Amount	31-Mar-21 Fair Value
Assets:					
Investment securities (amortised cost)	Level 2	23,532,523	23,674,868	7,735,044	7,776,829
Loans and advances (amortised cost)	Level 2	34,029,452	34,290,744	32,304,120	32,363,943

The fair value of amortised cost investment securities and loans and advances are based on net present values using discount rates reflective of market rates for similar assets.

The fair values of other financial assets and liabilities approximate to their carrying amounts given short term to maturity.

The fair value of the property is considered to approximate the carrying value given its recent construction.

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