Together we **Thrive**

ANNUAL REPORT 2023

CITIZENS BANK

It's Where You Belong

CONTENTS

TOGETHER WE **THRIVE**

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

COMPANY **PROFILE**

Citizens Bank with its headquarters located at 231-233 Camp Street and South Road, Georgetown, had **Assets of $111.8 billion** on September 30, 2023

Our one hundred and sixty-two (162) employees serve a customer base of over seventy-three thousand, three hundred (73,300).

We provide retail and corporate banking services through our branch network of **six (6) branches.**

We also provide **24-hour services** through ATMs which are located at each of our **six (6) branches and at five (5) off-site locations.**

$111.8 billion

73,300 Customers
162 Employees

24-hour services through ATMs

NOTICE OF ANNUAL **GENERAL MEETING**

Notice is hereby given that the Twenty-Ninth Annual General Meeting of Citizens Bank Guyana Inc. will be held at 231 – 233 Camp Street & South Road, Georgetown on Tuesday, January 23, 2024 at 5.00 p.m. for the following purposes:

1. *To receive the Audited Financial Statements for the year ended 30 September 2023 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 2023 and the Reports of the Directors and Auditors thereon be adopted."

2. *To consider the declaration of a final Dividend of $4.40 as recommended by the Directors in addition to the interim Dividend of $1.15 previously declared by them and (if thought fit) pass the following resolution:*

   2) "That the Interim Dividend of $1.15 already paid be confirmed and that a Final Dividend of $4.40 as recommended by the Directors in respect to the year ended 30 September 2023 be approved and paid to the shareholders on the Company's Register at the close of business on January 23, 2024."

3. *To elect Directors. The Directors retiring are Mr. Wilfred A. Lee and Ms. Deenawati Panday, 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 and Ms. Deenawati Panday, 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 $2,321,281 per annum be paid to the Chairman; the remuneration of $1,804,609 per annum be paid to each Non-Executive Director and that a Travelling Allowance for each Non-Executive Director be fixed at $886,068; and that the additional sum of $149,646 per annum be provided for additional remuneration for each Director serving on Technical Committees."

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

F. Parris

Frances S. Parris
Corporate Secretary
Registered Office
231 – 233 Camp Street and South Road
Lacytown, Georgetown

November 28, 2023

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, 231- 233 Camp Street and South Road, 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.

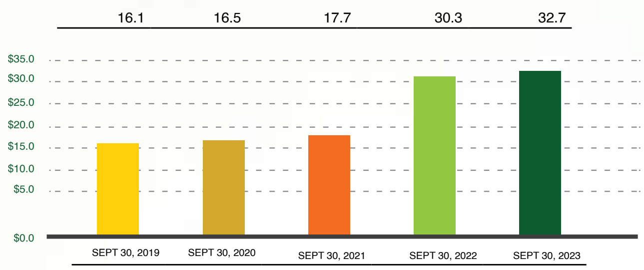
5. A proxy form is attached for use, if desired.

FINANCIAL
HIGHLIGHTS
FIVE YEAR FINANCIAL SUMMARY

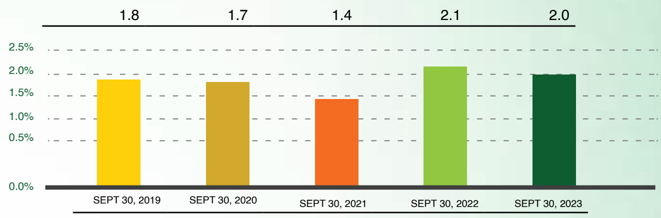
	2023 $'000	2022 $'000	2021 $'000	2020 $'000	2019 $'000
Total assets	111,841,667	84,730,040	82,736,272	63,824,269	54,875,759
Loans and advances	51,973,766	38,241,268	33,801,039	31,731,647	29,789,808
Investments	23,884,151	23,726,962	9,392,478	7,733,906	3,502,225
Deposits	94,562,240	69,061,643	69,737,482	51,816,797	44,279,137
Revenue	5,629,447	4,847,197	3,948,668	3,748,682	3,421,514
Expenses and taxes	3,683,313	3,047,293	2,893,147	2,766,531	2,466,261
Profit after taxation	1,946,134	1,799,904	1,055,521	982,151	955,253
Shareholders' equity	14,886,655	13,226,901	10,985,468	10,117,344	9,322,590
Return on average assets (%)	2.0	2.1	1.4	1.7	1.8
Return on average equity (%)	13.8	14.9	10.0	10.1	10.6
Earnings per share (Dollars)	32.7	30.3	17.7	16.5	16.1

Financial Highlights	2023 $'000	2022 $'000	Inc / (Dec) $'000	% Change
Balance Sheet:				
Total assets	111,841,667	84,730,040	27,111,627	32.0
Loans and advances	51,973,766	38,241,268	13,732,498	35.9
Investments	23,884,151	23,726,962	157,189	0.7
Deposits	94,562,240	69,061,643	25,500,597	36.9
Shareholders' equity	14,886,655	13,226,901	1,659,754	12.5
Results of Operations:				
Revenue	5,629,447	4,847,197	782,250	16.1
Expenses	2,365,808	1,846,229	519,579	28.1
Profit before taxation	3,263,639	3,000,968	262,671	8.8
Taxation	1,317,505	1,201,064	116,441	9.7
Profit after taxation	1,946,134	1,799,904	146,230	8.1
Ratios:				
Return on average assets (%)	2.0	2.1	(0.1)	(4.8)
Return on average equity (%)	13.8	14.9	(1.1)	(7.4)
Earnings per share (Dollars)	32.7	30.3	2.4	7.9
Number of:				
Shareholders	118	96	22	22.9
Deposit accounts	73,378	65,873	7,505	11.4
Employees	162	151	11	7.3
Locations	6	6	0	0.0

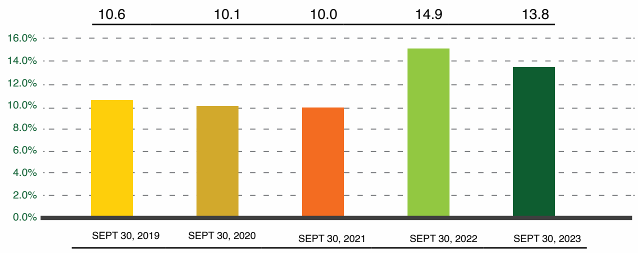
Earnings Per Share ($)



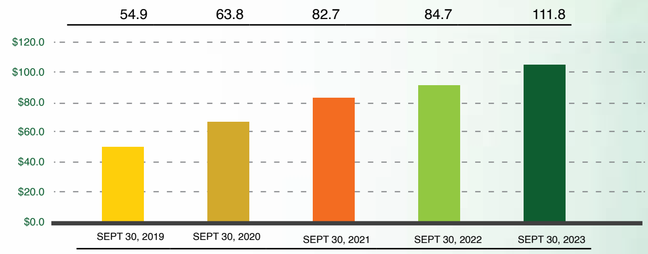
Return of Average Assets (%)



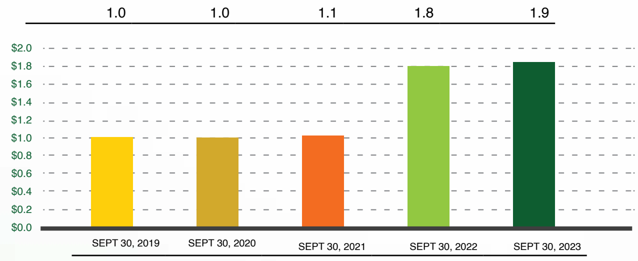
Return of Average Equity (%)



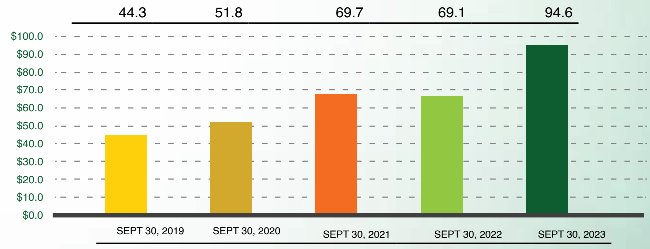
Total Assets ($ - Billions)



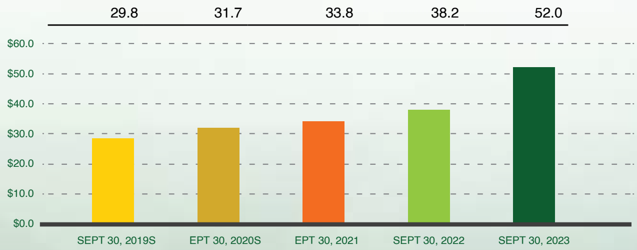
Profit after Taxation ($ - Billions)



Deposits ($ - Billions)

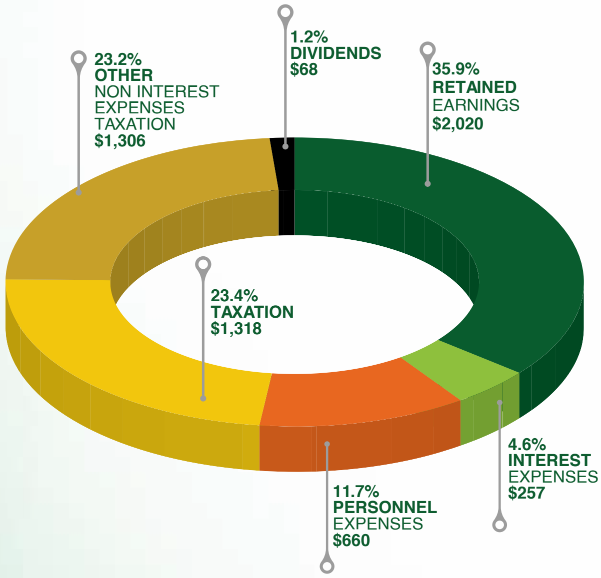


Loans and advances ($ - Billions)

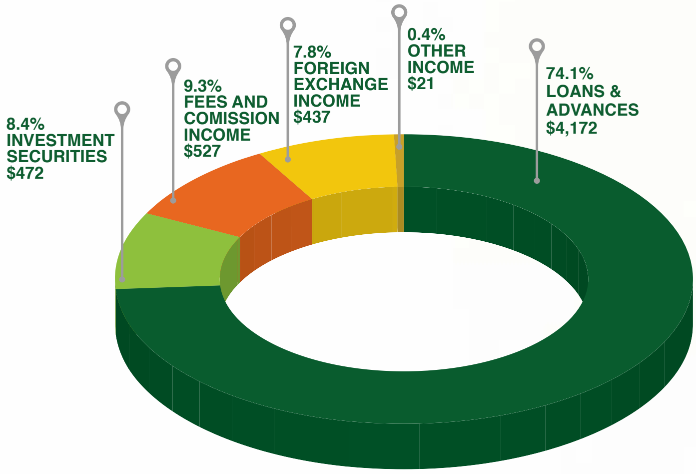


FINANCIAL **HIGHLIGHTS**

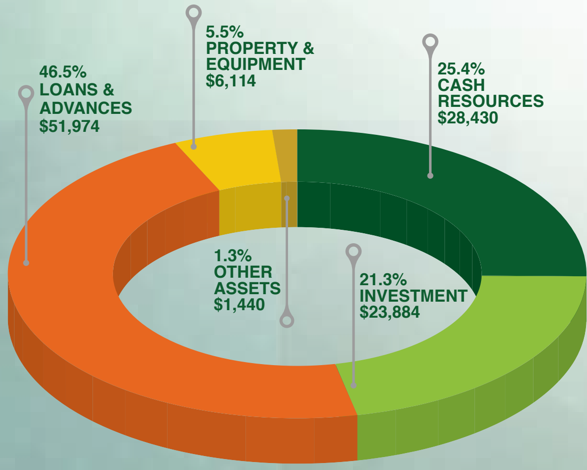
DISTRIBUTION OF **INCOME**



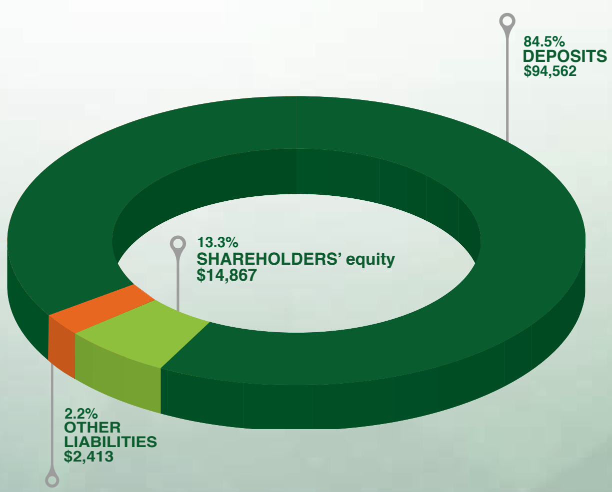
SOURCES OF **INCOME**



ASSETS



LIABILITIES AND SHAREHOLDERS' EQUITY



CORPORATE **INFORMATION**

DIRECTORS

Mr. Clifford B. Reis, C.C.H., F.I.Mgt.	Chairman/Managing Director – Banks DIH Limited
Mr. Eton M. Chester, A.A., O.D., B.Sc.	Managing Director – Citizens Bank Guyana Inc.
Mr. George G. McDonald, A.A., B.Sc.	Co-Managing Director/Marketing Director Banks DIH Limited
Mr. Paul A. Carto, A.A., B.Sc.	Human Resources Director – Banks DIH Limited
Mr. Wilfred A. Lee A.A., Dip. M., B.Sc, MCIC	Consultant
Mr. Rakesh K. Puri	Managing Director – Continental Agencies Limited
Ms. Deenawati Panday, LLB	Attorney-at-Law
Mr. Ronald G. Burch-Smith, LLB, MSc.	Attorney-at-Law
Mr. Mohamed S. Hussein, A.A.	Engineering Services Director – Banks DIH Limited

CORPORATE SECRETARY

Ms. Frances Sarah Parris, B.Sc. — General Manager – Citizens Bank Guyana Inc.

REGISTERED OFFICE

231 – 233 Camp Street & South Road, 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

Messrs. Boston & Boston
Lot 1 Croal Street, Stabroek, Georgetown, Guyana

BOARD OF **DIRECTORS**

Mr. Clifford B. Reis, C.C.H.
Chairman of the Board

Mr. George McDonald, A.A.
Director

Mr. Paul A. Carto, A.A.
Director

Mr. Mohamed S. Hussein, A.A.
Director

Ms. Deenawati Panday, LLB
Director

Mr. Rakesh K. Puri
Director

Mr. Ronald G. Burch-Smith, LLB
Director

Mr. Wilfred A. Lee, A.A.
Director

Mr. Eton M. Chester, A.A., O.D.
Managing Director

CHAIRMAN'S **REPORT**

ECONOMIC REVIEW

The global recovery from the covid-19 pandemic and Russia's invasion of Ukraine, remains slow and uneven, more than three years after the global economy suffered the largest shock of the past seventy-five years.

After a strong initial rebound from the pandemic, the pace of recovery has moderated as several forces continue to hamper the recovery.

Some of these 'forces' reflect the long-term consequences of the pandemic, Russia's invasion of Ukraine, and increasing geoeconomic fragmentation, while other factors are more cyclical, including the effects of the monetary policies tightening to reduce inflation, withdrawal of fiscal support amid high debt, and extreme weather conditions.

Despite signs of economic resilience earlier this year and progress in reducing inflation, economic activities are still below pre pandemic projections, especially in emerging markets and developing economies.

The global economy is projected to grow by 3.0% In 2023, representing a slowdown from 3.5% in 2022, and remains below the historical average of 3.8%.

Advanced economies are projected to slowdown from 2.6% in 2022, to 1.5% in 2023, amid stronger than anticipated United States momentum, but weaker than expected growth in the Euro area due to greater exposure to the war in Ukraine.

Emerging market and developing economies are projected to record a modest decline in growth from 4.1% in 2022 to 4.0% in 2023, reflecting the property sector crisis in China while other emerging market and developing economies, especially low-income countries continue to record weak recoveries, exacerbated by higher interest rates and depreciated currencies.

The Guyana economy grew by 59.5% During the first six months of 2023, with the non-oil economy recording real gdp growth of 12.3% on account of increased crude oil production, and improved performance from construction, agricultural and services sectors respectively, which sectors benefited from the Government's policies to influence growth within the traditional sectors of the economy.

CHAIRMAN'S **REPORT**

The local economy is now projected to grow by 38.4% during fiscal 2023, sustaining the growth momentum from the first half of fiscal 2023 on account of increased oil production, and improved output from the traditional sectors including construction, mining and quarrying, and services sectors, and the Government’s fiscal spending and accommodative monetary policies.

Inflation at the end of July 2023 was 1.2% and reflected the decline in transportation and communication prices and Government’s efforts to contain price increases. End of year inflation is projected at 3.8% as prices continue to fall both locally and abroad.

The rate of the Guyana dollar relative to the United States dollar as reported by the Bank of Guyana remained constant during the review period at US$1.00 = G$208.50, the same as at September 30, 2022.

BANKING SECTOR

The performance of commercial banks and other licensed depository financial institutions during the first six months of fiscal 2023 has been satisfactory, with banks reporting an increase in profits. Capital Adequacy Ratio at 20.6% remains well above the prudential benchmark of 8.0%, suggesting that the overall banking sector remains resilient. The stock of non-performing loans improved to 3.1% when compared to 5.2% at September 2022.

Total banking sector loans and advances grew by 15.0% to $376.7 billion at September 30, 2023, with private sector credit increasing by 15.0% or $46.5 billion to $363.7 billion.

Deposits at the commercial banks increased by 19.0% to $636.9 billion at September 30, 2023, with private sector deposits growing by 18.8% to $611.3 billion, representing 95.6% of total banking sector deposits.

The level of liquidity within the banking sector remained high with the banking sector reporting consolidated reserve accounts balances exceeding the required reserve requirements by 53.2%, while liquid assets of the sector exceeded the required amount by 76.8%.

The Bank of Guyana continued to utilise the auction of Treasury Bills through its open market operation to sterilise the excess liquidity in the Banking Sector and, at September 30, 2023, outstanding Treasury Bills totalled $286.0 billion with commercial banks holding $195.1 billion or 68.2%. The 364-day Treasury Bill remains the preferred tenor of the Bank of Guyana, and at September 30, 2023, the discount rate was 1.1%, the same as at September 30, 2022.

The weighted average lending rate decreased slightly to 8.2% from 8.6% at September 30, 2022, while the average savings rate was 0.8% at September 30, 2023, the same as at September 30, 2022.

PERFORMANCE OF THE BANK

I am pleased to report that Citizens Bank Guyana Inc has recorded profits after taxation of $1.9 billion representing an improvement of $0.1 billion or 8.1% when compared to the prior year.

This result is noteworthy given the existing factors, including intense competition

The Guyana Economy grew by

59.5%

during the first six months of 2023

CHAIRMAN'S **REPORT**

amongst lending institutions and declining lending rates.

Our improved performance was achieved through the growth in our loan portfolio and overall improvement in the quality of our loan portfolio, and our continued focus on the prudent management of our controllable expenses.

Gross revenue increased by 16.1%, Receivables/loans by 35.9%, Deposits by 36.9%, total assets grew by 32.0%.

Net Income for the year ended September 30, 2023, was $5.4 billion compared to $4.5 billion the prior year, an increase of $0.9 billion or 18.4% and Profit Before Taxation of $3.3 billion compared to $3.0 billion in the prior year, an increase of $0.3 billion or 9%.

The annualised return on average assets was 2.0%, while the return on shareholders' equity was 13.8% compared to 2.1% and 14.9% respectively in the prior year.

The Bank's loan portfolio, key to sustaining our operating results, remained sound and performed well during the fiscal year as we continue to work closely with our customers to minimize any negative impact on our portfolio that may arise due to varying challenges borrowers may have encountered as we monitor and manage our portfolio to bring about improvement in its quality.

Non-performing loans at September 30, 2023, represented 4.5% of our total loan portfolio compared to 6.2% at September 30, 2022.

These loans are well secured, and we anticipate a full recovery during the new fiscal year. In the interim, the Bank has prudently provided for these facilities in keeping with International Financial Reporting Standards, and the Financial Institutions Act.

The Bank's shares were last traded on the local stock exchange at $365.00 per share compared to $146.00 per share the prior year, confirming investors' confidence in the Bank's performance and growth potential.

GROWTH INITIATIVES

Guyana's economy is expected to continue its record growth in the medium term and in 2024 will undoubtedly provide opportunities for Citizens Bank. However, within the financial sector, intense competition amongst commercial banks and other financial institutions is anticipated.

Our initiatives therefore will have to focus on utilising those opportunities while adopting our priorities to match the circumstances and those initiatives that ensure that we offer existing and potential clients unmatched customer care, and products and services.

Risk management remains critical to achieving sustainable results, thus the bank intends to place even greater emphasis on measures that will strengthen and improve our assessment and management of risk, thus ensuring that the best quality financial assets are placed on our books. Sound corporate governance and the prudent management of our expenses through improved operational efficiencies are key to competing within the sector.

Fiscal 2024, will see the commencement of operations at our 'new' Mandela Branch in keeping with our commitment to ensuring that our customers and staff conduct business in an enabling environment and allowing our customers to experience an improved level and types of services. Additionally, preparatory work is completed, and construction of our 'new' Bartica Branch will commence.

We intend to continue to embrace digitalization with the adoption of technology that will not only bring about greater efficiencies in our processes but provide enhanced customer service and digital experience to our clientele. In fiscal 2024, the Bank intends to complete the upgrade of its core banking application, upgrade and expand the capabilities of our e-banking platform, upgrade and expand its ATM network, introduce a Mobile Banking Application, and implement systems to mitigate against the emerging risks that are a product of constantly evolving digital environments.

Our human resources remain our most critical asset, and in 2024, the bank intends to continue with measures to improve our Human Resources Management capability, ensuring our employees remain motivated and engaged.

We remain an equal opportunity employer committed to a diverse, engaged, and competent workforce not only to ensure business continuity and growth, but to ensure that our clients benefit through a consistent delivery of customer care and interactions.

The initiatives outlined above will ensure that our Bank meets the expanding financial needs of our valued customers and the country as a whole making Citizens Bank one of the industry's leading Indigenous financial services providers.

LOOKING FORWARD TO 2024

Global economies are projected to grow by 2.9% in 2024, with advanced economies growing by 1.4%, and emerging markets by 3.9%. The global forecast for 2024 remains below the pre pandemic average annual growth rate of 3.8%.

In 2024 the advanced economies' growth is projected to slow down when compared to two prior years and is projected at 1.4% due to significant slowdown in member economies, in particular the euro area. The United States is projected to grow by 2.1% on account of stronger investments, resilient consumption growth, while growth in the euro zone is projected to fall to 1.2% in 2024 due to weakness in interest-rate sensitive sectors, slower trading partner demand, lingering impact from high energy prices and tighter monetary policies to curb inflation.

Growth of 4.0%, the same as in 2023, is projected for emerging markets and developing economies. In emerging and developing Asia, growth of 4.9% reflecting a stronger than expected consumption in India which is projected to grow by 6.3% in 2024.

The Guyana economy is expected to continue its record growth trend and is projected to grow by 26.6% during fiscal 2024 buoyed by the unparalleled and rapid expansion of the oil and gas sector and Government's investment in major modernization projects within several sectors and subsectors.

CHAIRMAN'S **REPORT**

Guyana's economic prospects continue to be favourable, and Citizens Bank Guyana Inc. remains firm in its commitment and intention to play a pivotal part in support of the growth and development of Guyana. We are confident that the successful implementation of our strategies will allow us to act on the opportunities presented, thus enabling us to achieve an improved performance for our stakeholders.

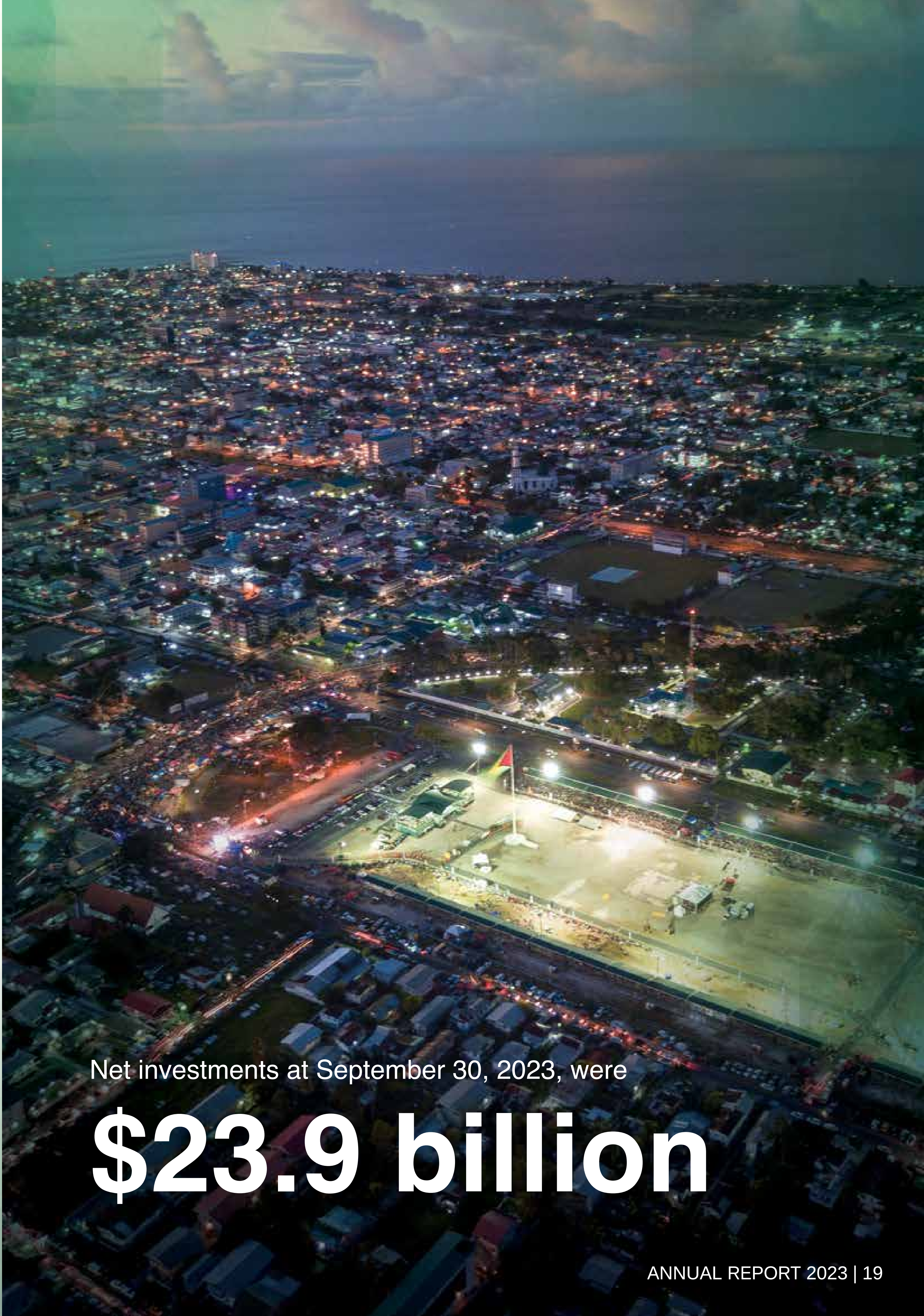
DIVIDEND

In 2022, shareholders benefited from a dividend of $5.00 per share. The bank paid an interim dividend of $1.15 per share in May 2023. The Directors now recommend a final dividend of $4.40 per share bringing the total dividend payment to $5.55 per share for a total payout of $330.2 million.

APPRECIATION

My fellow shareholders permit me to extend my sincere congratulations to all our employees on our achievement this year, and my appreciation for their unwavering commitment. I wish to express my gratitude to my colleagues on the Board for their confidence and invaluable contributions during the fiscal year, and towards the continuing growth and success of the company. I would also like to place on record our continued gratitude to our regulators for their advice and guidance over the year.

To our customers and shareholders, I wish to express my gratitude for their continuing loyalty, commitment, and dedication to the success of our institution, and will utilize this opportunity to extend sincere wishes for a safe and productive 2024.



Net investments at September 30, 2023, were

$23.9 billion

MANAGING DIRECTOR'S **REPORT**

OVERVIEW

I am pleased to report that Citizens Bank Guyana Inc recorded a satisfactory performance during the just concluded financial year ended September 30, 2023. Profits after taxation were $1.9 billion, an increase of $146.2 million or 8.1% over the prior year.

Earnings per share increased to $32.7 compared to $30.3 in 2022, while our book value per share increased by 12.4% to $249.9 as at September 30, 2023, from $222.3 at September 30, 2022.

During the year we were able to achieve key strategic objectives in terms of growth in earning assets, deposits, revenue, and shareholders' equity.

RETURN **ON AVERAGE ASSETS**

The Bank's return on average assets, a key indicator of the utilisation of our assets, was 2.0% compared to 2.1% in 2022.

RETURN **ON AVERAGE EQUITY**

The return on average equity, a key measure of return on our capital employed, was 13.8% compared to 14.9% in 2022.

NET INTEREST INCOME **AND OTHER INCOME**

Net interest income was $4.4 billion compared to $3.6 billion for the prior year; an increase of $0.8 billion or 22.2%. Increases in our loan portfolio, and an improved return from our investment portfolio were the primary contributors to the increase in interest income and the correspondent growth in our net interest income. Interest income remains our core revenue source, and accounts for 86.5% of the bank's total revenue, compared to 85.6% for the prior year.

Other income amounted to $985.1 million compared to $961.5 million for the prior period; an increase of $23.6 million or 2.4%. Earnings from foreign currency transactions remain a significant contributor to other income and amounted to $436.6 million or 44.3% of total other income.

Net operating income increased by $0.9 billion or 20.0% to $5.4 billion compared to $4.5 billion recorded in 2022.

NON-INTEREST **EXPENSES**

Non-interest expenses, which include personnel costs and other operating expenses amounted to $2.0 billion compared to $1.7 billion the prior year, an increase of $290.6 million on account of increases in employees' emoluments and other staff costs, inflationary increase in goods and services, general administrative expenses and increased depreciation of premises all contributed to the increase in non-interest expenses.

NET IMPAIRMENT / **RECOVERY EXPENSES**

Net impairment of financial assets amounted to $142.4 million compared to a net recovery of $138.0 million in 2022. Total Expected Credit Loss (ECL) reserves for loan losses amounted to $1.1 billion compared to $0.9 billion in 2022. The general banking risk reserve, which represents statutory and other loss provisions that exceed the impairment provision, amounted to $0.8 billion.

The bank reviews all financial assets in accordance with IFRS 9, which requires a forward-looking approach in determining our expected credit loss (ECL), thus the allowance is based on the probability of default in the next twelve months, unless there is an increase

MANAGING DIRECTOR'S **REPORT**

in credit risk since origination. Details are included in the applicable notes to the financial statements.

At September 30, 2023, non-accrual loans and advances totalled $2.4 billion or 4.5% of total loans and advances compared to $2.4 billion and 6.2% at September 30, 2022. Our non-accrual ratios are consistent with the industry average and our non-accrual loans and advances are well collateralised and we anticipate further reductions during the new financial year.

INVESTMENT **SECURITIES**

Net investments at September 30, 2023, were $23.9 billion compared to $23.7 billion at the prior financial year end. Investments in Government of Guyana Treasury Bills continue to account for the majority of our investment securities and at September 30, 2023, Government of Guyana treasury bills held amounted to $23.4 billion or 98.1% of total investments.

Net Investments accounted for 31.5% of earning assets and 21.4% of total assets, compared to 38.3% and 28.0% respectively in 2022.

Return on our investment securities was 1.1% in 2023 the same as in 2022, while income from investments represented 10.2% of interest income in 2023 compared to 6.3% in 2022.

LOANS **AND ADVANCES**

Net loans and advances increased by $13.7 billion or 35.9% to $51.9 billion from $38.2 billion. Growth was recorded across major sectors with lending to the services, mining and quarrying, construction, manufacturing, real estate, and agricultural sectors increasing by 52.5%, 41.9%, 36.1%, 34.9%, 34.5% and 18.1% respectively. Our sectorial exposure showed minimal changes from the prior year.

During 2023, the yield recorded from our loans and advances was 9.3% compared to 9.6% the prior year. Income from loans and advances represented 89.8% of interest income in 2023, compared to 93.7% in 2022.

Loans and advances accounted for 68.5% of earning assets and 46.5% of total assets compared to 61.7% and 45.1% respectively in 2022.

CUSTOMERS' **DEPOSITS**

Customers' deposits at September 30, 2023, were $94.6 billion compared to $69.1 billion at September 30, 2022.

During the year, savings deposits grew to $41.1 billion and now represent 43.4% of our deposit base compared to 48.7% the prior year. Demand deposits increased to $45.0 billion representing 47.6% of total deposits compared to 39.4% the prior year, while time deposits increased to $8.4 billion to now represent 8.9% of our deposit liabilities compared to 11.9% in 2022.

Private sector, including household deposits account for $77.3 billion or 81.7% of our deposit base. The effective rate on deposits was 0.3% in 2023 compared to 0.4% the prior year.

SHAREHOLDERS' **EQUITY**

Shareholders' equity amounted to $14.9 billion at September 30, 2023, compared to $13.2 billion at September 30, 2022, after the transfer of net profits earned for the fiscal year 2022.

The Bank remains adequately capitalized, and at September 30, 2023, the Bank's capital adequacy ratio computed in accordance with the Basle Committee guidelines adopted by the Bank of Guyana is 25.3%, well above the required minimum risk-based capital to risk weighted assets of 8.0%, and the proposed 12.0% with the imminent implementation of Basle II/III.

HUMAN **RESOURCES**

The key to our success over the years has been the contribution of our dedicated and committed employees. Cognizant of the current labour challenges, the bank continued its efforts to employ and retain a cadre of employees and as part of our employee development program, during the year, our employees benefited through their participation in training in Customer Care, Leadership Skills, Supervisory Skills, Anti-Money Laundering and Compliance, and Credit Management ensuring that we continue to be equipped to provide a consistently high level of service to stakeholders.

THE FUTURE

Guyana's economy projected by the International Monetary Fund (IMF) to grow by 26.6% during fiscal 2024, continuing its record growth on account of the expansion of the petroleum and energy sector, and the successful implementation of major modernization projects within several sectors.

Citizens Bank will remain committed to our tradition of sound corporate governance and risk management, including asset quality maintenance and the management of its expenses, our investment in technology driven products and services, and the continued development of our human resource and management, key to ensuring that the growth and stability of the company continues.

The relocation of the Thirst Park branch to a new state-of-the-art building at Mandela Avenue and David Rose Street will be concluded during the first half of the financial year, while construction of our 'new' Bartica branch will commence bringing much needed improvement to the delivery of services to our customers and future benefits for stakeholders.

During the financial year 2024, the expansion of our digital strategy will continue amongst other options, with the completion of the upgrade of our core banking application, upgrade and expand the capabilities of our e-banking platform, introduce a Mobile Banking Application, upgrade and expand our automatic telling machines (ATMs) network.

The anticipated growth of the Guyana economy will provide opportunities for Citizens Bank, and we remain cautiously optimistic that we have streamlined our strategies and resources and will continue to seize and create opportunities that will produce sustainable results for our shareholders, customers, employees, and the communities in which we operate.

APPRECIATION

To our customers, I express my appreciation for their support and confidence, I thank the management and staff for their support, commitment, and dedication. I wish to also express my gratitude to members of our Board for their oversight, guidance, and support all of which sustained our position in the banking community as a sound indigenous financial institution and look forward to your continued support during the coming year.

PRINCIPAL **OFFICERS**

Ms. Frances S. Parris
B.Sc.
General Manager
Corporate Secretary

Ms. Margaret Loy
Assistant Manager
Registry

Mr. Hector Isadore
BEng., MBA.
Senior Manager - MIS

Ms. Rosemary Benjamin Noble
LLB (Hons.) M.ED
Senior Manager- Legal & Compliance

Mr. Neville Skeete
Credit Manager

Ms. Pramila Persaud
FCCA
Senior Manager
Finance & Treasury

BRANCH **MANAGERS**

Naline Bascom
(Bartica)

Alexis Paul
(Thirst Park)

Bibi
Rehana Hussain
(Parika)

Therese McLeod
(Camp Street)

Natasha
Prithwi-Hughes
(New Amsterdam)

Lytton Thompson
(Linden)

DEPARTMENT **HEADS**

Mikhail McKenzie (Research & Marketing)

Paulette Newton-Burrowes (Human Resources & Administration)

Abdel Rahaman (Internal Audit)

Rhonda Daniels (Card Services)

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

STATEMENT OF **CORPORATE GOVERNANCE**

The Board of Directors of Citizens Bank Guyana Inc. recognises the importance of good corporate governance and corporate social responsibility in promoting and strengthening the trust of its stakeholders and the public. The Board believes that good corporate governance will enhance shareholder value and it is committed to maintaining the highest level of corporate governance.

In the execution of its duties and responsibilities, the Board is guided by the Laws of Guyana, the by-laws of Citizens Bank Guyana Inc., the recommendations of the Guyana Securities Council, the Guidelines contained in the various Supervision Guidelines issued by the Bank of Guyana (especially Supervision Guideline No. 8 on Corporate Governance) and the Director's Handbook issued by the Bank of Guyana. The Board is also guided by Supervision Guideline 10 on its responsibilities for the Public Disclosure of Information.

The Board of Directors, which governs the Company, meets monthly and comprises eight Non-Executive Directors and the Managing Director. Directors' information is included on pages 10-11 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 Non-Executive Director must stand for re-election every three (3) years.

The Board of Directors has the following Committees:

- **The Human Resources & Emoluments Committee,** which is responsible for providing approval and oversight of all human resource activities including the formulation of human resource policies, the hiring and retention of the Managing Director and Senior Management and formalising the remuneration policy for all employees. The current members of the Committee are Mr. Paul A. Carto (Chairman), Mr. Rakesh K. Puri, Ms. Deenawati Panday and Mr. Eton M. Chester.

- **The Credit Committee**, which is responsible for developing credit policies and procedures, reviewing credits which exceed the approval authority delegated to Management, and generally overseeing and supporting efficient and effective lending portfolio management. The current members of the Committee are Messrs. Rakesh K. Puri (Chairman), Clifford B. Reis, Wilfred A. Lee, George G. McDonald and Eton M. Chester.

STATEMENT OF **CORPORATE GOVERNMENT**

- **The Marketing Committee**, which is responsible for providing guidance in developing business and marketing plans and strategies and performing oversight of the implementation of these plans. This includes oversight of branching activities, advertising campaigns and product launching. The current members of the Committee are Messrs. George G. McDonald (Chairman), Wilfred A. Lee, Clifford B. Reis, and Eton M. Chester.

- **The Building Committee,** which is responsible for providing guidance and oversight for the development, acquisition, and construction of buildings. The current members of the Committee are Messrs. Mohamed S. Hussein (Chairman), Wilfred A. Lee, Ronald Burch-Smith, and Eton M. Chester

- **The Audit, Finance and Risk Management Committee**, which is responsible for:
  - Reviewing and developing operational policies and procedures to support the implementation of effective internal controls and risk management practices to ensure the safety and soundness of the operations of the Bank.
  - Reviewing and developing budgets, business plans and strategies.
  - Reviewing and monitoring the internal and external audit and examination process and compliance with all statutory and regulatory requirements.

A key responsibility of the Board of Directors is ensuring that the risks that are significant to the operation of the Bank are identified and appropriately mitigated and managed. This oversight is performed by the Board which reviews various indicators on a monthly basis. Additionally, the Audit, Finance and Risk Management Committee is specifically tasked with responsibility for overseeing risk management.

The Company has an Internal Audit Department. This Department monitors the implementation of internal controls and performs ongoing reviews to ensure full compliance with the Company's internal policies and procedures as well as with all statutory requirements. The Audit, Finance and Risk Management Committee performs an annual review of the work programmes of this Department. The report of the Internal Audit Department is reviewed by the Board on a monthly basis.

The Bank's approach to the management of credit, liquidity, foreign exchange and interest rate risks are fully discussed in note 28 of the financial statements. In terms of operational risk, which is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, the Internal Audit Department provides independent assessment and validation through testing of key processes and controls across the Company. Operational risk may occur anywhere in the Company and not solely in the operations functions. Its effects may extend beyond financial losses and a sound internal governance structure enhances the effectiveness of the Company's operational risk management.

The current members of the Committee are Messrs. Wilfred A. Lee (Chairman), Clifford B. Reis, George G. McDonald, Ronald G. Burch-Smith, and Eton M. Chester.

- **The Legal and Compliance Committee,** which is responsible for:
    - o Reviewing and developing operational policies and procedures to support the implementation of effective practices to ensure the safety and soundness of the operations of the Bank in keeping with the requirements of Anti-Money Laundering and the Countering of the Financing of Terrorism (AML/CFT) legislation and international best practices.
    - o Reviewing and monitoring the progress of all legal matters.
    - o Reviewing and monitoring the internal AML compliance process and compliance with all statutory and regulatory requirements.

  The Company has a Legal and Compliance Department. The duties of this Department include in–house provision of legal services and advice in support of all departments of the Bank, as may be required; serving as liaison with external attorneys on the Bank's behalf; implementation of the Bank's AML Compliance programme and departmental work programme, and provision of training in areas related to the compliance functions of the Bank. The Legal and Compliance Committee performs an annual review of the work programmes of this Department. This Department reports to the Board on a monthly basis.

  The current members of the Committee are Ms. Deenawati Panday (Chairman), Mr. Mohamed S. Hussein, Mr. Paul A. Carto, Mr. Ronald G, Burch-Smith, and Mr. Eton M. Chester.

The day-to-day operations of the Bank are managed by the Managing Director with the assistance of a General Manager and a senior management team. This team has responsibility for the management and growth of the credit portfolio, branch operations and all supporting activities required for ensuring the prudent and effective management and security of the Bank's operations. Each member of the team has formal qualifications relevant to their area of responsibility and they each have in excess of ten years of experience in their respective fields. Information on the Management Team is included on pages 24-27 of this Annual Report.

The performance of management is reviewed on an annual basis in keeping with the expectations of the Board. These expectations are defined primarily by work program objectives and budget targets. The compensation packages for all employees, including management officers, are commensurate with their responsibilities and experience. These packages comprise basic salary and allowances which are reviewed annually by the Board. Incentive payments are based on a combination of the overall performance of the Bank and individually assessed performances.

The Bank conducts all related party relationships and transactions in keeping with the principles of transparency and prudence. 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.

COMMUNITY **OUTREACH**

Team members motivating students at Bishops High School on Career Day

Credit Department Donning pink in support of Breast Cancer Awareness Month

Card Services (Camp St. Branch) donning pink in support of Breast Cancer Awareness

MIS and Processing Department donning pink in support of Breast Cancer Awareness

Annual Busary Awardees

Donation to the Guyana National Rifle Association

Team members at Building Expo

Our team honoring and remembering the fire victims in Mahdia

Winners of Automobile Promotion

Culture Day at Parika Branch

Team members at Berbice Expo


WESTERN UNION


CITIZENS BANK

REPORT OF THE **DIRECTORS**

The Directors submit their Annual Report and the Audited Financial Statements for the year ended 30 September 2023.

PRINCIPAL ACTIVITIES

The Bank provides a comprehensive range of banking services at six locations within Guyana. Our main office is located at Lot 231- 233 Camp Street and South Road, Lacytown, Georgetown and our branches are situated at Parika, Bartica, Thirst Park, Linden and New Amsterdam.

FINANCIAL HIGHLIGHTS

	2023 $'000	2022 $'000
Net Profit After Taxation	1,946,134	1,799,904
Dividend	68,415	59,491
Revenue Reserves	1,877,719	1,740,413
Proposed Dividend	261,761	237,964

DIVIDENDS

The Bank paid an interim dividend of $1.15 per share in May 2023. The Directors now recommend a final dividend of $4.40 per share bringing the total dividend payment to $5.55 per share compared to $5.00 in the prior year.

STATUTORY, GENERAL BANKING RISK AND REVENUE RESERVES:

	2023 $'000	2022 $'000
Statutory reserves	594,913	594,913
General banking reserves	797,051	211,941
Revenue reserves	12,166,021	11,111,377

DIRECTORS

The Directors of the Bank are:

Mr. Clifford B. Reis, C.C.H
Mr. Rakesh K. Puri
Mr. Wilfred A. Lee, A.A.
Mr. George G. McDonald, A.A.
Mr. Eton M. Chester, A.A., O.D.
Mr. Paul A. Carto, A.A.
Ms. Deenawati Panday
Mr. Ronald Burch - Smith
Mr. Mohamed S. Hussein, A.A.

Directors Mr. Wilfred A. Lee, A.A., and Ms. Deenawati Panday retired and being eligible, offer themselves for election.

DIRECTORS' AND THEIR ASSOCIATES' INTEREST

The interest of the Directors holding office at 30 September 2023 and their associates in the ordinary shares of the Company were as follows:

	ORDINARY SHARES		ORDINARY SHARES	
	2023 Beneficial Owned	2023 Beneficial Associates	2022 Beneficial Owned	2022 Beneficial Associates
Mr. Clifford B. Reis, C.C.H.	NIL	125,000	NIL	125,000
Mr. Wilfred A. Lee, A.A.	NIL	NIL	NIL	NIL
Mr. Rakesh K. Puri	NIL	9,958,726	NIL	9,929,241
Mr. George G. Mc Donald, A.A.	NIL	NIL	NIL	NIL
Mr. Paul A. Carto, A.A.	NIL	NIL	NIL	NIL
Ms. Deenawati Panday	NIL	NIL	NIL	NIL
Mr. Ronald Burch-Smith	NIL	NIL	NIL	NIL
Mr. Mohamed S. Hussein, A.A	NIL	NIL	NIL	NIL
Mr. Eton M. Chester A.A, O.D.	NIL	36,251	NIL	26,251

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

DIRECTORS' FEES	2023 $'000	2022 $'000
Mr. Clifford B. Reis C.C.H.	3,220	2,934
Mr. Wilfred A. Lee A.A.	2,723	2,474
Mr. Rakesh K. Puri	2,723	2,474
Mr. George G. Mc Donald A.A.	2,723	2,474
Mr. Michael Pereira - retired 31 December 2022	0	618
Mr. Paul A. Carto A.A.	2,723	2,474
Ms. Deenawati Panday	2,723	2,474
Mr. Ronald Burch-Smith	2,723	2,474
Mr. Mohammed S. Hussein - apponited 01 January 2022	2,723	1,856

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	2023 Amount	2023 %	2022 Amount	2022 %
Banks DIH Limited	30,340,557	51.0	30,340,557	51.0
Continental Agencies Limited	9,958,726	16.7	9,929,241	16.7
Hand-in-Hand Pension	4,615,385	9.7	5,802,885	9.8
Hand-in-Hand Group	4,205,356	7.1	4,205,356	6.9

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, has 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 & 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 $225.5 million (2022 - $35.9 million) was earned during the year.

INTRA GROUP DEBT

Banks DIH Limited, the parent company of Citizens Bank Guyana Inc has obligations totalling $52.4 million owing to the Bank at 30 September 2023 (2022 - $293.1 million).

MATERIAL CONTRACTS AS AT 30 SEPTEMBER 2023

Citizens Bank Guyana Inc has existing lease agreements to lease from Banks DIH Limited premises situated at Thirst Park, Georgetown and 16 First Avenue, Bartica 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

F S Parris

FRANCES S. PARRIS
CORPORATE SECRETARY

REPORT OF THE **INDEPENDENT AUDITORS** TO THE MEMBERS OF CITIZENS BANK GUYANA INC.

Opinion

We have audited the financial statements of Citizens Bank Guyana Inc. (the Company) which comprise the statement of financial position of the Company as at 30 September 2023, and the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 47 to 91.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 September 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and with the requirements of the Companies Act and the Financial Institutions Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Company of the current period. These matters were addressed in the context of our audit of the financial statements of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REPORT OF THE
INDEPENDENT AUDITORS
TO THE MEMBERS OF CITIZENS BANK GUYANA INC.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Impairment of financial assets The Company has gross loans and advances and investment securities carried at amortised cost amounting to $76.7 billion, or 69 percent of total assets. Against this gross amount, there is an allowance for expected credit losses (ECL) of $1.1 billion at the year end. The measurement of ECL under the general approach is a complex calculation that requires the Company to measure ECL on a forward-looking basis reflecting a range of economic conditions. This process involves a number of interrelated inputs and assumptions such as the financial asset's probability of default, loss given default and exposure at default, which are modelled based on macroeconomic variables, and discounted to the reporting date. Significant judgement was required to determine which of those borrowers experienced a significant increase in credit risk (SICR), to estimate forward-looking scenarios and assign probability weights to these scenarios. For regulatory provisioning, the Company applies prescribed rates of provisioning and relevant classification guidelines. Given the inherent complexity of the ECL models used and the significant judgment required by management in relation to the forward-looking nature of some key assumptions, the allowance for ECL on financial assets was considered a key audit matter.	Our approach to addressing the matter included the following procedures, amongst others: • Evaluated the design and tested the operating effectiveness of management's controls over the validation of models and selection of appropriate inputs including the determination of borrowers' classification and the integrity of the data used including the associated controls over relevant information technology (IT) systems. • Assessed whether the methodology and assumptions, including management's SICR triggers, used in the probability of default, loss given default and exposure at default models across various portfolios are consistent with the requirements of IFRS. • Tested whether the methodology has been appropriately reflected in the ECL model code by producing an independent version of the model recalculating probability of default, loss given default and exposure at default for a risk-based sample of collectively assessed financial assets and reconciling its outputs to the Company's model. • Reperformed staging on a sample of financial assets that we determined to be of a higher risk, by independently replicating the staging models. • Challenged whether the Company's SICR criteria was sufficiently forward-looking for a sample of borrowers through our evaluation of forecasted cash flows, collateral valuations and by comparing data and assumptions to relevant publicly available information and other known variables obtained through our other audit procedures.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Refer to notes 2.3, 2.4, 2.5, 3, 6, 7, 20 and 28 to the financial statements for disclosures of related accounting policies, judgements, estimates and balances.	• Performed tests over the completeness and accuracy of data used in the ECL models by reconciling and verifying key data fields to source systems and relevant documents. • Reperformed credit assessments for a sample of financial assets classified as performing loans within higher risk sectors to determine whether their stage classification was appropriate.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements of the Company and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Company does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

REPORT OF THE
INDEPENDENT AUDITORS
TO THE MEMBERS OF CITIZENS BANK GUYANA INC.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements of the Company in accordance with IFRSs and the requirements of 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.

In preparing these financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the Company of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefit of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Javed A. Alli.

JACK A. ALLI, SONS & CO

CHARTERED ACCOUNTANTS
145 Crown Street, Queenstown,
Georgetown, Guyana
28 November 2023

STATEMENT OF **FINANCIAL POSITION**

30 September 2023

Thousands of Guyana Dollars	Note	2023	2022
ASSETS			
Cash and balances with Bank of Guyana	4	19,736,654	10,954,587
Amounts due from other banks	5	8,693,107	5,265,466
Investment securities	6	23,884,151	23,726,962
Loans and advances	7	51,973,766	38,241,268
Property and equipment	8	5,988,775	5,798,395
Intangible asset	9	125,613	135,600
Taxation recoverable		191,232	191,232
Deferred taxation	10	113,915	46,613
Other assets	11	1,134,454	369,917
TOTAL ASSETS		111,841,667	84,730,040
LIABILITIES			
Customers' deposits	12	94,562,240	69,061,643
Deferred taxation	10	242,523	242,816
Taxation payable		830,762	876,140
Other liabilities	13	1,339,487	1,322,540
TOTAL LIABILITIES		96,975,012	71,503,139
SHAREHOLDERS' EQUITY			
Share capital	14	594,913	594,913
Statutory reserve	15	594,913	594,913
General banking risk reserve	15	797,051	211,941
Other reserves	15	717,950	713,757
Retained earnings		12,161,828	11,111,377
TOTAL SHAREHOLDERS' EQUITY		14,866,655	13,226,901
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		111,841,667	84,730,040

The notes on pages 47 to 91 form an integral part of these financial statements. The Board of Directors approved these financial statements for issue on 28 November 2023.

Clifford B. Reis
Director

Eton M. Chester
Director

STATEMENT OF **INCOME**

for the year ended 30 September 2023

Thousands of Guyana Dollars	Note	2023	2022
INTEREST INCOME	16	4,644,372	3,885,550
INTEREST EXPENSE	16	(257,225)	(308,641)
NET INTEREST INCOME		4,387,147	3,576,909
OTHER INCOME	17	985,075	961,647
TOTAL NET INCOME		5,372,222	4,538,556
OPERATING EXPENSES	18	(1,966,200)	(1,675,582)
NET MOVEMENT IN IMPAIRMENT OF FINANCIAL ASSETS	20	(142,383)	137,994
PROFIT BEFORE TAXATION		3,263,639	3,000,968
TAXATION CHARGE	21	(1,317,505)	(1,201,064)
PROFIT AFTER TAXATION		1,946,134	1,799,904
EARNINGS PER SHARE	22	$32.71	$30.26

The notes on pages 47 to 91 form an integral part of these financial statements.

STATEMENT OF **COMPREHENSIVE INCOME**

for the year ended 30 September 2023

Thousands of Guyana Dollars	**2023**	**2022**
PROFIT AFTER TAXATION	1,946,134	1,799,904
Items that may not be reclassified to profit or loss:		
Revaluation of property	0	882,190
Deferred tax charge arising on revaluation of property	0	(226,494)
OTHER COMPREHENSIVE INCOME	0	655,696
TOTAL COMPREHENSIVE INCOME	1,946,134	2,455,600

The notes on pages 47 to 91 form an integral part of these financial statements.

STATEMENT OF
CHANGES IN EQUITY
for the year ended 30 September 2023

Thousands of Guyana Dollars	Note	Share Capital	Statutory Reserve	General Banking Risk Reserve	Retained Earnings	Revaluation Reserve	Total
For the year ended 30 September 2022							
As at beginning of year		594,913	594,913	211,941	9,525,640	58,061	10,985,468
Total comprehensive income		0	0	0	1,799,904	0	1,799,904
Transfer to revaluation reserve, net of tax	15	0	0	0	0	655,696	655,696
Dividends paid	23	0	0	0	(214,167)	0	(214,167)
As at end of year		594,913	594,913	211,941	11,111,377	713,757	13,226,901
For the year ended 30 September 2023							
As at beginning of year		594,913	594,913	211,941	11,111,377	713,757	13,226,901
Total comprehensive income		0	0	0	1,946,134	0	1,946,134
Transfer to general banking risk reserve	15	0	0	585,110	(585,110)	0	0
Unwinding of deferred tax on revaluation		0	0	0	(4,193)	4,193	0
Dividends paid	23	0	0	0	(306,380)	0	(306,380)
As at end of year		594,913	594,913	797,051	12,161,828	717,950	14,866,655

The notes on pages 47 to 91 form an integral part of these financial statements.

STATEMENT OF **CASH FLOWS**

for the year ended 30 September 2023

Thousands of Guyana Dollars	**2023**	**2022**
OPERATING ACTIVITIES		
Profit before taxation	3,263,639	3,000,968
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation	179,084	194,967
Gain on disposal of property and equipment	(917)	(1,710)
Net movement in impairment of loans and advances	142,383	(107,217)
Loans and advances	(13,874,881)	(4,333,012)
Net movement in impairment of investment securities	0	(30,777)
Reserve requirement with Bank of Guyana	(2,932,454)	(1,139,162)
Fair value losses / (gains) on investment securities	58,317	(40,543)
Customers' deposits	25,500,597	(675,839)
Other assets	(764,537)	(29,225)
Other liabilities	16,947	(172,628)
Taxes paid	(1,430,478)	(810,966)
NET CASH INFLOW / (OUTFLOW) - OPERATING ACTIVITIES	10,157,700	(4,145,144)
INVESTING ACTIVITIES		
Additions to investment securities	(23,999,159)	(20,430,800)
Maturities of investment securities	23,783,653	6,167,636
Purchase of property and equipment	(317,863)	(645,819)
Purchase of intangible asset	(41,830)	(19,135)
Proceeds from sale of property and equipment	1,133	5,073
NET CASH OUTFLOW - INVESTING ACTIVITIES	(574,066)	(14,923,045)
FINANCING ACTIVITIES		
Dividends paid	(306,380)	(214,167)
NET CASH OUTFLOW - FINANCING ACTIVITIES	(306,380)	(214,167)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	9,277,254	(19,282,356)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	8,302,942	27,585,298
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	17,580,196	8,302,942
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and non-restricted balance with Bank of Guyana	8,887,089	3,037,476
Amounts due from other banks	8,693,107	5,265,466
	17,580,196	8,302,942

The notes on pages 47 to 91 form an integral part of these financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**

30 September 2023

1. COMPANY IDENTIFICATION AND PRINCIPAL ACTIVITY

Citizens Bank Guyana Inc. (the 'Company') was incorporated in Guyana on 02 November 1993. Its registered office is situated at 231-233 Camp Street and South Road, 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 for all the years presented, unless otherwise stated.

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 investment securities measured at fair value. The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IFRSs') and with the requirements of the Companies Act and the Financial Institutions Act.

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.

Amended IFRSs that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs that are mandatorily effective for the accounting year ended 30 September 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

IFRS 3	Amendments – Reference to the Conceptual Framework
IAS 16	Amendments - Proceeds before Intended Use
IAS 37	Amendments - Onerous Contracts - cost of fulfilling a contract
Annual Improvements to IFRS 2018-2020 Cycle:	
- IFRS 1	Subsidiary as a First-time Adopter
- IFRS 9	Fees in the '10 per cent' test for derecognition of financial liabilities
- IFRS 16	Lease incentives
- IAS 41	Taxation in Fair Value Measurements

New and revised IFRS Accounting Standards in issue but not yet effective

The following new standard and amendments to existing standards have been published and are effective in future financial years. The Company is currently evaluating the impact of these pronouncements on its financial reporting.

IFRS 17	Insurance contracts
IFRS 16	Amendments - Lease liability in a sale and leaseback transaction
IAS 1	Amendments - Classification of liabilities as current or non-current

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of Preparation (Cont'd)

New and revised IFRS Accounting Standards in issue but not yet effective (Cont'd)

IAS 1	Amendments - Disclosure of accounting policies
IAS 1	Amendments - Non-current liabilities with covenants
IAS 7 & IFRS 7	Amendments - Supplier finance arrangements
IAS 8	Amendments - Definition of accounting estimates
IAS 12	Amendments - Deferred tax related to assets and liabilities arising from a single transaction
	Amendments - International tax reform—Pillar Two model rules

2.2 Foreign Currency Translation

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 (arising on trading or otherwise) and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

2.3 Financial Assets and Financial Liabilities - Recognition and Derecognition

Recognition

The initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to the issuance or purchase. Regular way purchases and sales of financial assets are accounted for at settlement date.

Derecognition

The Company, in some instances, renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. If the terms are substantially different, the Company derecognises the original financial asset and recognises a new asset at fair value and recalculates a new effective interest rate for the asset.

In cases other than modification, a financial asset is derecognised when the contractual rights to the cash flows from the asset have expired; or when the Company transfers the contractual rights to receive the cash flows from the financial asset; or has assumed an obligation to pay those cash flows to an independent third party; or the Company has transferred substantially all the risks and rewards of ownership of that asset to an independent third-party. Management determines whether substantially all the risks and rewards of ownership have been transferred by quantitatively comparing the variability in cash flows before and after the transfer. If the variability in cash flows remains significantly similar subsequent to the transfer, the Company has retained substantially all of the risks and rewards of ownership.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Financial Assets and Financial Liabilities - Recognition and Derecognition (Cont'd)

Derecognition (Cont'd)

On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the statement of income.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. If an existing financial liability is replaced by another from the same counterparty on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability at fair value. The difference in the respective carrying amount of the existing liability and the new liability is recognised as a gain/loss in the statement of income.

If a modification of terms does not result in derecognition of the financial asset, the carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows, discounted at the original effective interest rate and a gain or loss is recognized. The financial asset continues to be subject to the same assessments for significant increase in credit risk relative to initial recognition and credit-impairment.

2.4 Financial Assets and Financial Liabilities - Classification and Measurement

Classification of financial assets and financial liabilities

On initial recognition, the Company classifies its financial assets and financial liabilities as measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL). The classification and measurement requirements are described below.

Classification - Debt instruments

The classification of debt instruments depends on the business model used for managing the financial assets and whether the contractual cash flows represents solely payments of principal and interest.

The business models reflects how the Company manages the assets in order to generate cash flows. That is, whether the objective is solely to collect the contractual cash flows from the assets, or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If these financial assets have contractual cash flows which are inconsistent with a basic lending arrangement, they are classified as non-trading financial assets measured at FVPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, expectations on future sales, how the asset's performance is evaluated and reported to key management personnel, and how risks are assessed and managed.

Measurement - Debt instruments

There are three measurement approaches for debt instruments depending on the classification of the financial assets.

- Amortised cost: Debt securities, loans and advances are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest at specified dates. Interest income from these financial assets is included in the statement of income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. The carrying amount of these financial assets is adjusted by an allowance for expected credit losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial Assets and Financial Liabilities - Classification and Measurement (Cont'd)

Measurement - Debt instruments (Cont'd)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Changes in fair value are taken through OCI. The recognition of interest income and impairment gains or losses are recognised in the statement of income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in the statement of income using the effective interest rate method. The carrying amount of these financial assets is adjusted by an allowance for expected credit losses.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt instrument that is measured at FVPL is recognised in the statement of income in the period in which it arises. Assets held for trading are classified as FVPL.

Classification and measurement - Equity instruments

Equity instruments are instruments that meet the definition of equity: that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Company measures all equity instruments at fair value. Dividends from such investments continue to be recognised in the statement of income when the Company's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in the statement of income.

Classification and measurement - Financial liabilities

Financial liabilities are classified as "measured at amortised cost".

Criteria for non-performing classification

In accordance with the Bank of Guyana's Revised Supervision Guideline 5 "*Credit Exposure Review, Classification, Provisioning, and Other Related Requirements*" (SG 5), the Company classifies loans and advances as 'non-performing' when the borrower is in default and has not made scheduled payments of principal or interest for 90 days or more; or an account where interest payments for 90 days or more has been capitalised, re-financed, or rolled-over into a new loan. In relation to overdraft, a period of 90 days or more has elapsed since the approved credit limit has been exceeded, or the overdraft has expired, or interest charges were due and unpaid, or the account has developed a hardcore which was not converted into a term loan.

(a) for a loan or an account with fixed repayment dates -
 - (i) principal or interest is due and unpaid for three months or more; or
 - (ii) interest charges for three months or more have been capitalised, refinanced, or rolled-over.

(b) for an overdraft or an account without fixed repayment dates -
 - (i) approved limit has been exceeded for three months or more; or
 - (ii) credit line has expired for three months or more; or
 - (iii) interest charges for three months or more have not been covered by deposits; or
 - (iv) the account has developed a hardcore which was not converted into a term loan after three months or more.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial Assets and Financial Liabilities - Classification and Measurement (Cont'd)

Criteria for non-performing classification (Cont'd)

A credit exposure may only be returned to performing or accrual status when:

(i) all arrears of principal and interest have been repaid in full; or

(ii) a minimum of one year has elapsed since the restructuring of the credit exposure and timely repayments were made during that period in accordance with the revised terms.

Up to 31 August 2022, the Company provided support to qualified borrowers whose operations were impacted by the COVID-19 pandemic. Eligible borrowers were generally granted a moratorium on loan payments.

2.5 Impairment of Financial Assets

Expected Credit Loss (ECL) Model

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments classified at amortised cost and FVOCI and with the exposures arising from loan commitments and guarantees. The Company recognises an ECL allowance at each reporting date. The net impairment charge in the income statement reflects the change in the allowance (excluding the impact of write-offs of amounts previously provided for).

The measurement of ECL reflects:

- An unbiased and probability-weighted amount determined from possible outcomes;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The allowance is measured on expected credit losses resulting from default events that are possible within the next 12 months. In the event of a significant increase in credit risk since the origination or for credit-impaired assets, the allowance is measured from all possible default events over the expected life of the financial assets. ECL is calculated by multiplying the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

- PD is an estimate of the likelihood of default over the next 12 months or over the remaining lifetime of the obligation.

- LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by counterparty, type of claim and availability of collateral. It is expressed as a percentage loss per unit of exposure at the time of default.

- EAD is based on the amounts that the Company expects to be owed at the time of default, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, expected drawdowns on commitments and accrued interest from missed payments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Impairment of Financial Assets (Cont'd)

Expected Credit Loss (ECL) Model (Cont'd)

The ECL is determined by projecting PD, LGD and EAD for future months and for each individual exposure. The multiplication of the three components results in the ECL for each future month, over the remaining expected life of the financial asset, and is discounted to the reported date based on the original effective rate. ECLs are calculated based on the present value of cash shortfalls determined as the difference between contractual cash flows and expected cash flows over the remaining expected life of the financial instrument.

The lifetime PD is developed by applying a maturity profile based on historical experience and current 12-month PD and relevant forward-looking expectations. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries post default including collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.

The 12-month and lifetime EADs are determined based on expected repayment patterns and future drawdowns, where applicable.

Relevant forward-looking macroeconomic information is also considered in determining PDs, LGDs and EADs.

There are no differences in the estimation techniques or significant assumptions for the ECL calculations as at 30 September 2023 and 30 September 2022.

Three-stage method

The ECL impairment model uses a three-stage approach based on the extent of credit deterioration since origination.

Stage 1: 12 month ECL applies to all financial assets that have not experienced a significant increase in credit risk since origination and are not credit impaired. The ECL is computed using a 12-month PD that represents the probability of default occurring over the next 12 months.

Stage 2: When a financial asset experiences a significant increase in credit risk subsequent to origination but is not credit impaired, it is considered to be in Stage 2. This requires the computation of ECL based on lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset.

Stage 3: Financial assets with objective evidence of impairment are included in this stage. Similar to Stage 2, the allowance for credit losses continue to capture the lifetime ECL.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Impairment of Financial Assets (Cont'd)

Expected Credit Loss (ECL) Model (Cont'd)

Definition of default and credit-impaired financial assets

The Company defines a financial asset as in default, which is fully aligned with the definition of credit-impaired, when it meets either quantitative or qualitative criteria, as defined below.

Quantitative criteria - The Company ordinarily considers that default on a financial asset has occurred when the borrower is more than 90 days past due on contractual payments. In the prior years, consideration was taken of the moratorium granted to qualified borrowers on loan payments (note 2.4).

Qualitative criteria - The Company considers a financial instrument to be in default if there are clear indicators that the borrower is in significant financial difficulty and therefore unlikely to pay. Some indicators are: bankruptcy of the borrower; breach of financial covenants; borrower is in long-term forbearance.

The criteria for default have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes.

An instrument is considered to no longer be in default (i.e. to be 'cured') when it no longer meets any of the default criteria for a consecutive period of twelve months.

Assessment of significant increase in credit risk

The Company assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers macroeconomic outlook, management judgement, and delinquency. In the current year, consideration was taken of the moratorium granted to qualified borrowers on loan payments (note 2.4). There is a rebuttable presumption that the credit risk of the financial instrument has increased since initial recognition when contractual payments are more than 30 days overdue. The Company has not chosen to rebut this assumption.

Forward-looking information

The estimation of expected credit losses for each stage and the assessment of significant increases in credit risk consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement. In its ECL model, the Company incorporates forward-looking information on macroeconomic performance, specifically GDP growth.

Modification of contractual cash flows

If the terms of a financial asset are modified or an existing financial asset is replaced with a new one, an assessment is made to determine if the existing financial asset should be derecognised. Where a modification does not result in derecognition, the date of origination continues to be used to determine significant increase in credit risk. Where a modification results in derecognition, the new financial asset is recognised at its fair value on the modification date. The modification date is also the date of origination for this new asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Impairment of Financial Assets (Cont'd)

Expected Credit Loss (ECL) Model (Cont'd)

Modification of contractual cash flows (Cont'd)

Modifications of the contractual terms of financial assets may result in derecognition of the original asset when the changes to the terms are considered substantial. The original financial asset is derecognised and the new asset is recognised at fair value; any difference arising is recognised in the statement of income.

If a modification of terms results in derecognition of the original financial asset and recognition of a new financial asset, the new financial asset will generally be recorded in Stage 1, unless it is determined to be credit-impaired at the time of the renegotiation. For the purposes of assessing for significant increases in credit risk, the date of initial recognition for the new financial asset is the date of the modification.

A modified financial asset will transfer out of Stage 3 if the conditions that led to it being identified as credit-impaired are no longer present and relate objectively to an event occurring after the original credit-impairment was recognized. A modified financial asset will transfer out of Stage 2 when it no longer satisfies the relative thresholds set to identify significant increases in credit risk, which are based on changes in its lifetime PD, days past due and other qualitative considerations. The financial asset continues to be monitored for significant increases in credit risk and credit-impairment.

Write-off policy

The Company writes off a credit-impaired financial asset (and the related ECL allowance), either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, write-off is generally after receipt of any proceeds from the realisation of security. In circumstances where, based on the net realisable value of any collateral, there is no reasonable expectation of full recovery, write-off may occur earlier. The Company also recognises the statutory provisions contained in Bank of Guyana's Revised Supervision Guideline 5 relative to the write off of accounts classified as 'Loss'.

Guarantees and credit commitments

Financial guarantees are initially measured at fair value and subsequently measured at the higher of the loss allowance and the premium received on initial recognition. Loan commitments are measured as the amount of the loss allowance. For financial guarantees and loan commitments, the loss allowance is recognised as a provision.

Based on the historical experience and collateral pledged, the Company considers the risk of loss in the event of default to be low and consequently, the ECL to be immaterial.

Cash resources

Cash and balances with the Bank of Guyana and amounts due from other banks are within the scope of IFRS 9 impairment approach. However, based on the historical experience and the nature of the counterparties, the Company considers the risk of default to be low and consequently, the ECL to be immaterial.

Bank of Guyana Supervision Guideline 5

The Company is required to consider the need for impairment of financial assets in accordance with IFRS, as well as the provisioning requirements of the Bank of Guyana, as set out in SG 5. Where the impairment provision required under SG 5 is greater than that required under IFRS 9, the excess is dealt with as an appropriation of retained earnings to a general banking risk reserve.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Guarantees and Letters of Credit

The Company's potential liability under guarantees and letters of credit is reported as a contingent liability given that there are equal and offsetting claims against its customers in the event of a call on these commitments. Where there is doubt on the asset cover against these contingent liabilities, a provision for impairment is established.

2.7 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.

2.8 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, except for freehold property held as at 31 August 2022 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

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.

2.9 Intangible Asset (Computer Software)

The costs of acquiring, customising 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.

2.10 Repossessed Assets

Repossessed assets are measured at the lower of carrying amount and fair value less costs to sell, and reported within "Other Assets".

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 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.

2.12 Interest Income and Expense

Interest income and expense are recognised in the statement of income for all interest-bearing instruments on an accrual basis using the effective interest rate method.

The effective interest rate is the rate that exactly discounts the future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees that are integral to the effective interest rate.

In accordance with Bank of Guyana Revised Supervision Guideline 5, interest income on 'non-performing' accounts is not accrued unless it is well-secured and full collection of arrears is expected within 3 months. Note 2.4 to these financial statements describes the basis for classifying accounts as 'non-performing'. Any uncollected interest is reversed from income at the time the facility is classified as 'non-performing'.

2.13 Fees and Commission Income

The recognition of fees and commission is determined by the purpose of the fee or commission and the basis of accounting for any associated financial instrument. Income earned on completion of a significant act is recognised when the act is completed. Income earned from the provision of services is recognised as revenue as the services are provided.

2.14 Taxation

The tax expense for the year comprises of current and deferred tax and is recognised in the statement of income or the other comprehensive income, as appropriate.

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, revaluations of certain assets and impairment provisions. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE **FINANCIAL STATEMENTS**

30 September 2023

Thousands of Guyana Dollars

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Retirement Benefit Plan

The Company offers a defined contribution pension arrangement to eligible employees. The Company's contributions are charged to the statement of income in the year to which they relate.

2.16 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

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions in applying the accounting policies that affect the reported amounts of the assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. The most significant judgements, assumptions and estimates are described in this note.

Measurement of the Expected Credit Loss Allowance

The measurement of the expected credit loss allowance for financial assets under IFRS 9 is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). The ECL allowance generated by the credit risk models are influenced by a number of factors, changes in which can result in different outcomes.

Some of the significant judgements and estimates that influence the outcome of the ECL allowances are:

- Choice of criteria for determining significant increase in credit risk;
- Choice of models and assumptions for the measurement of ECL;
- Recoverable values from collateral and time to recovery;
- Pattern of future cash flows;
- Basis for establishing forward-looking overlay adjustments; and
- Basis for establishing groups of similar financial assets for ECL purposes.

4. CASH AND BALANCES WITH BANK OF GUYANA	**2023**	**2022**
Cash in hand	1,782,592	1,808,069
Balance with Bank of Guyana in excess of reserve requirement	7,104,497	1,229,407
Included in cash and cash equivalents	8,887,089	3,037,476
Reserve requirement with Bank of Guyana	10,849,565	7,917,111
	19,736,654	10,954,587

The Company is required to maintain a monetary reserve with the Bank of Guyana which is based on customers' deposits and other specified liabilities.

Thousands of Guyana Dollars

5. AMOUNTS DUE FROM OTHER BANKS

	2023	2022
Items in course of collection	338,461	365,497
Deposits held with foreign banks	8,354,646	4,899,969
	8,693,107	5,265,466

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

6. INVESTMENT SECURITIES

	2023	2022
Debt instruments at amortised cost		
Issued in Guyana:		
Government securities	23,436,405	22,671,908
Issued out of Guyana:		
Government securities	206,798	750,984
	23,643,203	23,422,892
Fair value through Profit or Loss		
Issued out of Guyana:		
Corporate securities	240,948	304,070
Total Investment Securities	23,884,151	23,726,962

7. LOANS AND ADVANCES

Overdrafts	4,293,558	3,531,464
Term loans	34,285,983	22,930,554
Mortgages	11,733,204	9,991,673
Non-accrual accounts	2,372,457	2,406,874
	52,685,202	38,860,565
Accrued interest receivable	344,929	315,810
Less ECL allowance - note 20	(1,056,365)	(935,107)
	51,973,766	38,241,268

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8. PROPERTY AND EQUIPMENT

	Freehold Land and Building	Leasehold Improvements	Furniture, Fixtures and Equipment	Motor Vehicles	Work in Progress	Total
Cost						
As at 01 October 2022	4,287,611	0	1,555,277	72,738	1,143,250	7,058,876
Additions	0	0	18,919	20,170	278,774	317,863
Disposals	0	0	(98,038)	(8,330)	0	(106,368)
Transfer	0	0	4,254	0	(4,254)	0
As at 30 September 2023	4,287,611	0	1,480,412	84,578	1,417,770	7,270,371
Accumulated Depreciation						
As at 01 October 2022	(11,941)	0	(1,185,454)	(63,086)	0	(1,260,481)
Depreciation charge	(68,342)	0	(52,036)	(6,889)	0	(127,267)
Written back on disposals	0	0	97,822	8,330	0	106,152
As at 30 September 2023	(80,283)	0	(1,139,668)	(61,645)	0	(1,281,596)
Net Carrying Amount						
As at 30 September 2023	4,207,328	0	340,744	22,933	1,417,770	5,988,775
Cost						
As at 01 October 2021	2,926,357	1,445	1,536,653	82,238	1,256,664	5,803,357
Revaluation	632,790	0	0	0	0	632,790
Additions	13,664	0	30,769	0	601,386	645,819
Disposals	0	(1,445)	(12,145)	(9,500)	0	(23,090)
Transfer	714,800	0	0	0	(714,800)	0
As at 30 September 2022	4,287,611	0	1,555,277	72,738	1,143,250	7,058,876
Accumulated Depreciation						
As at 01 October 2021	(211,659)	(1,442)	(1,111,393)	(63,396)	0	(1,387,890)
Depreciation charge	(49,682)	0	(86,013)	(6,023)	0	(141,718)
Written back on disposals	0	1,442	11,952	6,333	0	19,727
Revaluation	249,400	0	0	0	0	249,400
As at 30 September 2022	(11,941)	0	(1,185,454)	(63,086)	0	(1,260,481)
Net Carrying Amount						
As at 30 September 2022	4,275,670	0	369,823	9,652	1,143,250	5,798,395

In August 2022, the Company revalued its freehold land and building based on a valuation carried out by Patterson Associates on the basis of open market value (with the exception of its Linden and New Amsterdam branches which were purchased in August 2022). The revaluation surplus 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 $3,295,964 (2022 - $3,343,449) at the year end.

Thousands of Guyana Dollars

9. INTANGIBLE ASSET

	2023	2022
Computer Software		
Cost		
As at beginning of year	731,523	712,388
Additions	41,830	19,135
Disposals	(179,029)	0
As at end of year	594,324	731,523
Accumulated Amortisation		
As at beginning of year	(595,923)	(542,674)
Charges	(51,817)	(53,249)
Written back on disposals	179,029	0
As at end of year	(468,711)	(595,923)
Net Carrying Amount		
As at end of year	125,613	135,600

10. DEFERRED TAXATION

Deferred tax assets arising on:		
ECL allowance on financial assets	113,915	46,613
Deferred tax liabilities arising on:		
Accelerated tax depreciation	8,230	4,330
Gain on revaluation of property	234,293	238,486
	242,523	242,816
Portion of deferred tax balances expected to materialise after more than 12 months:		
Deferred tax assets	113,915	46,613
Deferred tax liabilities	230,100	232,290

11. OTHER ASSETS

Accrued interest receivable	42,080	8,401
Repossessed assets	122,135	132,391
Prepayments	200,453	164,594
Miscellaneous	769,786	64,531
	1,134,454	369,917

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12. CUSTOMERS' DEPOSITS

	2023	2022
Demand deposits	45,052,358	27,223,102
Savings deposits	41,048,175	33,607,841
Time deposits	8,383,315	8,099,263
	94,483,848	68,930,206
Accrued interest payable	78,392	131,437
	94,562,240	69,061,643

Sectoral Analysis

	Personal	Commercial	Government	Total
As at 30 September 2023				
Demand deposits	11,807,324	16,834,161	16,410,902	45,052,387
Savings deposits	31,471,829	9,123,578	490,720	41,086,127
Time deposits	2,585,795	5,464,774	373,157	8,423,726
	45,864,948	31,422,513	17,274,779	94,562,240
As at 30 September 2022				
Demand deposits	7,381,704	14,995,402	4,846,025	27,223,131
Savings deposits	25,481,205	7,842,190	315,096	33,638,491
Time deposits	1,736,211	6,094,562	369,248	8,200,021
	34,599,120	28,932,154	5,530,369	69,061,643

13. OTHER LIABILITIES

	2023	2022
Accruals	100,059	109,769
Items in the course of payment	421,582	360,748
Deferred income	206,440	150,867
Miscellaneous	611,406	701,156
	1,339,487	1,322,540

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

Thousands of Guyana Dollars

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 ECL allowance and that are appropriated from retained earnings.

Revaluation Reserve

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

16. NET INTEREST INCOME

	2023	2022
Interest Income:		
Loans and advances	4,172,259	3,641,128
Investment securities - earned in Guyana	246,600	208,494
Investment securities - earned out of Guyana	225,513	35,928
	4,644,372	3,885,550
Interest Expense:		
Demand deposits	4,904	4,344
Savings deposits	144,117	122,551
Time deposits	108,204	181,746
	257,225	308,641

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17. OTHER INCOME

	2023	2022
Fee and commission income	527,106	423,416
Gains on foreign exchange trading	436,654	482,874
Fair value (losses) / gains of financial assets at FVPL	(58,317)	40,543
Sundry income	79,632	14,814
	985,075	961,647

18. OPERATING EXPENSES

	2023	2022
Staff costs (note 19)	660,081	536,335
Depreciation and amortisation	179,084	194,967
Short-term leases	19,004	17,727
Auditors' remuneration (including expenses)	17,950	16,800
General administrative expenses	793,169	705,548
Other operating costs	296,912	204,205
	1,966,200	1,675,582

19. STAFF COSTS

	2023	2022
Wages and salaries	572,888	460,906
Social security costs	38,986	34,608
Pension costs	15,076	11,915
Other staff costs	33,131	28,906
	660,081	536,335

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20. ECL ALLOWANCE ON FINANCIAL ASSETS

IFRS 9

	Loans and Advances (Mortgages)	Loans and Advances (Term Loans)	Loans and Advances (Overdrafts)	Investment Securities (AC)	2023 Total
Stage 1: 12 month ECL					
Balance as at 01 October 2022	4,935	35,423	17,101	0	57,459
ECL on new instruments issued	41,174	124,104	18,506	0	183,784
ECL remeasurements and transfers between stages	(1,146)	(17,506)	(14,950)	0	(33,602)
Balance as at 30 September 2023	44,963	142,021	20,657	0	207,641
Stage 2: Lifetime ECL					
Balance as at 01 October 2022	3,245	2,953	0	0	6,198
ECL on new instruments issued	4,373	18,881	0	0	23,254
ECL remeasurements and transfers between stages	(2,516)	(2,665)	0	0	(5,181)
Balance as at 30 September 2023	5,102	19,169	0	0	24,271
Stage 3: Lifetime ECL credit-impaired					
Balance as at 01 October 2022	178,769	690,181	2,500	0	871,450
Amounts written off	(2,111)	(19,014)	0	0	(21,125)
Additional allowance	42,439	98,430	2,080	0	142,949
ECL remeasurements and transfers between stages	(58,451)	(108,262)	(2,108)	0	(168,821)
Balance as at 30 September 2023	160,646	661,335	2,472	0	824,453
Total ECL Allowance					
Balance as at 01 October 2022	186,949	728,557	19,601	0	935,107
Balance as at 30 September 2023	210,711	822,525	23,129	0	1,056,365

NOTES TO THE **FINANCIAL STATEMENTS**

30 September 2023

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20. ECL ALLOWANCE ON FINANCIAL ASSETS (CONT'D)

IFRS 9

	Loans and Advances (Mortgages)	Loans and Advances (Term Loans)	Loans and Advances (Overdrafts)	Investment Securities (AC)	2022 Total
Stage 1: 12 month ECL					
Balance as at 01 October 2021	17,979	58,651	0	13,056	89,686
ECL on new instruments issued	18,558	108,233	5,839	0	132,630
ECL remeasurements and transfers between stages	(31,602)	(131,461)	11,262	(13,056)	(164,857)
Balance as at 30 September 2022	4,935	35,423	17,101	0	57,459
Stage 2: Lifetime ECL					
Balance as at 01 October 2021	13,242	76,743	73,081	0	163,066
ECL on new instruments issued	19,871	16,315	4,163	0	40,349
ECL remeasurements and transfers between stages	(29,868)	(90,105)	(77,244)	0	(197,217)
Balance as at 30 September 2022	3,245	2,953	0	0	6,198
Stage 3: Lifetime ECL credit-impaired					
Balance as at 01 October 2021	166,206	732,744	7,851	49,453	956,254
Amounts written off	(10,629)	(87,312)	(6,232)	(31,732)	(135,905)
Additional provision	85,140	252,353	3,198	0	340,691
Reversal of provision	(61,948)	(207,604)	(2,317)	(17,721)	(289,590)
Balance as at 30 September 2022	178,769	690,181	2,500	0	871,450
Total ECL Allowance					
Balance as at 01 October 2021	197,427	868,138	80,932	62,509	1,209,006
Balance as at 30 September 2022	186,949	728,557	19,601	0	935,107

Thousands of Guyana Dollars

21. TAXATION

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

	2023	2022
Current tax	1,405,141	1,184,611
Deferred tax	(67,595)	16,453
Prior year adjustment	(20,041)	0
	1,317,505	1,201,064

Reconciliation of the Company's profit before taxation to the theoretical amount using the basic rate of tax:

	2023	2022
Profit before taxation	3,263,639	3,000,968
Corporation tax on profit at 40% (2022 - 40%)	1,305,456	1,200,387
Income not subject to tax	(72,713)	(96,528)
Expenses not deductible for tax purposes	59	37
Property and withholding taxes	108,936	99,497
Prior year adjustments	(20,041)	0
Other	(4,192)	(2,329)
	1,317,505	1,201,064

The effective tax rate was 40.34% (2022 - 40.02%).

22. EARNINGS PER SHARE

	2023	2022
Profit attributable to shareholders	1,946,134	1,799,904
Weighted average number of ordinary shares (thousands)	59,491	59,491
Basic earnings per share	$32.71	$30.26

23. DIVIDENDS

	2023	2022
Prior year final dividend paid $4.00 per share (2022 - $2.60)	237,965	154,676
Interim dividend paid $1.15 per share (2022 - $1.00)	68,415	59,491
	306,380	214,167

A final dividend in respect of 2023 of $4.40 per share (2022 - $4.00 per share), amounting to $261,761 (2022 - $237,964) is to be proposed at the annual general meeting on 23 January 2024.

Thousands of Guyana Dollars

24. COMMITMENTS	**2023**	**2022**
Undrawn credit facilities	3,013,399	1,763,294
Capital commitments for property and equipment		
Authorised but not contracted for	910,874	1,029,722
Authorised and contracted for	318,470	239,071
Capital commitments for intangible assets		
Authorised but not contracted for	248,973	141,848
Authorised and contracted for	102,456	5,016

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	**2023**	**2022**
Guarantees	1,161,625	1,444,700

Tax Assessments

The Guyana Revenue Authority has sought to raise additional corporation taxes and property taxes as a result of the disallowance of the Company's deductions for impairment losses on financial assets for the years of income ended 30 September 2010 to 30 September 2012, 30 September 2014 to 30 September 2016, inclusive and 30 September 2018 and 30 September 2021 relative to corporation taxes and for years of income ended 30 September 2017 to 2021 inclusive relative to property taxes.

During the current financial year, the Guyana Revenue Authority maintained the amounts in dispute and the Company was required to file appeals in the High Court against the said assessments. The sum being claimed by the Guyana Revenue Authority for the stated years of $488,040 has been lodged with the Guyana Revenue Authority as a pre-condition to filing the Company's appeals.

The Company has been advised by its attorneys that the appeals have considerable merit and concluded that there is a remote possibility of economic outflow at the reporting date and as such no provision is recorded.

Thousands of Guyana Dollars

26. RELATED PARTY TRANSACTIONS

(a) Loans, advances and other credit commitments

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.

The total loans, advances and other credit commitments, as shown in the tables below, aggregate to 1 percent (2022 - 2 percent) of the total exposure to all customers. Additionally the total loans, advances and other credit commitments extended to the five related parties with the highest exposures as at the year end amount to $185,157 (2022 - $190,906) or 1 percent (2022 - 2 percent) of the capital base.

2023	Parent Company	Other Major Shareholders	Directors	Other Key Management	Other Related Parties	Total
Loans and advances as at beginning of year	0	0	164,549	36,783	43,759	245,091
Advanced in the year	0	0	147,024	4,734	68,497	220,255
Repaid in the year	0	0	(209,940)	(5,674)	(71,979)	(287,593)
Loans and advances as at end of year	0	0	101,633	35,843	40,277	177,753
Guarantees as at end of year	52,351	1,065	33,654	3,621	35,145	125,836
Interest income	0	0	7,214	3,133	4,377	14,724

2022	Parent Company	Other Major Shareholders	Directors	Other Key Management	Other Related Parties	Total
Loans and advances as at beginning of year	0	0	173,299	87,471	253,384	514,154
Advanced in the year	0	0	82,146	8,750	153,724	244,620
Repaid in the year	0	0	(90,896)	(59,438)	(363,349)	(513,683)
Loans and advances as at end of year	0	0	164,549	36,783	43,759	245,091
Guarantees as at end of year	293,135	1,065	52,824	5,751	14,484	367,259
Interest income	0	0	10,858	3,261	4,409	18,528

(b) Customers' deposits

2023	Parent Company	Other Major Shareholders	Directors	Other Key Management	Other Related Parties	Total
Balance as at beginning of year	16,321,558	1,434,681	119,659	10,329	6,656,231	24,542,458
Deposits during the year	46,818,840	4,968,227	876,825	80,396	19,311,040	72,055,328
Withdrawals in the year	(45,626,569)	(5,044,863)	(630,902)	(80,595)	(18,268,866)	(69,651,795)
Balance as at end of year	17,513,829	1,358,045	365,582	10,130	7,698,405	26,945,991
Interest expense	8,551	1,138	1,387	50	61,984	73,110

Thousands of Guyana Dollars

26. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Customers' deposits (Cont'd)

2022	Parent Company	Other Major Shareholders	Directors	Other Key Management	Other Related Parties	Total
Balance as at beginning of year	15,256,660	969,967	145,411	19,336	8,541,873	24,933,247
Deposits during the year	57,918,749	7,919,422	408,200	115,958	20,741,767	87,104,096
Withdrawals in the year	(56,853,851)	(7,454,708)	(433,952)	(124,965)	(22,627,409)	(87,494,885)
Balance as at end of year	16,321,558	1,434,681	119,659	10,329	6,656,231	24,542,458
Interest expense	6,337	3,812	1,518	41	115,087	126,795

	2023	2022
(c) Key Management Compensation		
Short term benefits	113,077	89,820
Post employment benefits	2,120	1,610
	115,197	91,430
(d) Other Related Party Transactions		
Property rent charges from parent company	12,714	12,714
Property rent charges from other related party	5,973	5,002
Professional services provided by other related parties	1,595	7,668
Insurance services provided by major shareholder and other related party	47,736	47,848

27. DIRECTORS' EMOLUMENTS

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

	2023	2022
Clifford B. Reis	3,220	2,934
Rakesh K. Puri	2,723	2,474
Wilfred A. Lee	2,723	2,474
George McDonald	2,723	2,474
Paul A. Carto	2,723	2,474
Deenawati Panday	2,723	2,474
Ronald Burch-Smith	2,723	2,474
Michael H. Pereira - resigned 31 December 2021	0	618
Mohamed S. Hussein - appointed 01 January 2022	2,723	1,856
	22,281	20,252

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

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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 and other receivables, customers' deposits, and other liabilities.

As at 30 September 2023, the measurement categories and carrying amounts of the financial assets and liabilities in accordance with IFRS 7 are as follows:

	Measurement Category	2023 Carrying Amount	2022 Carrying Amount
Cash resources	Amortised cost	28,429,761	16,220,053
Investment securities	FVPL	240,948	304,070
	Amortised cost	23,643,203	23,422,892
Loans and advances	Amortised cost	51,973,766	38,241,268
Other financial assets	Amortised cost	811,866	72,932
Customer deposits	Amortised cost	94,562,240	69,061,643
Other financial liabilities	Amortised cost	1,133,047	1,171,673

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.

Thousands of Guyana Dollars

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

Risks arising from Financial Instruments (Cont'd)

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 expected credit losses where appropriate.

	2023	**2022**
On statement of financial position:		
Cash and balances with Bank of Guyana	19,736,654	10,954,587
Amounts due from other banks	8,693,107	5,265,466
Investment securities	23,643,203	23,422,892
Loans and advances	51,973,766	38,241,268
Other financial assets	811,866	72,932
	104,858,596	77,957,145
Off statement of financial position:		
Guarantees	1,161,625	1,444,700
Credit commitments	3,013,399	1,763,294
	4,175,024	3,207,994
Maximum exposure to credit risk	109,033,620	81,165,139

Thousands of Guyana Dollars

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

Credit Risk (Cont'd)

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.

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 three years, where possible. Where securities are lodged as collateral, management monitors their market performance for indicators of impairment.

(g) Oversight from the Credit Committee of the Board of Directors.

(h) The Company's risk management practices provides information to assist with the identification of changes in credit risk of loans and advances; estimation of recoverable amounts from collateral and the likely exposure at default.

Thousands of Guyana Dollars

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

Credit Risk (Cont'd)

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.

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. This practice provides necessary information to determine any changes in credit risk, thereby triggering an ECL allowance.

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 Company's five most significant credit concentrations (excluding government securities, cash and cash equivalents) expressed as a percentage of the Company's capital base is shown below.

	2023	**2022**
Counterparty 1	27.7%	22.3%
Counterparty 2	21.3%	13.0%
Counterparty 3	15.5%	10.9%
Counterparty 4	10.2%	8.6%
Counterparty 5	9.7%	7.0%

The analyses of credit risk concentrations presented in the following tables are based on the industry in which the counterparty is engaged and its geographic location.

Thousands of Guyana Dollars

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

Credit Risk (Cont'd)

Credit risk concentration (Cont'd)

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

As at 30 September 2023	**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	3,766,036	17,243,588	22,313,724	1,252,404
Other financial assets	0	0	0	0
	3,766,036	17,243,588	22,313,724	1,252,404
Off statement of financial position:				
Guarantees	784,442	226,212	0	41,701
Credit commitments	566,588	1,257,271	0	164,890
	1,351,030	1,483,483	0	206,591
Total	5,117,066	18,727,071	22,313,724	1,458,995
Individual instruments or group of related instruments aggregating to more than 10% of capital base	0	7,849,689	0	0
As at 30 September 2022				
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	3,977,078	11,307,695	16,591,765	928,347
Other financial assets	0	0	0	0
	3,977,078	11,307,695	16,591,765	928,347
Off statement of financial position:				
Guarantees	645,881	347,280	0	283,783
Credit commitments	399,698	764,910	0	134,557
	1,045,579	1,112,190	0	418,340
Total	5,022,657	12,419,885	16,591,765	1,346,687
Individual instruments or group of related instruments aggregating to more than 10% of capital base	0	4,535,525	0	0

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Mining & Quarry	Construction	Agriculture	Government	Financial	Other	Total
0	0	0	0	19,736,654	0	19,736,654
0	0	0	0	8,693,107	0	8,693,107
0	0	0	23,643,203	0	0	23,643,203
1,800,872	5,111,089	486,053	0	0	0	51,973,766
0	0	0	3,410	38,670	769,786	811,866
1,800,872	5,111,089	486,053	23,646,613	28,468,431	769,786	104,858,596
0	109,270	0	0	0	0	1,161,625
708,451	277,199	39,000	0	0	0	3,013,399
708,451	386,469	39,000	0	0	0	4,175,024
2,509,323	5,497,558	525,053	23,646,613	28,468,431	769,786	109,033,620
0	2,661,259	0	23,286,013	26,247,853	0	60,044,814
0	0	0	0	10,954,587	0	10,954,587
0	0	0	0	5,265,466	0	5,265,466
0	0	0	22,783,892	639,000	0	23,422,892
1,268,916	3,755,846	411,621	0	0	0	38,241,268
0	0	0	1,550	6,851	64,531	72,932
1,268,916	3,755,846	411,621	22,785,442	16,865,904	64,531	77,957,145
0	167,756	0	0	0	0	1,444,700
197,010	256,119	11,000	0	0	0	1,763,294
197,010	423,875	11,000	0	0	0	3,207,994
1,465,926	4,179,721	422,621	22,785,442	16,865,904	64,531	81,165,139
0	1,045,343	0	22,509,404	14,631,470	0	42,721,742

Thousands of Guyana Dollars

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

Credit Risk (Cont'd)

Credit risk concentration (Cont'd)

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

As at 30 September 2023	**Guyana**	**Caricom**	**North America**	**Europe**	**Total**
On statement of financial position:					
Cash and balances with Bank of Guyana	19,736,654	0	0	0	19,736,654
Amounts due from other banks	338,461	60,855	4,746,961	3,546,830	8,693,107
Investment securities	23,436,405	206,798	0	0	23,643,203
Loans and advances	51,973,766	0	0	0	51,973,766
Other financial assets	771,221	2,016	22,356	16,273	811,866
	96,256,507	269,669	4,769,317	3,563,103	104,858,596
Off statement of financial position:					
Guarantees	1,161,625	0	0	0	1,161,625
Credit commitments	3,013,399	0	0	0	3,013,399
	4,175,024	0	0	0	4,175,024
Total	100,431,531	269,669	4,769,317	3,563,103	109,033,620

As at 30 September 2022					
On statement of financial position:					
Cash and balances with Bank of Guyana	10,954,587	0	0	0	10,954,587
Amounts due from other banks	365,496	60,844	3,077,179	1,761,947	5,265,466
Investment securities	22,671,908	111,984	0	639,000	23,422,892
Loans and advances	38,241,268	0	0	0	38,241,268
Other financial assets	66,081	25	0	6,826	72,932
	72,299,340	172,853	3,077,179	2,407,773	77,957,145
Off statement of financial position:					
Guarantees	1,444,700	0	0	0	1,444,700
Credit commitments	1,763,294	0	0	0	1,763,294
	3,207,994	0	0	0	3,207,994
Total	75,507,334	172,853	3,077,179	2,407,773	81,165,139

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30 September 2023

Thousands of Guyana Dollars

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

Credit Risk (Cont'd)

Financial assets subject to impairment

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 risk exposure of financial instruments for which an ECL allowance is recognised.

MORTGAGES

	30 SEP 2023				30 SEP 2022
Grade	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Total
1	0	0	0	0	12,389
2	10,970,112	0	0	10,970,112	10,029,115
3	445,306	390,212	0	835,518	28,548
4	0	0	590,475	590,475	605,806
Gross	11,415,418	390,212	590,475	12,396,105	10,675,858
ECL allowance	44,963	5,102	160,646	210,711	186,949
Carrying amount	11,370,455	385,110	429,829	12,185,394	10,488,909

TERM LOANS

	30 SEP 2023				30 SEP 2022
Grade	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Total
1	548,288	0	0	548,288	687,948
2	32,555,466	0	0	32,555,466	22,466,891
3	446,263	991,489	0	1,437,752	13,147
4	0	0	1,716,801	1,716,801	1,715,557
Gross	33,550,017	991,489	1,716,801	36,258,307	24,883,543
ECL allowance	142,021	19,169	661,335	822,525	728,557
Carrying amount	33,407,996	972,320	1,055,466	35,435,782	24,154,986

Thousands of Guyana Dollars

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

Credit Risk (Cont'd)

Financial assets subject to impairment (Cont'd)

OVERDRAFTS

	30 SEP 2023				30 SEP 2022
Grade	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Total**
1	726,086	0	0	726,086	602,990
2	0	0	0	0	2,928,474
3	3,567,228	0	0	3,567,228	0
4	0	0	82,405	82,405	85,510
Gross	4,293,314	0	82,405	4,375,719	3,616,974
ECL allowance	20,657	0	2,472	23,129	19,601
Carrying amount	4,272,657	0	79,933	4,352,590	3,597,373

INVESTMENT SECURITIES (AC)

	30 SEP 2023				30 SEP 2022
Grade	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Total**
1	23,643,203	0	0	23,643,203	23,422,892
2	0	0	0	0	0
3	0	0	0	0	0
4	0	0	0	0	0
Gross	23,643,203	0	0	23,643,203	23,422,892
ECL allowance	0	0	0	0	0
Carrying amount	23,643,203	0	0	23,643,203	23,422,892

TOTAL

	30 SEP 2023				30 SEP 2022
Grade	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Total**
1	24,917,577	0	0	24,917,577	24,726,219
2	43,525,578	0	0	43,525,578	35,424,480
3	4,458,797	1,381,701	0	5,840,498	41,695
4	0	0	2,389,681	2,389,681	2,406,873
Gross	72,901,952	1,381,701	2,389,681	76,673,334	62,599,267
ECL allowance	207,641	24,271	824,453	1,056,365	935,107
Carrying amount	72,694,311	1,357,430	1,565,228	75,616,969	61,664,160

Thousands of Guyana Dollars

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

Credit Risk (Cont'd)

Commentary on movement in ECL allowance

The reasons for changes in the ECL allowance between 01 October 2022 and 30 September 2023 are:

Stage 1 ECL - an increase of $150,182 or 261%
- Growth in the portfolio which resulted in an increase in allowances during the year.

Stage 2 ECL - an increase of $18,073 or 292%
- Transfers from stage 1 due to increase in credit risk of certain customers.

Stage 3 ECL - a decrease of $46,997 or 5%:
- Write-off of loss facilities totalling $21,125.
- Improvements in the credit risk profile of customers

The reasons for changes in the ECL allowance between 01 October 2021 and 30 September 2022 are:

Stage 1 ECL - a decrease of $32,229 or 36%
- Improvements in the credit risk profile of customers

Stage 2 ECL - a decrease of $156,867 or 96%
- Improvements in the credit risk profile of customers

Stage 3 ECL - a decrease of $84,803 or 9%:
- Write-off of loss facilities and investment securities totalling $135,905.
- Improvements in the credit risk profile of customers

Thousands of Guyana Dollars

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

Credit Risk (Cont'd)

Financial assets subject to impairment (Cont'd)

Additional analysis of the ECL allowance by industry is shown in the table below.

As at 30 September 2023	**Households**	**Services**	**Real Estate**	**Manufacturing**
Investment securities, loans and advances	3,883,920	17,559,636	22,663,757	1,273,721
Credit-impaired accounts, including non-performing accounts	220,205	778,145	862,032	38,848
ECL allowance	117,886	316,047	350,033	21,317
As at 30 September 2022				
Investment securities, loans and advances	4,070,589	11,737,844	16,806,839	745,567
Credit-impaired accounts, including non-performing accounts	226,243	829,881	830,176	58,455
ECL allowance	113,658	309,837	260,919	34,729

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Mining & Quarry	Construction	Agriculture	Government	Financial	Total
1,868,305	5,162,787	618,004	23,643,204	0	76,673,334
128,926	26,815	323,575	0	0	2,378,546
67,433	51,698	131,951	0	0	1,056,365
1,315,671	3,793,250	706,614	22,783,893	639,000	62,599,267
93,308	30,102	338,710	0	0	2,406,875
50,226	33,949	131,789	0	0	935,107

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

Credit Risk (Cont'd)

Financial instruments not subject to impairment

There are investment securities with a carrying value of $240,948 (2022 - $304,070) which are not subject to ECL allowance as they are measured at fair value.

Collateral

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Company has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Company prepares a valuation of the collateral obtained as part of the loan origination process. This valuation is reviewed periodically. The principal collateral types for loans and advances are:

- Mortgages over properties
- Charges over premises, vehicles, equipment and inventory

The Company's policies in obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Company since the prior period.

The Company closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Company will take possession of collateral to mitigate potential credit losses. The fair value of collateral held for financial assets that are credit-impaired amounted to $2,207,531 as at 30 September 2023 (2022 - $2,214,920).

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, which are still held at the reporting date, are shown in the table below.

	2023	2022
Real Estate	0	3,475
Equipment	23,324	7,588

Thousands of Guyana Dollars

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

Credit Risk (Cont'd)

Modified facilities

The Company sometimes modifies the terms of loans and advances due to commercial renegotiations, or for distressed loans, with a view of maximising recovery. Renegotiations are usually considered upon request or where it is judged that a defaulting borrower will be better able to service outstanding debt under revised conditions.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, where the original asset was not derecognised. The Company may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 to Stage 2 to Stage 1. This is only the case for assets which have performed in accordance with the new terms for 12 consecutive months or more. The gross carrying amount of such assets held as at 30 September 2023 was $580,133 (2022 - $570,866).

Written-off financial assets

During the financial year the Company wrote-off financial assets totalling $21,125 (2022 - $135,905).

Thousands of Guyana Dollars

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

Funding and 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 Funding and Liquidity Risk

Funding and liquidity risk is measured and managed in accordance with the policies and processes defined in the Board-approved asset-liability management framework which is part of the Company's Board-approved Risk Management Strategy. The Audit, Finance and Risk Management Committee of the Board of Directors is responsible for implementing the approved policies and processes.

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. Projections of cash flow profiles and expected maturities of financial instruments are relied upon to monitor future cash flows. Statutory liquidity ratios are regularly monitored to ensure liquidity is managed efficiently and prudently.

(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) Regular stress testing to assess the Company's ability to meet cash flow obligations under a range of market conditions and scenarios. These scenarios inform liquidity limits and strategic planning.

(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.

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

Liquidity Risk (Cont'd)

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 or expected maturity dates.

As at 30 September 2023	**Within 3 months**	**Over 3 months but not over 6 months**	**Over 6 months but not over 12 months**	**Over 1 year but not over 5 years**	**Over 5 years**	**Total**
Assets						
Cash and balances with Bank of Guyana	19,736,654	0	0	0	0	19,736,654
Amounts due from other banks	8,693,107	0	0	0	0	8,693,107
Investment securities	8,530,512	6,512,165	8,619,107	37,062	185,305	23,884,151
Loans and advances	8,258,268	2,305,831	2,307,654	5,959,565	33,142,448	51,973,766
Other assets	1,134,453	0	6,419,536	0	0	7,553,989
Total assets	46,352,994	8,817,996	17,346,297	5,996,627	33,327,753	111,841,667
Liabilities						
Customers' deposits	87,933,162	3,268,462	2,828,986	531,630	0	94,562,240
Other liabilities	1,339,487	0	830,762	242,523	0	2,412,772
Total liabilities	89,272,649	3,268,462	3,659,748	774,153	0	96,975,012
Net liquidity gap	(42,919,655)	5,549,534	13,686,549	5,222,474	33,327,753	

As at 30 September 2022	**Within 3 months**	**Over 3 months but not over 6 months**	**Over 6 months but not over 12 months**	**Over 1 year but not over 5 years**	**Over 5 years**	**Total**
Assets						
Cash and balances with Bank of Guyana	10,954,587	0	0	0	0	10,954,587
Amounts due from other banks	5,265,466	0	0	0	0	5,265,466
Investment securities	10,934,741	5,092,056	7,537,661	0	162,504	23,726,962
Loans and advances	6,908,232	927,077	1,880,518	5,140,924	23,384,517	38,241,268
Other assets	369,915	0	6,171,842	0	0	6,541,757
Total assets	34,432,941	6,019,133	15,590,021	5,140,924	23,547,021	84,730,040
Liabilities						
Customers' deposits	62,496,481	2,854,593	3,650,874	59,695	0	69,061,643
Other liabilities	1,322,540	0	876,140	242,816	0	2,441,496
Total liabilities	63,819,021	2,854,593	4,527,014	302,511	0	71,503,139
Net liquidity gap	(29,386,080)	3,164,540	11,063,007	4,838,413	23,547,021	

Thousands of Guyana Dollars

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

Liquidity Risk (Cont'd)

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 2023	Within 3 months	Over 3 months but not over 6 months	Over 6 months but not over 12 months	Over 1 year but not over 5 years	Over 5 years	Total
On statement of financial position:						
Customers' deposits	87,935,101	3,286,281	2,852,571	559,465	0	94,633,418
Other financial liabilities	1,133,047	0	0	0	0	1,133,047
Off statement of financial position:						
Guarantees	381,936	68,317	294,874	416,498	0	1,161,625
Credit commitments	3,013,399	0	0	0	0	3,013,399
	92,463,483	3,354,598	3,147,445	975,963	0	99,941,489
As at 30 September 2022						
On statement of financial position:						
Customers' deposits	62,500,889	2,890,514	3,668,387	60,729	0	69,120,519
Other financial liabilities	1,171,673	0	0	0	0	1,171,673
Off statement of financial position:						
Guarantees and letters of credit	333,010	246,494	411,245	453,951	0	1,444,700
Credit commitments	1,763,294	0	0	0	0	1,763,294
	65,768,866	3,137,008	4,079,632	514,680	0	73,500,186

Foreign Exchange Risk

Foreign currency exposure arises from the Company's holding of foreign denominated assets and liabilities. The risk is that the carrying value of a financial instrument will fluctuate unfavourably because of changes in foreign exchange rates.

The Audit, Finance and Risk Management Committee of the Board of Directors is responsible for approving the Company's risk management policies and practices. Management is responsible for implementing those approved policies and practices.

Management of the Company reviews and manages the risk of unfavourable exchange rate movements by constant monitoring of market trends. The Company holds a large percentage of its foreign - denominated assets and liabilities in stable currencies and maintains net currency exposures within acceptable limits.

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).

Thousands of Guyana Dollars

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

Foreign Exchange Risk (Cont'd)

As at 30 September 2023	Assets	Liabilities	Net Position	% change	Impact on profit increase/ (decrease)	Impact on OCI increase/ (decrease)
United States Dollar	9,661,865	7,916,357	1,745,508	1.0%	17,455	0
Trinidad & Tobago Dollar	336,962	0	336,962	1.0%	3,370	0
Eastern Caribbean Dollar	97,299	0	97,299	1.0%	973	0
Other	81,305	14,008	67,297	1.0%	673	0
As at 30 September 2022						
United States Dollar	6,644,244	6,607,607	36,637	1.0%	366	0
Trinidad & Tobago Dollar	363,510	0	363,510	1.0%	3,635	0
Eastern Caribbean Dollar	113,823	0	113,823	1.0%	1,138	0
Other	341,701	157,571	184,130	1.0%	1,841	0

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.

The Audit, Finance and Risk Management Committee of the Board of Directors is responsible for approving the Company's risk management policies and practices. Management is responsible for implementing those approved policies and practices.

Management manages this risk by a number of measures, including selection of assets which best match the maturity of liabilities and the offering of deposit opportunities that match the maturity profile of assets. Maturity gap profiles and interest rate sensitivity analysis are relied upon to manage this risk.

The Company holds a minimal amount of floating rate instruments and therefore has limited exposure to the cash flow risk that could arise.

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.

Thousands of Guyana Dollars

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

Interest Rate Risk (Cont'd)

As at 30 September 2023	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	19,736,654	19,736,654
Amounts due from other banks	6,823,835	0	0	1,869,272	8,693,107
Investment securities	23,420,837	37,062	185,304	240,948	23,884,151
Loans and advances	12,526,824	5,959,565	33,142,448	344,929	51,973,766
Other assets	0	0	0	7,553,989	7,553,989
Total assets	42,771,496	5,996,627	33,327,752	29,745,792	111,841,667
Liabilities					
Customers' deposits	72,153,570	531,630	0	21,877,040	94,562,240
Other liabilities	0	0	0	2,412,772	2,412,772
Total liabilities	72,153,570	531,630	0	24,289,812	96,975,012
Interest sensitivity gap	(29,382,074)	5,464,997	33,327,752		

As at 30 September 2022	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	10,954,587	10,954,587
Amounts due from other banks	3,138,022	0	0	2,127,444	5,265,466
Investment securities	23,260,388	0	162,504	304,070	23,726,962
Loans and advances	9,400,016	5,140,924	23,384,518	315,810	38,241,268
Other assets	0	0	0	6,541,757	6,541,757
Total assets	35,798,426	5,140,924	23,547,022	20,243,668	84,730,040
Liabilities					
Customers' deposits	58,913,838	59,695	0	10,088,110	69,061,643
Other liabilities	0	0	0	2,441,496	2,441,496
Total liabilities	58,913,838	59,695	0	12,529,606	71,503,139
Interest sensitivity gap	(23,115,412)	5,081,229	23,547,022		

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 rates for monetary financial instruments:

	2023 %	2022 %
Assets		
Investment securities	1.1	1.1
Loans and advances	9.3	9.6
Liabilities		
Customers' deposits	0.3	0.4

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. A capital adequacy ratio of at least 8% must be maintained at all times, with a minimum ratio of eligible Tier 1 capital to total risk-weighted assets of 6%.

The table below summarises the composition of regulatory capital and the ratios of the Company as at the date of the statement of financial position. The Company complied with the Bank of Guyana's capital requirements throughout the current year and prior year.

	2023	2022
Regulatory Capital		
Tier I Capital:		
Share capital	594,913	594,913
Statutory reserve	594,913	594,913
Retained earnings	12,161,828	11,111,377
Tier II Capital:		
Revaluation reserve	717,950	713,757
Prescribed deduction	(125,613)	(135,600)
	13,943,991	12,879,360

Thousands of Guyana Dollars

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

Capital Management (Cont'd)

	2023	2022
Risk-weighted Assets		
On-balance sheet	54,339,000	43,779,000
Off-balance sheet	871,500	1,083,750
	55,210,500	44,862,750
Regulatory ratios		
Tier I capital ratio	24.2%	27.4%
Total capital ratio	25.3%	28.7%

Fair Values

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The sections that follow provide an analysis of the fair values of the Company's assets and liabilities based on the following hierarchy contained in IFRS 13:

Level 1 Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 Inputs for the asset that are not based on observable market data (that is unobservable inputs).

Asset carried at fair value

The Company's FVPL investment security 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 disclosure of fair value is required.

	IFRS13 Level	2023 Carrying Amount	2023 Fair Value	2022 Carrying Amount	2022 Fair Value
Assets:					
Investment securities	Level 2	23,643,203	23,651,221	23,422,892	23,517,873
Loans and advances	Level 2	51,973,766	54,067,131	38,241,268	40,052,644

The fair values of investment securities and loans and receivables 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.

NOTES TO THE **FINANCIAL STATEMENTS**

30 September 2023

Thousands of Guyana Dollars

30. 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.

CORRESPONDENT **BANKS**

United States Dollar (USD) TRANSACTIONS

BNY MELLON, NY
225 Liberty Street
New York, NY 10286

ABA# 021000018
SWIFT: IRVTUS3N
A/C No. 8901413550 (USD)

United States Dollar (USD) TRANSACTIONS

CROWN AGENTS BANK LTD
St Nicholas House
St Nicholas Road
Sutton, Surrey SM1 1EL
United Kingdom

SWIFT: CRASGB2L
A/C No. 33076101 (USD)

Canadian Dollar (CAD) TRANSACTIONS

CROWN AGENTS BANK LIMITED
St Nicholas House
St Nicholas Road
Sutton, Surrey SM1 1EL
United Kingdom

SWIFT: CRASGB2L
IBAN: GB88CRAS40528733076901
A/C No. 33076901 (CAD)

Pound Sterling (GBP) TRANSACTIONS

CROWN AGENTS BANK LIMITED
St Nicholas House
St Nicholas Road
Sutton, Surrey SM1 1EL
United Kingdom

SWIFT: CRASGB2L
IBAN: GB41CRAS40528733076001
A/C No. 33076001 (GBP)

Euro (EUR) TRANSACTIONS

CROWN AGENTS BANK LTD
St Nicholas House
St Nicholas Road
Sutton, Surrey SM1 1EL
United Kingdom

SWIFT: CRASGB2L
IBAN: GB08CRAS40528733076401
A/C No. 33076401 (EUR)

Jamaican Dollar (JMD) TRANSACTIONS

SAGICOR BANK JAMAICA LTD
17 Dominica Drive
New Kingston
Kingston 5
Jamaica

A/C No. 0341330000159 (JMD)

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 hours
- Monthly Statements
- Special conditions apply

PREMIUM CHEQUING ACCOUNT
- Minimum opening balance $200,000
- Competitive interest accrues on lowest daily balance over $200,000 and credited monthly
- No service charge if minimum balance is over $200,000
- ATM access ... 24 hours
- Monthly Statements
- Special conditions apply

CORPORATE CHEQUING ACCOUNT
- Minimum opening balance $500,000
- Competitive interest accrues on lowest daily 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
- Accounts with balances in excess of $10,000 qualify for a chance to win prizes in Jackpot Draws
- ATM access ... 24 hours
- 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 hours

GOLDEN GRAND SAVINGS ACCOUNT
(Special Account for Senior Citizens)
- Minimum opening balance $1,000
- Interest rate above Jackpot Savings rate
- Interest accrues on minimum quarterly balance and credited twice yearly
- No service charges
- No charges on foreign transfers
- ATM access ... 24 hours
- Monthly Statements

JUNIOR SAVERS ACCOUNT
- (Special account for Children)
- Minimum opening balance $1,000
- Receive gift on opening of account
- Interest rate above Jackpot Savings rate
- Interest accrues on minimum quarterly balance and credited twice yearly
- No service charges
- Special Incentives for educational achievements
- ATM access ... 24 hours
- Monthly Statements

MONEY MARKET ACCOUNT
- Minimum opening balance $1,000,000
- Competitive interest rate accrues on daily collected balances over $1,000,000 and credited monthly
- ATM access ... 24 hours
- Monthly Statements

CERTIFICATE OF DEPOSIT
- Minimum deposit $50,000
- Available for standard periods of 90 and 365 days (other terms can be negotiated)
- Interest rate is negotiable and guaranteed for a fixed period
- Interest accrues daily and is paid at maturity

RETAIL BANKING SERVICES
- Consumer Loans
- Mortgage Loans
- Money Lines and Overdrafts
- Sweep transfers for Chequing Accounts
- Standing Orders for regular periodic payments

CORPORATE BANKING SERVICES
- Commercial Loans and Mortgages
- Overdrafts
- Sweep transfers for Chequing Accounts
- Lines of Credit
- Bonds and Guarantees
- Letters of Credit
- Collections
- Banker's Acceptances
- Loan Syndication
- Payroll Services
- Standing Orders

POINT-OF-SALE TERMINALS
- (VISA Merchant Acquiring)
- Merchants with VISA Point-of-Sale terminals can accept payment by all VISA branded cards (credit & debit)

MONEY CARD
- All Citizens Bank personal account holders can get their own personal money card to access our automated teller machines to withdraw funds, transfer funds between accounts and request account balances. Deposits can also be done at some of these machines.

INTERNATIONAL CREDIT CARDS
(For Personal or Corporate Use)

- VISA Classic Credit Cards:
- Limits US$300 – US$5,000
- Available for co-applicants
-
- VISA Gold Credit Cards:
- Limits US$5,000 – US$50,000
- Available for co-applicants
-
- VISA Business Credit Cards:
- Limits US$5,000 – US$50,000
- Available with individual or shared limits

FOREIGN EXCHANGE SERVICES
- Competitive Exchange Rates
- Wire Transfers (incoming and outgoing)
- Foreign Currency Accounts (USD, GBP, CAD and EURO) - Special conditions apply

WESTERN UNION MONEY TRANFER AGENCY
- Send and receive Western Union Money Transfers at any of our Branches.

UTILITY BILL PAYMENT SERVICES
- Pay your utility bills at any of our Branches
- Telephone (GTT+ and Digicel) bills
- Water (GWI) bills
- Electricity (GPL) bills
- No Charges apply

NIGHT DEPOSITORY SERVICES
- Secure bags
- Secure fire proof chute

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 January 23, 2023 and at any adjournment thereof.

Signed this .... day of .... 2024. Signature ....

(Circle the desired vote)

	IN FAVOUR OF	AGAINST
1. To receive the Report of the Directors and the Audited Financial Statements for the year ended 30 September 2023.	IN FAVOUR OF	AGAINST
2. To approve the declaration of a dividend.	IN FAVOUR OF	AGAINST
3. To Elect Directors **Mr. Wilfred A. Lee, A.A.** **Ms. Deenawati Panday**	IN FAVOUR OF	AGAINST
4. To fix the remuneration of the Directors.	IN FAVOUR OF	AGAINST
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 fit 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.

CITIZENS BANK

It's Where You Belong