



**DEMERRARA  
BANK  
LIMITED**

*"Come grow with us"*

Supporting Economic Development  
THROUGH SUPERIOR BANKING

210.95

149.16

23.26

1.41%



**Annual Report | 2022**





## Annual Report | 2022





*Supporting Economic Development*  
**THROUGH SUPERIOR BANKING**



## Contents

Notice of Meeting	4
Incorporation and Our Logo	5
Corporate Objectives & Mission	6
Corporate Information	7
Performance Snapshot 2022	8
Financial Summary	9
Board of Directors	10
Report of the Directors	12
Chairman's Report	14
Chief Executive Officer's Report	20
Management Team	26
Independent Auditors' Report	30
Statement of Financial Position	36
Statement of Profit & Loss and Other Comprehensive Income	37
Statement of Changes in Equity	39
Statement of Cash Flows	40
Notes to the Financial Statements	41
Tribute to the Late Dr. Yesu Persaud	74
Tribute to the Late Dr. Leslie Chin	76
Corporate Social Responsibility	78
Our Cultural and Other Activities	83
Branch Information	84
Our Services	85
Correspondent Bank	87
Proxy Form	88



## Notice of Meeting

Notice is hereby given that the Twenty Eighth Annual General Meeting of Demerara Bank Limited will be held on Thursday, December 15th, 2022, at 16:30 hours at the Head Office and Corporate Banking Branch, Lot 214 Camp Street, North Cummingsburg, Georgetown where the following business will be transacted:

1. To receive and to consider the Report of the Directors and the Audited Accounts for the year ended September 30th, 2022.
2. To approve the declaration of a dividend.
3. To elect Directors in place of those retiring by rotation.
4. To fix the remuneration of the Directors.
5. To appoint Auditors and authorise the Directors to fix their remuneration.
6. To transact any other business of an Annual General Meeting.

### BY ORDER OF THE BOARD

.....  
Chandra Gajraj (Mrs.)  
Corporate Secretary

### REGISTERED OFFICE

214 Camp Street, North Cummingsburg,  
Georgetown, Guyana  
October 28th, 2022

### PLEASE NOTE

- Only Shareholders or their duly appointed proxies may attend.
- Please bring this notice to gain entry to the Meeting.
- Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her.
- A proxy need not be a member of the Bank. The Form of Proxy must be deposited at the Registered Office of the Bank not less than 48 hours before the time for holding the meeting.
- A proxy form is attached for use.
- Any Corporation which is a shareholder of the Bank 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.
- Gifts will be distributed only to shareholders present at the meeting and not any time and place thereafter.

## Incorporation

Demerara Bank Limited was incorporated on January 20, 1992 as a private limited liability company under the provisions of the Companies Act, Chapter 89:01 and was licensed to carry on the business of banking on October 31, 1994. The Bank obtained its Certificate of Continuance on April 2, 1997 in accordance with the Companies Act, 1991. The Bank offers a complete range of banking and financial services and operates under the provisions of the Financial Institutions Act, 1995.

## Our Logo



The elements of the Demerara Bank Limited logo design are drawn from the very source of the inspiration that created such an enterprise.

The relentless force of the mighty Demerara River, which gives the Bank its name, is depicted in the six golden streams that flow from a stylish spring in an upward motion.

The six streams, or six people, symbolise the diverse races and cultures that move together towards a common Guyanese destiny.

The colours gold and green have been chosen for their affinity to the Guyanese landscape and the riches of the abundant natural resources for which the country is famous. The Demerara Bank Limited stands proud and secure, reflecting its commitment to Guyana and confidence in the future.



# Corporate Objectives

1

To help build a stronger, healthier, more diverse business sector through prudent investment, attractive deposit plans and innovative lending policies.

2

To provide the financial support that will demonstrate the Bank's commitment to business development and to a better Guyana.

3

To provide a diversified range of quality financial services through its worldwide network of major Correspondent Banks.

4

To provide employees with excellent opportunities for personal growth and development.

5

To provide investors with an attractive rate of return on their investment.

6

To be a responsible corporate citizen.

## Mission



To excel in providing innovative and superior banking services through well-trained, dedicated and courteous staff in the interest of our customers and shareholders and to fulfill our social responsibilities to society through meaningful involvement in community development.







## Corporate Information

### REGISTERED OFFICE

214 Camp Street, North Cummingsburg, Georgetown, Guyana

Tel: +592-226-0601/ 05/ 29/ 32

Fax: +592-225-0619

Email: [banking@demerarabank.com](mailto:banking@demerarabank.com)

Website: [www.demerarabank.com](http://www.demerarabank.com)

### DIRECTORS

1. Mr. Komal Samaroo (Chairman)
2. Mr. Pravinchandra Dave (Chief Executive Officer)
3. Mrs. Chandra Gajraj
4. Mr. Hemraj Kissoon
5. Mr. Harryram Parmesar
6. Mr. Garfield Wiltshire
7. Mr. Beasraj Singh Roy

### CORPORATE SECRETARY

Mrs. Chandra Gajraj

### AUDITORS

Nizam Ali & Company Chartered Accountants  
215 'C' Camp Street,  
North Cummingsburg,  
Georgetown, Guyana

### REGISTRAR AND TRANSFER OFFICE

Trust Company (Guyana) Limited  
Lot 11 Lamaha Street, Queenstown,  
Georgetown, Guyana

### ATTORNEYS AT LAW

1. Mr. Arun Gajraj  
Attorney-at-Law  
Lot 5 Croal Street, Stabroek,  
Georgetown, Guyana
2. Persaud & Associates  
217 South Road,  
Georgetown, Guyana
3. Cameron & Shepherd  
Attorneys-at-Law  
Lot 2 Avenue of the Republic,  
Georgetown, Guyana
4. Luckhoo & Luckhoo  
Lot 1 Croal Street,  
Georgetown, Guyana
5. Mr. Nirvan Singh  
Attorney-at-Law  
(Ramgopal Building)  
Lot 156 Charlotte Street,  
Lacytown, Georgetown, Guyana



# Performance Snapshot 2022

**8**

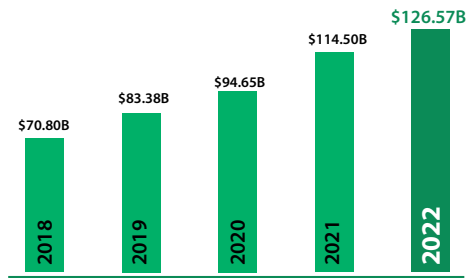
**BRANCHES**

**292**

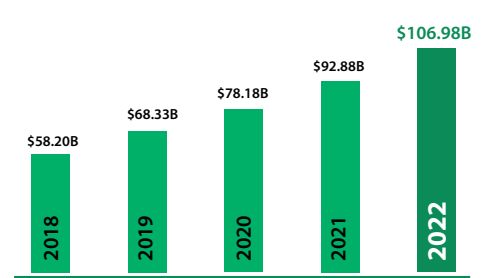
**EMPLOYEES**



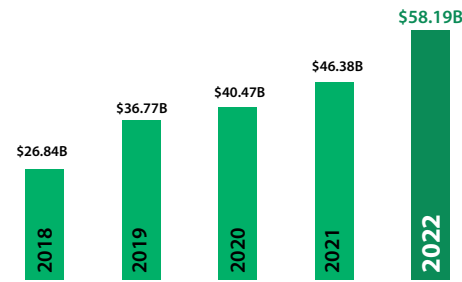
## ASSETS



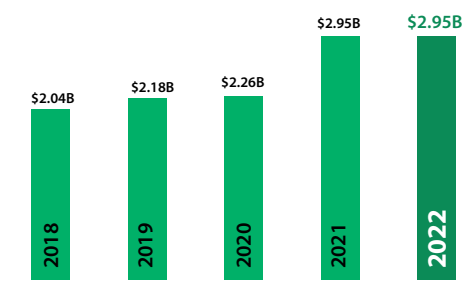
## DEPOSITS



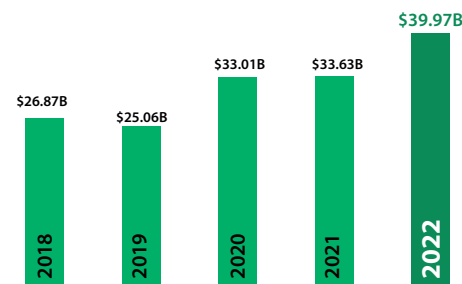
## ADVANCES



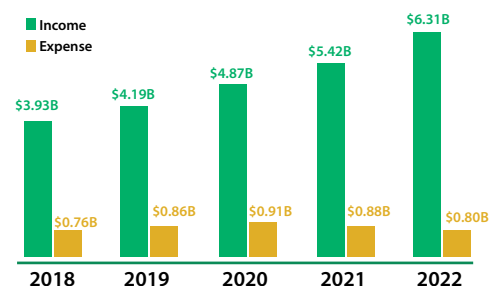
## PROFITS AFTER TAX



## INVESTMENTS



## INTEREST INCOME & EXPENSE





## Financial Summary

Expressed in thousands of Guyana Dollars (\$'000)

	2022	2021	2020	2019	2018
<b>INCOME STATEMENT</b>					
Interest Income	6,305,020	5,419,471	4,870,418	4,193,964	3,931,679
Interest Expense	(799,908)	(876,816)	(907,998)	(856,453)	(766,030)
<b>Gross Income</b>	<b>5,505,112</b>	<b>4,542,655</b>	<b>3,962,420</b>	<b>3,337,511</b>	<b>3,165,649</b>
Net Credit Impairment	362,254	65,000	(25,000)	299,292	125,000
Other Income	758,896	2,007,914	1,037,472	1,124,346	1,087,204
Non-Interest Expense	(1,741,750)	(1,717,515)	(1,466,673)	(1,349,111)	(1,251,168)
<b>Income Before Taxation</b>	<b>4,884,512</b>	<b>4,898,054</b>	<b>3,508,219</b>	<b>3,412,038</b>	<b>3,126,685</b>
Taxation	(1,930,152)	(1,943,948)	(1,245,051)	(1,234,697)	(1,085,963)
<b>Profit after Taxation</b>	<b>2,954,360</b>	<b>2,954,106</b>	<b>2,263,168</b>	<b>2,177,341</b>	<b>2,040,722</b>
<b>FINANCIAL POSITION</b>					
<b>Total Assets</b>	<b>126,569,842</b>	<b>114,504,683</b>	<b>94,653,869</b>	<b>83,383,462</b>	<b>70,798,189</b>
Investment Securities	39,966,150	33,628,192	33,012,614	25,062,363	26,869,566
Loans & Advances	58,192,909	46,383,479	40,468,447	36,765,509	26,835,687
Cash & Equivalents	22,968,414	31,704,307	18,186,610	11,547,913	14,267,597
<b>Total Liabilities</b>	<b>109,829,937</b>	<b>96,297,722</b>	<b>79,203,549</b>	<b>69,323,017</b>	<b>58,966,816</b>
Deposits	106,984,399	92,875,562	78,178,294	68,326,399	58,199,765
<b>Total Equity &amp; Reserves</b>	<b>16,739,905</b>	<b>18,206,961</b>	<b>15,450,320</b>	<b>14,060,445</b>	<b>11,831,373</b>
Retained Earnings	19,214,899	17,118,611	14,884,996	13,206,445	11,695,176
<b>KEY RATIOS</b>					
Earnings per share	\$6.57	\$6.56	\$5.03	\$4.84	\$4.53
Dividends paid	\$2.00	\$1.65	\$1.30	\$1.35	\$1.15
Closing Share Price	\$398	\$199	\$91	\$68	\$58
Price Earning Ratio	60.62	30.31	18.09	14.05	12.79
Return on Average Assets	2.45%	2.82%	2.54%	2.82%	2.90%
Return on Equity (Tier-1)	14.69%	16.39%	14.34%	15.43%	16.20%
Gross NPA to Total Advances	0.00%	2.24%	3.39%	3.66%	5.78%
Loans to Deposits Ratio	54.4%	49.9%	51.7%	53.8%	46.11%
Asset Growth (YoY)	11%	21%	14%	18%	1%
Deposit Growth (YoY)	15%	19%	14%	17%	2%





## Board of Directors



**Mr. Komal Samaroo**  
CHAIRMAN

Mr. Komal Samaroo assumed the position of Chairman of Demerara Bank Limited in February, 2022. He is a Chartered Accountant by profession with over 40 years of invaluable experience and knowledge in his field. Highly recognized for his outstanding service and contribution to business development, he was awarded the *Golden Arrow of Achievement (A.A.)* in 1993 and the *Cacique's Crown of Honour (C.C.H.)* in 2018 by the Government of Guyana.



**Mr. Pravinchandra Dave**  
CHIEF EXECUTIVE OFFICER

Mr. Pravinchandra Dave, CEO of Demerara Bank Limited, has over three decades of professional banking experience in an executive capacity. Equipped with a vast spectrum of knowledge of banking operations, he spearheaded the Bank into a leading financial institution in Guyana and has been instrumental for the rapid growth and expansion of the Bank. Mr. Dave is the recipient of the *Golden Arrow of Achievement (A.A.)* that was conferred in 2018.



**Mrs. Chandra Gajraj**  
DIRECTOR

Mrs. Chandra Gajraj is a long-serving Director and current Company Secretary of Demerara Bank Limited. She has over fifty years of experience as a financial professional and currently serves as the Managing Director of Trust Company (Guyana) Limited and Chairman of the Guyana Integrity Commission.



**Mr. Hemraj Kissoon**  
DIRECTOR

Mr. Hemraj Kissoon has been a Director of Demerara Bank Limited since its inception. He is a reputable businessman with over sixty years of extensive exposure and expertise in administration and management, and is currently the Managing Director of Modern Industries Limited. Mr. Kissoon was conferred with the *Golden Arrow of Achievement (A.A.)* in 2017.



## Board of Directors



**Mr. Garfield Wiltshire**  
DIRECTOR

Mr. Garfield Wiltshire is a Chartered Accountant by profession and also the holder of a Master's Degree in Sports Organizational Management. He is currently the Accountant of Bounty Farm Ltd., J.P. Santos & Co. Ltd. and JPS Trading Inc., and a Non-Executive Director of Caribbean Containers Inc. He is also a former squash champion and the recipient of a national award, the *Golden Arrow of Achievement* (A.A.) that was conferred in 2019.



**Mr. Harryram Parmesar**  
DIRECTOR

Mr. Harryram Parmesar is a Senior Managing Partner at the firm, Parmesar & Associates, and has been actively involved in the development of accounting in the Caribbean. He is a fellow of the ACCA and member of the ICAG and ICAC, with over thirty-five years of invaluable experience in Assurance & Business Advisory Services, Taxation, Accounting and Corporate Secretarial Services. Besides serving as a Director at Demerara Bank Limited, Mr. Parmesar also serves in Executive and Non-Executive capacities at numerous other organisations.



**Mr. Beasraj Singh Roy**  
DIRECTOR

Mr. B. S. Roy, an Attorney-at-Law, was called to the Bar in 1979. He remained at the practicing Bar for over 12 years and later served in the Judiciary for about 25 years in various capacities including Head of the Commercial Division of The High Court of Justice. He has since retired as an Appellate Judge.



## Report of the Directors

The Directors have pleasure in submitting this Report and Audited Financial Statements for the year ended September 30, 2022.

### PRINCIPAL ACTIVITIES:

The Bank provides a comprehensive range of banking services through our Head Office & Corporate Banking Branch at 214 Camp Street, North Cummingsburg, Georgetown, our Main Branch at 230 Camp & South Streets, Lacytown, Georgetown and Branches in Rose Hall & Corriverton (Berbice), Henrietta (Essequibo), Diamond (East Bank Demerara), Le Ressenouir and Mahaica (East Coast Demerara).

### FINANCIAL RESULTS: (In Thousands of Guyana Dollars)

The results for the year ended September 30, 2022 are as follows:

	2022	2021
<b>Profit Before Tax</b>	<b>4,884,512</b>	<b>4,898,054</b>
<b>Taxation</b>	<b>(1,930,152)</b>	<b>(1,943,948)</b>
<b>Profit After Tax</b>	<b>2,954,360</b>	<b>2,954,106</b>
<b>APPROPRIATIONS</b>		
<b>Dividends Paid</b>	<b>900,000</b>	<b>742,500</b>
<b>Retained Earning</b>	<b>2,054,360</b>	<b>2,211,606</b>

### DIVIDEND:

The Directors recommend a dividend of \$2.00 per share, including \$0.40 interim paid in May 2022.

### RESERVES AND RETAINED EARNINGS:

The Bank has reached its statutory reserve limit and no further provision is required. The balance of \$2,054,360 is placed in Retained Earnings which now stands at \$19,214,899. The proposed dividend of \$720M will be paid out of Retained Earnings.

### DIRECTORS:

Mr. Komal Samaroo - Chairman

Mr. Harryram Parmesar

Mr. Pravinchandra Dave - CEO

Mr. Garfield Wiltshire

Mrs. Chandra Gajraj - Corporate Secretary

Mr. Beasraj Singh Roy

Mr. Hemraj Kissoon

In accordance with Article 97 of the Bank's Articles of Association, the Directors retiring for the time being are Mr. Komal Samaroo, Mrs. Chandra Gajraj, Mr. Harryram Parmesar and Mr. Beasraj Singh Roy.



## AUDITORS:

The Auditors, Nizam Ali & Company, being eligible, offers themselves for re-appointment.

## DIRECTORS' EMOLUMENTS:

Mr. Komal Samaroo	\$2,475,000	Mr. Garfield Wiltshire	\$1,500,000
Mr. Hemraj Kissoon	\$1,500,000	Mr. Beasraj Singh Roy	\$1,200,000
Mrs. Chandra Gajraj	\$1,500,000	Dr. Yesu Persaud (Dec'd)	\$700,000
Mr. Pravinchandra Dave	\$1,500,000	Dr. Leslie Chin (Dec'd)	\$1,125,000
Mr. Harryram Parmesar	\$1,500,000		

## DIRECTORS' INTERESTS:

	Beneficial Interest	Associate's Interest
Mr. Hemraj Kissoon	Nil	700,500
Mr. Komal Samaroo (Chairman)	Nil	22,410,000
Mr. Harryram Parmesar	361,346	Nil
Mrs. Chandra Gajraj (Corporate Secretary/Director)	1,000,000	Nil
Mr. Pravinchandra Dave (CEO/Director)	400,000	Nil
Mr. Garfield Wiltshire	125,000	3,000
Mr. Beasraj Singh Roy	Nil	Nil

## APPOINTMENT OF CHAIRMAN:

Mr. Komal Samaroo was appointed Chairman to replace Dr. Yesu Persaud who died on January 17, 2022.

## SERVICE CONTRACTS:

There are no service contracts between the Bank and any of its Directors.

## SUBSTANTIAL SHAREHOLDING:

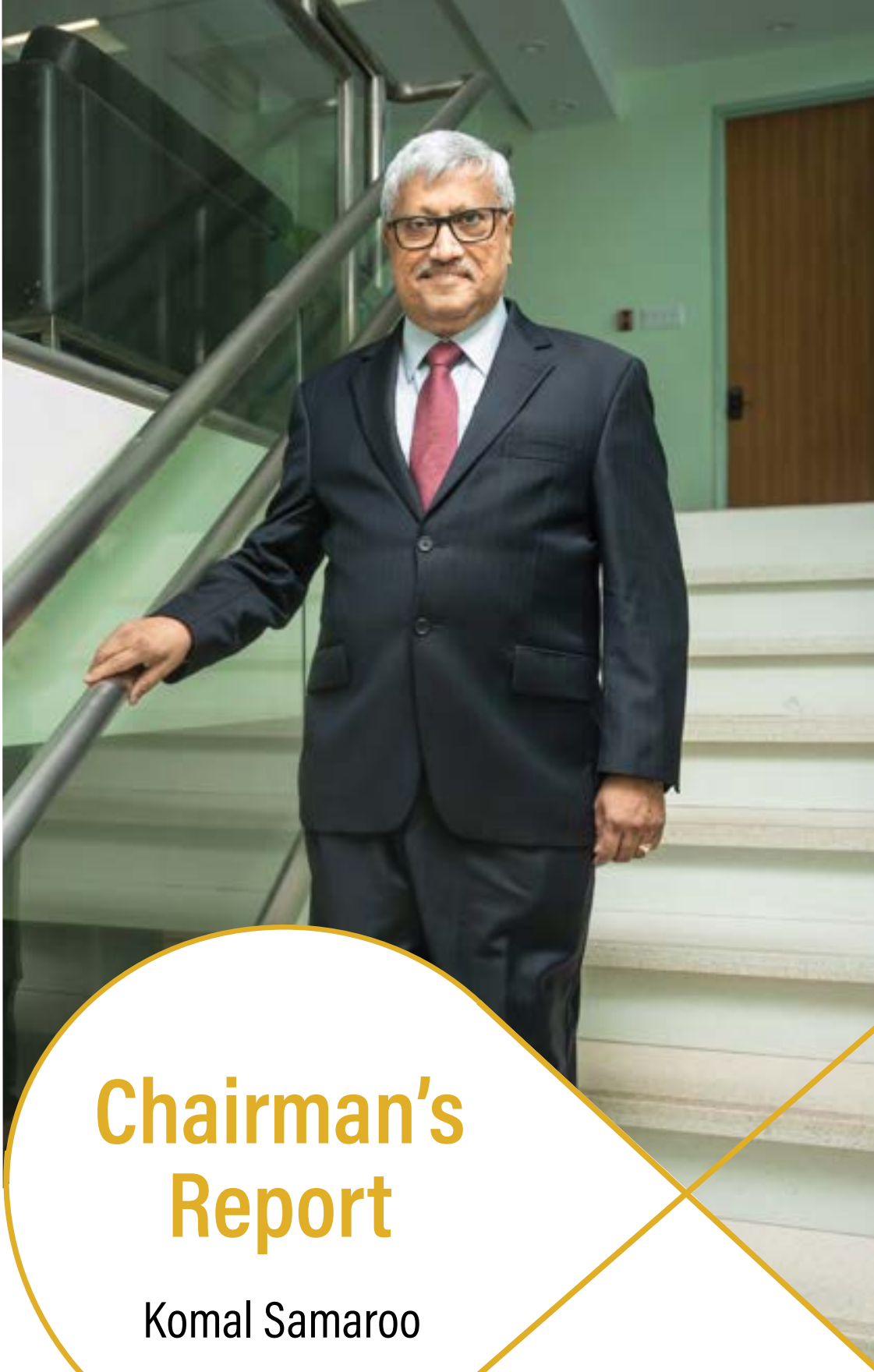
Trust Company (Guyana) Limited 85,265,999 -18.95%

The Bank is a reporting issuer under the Securities Industry Act. We recognize the importance of transparency and disclosure of material information in our operations and are in compliance with all pertinent regulations including the provision of information on Related Party transactions, Loans and Advances and remuneration paid to key employees of the Bank.

## BY ORDER OF THE BOARD



**CHANDRA GAJRAJ (Mrs.)**  
**CORPORATE SECRETARY**



# Chairman's Report

Komal Samaroo

**D**ear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present the Bank's Annual Report for the year ended September 30, 2022.

At the outset, I wish to express my profound grief on the loss of two giants of our Demerara Bank family - my mentor and friend, Dr. Yesu Persaud, who was the Founder & Chairman of the Bank, and my colleague, Dr. Leslie Chin. While their passing has left a huge void among us, they have laid an unparalleled foundation for all of us to build upon. It was an honour and privilege to have worked alongside these two gentlemen on the Board of Demerara Bank Limited and I am grateful for their mentorship, encouragement and guidance over the years.

### **The Global Economy**

According to the World Economic Outlook for October 2022, the global economy is facing a sharp slowdown with inflation rates higher than seen in several decades. Global growth prospects are clouded by tightening financial conditions in most regions, the ongoing war of aggression by Russia against Ukraine and the lingering effects of the COVID-19 pandemic.

Global growth is forecast to slow to 3.2 percent in 2022 and 2.7 percent in 2023 down from the previous forecast of 6.0 percent in 2021. Global inflation is forecast to remain around 8.8 percent in 2022 but is expected to decline to 6.5 percent in 2023 and to 4.1 percent by 2024.

The soaring rate of inflation has prompted a rapid tightening of monetary policy which resulted in deep fiscal difficulties for households, especially the low-income homes that were dependent on the COVID-19 support offered by governments. Even though the pandemic has greatly subsided, its prolonged effects continue to disrupt economic

activity, especially in China. The intense heat waves and droughts across Europe and Central and South Asia project a more inhospitable future blighted by global climate change. At the same time, economies are faced with geopolitical disruptions as a result of the Russia-Ukraine war which has severely disrupted energy and food to Europe and other parts of the world.

Growth in emerging markets is forecast to slow but continues to outpace the expansion in developed economies. Most emerging economies in Asia are set to grow by 2%-3% per year in 2023 - 2025; by contrast, we forecast that the pace of growth will average just 1%-2% per year in the US.

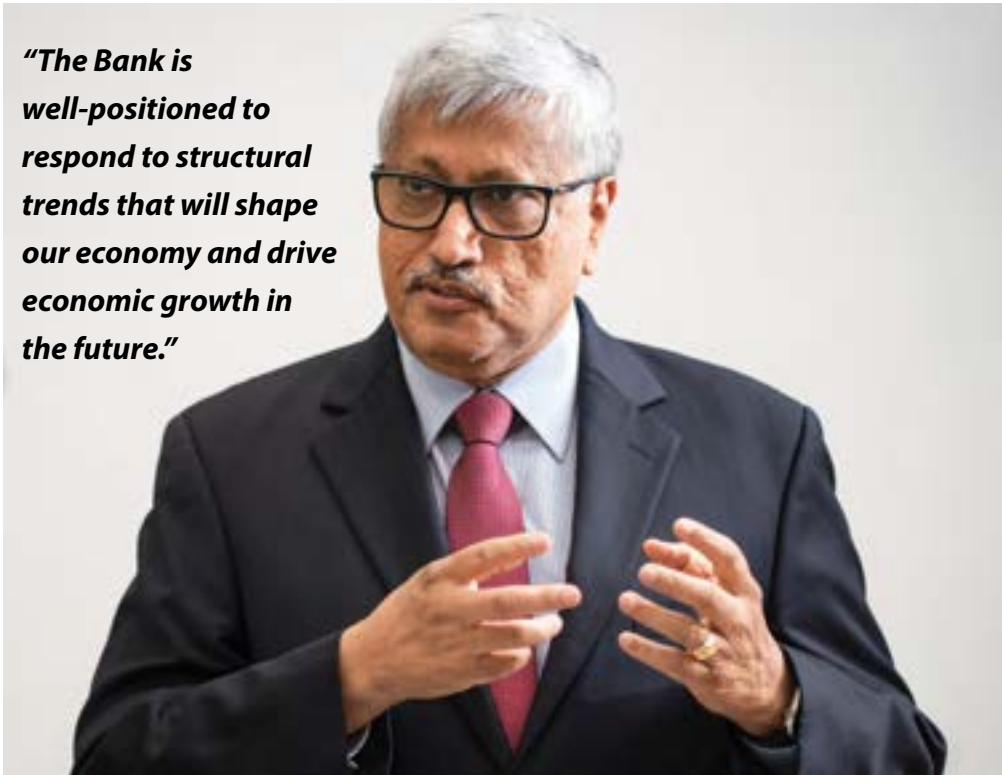
### **The Guyana Economy**

Despite the global economy being gripped with worries of recession, there has been a conspicuous exception to the trend: Guyana. As per the Bank of Guyana mid-year report, June 2022, the Guyanese economy continued its growth momentum with positive growth being recorded in both the oil and non-oil sectors. Real oil GDP grew to 36.4 percent mainly on the account of 34.6 million barrels of oil produced, while the non-oil GDP growth of 8.3 percent resulted from improvements in various sectors including quarrying, construction, agriculture, and service sectors. The IMF projects Guyana's oil GDP to grow by over 100 percent in 2022, and about 30 percent on average per year during 2023-2026.

Inflation in Guyana is recorded at 4.9 percent as per the Urban Consumer Price Index (CPI), underpinned by global shortages and supply chain disruptions driven mainly by the Russia-Ukraine conflict. The Guyanese economy benefitted from several fiscal measures that were implemented by the government to ease the burden of external shocks on Guyanese including tax reductions, tax removals and the distribution of cash grants to all households and various affected sectors.



***“The Bank is well-positioned to respond to structural trends that will shape our economy and drive economic growth in the future.”***



### **Oil & Gas Industry**

The petroleum and gas industry expanded by 73.5 percent with crude oil production recorded at 34.6 million barrels for the period ended June, 2022. The average daily production for the period was 193,834 barrels, an increase of 75.1 percent when compared with the corresponding period in 2021.

In October, 2022, Exxon Mobil and partners announced the discovery of two additional commercially viable oil finds at the Yarrow-1 and Sailfin-1 wells in the Stabroek Block offshore Guyana. These discoveries, when added to the previously announced recoverable oil-equivalent barrels, are pegged at more than 11 billion oil-equivalent barrels, one of the highest levels per capita in the world. The substantial growth in this sector and other subsectors can help Guyana to absorb the shocks from the volatile external environment while addressing the gap in infrastructure and human development needs in the country.

Since 2015, when it first struck oil offshore Guyana, Exxon Mobil has made more than 20 discoveries and is reported that the Liza Phase 1 and 2 developments

break-even at around \$35 per barrel. Exxon Mobil also reported that the hull for the Prosperity FPSO vessel, the third project on the Stabroek block at the Payara field, is completed and topside construction activities are ongoing in Singapore for planned production start-up in 2024.

### **Performance of the Bank**

I am pleased to report to shareholders that the Bank has recorded yet another very good year. During the year there was a strong focus on efficient assets and liabilities management, aggressive lending strategies and prudent investment policies. These approaches contributed to the deposit growth, profit and profitability, growth in investments and improvements in loans and advances recorded in the year.

Total Deposits of the Bank increased from \$92.88 billion to \$106.98 billion, an increase of 15 percent over the previous period.

The Bank achieved a Profit Before Taxation of \$4.88 billion, while After-Tax Profit remained constant at \$2.95 billion.

Investments of the Bank stood at \$39.97 billion at the end of the financial year, showing a rise of 19 percent from its 2021 position. The depreciation in the value of investment is on account of a global surge in inflation and aggressive monetary tightening implemented by the Federal Reserve to combat inflation.

Loans & Advances moved from \$46.38 billion to \$58.19 billion, an increase of 25 percent over the corresponding period.

The Bank has paid an interim dividend of G\$0.40 per share during 2022. The Board is happy to recommend a final dividend of G\$1.60 per share. The payment of the final dividend will be subject to the approval of the shareholders at the Annual General Meeting. The total dividend comes to \$2.00 per share.

During the year an outstanding job was done by the management and staff in managing the credit portfolio. Apart from aggressively growing and diversifying the portfolio, effective monitoring and management have enhanced the quality of these assets to the level which allows me to report that at the end of the year the Bank does not have any non-performing loans. This is quite an extraordinary achievement for which I wish to congratulate and thank the entire team.

### **Core Business Strategies**

The Bank is well-positioned to respond to structural trends that will shape our economy and drive economic growth in the future. In this regard, we aim to improve our competitiveness, increase our connectivity, and continuously strengthen the human capacity to capitalize on increased investment opportunities and meet the needs of new and emerging businesses.

### **Information Technology**

In keeping with global trends, the Bank is committed to providing modern, reliable, and effective technology that will improve and enhance the service to our customers. This year saw continued

development and expansion of our Corporate Internet Banking platform with features that enhance payroll processing and funds transfer functionalities that were welcomed by our customers. This platform also boosted the customers' user interface with enhanced features for all types of transactions that will allow safe and secure execution at their convenience. This also supports our vision to ensure superior banking services are available to our customers as we strive to improve their experience. Enhancements to our Retail Internet Banking service aimed at increasing customer self-sufficiency are also in train and will support our Mobile Banking application which will be launched in the new financial year.

We are a member of VISA and we are constantly working on improving the diversified products for the local market. We have introduced Visa Point of Sales and contactless payments in the local market which will be complemented by our Mobile Banking platform. Currently, we are working on expanding newer VISA functions such as building access for local e-commerce which will support local merchants and expand regional trade. We are also working to improve the list of international payment merchants in Guyana thus providing varied options on our network giving the people options and also catering to the ex-pats living and working in Guyana.

### **Expanding Access to Credit**

During the year, the Bank aggressively expanded credit deployment into various retail sectors. It is quite important to extend credit in these sectors to ensure that we empower and improve the standard of living of all Guyanese.

The Bank is strategically addressing the increased needs in all retail sectors by forming key partnerships and synergies to support the growing sectors. We have, over the last year, increased lending to sectors such as housing (new construction/acquisition, extension, renovation), consumer lending against salary and the acquisition of automobiles.



*“Our people are our greatest asset and remain the core of what we do. Their collective efforts have immensely contributed to the very success of the Bank.”*

Over the last year also, we have revised the terms and conditions of our lending policies to enhance our competitiveness and better position the bank to meet the growing needs of Guyanese.

The Bank also redefined its SME lending scheme thereby aggressively supporting medium and large-scale entrepreneurs to either expand their businesses or equip themselves to benefit from the opportunities arising in the oil & gas sector. In this regard, we welcome the formalization of the Local Content Law in Guyana that will ensure Guyanese will have opportunities to benefit from the wealth generated by the oil & gas sector.

The Bank further enhanced financing to assist rice farmers at the opportune time. Rice farming supports, directly or indirectly, more than 20,000 farmers/families in five of the most populated regions in Guyana. Supporting this local sector is an important social contribution and obligation we have taken as an indigenous bank to ensure the livelihood of our farmers is secured. We have over

the last 6 months granted financing to more than 250 farmers in all the major rice-producing regions of Guyana. The Bank is evaluating structures for other small-scale agricultural sectors and partnering with related companies to ensure we cater to the needs of our people.

We will continue our dynamic strategies to evolve banking in Guyana but will remain committed to our core responsibilities towards the people of Guyana by ensuring we make credit easily and competitively accessible for all.

#### **Future Plans**

The Bank will continue to aggressively expand its market share in Guyana to benefit all stakeholders. This includes continuous training and development of our human resources, which will constantly improve the standard of our customer service delivery. We have conducted varied training programs during the year including enhanced credit and advance evaluation, customer training and procedural training.

We are also working on reviewing and refining our operational procedures to improve the turnover time of our service delivery. During the new financial year, the Bank will be focusing on process automation to further improve service delivery and customer convenience. This includes upgrading our ATM network and improving the number of machines to cater to the increased customer volumes. The access will further improve with the deployment of our Mobile Banking application while we also work on automating 'in-bank' withdrawals with internal POS systems.

The Bank commenced construction of its 9th branch at Leonora, West Coast Demerara. This branch, strategically located at the center of the West Coast, will have available all the services currently accessible in Georgetown. We have also decided to relocate our Le Ressounveir branch to a more convenient and spacious location at Beterverwagting, East Coast Demerara to better serve the customers on the East Coast corridor.

### **Management and Staff**

Our people are our greatest asset and remain the core of what we do. Their collective efforts have immensely contributed to the very success of the Bank. On behalf of the Board of Directors, I would like to take this opportunity to thank all members of staff and management for their strong commitment, dedication and professionalism shown towards their duties and in maintaining the superior service offered to customers.

We are committed to strengthening our relationship and the capabilities of our employees and will continue to invest in their well-being and development by providing ongoing training and creating opportunities for personal and professional development.

### **Board of Directors**

I wish to extend my appreciation to our very resourceful and experienced Board of Directors who have guided the Bank's path with enterprise and valuable support. Their ability to identify business potentials, areas of growth and linkage with other business organizations have allowed the Bank to have an efficient and quick decision-making process. The Directors have made invaluable contributions through their active participation in monthly board meetings. I thank them for their trust and guidance and look forward to working with them in the coming years.

### **Acknowledgement**

On behalf of the Board of Directors, I wish to express my sincere gratitude to all shareholders, customers, employees and other stakeholders for their profound support during the year and look forward to your continuous cooperation in the future.

I take this opportunity to wish you and your family all the best for this festive season as we celebrate as one Guyana.





## Chief Executive Officer's Report

### Pravinchandra Dave

**D**ear Shareholders,

The financial year ended September 30, 2022 has been both a challenging and significant year for the Bank. In January, 2022 the Bank lost its Founder and Chairman, Dr. Yesu Persaud and later in July, 2022, received sad news of the passing of our long-standing Director, Dr. Leslie Chin. During my tenure at the Bank, these esteem gentlemen were instrumental in varying aspects of my personal and professional life and I will remain grateful for their friendship, mentorship and guidance over the years.

I take this opportunity to extend a warm welcome to our newly appointed Chairman, Mr. Komal Samaroo, who is a founding Director of the Bank and has more than 45 years of experience in corporate and international business. I am confident that under his prudent and dynamic leadership the Bank will continue to fulfill its mission by providing innovative and superior banking services and further develop to greater heights.

Reflecting on the performance of the Bank over the last two decades, it is clear that our financial discipline, strategies for investment and continuous development of our human resources are what enabled us to deliver resilient financial performances and effectively meet the needs of our customers.

#### Global Outlooks

The global economy continues to pay a high price as a result of Russia's invasion of Ukraine. With the spillover effects of the COVID-19 pandemic still lingering, the war is dragging down growth and putting additional upward pressure on prices, especially for food and energy. The economic slowdown in China has added to global supply chain disruptions and the higher-than-expected inflation worldwide paints a grim outlook. Global GDP contracted in the second quarter of 2022 and output declined in the G20 economies. High inflation is persisting for longer than expected. In many economies, inflation in the first half of 2022 was at its highest since the 1980s. With recent indicators taking a turn for the worse, the global economic outlook has darkened.

The IMF World Economic Outlook projects global growth to slow from 6.0 percent in 2021 to 3.2 percent in 2022. Lower growth earlier this year, reduced household purchasing power, and tighter monetary policy drove a downward revision of 1.4 percentage points in the United States. In China, further lockdowns and the deepening real estate crisis caused growth to be revised down by 1.1 percentage points, with major global spillovers. Likewise, the outlook for India has been revised down



by 0.8 percentage point, to 7.4 percent. The revision in India reflects mainly less favourable external conditions and more rapid policy tightening. In Europe, significant downgrades reflect the impact of the war in Ukraine and tighter monetary policy. Global inflation has been revised up due to food and energy prices as well as lingering supply-demand imbalances, and is anticipated to reach 6.6 percent in advanced economies and 9.5 percent in emerging market and developing economies this year—upward revisions of 0.9 and 0.8 percentage point, respectively.

### Caribbean Economy

According to the Bank of Guyana Half Year Report 2022, growth in Latin America and the Caribbean region is projected to slow to 2.5 percent in 2022 reflecting supply chain disruptions, increased inflation, tighter financial conditions and weak external demand. The war in Ukraine brings a further shock to inflation and policymakers across the region have reacted decisively by tightening monetary policy and implementing measures to soften the blow of higher food and energy prices. In particular, the Caribbean region is forecasted to grow by 6.9 percent in 2022. Tourism continues to recover towards pre-pandemic levels and remains an important contributor to growth, supporting employment, investment and exports. Barbados' economy is expected to grow by 11.2 percent in 2022, while growth in Jamaica and Suriname is expected to be 3.2 percent and 1.8 percent respectively.

The Global Economic Prospects report for June, 2022 noted that inflation has risen far above Central Bank targets in many LAC countries, making it financially challenging for many households. Broad measures of inflation, as well as food and fuel prices, have accelerated rapidly. In response, monetary authorities have raised policy interest rates significantly and signaled further increases to come. COVID-19 has remained contained in the region since the Omicron wave passed, but pandemic-related global supply bottlenecks continue to disrupt

the regional manufacturing sector. Recent estimates from the Bank of Guyana report show inflation rates of 4.9 percent in Guyana, 4.9 percent in Trinidad and Tobago, 10.9 percent in Jamaica and 55.6 percent in Suriname.

### Guyana's Economy

Guyana's economy remains resilient in the face of global economic tensions, and is on track for double digit growth by the end of 2022-2023. Windfall earnings from oil (exacerbated by high commodity prices stemming from the Russia-Ukraine crisis) will propel this growth in 2023, supporting public investment and reforms. According to the Bank of Guyana Report, real non-oil GDP and real oil GDP grew by 8.3 percent and 36.4 percent, respectively for the first half of 2022. These outturns reflected both the lifting of all COVID-19 restrictions and the additional Liza Unity FPSO which came online in February, 2022 adding an additional 83,115 barrels of oil per day to the Liza Destiny FPSO, bringing total average daily production to around 193,834 barrels per day this year. According to the IMF, oil production has the potential to profoundly transform Guyana's economy as overall real GDP growth rate is projected to be 47.9 percent in 2022. Guyana's Minister of Finance, Dr. Ashni Singh reported a revised 2022 growth projection for the country at 57.8% in 2022. Global oil analysis predict oil prices will remain in vicinity of US\$110 to US\$132 in 2023 which augers well for Guyana's economy.

Guyana's commercially recoverable petroleum reserves are expected to reach over 11 billion barrels, one of the highest levels per capita in the world. This could help Guyana build up substantial fiscal and external buffers to absorb shocks while addressing infrastructure gaps and human development needs. Local-content rules will leverage growth in the oil sector to support non-oil economic activity in the coming years. However, the war has also raised fuel and food prices, coupled with heated domestic demand caused by the oil boom, will continue to raise inflation this year.

The Agriculture sector increased by 10.9 percent despite declines in the rice and sugar sectors due to the inclement weather. The forestry and other crops subsectors expanded by 47.1 percent and 27.7 percent, respectively. All subsectors of the fishing industry contracted with an overall decline of 19.0 percent whilst the livestock industry registered an increase of 4.2 percent. Total gold declaration declined by 1.5 percent to 236,773 troy ounces at end-June 2022 on account of lower declarations by small & medium scale miners, while diamond production increased from 18,432 carats at end-June 2021, to 49,016 carats at end-June 2022 as favourable weather allowed miners easier access to mining lands coupled with the uptick in demand in world markets. The construction industry continued its strong growth and expanded by 20.4 percent due to an increase in government infrastructure projects, as well as rapid growth in private home construction.

Guyana's growth for the remainder of the year is expected to continue on account of increased output of crude oil, coupled with improved performance in all the other sectors, as the economy moves away from the impacts of the COVID-19 pandemic. Our relations with neighbouring Venezuela remain tense, owing to a border dispute relating to our oil-rich Atlantic waters. We pray that this territorial controversy comes to a peaceful resolution.

### Banking Scenario

Residents' deposits with the commercial banks comprising of the private and public sectors as well as the non-bank financial institutions, showed an increase of 12.9 percent to G\$636.9 billion for the period ended September, 2022. Of this increase, individual customers deposits increased by 11.3 percent from \$274.6 billion to \$305.2 billion, which accounts for 67 percent of the total private sector deposits.

Even though the total liquid assets of commercial banks decreased by 1.7 percent for the period ended September, 2022, excess reserve remained in the vicinity of \$26.2 billion which reflects the excess

liquidity in the system. Interest rates remained stable over the period while Ninety-one (91) days domestic Treasury yield was 1.54 percent and the 182-days domestic Treasury yield was 1 percent.

### Performance of the Bank

***The most significant announcement this year, which is historical for the Bank and unheard of in the financial sector, is that Demerara Bank Limited does not have any Non-Performing Loans. This is as a result of exceptional & prudent management by staff of the Bank with guidance from the Board of Directors. We have not seen throughout the history of banking in Guyana any bank with zero Non-Performing Loans. This accomplishment was no easy task but unheard of especially in the context where the Bank's loan portfolio improved by 116% over the last 5 years, from \$26.8 billion in 2018 to \$58.1 billion in 2022.***

Demerara Bank Limited continued to excel in many other areas due to prudent management and continued strategic focus in areas of opportunities.

- Net Profit of the Bank for the financial year was \$2.954 billion almost same as last year.
- Gross Profit of the Bank during 2022 was recorded at \$4.884 billion compared to \$4.898 billion in 2021.
- Total Deposits increased from \$92.8 billion to \$106.9 billion; increasing by 15 percent over the previous year.
- Total Advances of the Bank increased from \$46.3 billion to \$58.1 billion in 2022; showing a rise of 25 percent over the corresponding 2021 period.
- Investments of the Bank as at September 30, 2022 amounted to \$39.9 billion.
- Zero non-performing loans as the end of the reporting period.
- Earnings per Share increased to 6.57 per share as at September 30, 2022.
- Return on Average Assets as at September 30, 2022 was 2.45 percent.

### Income and Expenses

The Gross Profit of the Bank amounted to \$4.884 billion during the year while net profit remained at

\$2.954 billion. Interest income increased by \$886 million resulting in an increase of 16.4 percent of which income from loans and advances increased by 24.2 percent.

Interest Expenses reduced by \$77 million or 8.8 percent while Non-Interest Expenses have moved from \$1.717 billion to \$1.741 billion; showing a rise of 1.4 percent over the previous year. When considering the current inflationary environment across all sectors, the Bank has done exceptionally well to maintain and manage expenses. The main contributors to Non-Interest Expenses were mainly an increase in staff costs, property taxes, Visa expenses, deposit insurance and depreciation. Management of the Bank actively strives to achieve the best cost/income ratio in comparison with other banks by constantly creating and researching ideas to reduce cost in all areas.

### Deposit Mobilization

Total Deposits have increased to \$106.9 billion during the year reflecting a growth of 15 percent. The increase in Total Deposits by the Bank was attributable to the growth in deposit in two sectors: Demand Deposits increased by 24.7 percent and Saving Deposits, which makes up 53 percent of the Bank's total deposit portfolio, increased by \$12.6 billion or 28.5 percent. Good marketing efforts by all our branches have contributed significantly to the excellent growth in deposits of the Bank. The Bank will continue to provide superior banking services as it seeks to expand its network of branches countrywide.

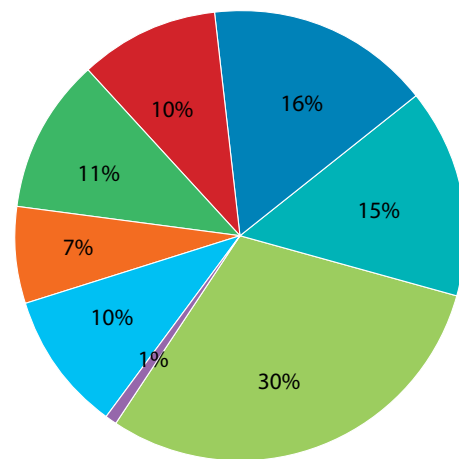
### Loans & Advances

Net Loans and Advances during the year increased from \$46.4 billion to \$58.1 billion, showing a rise of 25 percent over the previous year. This was as a result of an increase in lending to the services, housing and other commercial and consumer sectors. The Bank was able to prudently market its advances to both the productive and consumer sectors of the economy. Banking Sector Loans and Advances to the Private Sector for the period ended September, 2022,

recorded an increase of 11 percent when compared with December, 2021.

The Bank has aggressively worked to build and diversify our credit portfolio in addition to ensuring that credit is made available to all sectors in the economy. We have launched aggressive consumer lending products which have seen increases in lending for housing, automobile, credit cards and personal consumption. Additionally, the bank has made credit available to farmers at concessional rates to support our growing agricultural sector. We have extended credit to more than 250 farmers over the last 6 months to support rice farming. This allowed farmers to become more independent, control cost and ensure that adequate funding was available to finance their cultivation. The Bank is also evaluating lending to other sectors such as large-scale corn & soya, and expanding financing to the livestock industry.

We have a diversified portfolio which is evident from the following chart:



- Agriculture
- Services
- Housing & Consumption
- Mining & Quarrying
- Commercial Trading & Distribution
- Construction
- Telecommunication
- Oil & Gas

## Non-Performing Advances & Loan Provisions

We don't have any non-performing loans in the portfolio as at September, 2022. We will continue to prudently manage the portfolio and enhance our filtering process which will ensure we maintain a healthy portfolio. One of the most critical parameters for a bank is the quality of its assets which will allow continued expansion of its loan portfolio and healthy growth in income and profit.

## Investments

The Investments of the Bank as at September 30, 2022 amounted to \$39.6 billion. Investment opportunities globally are passing through a cyclical pattern of interest rate adjustments due to global rising inflation. The inflation scenario in Europe is around 10% while US recorded around 8% and much worse in other countries. Global central banks are adjusting their policies to combat inflation by monetary tightening such as rising the benchmark interest rates. The US Fed is projecting an interest rate of more than 4% before end of 2022 and may move higher in 2023 if inflation persists. Our investment portfolio shows depreciation in value on account of interest rate risk. Once the inflation moderates and central banks stop increasing bank rates the portfolio will improve.

## Capital Adequacy and Risk Management

Our Capital Adequacy Ratio over the years remained well above the prudential 8.0 percent benchmark set by the Central Bank. The Bank Tier I Capital Adequacy Ratio stood at 25.60 percent in 2022. The Bank of Guyana is still refining the Basel II / III Framework that factors and quantifies market and operational risks in the calculation of this ratio, which is in line with international adaptation of this standard.

The Board and Management have overall responsibility for the risk management function of the Bank. The Board has formed various sub-committees to specifically review and evaluate different risks to the Bank in addition to consistently updating our Risk Management Policy and strengthening our internal control functions in order to remain successful.

Management regularly monitors Liquidity risks, Interest Rate risks and Default risks and will continue to identify risks in the areas of Advances, Investments, Foreign Exchange and Operations and take corrective action to minimize any future losses.

## Regulatory Compliance

Our Bank continues to be committed to the fight against money laundering, terrorist financing and financing of proliferation (ML/TF/FP), as well as other related threats to the integrity of the financial system.

In August 2022, the National Assembly passed a new amendment to the Anti-Money Laundering Bill to ensure the Financial Intelligence Unit (FIU) meets the necessary requirement for Guyana to secure membership with the Egmont Group. This is a significant achievement for our country that will change the landscape for cooperation of intelligence sharing across national borders especially now as Guyana prepares for a review process.

In preparation for the 4th Round Mutual Evaluation expected in 2023, our Bank is committed to meeting national and international AML/CFT/PF requirements.

## Upholding Values and Social Work

Our commitment to people and relationships remain steadfast over the years. Our policies continue to be non-discriminatory as we strived to offer the best services to all our customers.

We believe that we can create a lasting impact by making meaningful contributions in the diverse communities we serve. This year, our CSR activities were inspired by the philanthropic life of the late Dr. Yesu Persaud and were centered around providing support in areas of education, health, housing, community and social development. These included:

- Donation of supplies to Dharam Shala, Cheshire Home and St. Ann's Orphanage to support their efforts in providing a home and other basic necessities for the under privileged.

- Donation of stationery supplies to the Helena Primary School to assist with expenses relating to the Easter Term Examination.
- Sponsorship of core homes for needy families under the Central Housing and Planning Authority's Adequate Housing and Urban Accessibility Programme.
- Sponsorship of the Prabhu Sharan Orphanage under the Office of the First Lady's Adopt an Orphanage Initiative

Additionally, in keeping with our commitment towards community development, the Bank in May, 2022, launched its Farmers Credit Line, a collateral free credit facility that offers low cost financing to rice farmers across the country. The Farmers' Credit Line ranges between \$1 million - \$1.5 million and provides rice farmers with the resources needed to advance their operations, improve productivity and offset production costs which would have significantly increased.

### Future Plans

Our strategy for this new year is to continue to expand our network of branches across the country. Construction at our Leonora branch has commenced and we are hopeful to open our doors to the West Coast clientele for the year 2023. We will also be relocating our Le Ressenvenir Branch into a bigger and better location to meet the growing needs of our valued customers.

Our advanced Corporate Internet Banking Platform is fully operational whilst the enhancement of our Retail Ebanking Platform is currently being tested and will be ready for the general public before the year of 2022. This platform will incorporate the latest technology with the primary objective of creating comfort, convenience and security to our customers.

The Bank will also be launching a mobile banking application in 2023. Our aim is to ensure all Guyanese have access to banking services and to transition into a 'cashless' society in this rapidly changing banking environment.

The Bank is also in the process of creating a relationship with a licensed money transmission service provider in order to effect the transfer of funds to and from parties through its Payment Network. This relationship will invariably set us apart from our competitors since funds from international territories can be easily remitted to Guyana at extremely competitive prices. This integration will eventually allow direct credit to customers account and access of these funds throughout our payment network with comfort and convenience. Our mobile banking will complement this service to allow ease of access compared with the existing tedious and inconvenient system.

### Acknowledgement

Without the incredible support of our customers we would not have been here for 28 years. We are truly inspired and grateful for their loyalty and trust in the Demerara Bank team and for this, we say thank you! Our Board of Directors has been the pillar of our continued successes and achievements. They have played an integral role by their active participation in the monthly board meetings and have also provided valuable guidance and support during the year. My sincere thanks and appreciation to every member of the Board.

In a competitive and rapidly-changing banking environment, the Bank can only achieve success with a highly committed, dedicated, motivated and competent workforce. Our Bank is fortunate to have a very talented and committed pool of human resources. I express my profound gratitude to all staff members at all levels.

To our newly elected Chairman, Mr. Komal Samaroo, I thank him profusely for his confidence and support during this year.

I take this opportunity to wish you and your family all the best for this festive season as we celebrate as One Guyana.





## Management Team



**Mr. Dowlat Parbhu**  
General Manager



**Mr. John Lee**  
Chief Manager  
Management Information Systems



**Ms. Deborah Sugrim**  
Chief Manager  
Operations



**Ms. Pravini Ramotar**  
Chief Manager  
Human Resources and Administration



**Mr. Jerrett Morgan**  
Senior Manager  
VISA Operations



**Mrs. Amrita Henriques**  
Senior Manager  
Branch Coordination, Research & Development

# Management Team



**Mr. Yugisther Mohabir**  
Senior Manager  
Information Technology & MIS



**Mr. David Ramdeholl**  
Senior Manager  
Credit



**Ms. Nekeisha Persaud**  
Legal Officer



**Ms. Shaleeza Shaw**  
Manager  
Main Branch



**Mr. Imran Badruddin**  
Manager  
Investment and Business Development



**Mr. Khemraj Narine**  
Manager  
Information System Administrator



**Ms. Christina Correia**  
Manager  
Marketing, Public Relations & New Products



**Ms. Deborah Shim-Foo**  
Manager  
Credit

# Management Team



**Mrs. Kenesha Collins-Phillips**  
Manager  
Corporate Banking and Operations



**Mr. Ramnarine Autar**  
Manager  
Investment



**Mrs. La Donna Delon**  
Chief Internal Auditor (ag.)



**Ms. Bibi Bacchus**  
Management



**Mr. Mohanram Dolai**  
Chief Security Officer



**Mr. Deyon D'Oliveira**  
Main Branch



**Ms. Sunita Persaud**  
Le Ressouvenir Branch



**Ms. Monica Serrao**  
VISA Operations

# Management Team



**Mrs. Rosemaria Appanah**  
Foreign Trade Department



**Mr. Mandrekar Khemraj**  
Branch Manager  
Rose Hall



**Ms. Farahnaz Hosain**  
Branch Manager  
Essequibo



**Ms. Anna Abraham**  
Branch Manager  
Corriverton



**Mrs. Patrina Sahib-Roshan**  
Branch Manager (ag.)  
Le Ressenvenir



**Mr. Faris Ali**  
Branch Manager (ag.)  
Diamond



**Mrs. Omattie Misir**  
Branch Manager (ag.)  
Mahaica



**Ms. Bebe Asha Gaffar**  
Officer in Charge  
Corporate Banking



# Independent Auditor's Report





**Nizam Ali & Company**  
**Chartered Accountants**

215 'C' Camp Street  
North Cummingsburg  
Georgetown  
Guyana

**Tel: (592) 227-8825**  
**Tele/Fax: (592) 225-7085**  
**Email: [admin@nizamali.net](mailto:admin@nizamali.net)**

## **INDEPENDENT AUDITORS' REPORT**

To the Shareholders of Demerara Bank Limited

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Demerara Bank Limited, which comprise the statement of financial position as at September 30, 2022, the statement of profit or loss and other 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.

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Bank as at September 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### **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 Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Guyana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 judgment, were of most significance in our audit of the financial statements for the financial year ended September 30, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

---

### Key Audit Matters

### How our audit addressed the key audit matters

---

#### *Investments*

The Bank invests a significant portion of its funds in financial instruments that are classified at fair value through other comprehensive income and fair value through profit or loss. These instruments comprise equity shares and fixed income securities and are valued based on quoted prices in active markets. As at the year end, there is significant measurement uncertainty involved in these valuations.

In auditing these financial instruments, we reviewed and verified the processes and key controls applied in the valuation of these investments. Additionally, we performed independent price verification of all investments from recognised active financial markets and considered whether disclosures are in compliance with the requirements of relevant International Financial Reporting Standards.

#### *Impairment of property, plant and equipment*

Significant judgment is exercised in determining the useful life of items of property, plant and equipment. In this regard, based on management's evaluation and assessment, appropriate depreciation rates are allocated to property, plant and equipment. Property, plant and equipment is tested for impairment whenever there is objective evidence that the carrying amount of the asset may exceed its recoverable amount.

In addressing judgment in determining the useful life of property, plant and equipment, procedures included reviewing the Bank's policy for property, plant and equipment, ensuring that depreciation rates used are consistent with these policies and appropriate rates are applied to respective categories of property, plant and equipment. Further, we assessed the impairment review carried out by management, by comparing the carrying value of these assets against their estimated remaining useful life.

#### *Credit impairment losses*

IFRS 9 requires the Bank to recognise expected credit losses (ECL) on financial assets. The determination of ECL is highly subjective and requires management to make significant judgment and assumptions. The most significant judgments and assumptions are:

- Assumptions used in the expected credit loss model to assess the credit risk related to the exposure and the expected future cash flows of the customer.
- Timely identification of exposures with significant increase in credit risk and credit impaired exposures.
- Valuation of collateral and assumptions of future cash flows on assessed credit-impaired exposures.

Our procedures in this area included:

- Assessing the trends in the local credit environment, considering their likely impact on the Bank's exposures and using this information to focus our testing on the key risk areas.
- Assessing and testing the design and operating effectiveness of the controls over the Bank's loan impairment provision.
- Testing key controls over assumptions used in the expected credit loss models to assess the credit risk related to the exposure and the expected future cash flows of the customer.

## Key Audit Matters, continued

Key Audit Matters	How our audit addressed the key audit matters
-------------------	---

### *Credit impairment losses, continued*

These estimates involve increased judgment as a result of the economic impact of COVID-19 on the Bank's financial assets. Management considered the following:

- Qualitative factors that create COVID-19 related changes to the significant increase in credit risk.
- Increased uncertainty about potential future economic scenarios and their impact on credit losses.

The Bank is also required to compute loan provision in accordance with the Bank of Guyana Supervision Guideline number 5. There is the risk of inappropriate classification of loans and advances in accordance with the Supervision Guideline number 5 that results in inaccurate loan impairment computations.

Where the required provision under IFRS 9 differs from the provision under the Supervision Guideline number 5, at minimum the Bank recognises the impairment required under the provisions of IFRS 9. However, when the application of Supervision Guideline number 5 gives rise to a more prudent provision, then the impairment computed using Supervision Guideline number 5 is recognised.

### **Going Concern**

The Bank's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Bank's financial statements is appropriate. Management has not identified a material uncertainty that may cast significant doubt on the Bank's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the Bank's ability to continue as a going concern.

- Assessing and substantively validating the impairment models by re-performing calculations and agreeing sample of data inputs to source documentation. We also assessed whether the data used in the models is complete and accurate through testing a sample of relevant data fields and their aggregate amounts against data in the source system.
- Obtaining and substantively testing evidence to support the assumptions used in the expected credit loss models applied in stage allocation, assumptions applied to derive lifetime possibility of default and methods applied to derive loss given default.
- Verifying that all loans and advances are secured, active and are monitored in accordance with the Supervision Guideline numbers 5 and 13 and evaluating management's compliance with these guidelines. We also verified whether these loans and advances were classified based on the criteria outlined in these guidelines.
- Assessing whether the disclosures in the financial statements appropriately reflect the Bank's exposure to credit risk.

## **Other Information**

Management is responsible for the other information. The other information comprises all the information included in the Bank's 2022 annual report but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 the financial statements, management is responsible for assessing the Bank'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 Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank'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 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 aggregate, they can 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 judgment 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 Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## **Auditors' Responsibilities for the Audit of the Financial Statements, continued**

- 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 Bank'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 Bank 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Bank's audit. We remain solely responsible for our audit opinion.

We are required to 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.

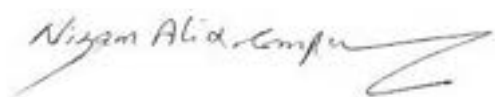
We are also required to provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable,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

## **Report on Other Legal and Regulatory Requirements**

The financial statements comply with the requirements of the Financial Institutions Act 1995, the Companies Act 1991 and the Securities Industry Act 1998.

The engagement partner responsible for the audit resulting in this independent auditors' report is Mr. Dave Singh, FCCA.



Chartered Accountants  
Georgetown, Guyana

October 25, 2022



**DEMERARA BANK LIMITED**

**Statement of Financial Position**

**As at September 30, 2022**

**With comparative figures for September 30, 2021**

(Expressed in Guyana Dollars)

	Notes	2022 <u>\$'000</u>	2021 <u>\$'000</u>
<b>ASSETS</b>			
Cash		990,507	726,436
Due from banks		4,559,761	10,953,630
Deposit with Central Bank other than statutory deposit		4,589,493	10,544,050
Statutory deposit with Central Bank	7	12,828,653	9,480,191
Investment securities	8	39,966,150	33,628,192
Loans and advances	9	58,192,909	46,383,479
Property, plant and equipment	11	2,624,544	2,635,808
Taxation recoverable		6,087	6,087
Deferred tax	21	2,747,311	69,383
Other	12	64,427	77,427
		<u>126,569,842</u>	<u>114,504,683</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Deposits	10	106,984,399	92,875,562
Taxation payable		724,927	1,048,265
Other liabilities	13	2,120,611	2,373,895
		<u>109,829,937</u>	<u>96,297,722</u>
<b>Shareholders' Equity</b>			
Share capital	14	450,000	450,000
Statutory reserve	15 (i)	450,000	450,000
Investment revaluation reserve	15 (ii)	(3,374,994)	146,422
Other reserve	15(iii)	-	41,928
Retained earnings		19,214,899	17,118,611
		<u>16,739,905</u>	<u>18,206,961</u>
		<u>126,569,842</u>	<u>114,504,683</u>

The financial statements have been approved by the Board of Directors on October 27, 2022 and signed on its behalf by:



**Mr. P.S. Dave**  
Chief Executive Officer  
Director



**Mr. Harryram Parmesar**  
Chairman - Audit Committee

The accompanying notes form an integral part of these financial statements.

**DEMERARA BANK LIMITED**

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended September 30, 2022**  
**With comparative figures for September 30, 2021**  
(Expressed in Guyana Dollars)

	Notes	2022 \$'000	2021 \$'000
<b>Interest income</b>			
Loans and advances		4,297,041	3,460,515
Investments	16	2,007,979	1,958,956
		<u>6,305,020</u>	<u>5,419,471</u>
<b>Interest expense</b>			
Savings deposits		333,595	298,455
Term deposits		406,694	572,188
Others		59,619	6,173
		<u>799,908</u>	<u>876,816</u>
<b>Net interest income</b>		5,505,112	4,542,655
Net credit impairment		<u>362,254</u>	<u>65,000</u>
Income net of credit impairment		5,867,366	4,607,655
Other income	22	<u>758,896</u>	<u>2,007,914</u>
<b>Net interest and other income</b>		<u>6,626,262</u>	<u>6,615,569</u>
<b>Non-interest expenses</b>	18	<u>1,741,750</u>	<u>1,717,515</u>
Income before taxation		4,884,512	4,898,054
Taxation	20	1,930,152	1,943,948
<b>Net income for the year</b>	17	<u>2,954,360</u>	<u>2,954,106</u>
<b>Earnings per share in dollars</b>	23	<u>6.57</u>	<u>6.56</u>

The accompanying notes form an integral part of these financial statements.

**DEMERARA BANK LIMITED****Statement of Profit or Loss and Other Comprehensive Income****For the year ended September 30, 2022****With comparative figures for September 30, 2021**

(Expressed in Guyana Dollars)

	Notes	2022 <u>\$'000</u>	2021 <u>\$'000</u>
<b>Net income for the year</b>		<u>2,954,360</u>	<u>2,954,106</u>
<b>Other Comprehensive Income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net (loss) gain on investments in debt instruments measured at FVOCI		(5,834,944)	691,735
Net (loss) gain on investments in debt instruments measured at FVOCI reclassified to profit or loss on disposal		(34,082)	216,656
Tax on components of other comprehensive income		<u>2,347,610</u>	<u>(363,356)</u>
Total other comprehensive (loss) income for the year		<u>(3,521,416)</u>	<u>545,035</u>
Total comprehensive (loss) income for the year		<u>(567,056)</u>	<u>3,499,141</u>

The accompanying notes form an integral part of these financial statements.

**DEMERARA BANK LIMITED**

**Statement of Changes in Equity**  
**For the year ended September 30, 2022**  
**With comparative figures for September 30, 2021**  
 (Expressed in Guyana Dollars)

	Share capital	Retained earnings	Statutory reserve	Investment revaluation reserve	Other reserve	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Balance at October 1, 2020</b>	450,000	14,884,996	450,000	(398,613)	63,937	15,450,320
Profit for the year September 30, 2021	-	2,954,106	-	-	-	2,954,106
Dividend (note 24)	-	(742,500)	-	-	-	(742,500)
Other comprehensive income	-	-	-	545,035	-	545,035
Transfer	-	22,009	-	-	(22,009)	-
<b>Balance at September 30, 2021</b>	450,000	17,118,611	450,000	146,422	41,928	18,206,961
Profit for the year September 30, 2022	-	2,954,360	-	-	-	2,954,360
Dividend (note 24)	-	(900,000)	-	-	-	(900,000)
Other comprehensive income	-	-	-	(3,521,416)	-	(3,521,416)
Transfer	-	41,928	-	-	(41,928)	-
<b>Balance at September 30, 2022</b>	450,000	19,214,899	450,000	(3,374,994)	-	16,739,905

The accompanying notes form an integral part of these financial statements.

**DEMERARA BANK LIMITED**

**Statement of Cash Flows**

**For the year ended September 30, 2022**

**With comparative figures for September 30, 2021**

(Expressed in Guyana Dollars)

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Net income before taxation	4,884,512	4,898,054
Interest income	(6,305,020)	(5,419,471)
Interest expense	799,908	876,816
Adjustments for:		
Depreciation	152,754	167,290
Loss on disposal of plant and equipment	6,851	25,972
Interest received	6,112,708	5,543,746
Interest paid	(859,211)	(889,121)
Increase in statutory deposit with Central Bank	(3,348,462)	(1,586,638)
Decrease in other assets	13,000	21,556
Increase in deposits	14,168,139	14,709,572
(Decrease) increase in other liabilities	(253,284)	1,753,390
Taxes paid	(2,583,806)	(1,403,953)
<b>Net cash from operating activities</b>	<b>12,788,089</b>	<b>18,697,213</b>
<b>Cash flows from investing activities</b>		
(Increase) decrease in investments	(12,045,436)	275,980
Increase in loans and advances	(11,778,665)	(6,022,475)
Acquisition of property, plant and equipment	(149,043)	(277,159)
Proceeds from sale of plant and equipment	700	-
<b>Net cash used in investing activities</b>	<b>(23,972,444)</b>	<b>(6,023,654)</b>
<b>Cash flows from financing activities</b>		
Dividends	(900,000)	(742,500)
<b>Net cash used in financing activities</b>	<b>(900,000)</b>	<b>(742,500)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(12,084,355)</b>	<b>11,931,059</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>22,224,116</b>	<b>10,293,057</b>
<b>Cash and cash equivalents, end of year</b>	<b>10,139,761</b>	<b>22,224,116</b>
<b>Cash and cash equivalent comprises of the following statement of financial position items:</b>		
Cash	990,507	726,436
Deposit with Central Bank other than statutory deposit	4,589,493	10,544,050
Due from banks	4,559,761	10,953,630
	<b>10,139,761</b>	<b>22,224,116</b>

The accompanying notes form an integral part of these financial statements.



## DEMERARA BANK LIMITED

### Notes to Financial Statements

September 30, 2022

(Expressed in Guyana Dollars)

---

#### 1. Incorporation and business activities

Demerara Bank Limited was incorporated on January 20, 1992 as a private limited liability company under the provisions of the Companies Act, Chapter 89:01 and was licensed to carry on the business of Banking on October 31, 1994. The Bank obtained Certificate of Continuance on April 2, 1997 in accordance with the Companies Act 1991.

The Bank offers a complete range of banking and financial services and operates under the provisions of the Financial Institutions Act (Act 1 of 1995).

The Bank was registered as a reporting issuer under the Securities Industries Act 1998 on September 2, 2003.

On September 2, 2003 the Bank was designated an approved mortgage finance company by the Minister of Finance in accordance with section 15 of the Income Tax Act. The income earned from mortgages granted by an approved mortgage finance company is exempt from the payment of corporation taxes, provided that these mortgages comply with the stipulated regulations.

#### 2. Changes in accounting policies and disclosures

##### 2.1 *New standards, amendments and interpretations adopted*

##### ***Amendments to IFRS 7, Financial instruments: disclosures; IFRS 9, Financial instruments; IAS 39, Financial instruments: recognition and measurement; IFRS 4, Insurance Contracts; and IFRS 16, Leases***

The amendments, comprising Phase 2 of IBOR (inter-bank offered rates) reform, became effective on January 1, 2021 provide a practical expedient for modifying a financial contract or a lease for lessees as a result of IBOR reform (IBOR reform – Phase 2). The amendments also allow a series of exemptions from certain rules around hedge accounting, including the need to discontinue existing hedging relationships as a result of changes to hedging documentation required by IBOR reform.

The amendments, comprising Phase 2 of IBOR (inter-bank offered rates) reform, became effective on January 1, 2021 provide a practical expedient for modifying a financial contract or a lease for lessees as a result of IBOR reform (IBOR reform – Phase 2). The amendments also allow a series of exemptions from certain rules around hedge accounting, including the need to discontinue existing hedging relationships as a result of changes to hedging documentation required by IBOR reform.

This is not applicable to the Bank and thus had no impact.

##### ***Amendments to IFRS 16, Leases***

The changes in COVID-19-Related Rent Concessions (Amendment to IFRS 16) became effective on June 1, 2020 and amend IFRS 16 to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendments require that lessees apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications, that lessees that apply the exemption disclose that fact, and that lessees apply the exemption retrospectively in accordance with IAS 8, but do not require them to restate prior period figures.

The adoption of the amendments to IFRS 16 did not result in any changes to the financial statements.

2. Changes in accounting policies and disclosures, continued

2.2 *New standards, amendments and interpretations not yet adopted*

***Amendments to IAS 1, Presentation of Financial Statements***

IAS 1 has been revised to (i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

**Effective date**

1-Jan-23

***Amendments to IAS 1, Presentation of Financial Statements and IFRS Practice Statement 2, Making Materiality Judgements***

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies and provide guidance on how to apply the concept of materiality to accounting policy disclosures.

1-Jan-23

***Amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors***

The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty and also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

1-Jan-23

***Amendments to IAS 12, Income Taxes***

The amendments clarify how companies should account for deferred tax on certain transactions such as leases and decommissioning provisions. It narrows the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

1-Jan-23

***Amendments to IAS 16, Property, Plant and Equipment***

The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

1-Jan-22

***Amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets***

The amendments clarify that, for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

1-Jan-22

***Amendments to IFRS 9, Financial Instruments***

The amendment, part of the *Annual Improvements to IFRS Standards 2018 to 2020*, clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

1-Jan-22

***Amendments to IFRS 16, Leases***

The amendments to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. This is part of the *Annual Improvements to IFRS Standards 2018 to 2020*.

1-Jan-22

### 3. Summary of 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 to the previous year.

#### 3.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board and are presented in Guyana dollars, which is the functional currency, rounded to the nearest thousand. The financial statements are prepared on the historical cost basis, modified for the measurement at fair value, of investment securities classified as fair value through profit or loss (FVPL) and fair value through other comprehensive income (FVOCI).

The preparation of these financial statements in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, contingent assets and contingent liabilities at the date of the financial statements and income and expenses during the period. Actual results could differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 6.

The financial statements were authorised for issue by the Board of Directors on October 27, 2022.

#### 3.2 Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange ruling at the transaction date. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the statement of financial position date, except as otherwise stated. Foreign exchange positions are valued daily at prevailing rates. Resulting translation differences and profits and losses from trading activities are included in the statement of profit or loss and other comprehensive income.

#### 3.3 Property, plant and equipment

Property, plant and equipment are stated generally at historical cost, except for those measured at fair value, when they are tested for impairment. Historical cost includes expenditure directly attributable to the acquisition of the items.

Property, plant and equipment is tested for impairment whenever there is objective evidence that the carrying amount of the asset may exceed its recoverable amount. Any resulting impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income.

Subsequent costs are included in the asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amounts of replaced parts are derecognised. All repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation of property, plant and equipment excluding land, is provided for, over the estimated useful lives of the respective assets using the straight-line method.

The following annual depreciation rates are applicable for the respective asset categories:

Freehold building	2%
Furniture and equipment	10% - 20%
Motor vehicles	20%

Leasehold improvements are depreciated over the shorter of the useful life of the asset and the lease term. Land and construction work in progress are not depreciated.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income.

### 3. Summary of significant accounting policies, continued

#### 3.4 Financial assets

##### 3.4.1 Classification and subsequent measurement

The Bank classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL)
- Fair value through other comprehensive income (FVOCI) or
- Amortised cost

The classification requirement for debt and equity instruments are described below.

##### *Debt Instruments*

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Bank's business model for managing the asset and
- (ii) the cash flow characteristics of the asset.

*Business model:* the business model reflects how the Bank manages the assets in order to generate cash flows, that is, whether the Bank's objective is solely to collect the contractual cash flow from the assets, that is to collect both the contractual cash flow and cash flow arising from the sale of assets.

Factors considered by the Bank in determining the business model for a group of assets include past experience on how the cash flow for these assets are collected, how the asset performance is calculated and reported to key management and how risks are assessed and managed.

*Cash flow characteristics:* where the business model is to hold assets to collect contractual cash flow or to collect contractual cash flow and sell, the Bank assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the SSPI test). In making this assessment, the Bank considers whether the contractual cash flow are consistent with a basic lending arrangement, that is interest includes only consideration for the time value of money, credit risk, other basic lending arrangement risk and a profit margin consistent with a basic lending.

Based on these factors, the Bank classifies its debt instruments into one of the following three measurement categories:

- *Amortised Cost:* Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI) and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance. Interest income from these financial assets is included in interest income using the effective interest rate method.
- *Fair value through other comprehensive income (FVOCI):* Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movement in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instruments amortised cost, which are recognised in the profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income. Interest income from these financial assets is included in 'Interest Income' using the effective interest rate method.

### 3. Summary of significant accounting policies, continued

#### 3.4 Financial assets, continued

##### 3.4.1 Classification and subsequent measurement, continued

###### *Debt Instruments, continued*

- *Fair value through profit or loss (FVPL)*: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the profit or loss statement in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading in which case they are presented separately in investment income. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

###### *Equity instruments*

Equity instruments are instruments that meet the definition of equity from the inner perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the inner net assets. The Bank subsequently measures all equity investments at fair value through profit or loss, except when management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Bank's policy is to designate equity investment at fair value through other comprehensive income when these investments are held for the purpose other than to generate investment returns. When this election is used, fair value gains and losses, are recognised in OCI and are not subsequently reclassified through profit or loss, including on disposal. Impairment (and reversal of impairment loss) are not reported separately from other changes in fair value. Dividend, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Bank's right to receive payments is established. Gains and loss on equity investments at FVPL are included in net income in the statement of profit or loss.

##### 3.4.2 Impairment

###### *Expected credit loss (ECL)*

IFRS 9 outlines a three stage model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit impaired on initial recognition is classified in 'stage 1' and has its credit risk continuously monitored by the Bank.
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to 'stage 2' but is not yet to be credit impaired.
- If the financial instrument is credit impaired, the financial instrument moves to 'stage 3'.

Financial instruments in 'stage 1' have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward looking information.

The Bank assesses, on a forward looking basis, the ECL associated with its debt instruments assets at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognises a loss allowance for such loss at each reporting date. The measurement of ECL reflects:

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

Purchased or originated credit impaired financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (stage 3).



3. Summary of significant accounting policies, continued

3.4 Financial assets, continued

3.4.2 Impairment, continued

*Expected credit loss (ECL), continued*

The following table summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

Stage 1	Stage 2	Stage 3
Initial Recognition.	Significant in crease in credit risk since initial recognition.	(Credit Impaired assets).
12-Month Expected Credit Loss.	Lifetime Expected Credit Loss.	Lifetime Expected Credit Loss.

*Loan portfolio review in accordance with the requirements of the Financial Institutions Act*

The Bank also carries out a detailed review of its loan portfolio twice yearly in accordance with the requirements of the Financial Institutions Act (FIA) 1995.

Specific provisions are established as a result of these detailed reviews of individual loans and advances and reflect an amount which in management’s judgment, provides adequately for estimated losses. Factors considered in such analyses include:

- (i) The customer’s ability to generate sufficient cash flow to service debt obligations
- (ii) Breach of loan covenants or conditions
- (iii) Initiation of bankruptcy proceedings
- (iv) The realizable value of security (or other credit mitigants) and likelihood of successful repossession.

3.5 Financial liabilities

In both the current and prior periods, financial liabilities are classified and subsequently measured at amortised cost except for financial guarantee contracts and loan commitments.

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expired).

3.6 Loans and advances

Loans and advances to customers comprise of loans and advances originated by the Bank and are classified as financial assets at amortised cost net of allowances to reflect the estimated recoverable amount.

All loans and advances are recognised when cash is advanced to borrowers and are derecognised when borrowers repay their obligation or when the loan is written off. Loans are written off after all necessary legal procedures have been completed and the amount of the loss is finally determined.

A loan is classified as non-accrual when the borrower is in default and has not made scheduled payments of principal or interest for ninety days or more. For overdrafts, ninety days or more has elapsed since the overdraft limit has been exceeded or the overdraft has expired, or when, for loans and overdrafts, in the opinion of management, there is reasonable doubt as to the ultimate collectability of principal or interest.

Upon classification of a loan to non-accrual status, interest ceases to accrue and all previously accrued and unpaid interest is reversed in the current period. Interest is only recognised in subsequent periods, to the extent that payments of such interest are received.

Loans and advances are generally returned to accrual status when the timely collection of both principal and interest is reasonably assured and all delinquent principal and interest payments are brought current.

### 3. Summary of significant accounting policies, continued

#### 3.6 Loans and advances, continued

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Bank assesses whether or not the new terms are substantially different to the original terms. The Bank does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Insertion of collateral, other security or credit enhancements that significantly affects the credit risk associated with the loan.

If the terms are substantially different, the Bank derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Bank also assesses whether the new financial assets recognised is deemed to be credit-impaired at initial recognition, especially in the circumstances where the renegotiation was driven by the borrower being unable to make the originally agreed payments.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss.

#### 3.7 Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

#### 3.8 Dividend on ordinary shares

Dividends that are proposed and declared during the period are accounted for as an appropriation of retained earnings in the statement of changes in equity.

Dividends that are proposed and declared after the statement of financial position date are not shown as a liability on the statement of financial position but are disclosed in note 24 to the financial statements.

#### 3.9 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Bank and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured as the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties. The Bank has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to credit risk.

The specific recognition criteria described below must also be met before revenue is recognised.

##### *Interest income*

Interest income is accounted for on the accrual basis for financial assets measured at amortised cost calculated on an effective interest basis, other than non-accrual loans. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial assets (or, where appropriate, a shorter period) to the carrying amount of the financial asset and is not revised subsequently. When calculating the effective interest rate, the Bank estimates the future cash flows considering all contractual terms of the financial instrument, but not the future credit losses.

When a loan is classified as non-accrual, accrued but uncollected interest is reversed against income of the current period. Thereafter, interest income is recognised only after the loan reverts to performing status.

The Bank's calculation of the effective interest rate includes all material fees received, transaction costs, discounts or premiums that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset.

##### *Other income*

Other income comprises various fees and commissions, trading income and premium income. Fees and commissions that are material to the effective interest rate on a financial asset is included in the measurement of the effective interest rate.

### 3. Summary of significant accounting policies, continued

#### 3.9 Revenue recognition, continued

##### *Deposit and payment services*

The Bank provides deposit and payment services to retail and commercial customers. Revenue from account servicing fees is recognised over time as the services are provided. Transaction based fees are charged to the customer's account and recognised when the transaction takes place.

##### *Card revenues*

The Bank offers credit cards facility for retail and commercial customers for their cash management and financing needs. Revenues include cardholder fees, interchange fees and merchant fees. Revenues are mainly transaction based and recognised when the card transaction takes place.

##### *Credit fees*

The Bank provides working capital financing and trade services including bankers' acceptances and letters of credit. Transaction based fees are recognised when the transaction takes place. Loan origination fees are recognised over the term of the loan unless immaterial.

##### *Other fees and commission*

Other fees and commissions are recognised in income as the related services are performed.

#### 3.10 Pension

The Bank participates in a multi-employer plan with certain other companies, the assets of which are held in trustee-administered funds which are separate from the Bank's finances. The plan is generally funded by payments from participating companies taking account of recommendations of independent qualified actuaries.

#### 3.11 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and short term highly liquid investments that are both readily convertible into known amounts of cash and so near to maturity that they present insignificant risk of changes in value due to changing interest rates.

#### 3.12 Acceptances, guarantees and letters of credit

The Bank's commitments under acceptances, guarantees and letters of credit have been excluded from these financial statements because they do not meet the criteria for recognition. These commitments as at September 30, 2022 amounted to \$4,334,878,000 (2021 - \$5,209,609,307) see note 26 (iii). In the event of a call on these commitments, the Bank has equal and offsetting claims against its customers.

#### 3.13 Taxation

Tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case the tax is also recognised in equity.

##### *Current tax*

The current income tax is calculated on the basis of the tax laws enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

##### *Deferred tax*

Deferred tax is provided using the balance sheet method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes, except differences relating to the initial recognition of assets or liabilities which affect neither accounting nor taxable income (loss). Net deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is calculated on the basis of the tax rate that is expected to apply to the period when the asset is realised or the liability is settled. The effect on deferred tax of any changes in the tax rate is charged to the statement of profit or loss and other comprehensive income, except to the extent that it relates to items previously charged or credited directly to equity.

### 3. Summary of significant accounting policies, continued

#### 3.14 Leases

The Bank assesses whether a contract is or contains a lease, at inception of a contract. The Bank recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee except for short-term leases with a lease term of 12 months or less and leases of low value assets. For these leases, the Bank recognises the lease payments as an expense on a straight line basis in the statement of profit or loss and other comprehensive income over the term of the lease.

For all other leases, at lease commencement date, the Bank recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Bank, and any lease payments made in advance of the lease commencement date. The Bank measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or average lending rate. Lease payments included in the measurement of the lease liability are made up of fixed payments and payments arising from options reasonably certain to be exercised

The Bank depreciates right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Bank also assesses the right-of-use asset for impairment when such indicators exist.

#### 3.15 Segment reporting

A business segment is a component of an entity that is engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

#### 3.16 Comparatives

Certain 2021 figures have been reclassified to conform with the financial statements presentation adopted in 2022.

### 4. Financial risk management

The Bank's activities expose it to a variety of financial risks: market risk (including price risk, interest rate risk and currency risk), liquidity risk and credit risk. The Bank's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Bank's performance.

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies and principles.

The Bank's management monitors and manages the financial risks relating to the operations of the Bank through internal risk reports which analyse exposures by degree and magnitude of risks.

The Bank's risks are measured using methods which reflect the expected loss likely to arise in normal circumstances.

Monitoring and controlling risks is primarily performed based on limits established by the Bank. These limits reflect the business strategy and market environment of the Bank as well as the level of risk that the Bank is willing to accept.

The Bank actively uses collateral to rescue its credit risks.

#### (a) Market risk

The Bank's activities expose it to financial risks of changes in foreign currency exchange rates and interest rates. The Bank uses gap analysis, interest rate sensitivity and exposure limits to financial instruments to manage its exposure to interest rate and foreign currency risks.

##### (i) Price risk

Price risk is that the value of financial instruments will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security of its issuer or factors affecting all securities traded in the market. Management continually identifies the risk and diversifies the portfolio to minimise the risk.

##### (ii) Interest rate risk

The Bank is exposed to interest rate risk but the Bank's sensitivity to interest rate fluctuation is immaterial as its financial instruments are substantially at fixed rates. The Bank's interest bearing financial assets and financial liabilities are disclosed on page 50.

DEMERARA BANK LIMITED

Notes to Financial Statements  
September 30, 2022  
(Expressed in Guyana Dollars)

4. Financial risk management, continued

(a) (ii) Interest rate risk, continued

	Average Interest rate	Maturing 2022				Total
		Within 1 year	1-5 years	Over 5 years	Non-interest bearing	
		%	\$'000	\$'000	\$'000	
<b>Assets</b>						
Cash resources	0.76	1,273,820	-	-	21,694,594	22,968,414
Net loans to customers	8.06	23,454,975	3,517,423	30,895,828	324,683	58,192,909
Investments	5.42	1,364,170	1,301,063	37,300,917	-	39,966,150
Others		-	-	-	5,442,369	5,442,369
		26,092,965	4,818,486	68,196,745	27,461,646	126,569,842
<b>Liabilities and shareholders' equity</b>						
Customers' deposits	0.70	89,195,510	25,000	-	17,763,889	106,984,399
Other liabilities		-	-	-	2,845,538	2,845,538
Shareholders' equity		-	-	-	16,739,905	16,739,905
		89,195,510	25,000	-	37,349,332	126,569,842
<b>Interest sensitivity gap</b>		(63,102,545)	4,793,486	68,196,745	(9,887,686)	-

	Average Interest rate	2021				Total
		Within 1 year	1-5 years	Over 5 years	Non-interest bearing	
		%	\$'000	\$'000	\$'000	
<b>Assets</b>						
Cash resources	0.95	2,704,344	-	-	28,999,963	31,704,307
Net loans to customers	8.20	15,422,958	2,461,779	24,867,708	3,631,034	46,383,479
Investments	8.05	2,009,233	396,917	31,222,042	-	33,628,192
Others		-	-	-	2,788,705	2,788,705
		20,136,535	2,858,696	56,089,750	35,419,702	114,504,683
<b>Liabilities and shareholders' equity</b>						
Customers' deposits	0.94	69,345,145	23,530,417	-	-	92,875,562
Other liabilities		-	-	-	3,422,160	3,422,160
Shareholders' equity		-	-	-	18,206,961	18,206,961
		69,345,145	23,530,417	-	21,629,121	114,504,683
<b>Interest sensitivity gap</b>		(49,208,610)	(20,671,721)	56,089,750	13,790,581	-



**DEMERARA BANK LIMITED**

**Notes to Financial Statements**

**September 30, 2022**

(Expressed in Guyana Dollars)

**4. Financial risk management, continued**

**(a) (iii) Currency risk**

The Bank has assets and liabilities that are denominated in various currencies other than the reporting currency. Management does not believe that the net exposure to foreign currency risk can result in material loss to the Bank.

The aggregate Guyana dollars equivalent amount of assets and liabilities denominated in currencies other than the reporting currency are as follows:

	<b>2022</b>					
	US Dollar	Pound Sterling	Euro	CDN Dollar	Others	Total
<b>Assets</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>
Cash resources	4,718,580	36,624	321,709	41,310	(36,080)	5,082,143
Investments	39,224,456	6,659	352,484	188,449	52,585	39,824,633
Loans and advances	1,508,500	-	-	27,656	-	1,536,156
	<u>45,451,536</u>	<u>43,283</u>	<u>674,193</u>	<u>257,415</u>	<u>16,505</u>	<u>46,442,932</u>
<b>Liabilities</b>						
Deposits	13,445,835	25,876	33,970	2,395	-	13,508,076
Other liabilities	1,508,500	-	-	-	-	1,508,500
	<u>14,954,335</u>	<u>25,876</u>	<u>33,970</u>	<u>2,395</u>	<u>-</u>	<u>15,016,576</u>
<b>Net</b>	<u>30,497,201</u>	<u>17,407</u>	<u>640,223</u>	<u>255,020</u>	<u>16,505</u>	<u>31,426,356</u>

	<b>2021</b>					
	US Dollar	Pound Sterling	Euro	CDN Dollar	Others	Total
<b>Assets</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>
Cash resources	11,576,305	22,828	143,953	273,048	10,436	12,026,570
Investments	33,395,358	-	27,132	4,428	11,798	33,438,716
Loans and advances	1,511,383	-	-	-	-	1,511,383
	<u>46,483,046</u>	<u>22,828</u>	<u>171,085</u>	<u>277,476</u>	<u>22,234</u>	<u>46,976,669</u>
<b>Liabilities</b>						
Deposits	10,407,287	856	12,962	6,952	-	10,428,057
Other liabilities	1,505,001	-	-	-	-	1,505,001
	<u>11,912,288</u>	<u>856</u>	<u>12,962</u>	<u>6,952</u>	<u>-</u>	<u>11,933,058</u>
<b>Net</b>	<u>34,570,758</u>	<u>21,972</u>	<u>158,123</u>	<u>270,524</u>	<u>22,234</u>	<u>35,043,611</u>

DEMERARA BANK LIMITED

Notes to Financial Statements

September 30, 2022

(Expressed in Guyana Dollars)

4. Financial risk management, continued

(a) (iii) Currency risk, continued

The following table demonstrates the sensitivity movements of select currencies against the Guyana Dollar to which the Bank has significant exposure in respect of its financial assets and liabilities holding all other variable constant:

	Change in exchange rates	Effect on profit before tax	Effect on other components of equity
Year ended September 30, 2022	%	\$'000	\$'000
<u>Revaluation in exchange rates</u>			
USD	2%	609,944	67,500
GBP	2%	348	-
EURO	2%	12,804	-
CAD	2%	5,100	-
OTHERS	2%	330	-
		628,526	67,500
<u>Devaluation in exchange rates</u>			
USD	2%	(609,944)	(67,500)
GBP	2%	(348)	-
EURO	2%	(12,804)	-
CAD	2%	(5,100)	-
OTHERS	2%	(330)	-
		(628,526)	(67,500)
	Change in exchange rates	Effect on profit before tax	Effect on other components of equity
Year ended September 30, 2021	%	\$'000	\$'000
<u>Revaluation in exchange rates</u>			
USD	2%	691,415	2,929
GBP	2%	439	-
EURO	2%	3,162	-
CAD	2%	5,410	-
OTHERS	2%	445	-
		700,871	2,929
<u>Devaluation in exchange rates</u>			
USD	2%	(691,415)	(2,929)
GBP	2%	(439)	-
EURO	2%	(3,162)	-
CAD	2%	(5,410)	-
OTHERS	2%	(445)	-
		(700,871)	(2,929)

4. Financial risk management, continued

(b) Liquidity risk

Liquidity risk arises from fluctuations in cash flows. The liquidity risk management process ensures the Bank is able to honour all of its financial commitments as they fall due. The Bank's liquidity strategy includes measuring and forecasting cash commitments, building a large and stable base of core deposits for retail and commercial customers, ensuring sufficient cash and marketable instruments such as treasury bills and government securities are available to meet short-term requirements, diversifying funding sources and maintaining the ability to securitise bank assets. Fallback techniques include access to local interbank and institutional markets and stand-by lines of credit with external parties.

The table below shows the maturities of financial instruments:

		Maturing 2022					
		Within 1 year					
	Average Interest rate	On Demand	Due in 3 mths	Due in 3-12 mths	1 to 5 years	Over 5 years	Total
<b>Assets</b>	%	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash resources	0.76	22,968,414	-	-	-	-	22,968,414
Loans to customers	8.06	19,534,724	110,006	3,810,940	3,517,423	31,219,816	58,192,909
Investments	5.42	1,364,170	-	-	1,301,063	37,300,917	39,966,150
Others		5,442,369	-	-	-	-	5,442,369
		49,309,677	110,006	3,810,940	4,818,486	68,520,733	126,569,842
<b>Liabilities</b>							
Customers' deposits	0.70	75,199,964	8,607,838	23,151,597	25,000	-	106,984,399
Other liabilities		2,845,538	-	-	-	-	2,845,538
		78,045,502	8,607,838	23,151,597	25,000	-	109,829,937
<b>Net gap</b>		(28,735,825)	(8,497,832)	(19,340,657)	4,793,486	68,520,733	16,739,905
<b>2021</b>							
		Within 1 year					
	Average Interest rate	On Demand	Due in 3 mths	Due in 3-12 mths	1 to 5 years	Over 5 years	Total
<b>Assets</b>	%	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash resources	0.95	31,704,307	-	-	-	-	31,704,307
Loans to customers	8.20	11,021,003	138,300	4,263,655	2,461,779	28,498,742	46,383,479
Investments	8.05	2,009,233	-	-	396,917	31,222,042	33,628,192
Others		2,788,705	-	-	-	-	2,788,705
		47,523,248	138,300	4,263,655	2,858,696	59,720,784	114,504,683
<b>Liabilities</b>							
Customers' deposits	0.94	59,059,930	6,856,110	3,429,105	23,530,417	-	92,875,562
Other liabilities		3,422,160	-	-	-	-	3,422,160
		62,482,090	6,856,110	3,429,105	23,530,417	-	96,297,722
<b>Net gap</b>		(14,958,841.82)	(6,717,810)	834,550	(20,671,721)	59,720,784	18,206,961

**4. Financial risk management, continued**

**(c) Credit risk**

Credit risk is the risk that the Bank will incur a loss because its customers, clients or counterparties failed to discharge their contractual obligations. The Bank manages and controls credit risk by setting limits on the amounts or risk it is willing to accept for individual counterparties and for geographical and industry concentrations and by monitoring exposures in relation to such limits.

The Bank structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or group of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on level of credit risk by product is approved by the Board of Directors.

*Collateral*

The Bank employs a range of policies and practices to mitigate credit risks. The most traditional of these is the taking of security for funds advanced. The Bank implements guidelines on the acceptability of specific class of collateral or credit risk mitigation. The principal collateral types for loans and advances to customers are:

- Mortgages over residential properties;
- Charges over business assets such as premises, inventory and accounts receivable;
- Charges over financial instruments such as debt securities and equities.

Debt securities and treasury bills are generally unsecured.

Management monitors the market value of collateral and requests additional collateral in accordance with the underlying agreement.

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

The Bank closely monitors collateral held for financial assets considered to be credit impaired, as it becomes more likely that the Bank will take possession of collateral to mitigate potential credit losses.

*Impairment and provisioning*

Expected Credit Loss (ECL) is measured in either 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit impaired.

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposures varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimation as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Bank measures credit risk using probability of default (PD), exposure at default (EAD) and loss given default (LGD).

- The PD represents the likelihood of borrower's defaulting on their financial obligations, either over the next 12 months (12M PD) or over the remaining lifetime of the obligation.
- EAD is based on the amounts the Bank expects to be owed at the time of default, over the next 12 months or over the lifetime.
- LGD represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty and availability of collateral or other credit support.

For additional information on impairment refer to note 3.4.2.

#### 4. Financial risk management, continued

##### (c) Credit risk, continued

The Bank defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

##### *Quantitative criteria*

The borrower is more than 90 days past its contractual payments.

##### *Qualitative criteria*

There are indications that the borrower is in significant financial difficulty. The following are considered indications:

- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant
- An active market for the financial asset has disappeared because of the financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulties
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses

##### *Impact of COVID-19*

Since March 2020, the World Health Organisation has declared COVID-19 a Global pandemic. This has affected Banks globally.

Measures taken by our risk management committee include:

- 1) Identification of sectors that are mostly affected and keenly monitoring these sectors such as airport, hotels, transportation and restaurants – The Bank does not have significant exposure to those business sectors that were most critically affected. Measures taken by the Bank include deferral of payments, granting reduced interest rate on certain loans and reduction of charges. These measures did not have a significant impact on the Bank's profitability.
- 2) Evaluation of each project with COVID-19 factored on a medium term risk – based on our evaluation and having regard to the substantial growth anticipated as a result of Oil and Gas development, overall credit risk has not deteriorated.
- 3) Monitoring of investments - The risk management committee monitors on a daily basis its investment portfolio to determine the need to take appropriate decision to mitigate against losses.
- 4) Expected Credit Losses
  - (i) Credit rating and collateral  
Generally, the Bank does not consider that there are significant increase in credit risk where investments have not been significantly down graded and where special concessions were granted to borrowers as a result of measures which were put in place directly in response to the COVID-19 Pandemic. Further, the Bank believes that any impairment in the value of collateral held for credit facilities as a result of the pandemic would have been offset by the economic outlook resulting from the Oil and Gas Development.
  - (ii) Probability of default  
Based on our credit risk management team's assessment, the Bank does not believe that the probability of default would have been significantly impacted from the pandemic as moratorium granted in response to the pandemic is not considered a default criteria and all the economic indicators for the next twelve months are positive.



**DEMERARA BANK LIMITED****Notes to Financial Statements****September 30, 2022**

(Expressed in Guyana Dollars)

**4. Financial risk management, continued****(c) Credit risk, continued**

The following table breaks down the Bank's main credit exposure of their carrying amounts, as categorised by industry sectors:

	<b>2022</b>	<b>2021</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>Loans and advances</b>		
Agriculture and fisheries	9,422,070	10,005,543
Housing	12,325,663	11,941,638
Services	19,139,137	15,515,806
Others	17,127,799	9,247,225
	<u>58,014,669</u>	<u>46,710,212</u>

***Credit quality of financial assets***

The Bank's maximum exposure to credit risk, before collateral held or credit enhancement, is detailed below:

	<b>2022</b>	<b>2021</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<u>Credit risk recognised on the statement of financial position</u>		
Deposit with Central Bank	17,418,145	20,024,241
Due from banks	4,559,761	10,953,630
Investment securities	39,966,150	33,628,192
Loans and advances	58,192,909	46,383,479
<u>Credit risk not recognised on the statement of financial position</u>		
Acceptances, guarantees and letters of credit	4,334,878	5,206,609
Total credit risk exposure	<u>124,471,842</u>	<u>116,196,151</u>

DEMERARA BANK LIMITED

Notes to Financial Statements  
September 30, 2022  
(Expressed in Guyana Dollars)

4. Financial risk management, continued

(c) Credit risk, continued

*Credit quality of financial assets, continued*

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

		2022	2021
		<u>\$'000</u>	<u>\$'000</u>
<b>Investment securities</b>			
<b>Counterparties with credit ratings</b>			
<i>Credit rating</i>	<i>Rating agency</i>		
A-	Standard & Poor's	1,464,107	-
BBB	Standard & Poor's	712,497	754,941
BBB-	Standard & Poor's	2,730,520	4,116,618
BB+	Standard & Poor's	5,022,175	1,115,815
BB	Standard & Poor's	3,683,208	3,126,039
BB-	Standard & Poor's	6,129,066	9,351,286
B+	Standard & Poor's	4,627,056	2,132,228
B-	Standard & Pooers	1,403,224	1,491,643
Aaa	Moody's	-	190,891
Aa1	Moody's	-	96,273
Aa3	Moody's	-	260,487
A1	Moody's	1,090,333	753,438
A2	Moody's	272,852	215,917
A3	Moody's	53,939	228,373
Aa2	Moody's	315,038	-
Aa3	Moody's	252,513	-
B1	Moody's	-	468,900
B2	Moody's	1,120,299	3,379,617
Ba1	Moody's	1,330,898	592,211
Ba2	Moody's	2,030,541	62,144
Ba3	Moody's	1,285,389	581,102
Baa1	Moody's	36,412	376,457
Baa2	Moody's	40,225	152,645
Baa3	Moody's	5,571,101	3,037,656
<b>Counterparties without credit ratings</b>			
Group 2		98,309	608,612
		<u>39,269,702</u>	<u>33,093,293</u>

**Loans and advances**

2022

	Group 1	Group 2	Group 3	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Commercial	8,893,852	31,180,330	43,370	40,117,552
Mortgages	588,594	11,675,040	2,979	12,266,613
Others	727,362	4,579,531	-	5,306,893
	<u>10,209,808</u>	<u>47,434,901</u>	<u>46,349</u>	<u>57,691,058</u>

2021

	Group 1	Group 2	Group 3	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Commercial	11,074,567	20,287,211	32,240	31,394,018
Mortgages	842,422	9,119,485	100	9,962,007
Others	119,313	1,578,810	171	1,698,294
	<u>12,036,302</u>	<u>30,985,506</u>	<u>32,511</u>	<u>43,054,319</u>

		2022	2021
		<u>\$'000</u>	<u>\$'000</u>
<b>Due from banks and short term deposits</b>	<b>Group 2</b>	<u>4,559,761</u>	<u>10,953,630</u>
<b>Deposit with Central Bank</b>	<b>Group 2</b>	<u>17,418,145</u>	<u>20,024,241</u>

Group 1 - New customers/bankers - less than six months.

Group 2 - Existing customers/bankers more than six months with no defaults in the past.

Group 3 - Existing customers/bankers with some defaults in the past. All defaults were fully recovered.

DEMERARA BANK LIMITED

Notes to Financial Statements

September 30, 2022

(Expressed in Guyana Dollars)

4. Financial risk management, continued

(c) Credit risk, continued

*Credit quality of financial assets, continued*

Credit quality by class of financial assets

As at September 30, 2022

	Neither past due nor impaired \$'000	Past due but not impaired \$'000	Impaired \$'000	Total \$'000
<b>Due from banks and short term investments</b>	4,559,761	-	-	4,559,761
<b>Deposit with Central Bank other than statutory deposit</b>	4,589,493	-	-	4,589,493
<b>Deposit with Central Bank</b>	12,828,653	-	-	12,828,653
<b>Investment securities</b>				
<i>Available for sale:</i>				
Government	9,942,211	-	-	9,942,211
Corporate	29,843,359	-	-	29,843,359
Others	180,579	-	-	180,579
	<u>61,944,056</u>	<u>-</u>	<u>-</u>	<u>61,944,056</u>
<b>Loans to customers</b>				
Commercial	34,070,766	306,330	307,877	34,684,973
Mortgages	12,325,663	-	-	12,325,663
Others	11,164,640	1,900	15,733	11,182,273
	<u>57,561,069</u>	<u>308,230</u>	<u>323,610</u>	<u>58,192,909</u>
<b>Total</b>	<u>119,505,125</u>	<u>308,230</u>	<u>323,610</u>	<u>120,136,965</u>

As at September 30, 2021

	Neither past due nor impaired \$'000	Past due but not impaired \$'000	Impaired \$'000	Total \$'000
<b>Due from banks and short term investments</b>	10,953,630	-	-	10,953,630
<b>Deposit with Central Bank other than statutory deposit</b>	10,544,050	-	-	10,544,050
<b>Deposit with Central Bank</b>	9,480,191	-	-	9,480,191
<b>Investment securities</b>				
<i>Available for sale:</i>				
Government	7,744,904	-	-	7,744,904
Corporate	25,649,931	-	-	25,649,931
Others	233,357	-	-	233,357
	<u>64,606,062</u>	<u>-</u>	<u>-</u>	<u>64,606,062</u>
<b>Loans to customers</b>				
Commercial	28,177,722	249,435	3,651,737	32,078,894
Mortgages	10,596,011	-	3,069	10,599,080
Others	3,703,328	1,087	1,088	3,705,503
	<u>42,477,061</u>	<u>250,522</u>	<u>3,655,894</u>	<u>46,383,477</u>
<b>Total</b>	<u>107,083,123</u>	<u>250,522</u>	<u>3,655,894</u>	<u>110,989,539</u>

## DEMERARA BANK LIMITED

### Notes to Financial Statements

September 30, 2022

(Expressed in Guyana Dollars)

#### 4. Financial risk management, continued

##### (d) Capital management

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position are:

- To comply with the capital requirement set by the regulators.
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and other benefits for stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee on Banking Supervision as implemented by the Bank of Guyana. The required information is filed with the authorities on a monthly basis.

The Table below summarises the composition of regulatory capital and the ratios of the Bank for the years ended September 30, 2022 and 2021. During those two years the Bank complied with the externally imposed capital requirements to which they are subject.

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Tier I Capital</b>		
Share capital	450,000	450,000
Statutory reserve	450,000	450,000
Retained earnings	19,214,899	17,118,611
	<u>20,114,899</u>	<u>18,018,611</u>
<b>Tier II Capital</b>		
Securities revaluation reserves	(3,374,994)	146,422
Total regulatory capital	<u>16,739,906</u>	<u>18,165,033</u>
Risk weighted assets:		
On-balance sheet	67,913,667	55,248,857
Off-balance sheet	2,517,868	3,613,067
Total risk weighted assets	<u>70,431,535</u>	<u>58,861,924</u>
Total regulatory capital to risk weighted assets %	<u>23.77</u>	<u>30.86</u>

5. Fair value of financial assets and liabilities

The fair value of financial instruments that are recognised on the statement of financial position and the fair value of financial instruments that are not recognised on the statement of financial position are based on the valuation method and assumptions set out in the significant accounting policies note 3.4.

Fair value represents the amount at which a financial instrument could be exchanged in an arm's length transaction between willing parties under no compulsion to act and is best evidenced by a quoted market price. If no quoted market prices are available, the fair values are estimated using present value or other valuation techniques and may not be indicative of net realisable value.

The Bank measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1 - Quoted market price (adjusted) in an active market for an identical instrument.
- Level 2 - Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 - Valuation techniques that include inputs for financial assets and liabilities that are not based on observable market data. This category includes financial instruments held at cost, being the fair value of the consideration paid for the acquisition of the investment, and are regularly assessed for impairment.

Due to judgment used in applying a wide range of acceptable valuation techniques and estimations in the calculation of fair value amounts, fair values are not necessarily comparable among financial institutions. The calculation of estimated fair values is based upon market conditions at a specific point in time and may not be reflective of future fair values.

The following table summarises the carrying amount and fair values of the Bank's financial assets and liabilities:

	<b>2022</b>	
	<b>Carrying value \$'000</b>	<b>Fair value \$'000</b>
		<b>Fair value measurement hierarchy</b>
<b>Financial assets</b>		
Cash on hand	990,507	990,507
Due from banks	4,559,761	4,559,761
Deposit with Central Bank other than statutory deposit	4,589,493	4,589,493
Statutory deposit with Central Bank	12,828,653	12,828,653
Net loans to customers	58,192,909	58,192,909
Other financial asset	64,427	64,427
<i>Investment securities</i>		
Fair value through other comprehensive income (Quoted)	44,093,810	38,468,828
Fair value through profit and loss (Quoted)	2,472,693	1,316,742
Amortised cost (Unquoted)	180,579	180,579
<b>Total financial assets</b>	<b>127,972,832</b>	<b>121,191,899</b>
<b>Financial liabilities</b>		
Deposits	106,984,399	106,984,399
Other financial liabilities	2,845,538	2,845,538
<b>Total financial liabilities</b>	<b>109,829,937</b>	<b>109,829,937</b>

**DEMERARA BANK LIMITED**

**Notes to Financial Statements**  
**September 30, 2022**  
 (Expressed in Guyana Dollars)

**5. Fair value of financial assets and liabilities, continued**

	<b>Carrying value</b>	<b>2021</b>	<b>Fair value</b>	<b>Fair value</b>
	<b>\$'000</b>	<b>Fair value</b>	<b>\$'000</b>	<b>measurement</b>
				<b>hierarchy</b>
Cash on hand	726,436	726,436	726,436	Level 1
Due from banks	10,953,630	10,953,630	10,953,630	Level 1
Deposit with Central Bank other than statutory deposit	10,544,050	10,544,050	10,544,050	Level 1
Statutory deposit with Central Bank	9,480,191	9,480,191	9,480,191	Level 1
Net loans to customers	46,383,479	46,383,479	46,383,479	Level 3
Other financial asset	77,427	77,427	77,427	Level 3
<i>Investment securities</i>				
Fair value through other comprehensive income (Quoted)	31,200,733	31,444,777	31,444,777	Level 1
Fair value through profit and loss (Quoted)	2,283,026	1,950,058	1,950,058	Level 1
Amortised cost (Unquoted)	233,357	233,357	233,357	Level 3
<b>Total financial assets</b>	<b>111,882,328</b>	<b>111,793,405</b>	<b>111,793,405</b>	
<b>Financial liabilities</b>				
Deposits	92,875,562	92,875,562	92,875,562	Level 3
Other financial liabilities	3,422,160	3,422,160	3,422,160	Level 3
<b>Total financial liabilities</b>	<b>96,297,722</b>	<b>96,297,722</b>	<b>96,297,722</b>	

**Transfers between Level 1 and 2**

For the year ended September 30, 2022, no asset was transferred between Level 1 and Level 2.

**Reconciliation of movements in Level 3 financial instruments measured at fair value**

For the year ended September 30, 2022, there were no Level 3 financial instruments measured at fair value.



**6. Critical accounting estimates and judgments in applying accounting policies**

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*(a) Measurement of expected credit loss allowance*

The measurement of expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (eg. likelihood of customers defaulting and the resulting losses). Explanations of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 3.4.2.

A number of significant judgments are also required in applying the accounting requirements for measuring ECL such as:

- (i) Determining criteria for significant increase in credit risk;
- (ii) Choosing appropriate models and assumptions for the measurement of ECL;
- (iii) Establishing the number and relative weighting of forward-looking scenarios for each type of product/market and the associated ECL; and
- (iv) Establishing groups of similar financial assets for the purpose of measuring ECL.

*(b) Determining fair values*

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in note 5. For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

*(c) Financial asset and liability classification*

The Bank's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances.

In classifying financial assets or liabilities as "fair value through profit or loss", the Bank has determined that it meets the description of trading assets and liabilities set out in accounting policy 3.4.1.

*(d) Useful life of property, plant and equipment*

Property, plant and equipment is amortised over the estimated useful life of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of depreciation recorded during the year and the carrying value of property, plant and equipment.

**7. Deposits with the Central Bank**

In accordance with the Financial Institutions Act, 1995 the Bank is required to hold and maintain, as a non-interest bearing deposit with Central Bank of Guyana, a cash reserve balance equivalent to 12% (2021 - 10%) of total prescribed liabilities.

	<b>2022</b>	<b>2021</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Primary	<u>12,828,653</u>	<u>9,480,191</u>
Total	<u><u>12,828,653</u></u>	<u><u>9,480,191</u></u>

**DEMERARA BANK LIMITED**

**Notes to Financial Statements**  
**September 30, 2022**  
 (Expressed in Guyana Dollars)

**8. Investments**

<u>2022</u>	<u>Stage 1</u> <u>\$'000</u>	<u>Stage 2</u> <u>\$'000</u>	<u>Stage 3</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
<b>Gross</b>				
Shares	1,374,647	-	-	1,374,647
Corporate bonds	37,288,472	606,583	-	37,895,055
Accrued interest	689,478	17,454	-	706,932
	<u>39,352,597</u>	<u>624,037</u>	<u>-</u>	<u>39,976,634</u>
<b>ECL</b>	<u>(4,363)</u>	<u>(6,121)</u>	<u>-</u>	<u>(10,484)</u>
<b>Net</b>	<u><b>39,348,234</b></u>	<u><b>617,916</b></u>	<u><b>-</b></u>	<u><b>39,966,150</b></u>
<u>2021</u>	<u>Stage 1</u> <u>\$'000</u>	<u>Stage 2</u> <u>\$'000</u>	<u>Stage 3</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
<b>Gross</b>				
Shares	2,019,712	-	-	2,019,712
Corporate bonds	30,338,976	734,605	-	31,073,581
Accrued interest	505,737	39,646	-	545,383
	<u>32,864,425</u>	<u>774,251</u>	<u>-</u>	<u>33,638,676</u>
<b>ECL</b>	<u>(4,363)</u>	<u>(6,121)</u>	<u>-</u>	<u>(10,484)</u>
<b>Net</b>	<u><b>32,860,062</b></u>	<u><b>768,130</b></u>	<u><b>-</b></u>	<u><b>33,628,192</b></u>

DEMERARA BANK LIMITED

Notes to Financial Statements  
September 30, 2022  
(Expressed in Guyana Dollars)

9. Loans and advances

<u>2022</u>	<u>Stage 1</u> <u>\$'000</u>	<u>Stage 2</u> <u>\$'000</u>	<u>Stage 3</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
<b>Gross loans</b>				
Agriculture and fisheries	11,335,538	-	247,882	11,583,420
Housing	10,882,230	86,894	-	10,969,124
Services	18,670,191	225,818	59,995	18,956,004
Others	16,466,484	23,903	15,733	16,506,120
	<u>57,354,443</u>	<u>336,615</u>	<u>323,610</u>	<u>58,014,668</u>
<b>ECLs</b>				
Agriculture and fisheries	42,824	-	-	42,824
Housing	11,477	-	-	11,477
Services	2,142	-	-	2,142
Others	16,295	23	298	16,616
Total ECL provision	72,738	23	298	73,059
Accrued interest	249,881	48	1,371	251,300
<b>Net loans</b>	<u>57,531,587</u>	<u>336,641</u>	<u>324,683</u>	<u>58,192,909</u>
<u>2021</u>	<u>Stage 1</u> <u>\$'000</u>	<u>Stage 2</u> <u>\$'000</u>	<u>Stage 3</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
<b>Gross loans</b>				
Agriculture and fisheries	9,453,749	-	551,794	10,005,543
Housing	10,361,482	529,624	1,050,532	11,941,638
Services	14,735,955	-	779,851	15,515,806
Others	7,973,298	210	1,273,717	9,247,225
	<u>42,524,484</u>	<u>529,834</u>	<u>3,655,894</u>	<u>46,710,212</u>
<b>ECLs</b>				
Agriculture and fisheries	6,807	-	21,037	27,844
Housing	121,061	147	4,411	125,620
Services	22,638	-	10,382	33,021
Others	360,759	25	-	360,784
Total ECL provision	511,266	172	35,830	547,269
Accrued interest	192,543	17,023	10,970	220,536
<b>Net loans</b>	<u>42,205,761</u>	<u>546,685</u>	<u>3,631,034</u>	<u>46,383,479</u>

**DEMERARA BANK LIMITED**

**Notes to Financial Statements**  
**September 30, 2022**  
(Expressed in Guyana Dollars)

---

**10. Deposits**

	<b>2022</b>	<b>2021</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<i>Demand</i>	<u>17,763,889</u>	<u>14,244,300</u>
<i>Savings</i>		
Principal	57,237,892	44,557,145
Accrued interest	<u>78,769</u>	<u>63,604</u>
	<u>57,316,661</u>	<u>44,620,749</u>
<i>Term</i>		
Principal	31,783,436	33,815,632
Accrued interest	<u>120,413</u>	<u>194,881</u>
	<u>31,903,849</u>	<u>34,010,513</u>
	<u>106,984,399</u>	<u>92,875,562</u>

DEMERARA BANK LIMITED

Notes to Financial Statements  
September 30, 2022  
(Expressed in Guyana Dollars)

11. Property, plant and equipment

<u>2022</u>	Freehold land and building \$'000	Leasehold <sup>1</sup> premises \$'000	Construction work in progress \$'000	Furniture and equipment \$'000	Motor vehicles \$'000	Total \$'000
<b>Cost</b>						
At October 1, 2021	2,228,084	86,021	16,506	1,231,922	56,828	3,619,361
Additions	-	-	121,733	22,210	5,100	149,043
Disposals	-	(2,577)	-	(36,928)	(2,400)	(41,905)
Transfers	-	-	(6,843)	6,356	-	(487)
At September 30, 2022	2,228,084	83,444	131,396	1,223,560	59,528	3,726,012
<b>Accumulated depreciation</b>						
At October 1, 2021	266,139	34,129	-	661,629	21,656	983,553
Charge for the year	34,832	9,447	-	98,078	10,397	152,754
Write back on disposal	-	(567)	-	(31,872)	(2,400)	(34,839)
At September 30, 2022	300,971	43,009	-	727,835	29,653	1,101,468
<b>Net Book Values</b>						
At September 30, 2022	1,927,113	40,435	131,396	495,725	29,875	2,624,544

<sup>1</sup> Cost at the end of the year includes the cost of right of use assets of \$77,028,576. Accumulated depreciation as at the end of the year includes amortisation on right of use asset of \$38,826,247.

<u>2021</u>	Freehold land and building \$'000	Leasehold <sup>1</sup> premises \$'000	Construction work in progress \$'000	Furniture and equipment \$'000	Motor vehicles \$'000	Total \$'000
<b>Cost</b>						
At October 1, 2020	1,750,246	65,207	442,601	1,179,966	60,517	3,498,537
Additions	-	26,884	250,275	-	-	277,159
Disposals	-	(6,070)	-	(89,597)	(45,559)	(141,226)
Transfers	477,838	-	(676,370)	141,553	41,870	(15,109)
At September 30, 2021	2,228,084	86,021	16,506	1,231,922	56,828	3,619,361
<b>Accumulated depreciation</b>						
At October 1, 2020	233,000	17,613	-	637,495	58,519	946,627
Charge for the year	33,139	16,596	-	108,859	8,696	167,290
Write back on disposal	-	(80)	-	(84,725)	(45,559)	(130,364)
At September 30, 2021	266,139	34,129	-	661,629	21,656	983,553
<b>Net Book Values</b>						
At September 30, 2021	961,945	51,892	16,506	570,293	35,172	2,635,808

<sup>1</sup> Cost at the end of the year includes the cost of right of use assets of \$79,039,816. Accumulated depreciation as at the end of the year includes amortisation on right of use asset of \$29,503,830.

**DEMERARA BANK LIMITED**

**Notes to Financial Statements**

**September 30, 2022**

(Expressed in Guyana Dollars)

**12. Other assets**

	<b>2022</b>	<b>2021</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Prepaid expenses	43,668	70,172
Others	20,759	7,255
	<u>64,427</u>	<u>77,427</u>

**13. Other liabilities**

	<b>2022</b>	<b>2021</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Cash margin on credit, guarantees & indemnities	213,095	273,294
Property tax	111,719	145,365
Non-compliant customers accounts	166,109	174,569
Lease obligation	40,729	50,819
Inter-American Development Bank ( <i>note i</i> )	1,508,500	1,505,001
Others	80,460	224,847
	<u>2,120,611</u>	<u>2,373,895</u>

*Note i*

This amount represents a loan for seven million United States Dollars (2021 - seven million United States Dollars). On June 20, 2022 the 2021 loan balance was repaid and a new loan commenced on June 24, 2022. This loan is repayable in full on or before December 21, 2022. Interest is charged on the outstanding amount at the rate of 4.7807% (2021 - 3.55175%).

**14. Share Capital**

	<b>2022</b>	<b>2021</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Authorised		
450,000,000 ordinary shares of no par value		
Issued and fully paid		
450,000,000 ordinary shares stated value	<u>450,000</u>	<u>450,000</u>

**15. (i) Statutory reserve**

This fund is maintained in accordance with the provisions of Section 20 (1) of the Financial Institutions Act 1995, which requires that a minimum of 15% of net profit as defined by the Act, be transferred to the Reserve Fund until the amount of the Fund is equal to the paid up capital of the Bank.

**(ii) Investment revaluation reserve**

This amount represents the net movement between the fair value and the carrying amount of financial assets classified as fair value through other comprehensive income at September 30.

**(iii) Other reserve**

The Bank carries out a detailed review of its loan portfolio twice yearly in accordance with the requirements of the Financial Institutions Act (FIA) 1995. Other reserve is created as an appropriation of retained earnings for the difference between the specific provision as required by Supervision Guideline number 5 accounting provision in line with IFRS requirements.

**16. Interest income - investments**

	<b>2022</b>	<b>2021</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Interest income from quoted investments	1,999,372	1,948,188
Interest income from unquoted investments	8,607	10,768
	<u>2,007,979</u>	<u>1,958,956</u>



## DEMERARA BANK LIMITED

### Notes to Financial Statements

September 30, 2022

(Expressed in Guyana Dollars)

#### 17. Net income

	<b>2022</b>	<b>2021</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>Net income after taxation:</b>	<b><u>2,954,360</u></b>	<b><u>2,954,106</u></b>
After charging		
· Auditors' fees and expenses	9,325	7,548
· Directors' remuneration (note i)	15,400	17,350
· Depreciation	<u>152,754</u>	<u>167,290</u>

(i) Directors annual emoluments are as follows: each director is entitled to a fee of \$1,500,000, and the chairman a fee of \$2,800,000. Additionally, the corporate secretary receives an annual remuneration of \$2,400,000.

#### 18. Non- interest expenses

	<b>2022</b>	<b>2021</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Staff costs <sup>1</sup>	978,852	972,081
Directors' remuneration	15,400	17,350
Subscription and donations	44,249	35,813
Property and equipment expenses	41,782	36,617
Amortisation of right of use asset	9,322	16,596
Rentals	7,871	2,504
Depreciation	143,432	150,627
Stationery	11,726	13,486
Electricity	25,119	23,228
Property tax	111,374	144,537
Licence	7,543	9,429
Advertising	14,021	5,951
Computer expense	41,065	49,688
Visa International expenses	70,256	56,679
Visa credit card expenses	23,263	22,634
Visa debit card expenses	37,716	14,267
Foreign bank charges	32,464	32,086
Deposit insurance contribution	117,006	98,096
Others <sup>2</sup>	<u>9,289</u>	<u>15,846</u>
	<b><u>1,741,750</u></b>	<b><u>1,717,515</u></b>

<sup>1</sup> The average number of employees during 2022 was 292 (2021 - 259).

<sup>2</sup> Includes interest on right of use asset of \$4,806,462 (2021 - \$3,933,906) for the year.

#### 19. Pension plan

The pension plan which the Bank participates in is a multi employee contributory plan and is a final salary defined benefit plan.

The plan is valued by independent actuaries every three years using the projected unit credit method. The last actuarial valuation which was done as at December 31, 2020 revealed a past service surplus of \$3,089,000,000. The next actuarial valuation is statutorily due on December 31, 2023.

The last actuarial valuation did not present sufficient information relating to each participating company in the plan to enable a determination of the portion of the Bank's share of the surplus, defined benefit obligation, plan assets and cost associated with the plan.

The Bank's total contribution to the pension scheme for the year amounted to \$46,812,645 (2021 - \$45,316,172). This amount was recognised in the statement of profit or loss and other comprehensive income.

**DEMERARA BANK LIMITED**

**Notes to Financial Statements**

**September 30, 2022**

(Expressed in Guyana Dollars)

**20. Taxation**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Corporation tax - Current	2,260,470	2,047,470
- Deferred	(330,318)	(103,522)
	<u>1,930,152</u>	<u>1,943,948</u>

**Reconciliation of effective tax rate**

For the years ended September 30, 2022 and 2021, the effective taxation rates were as follows:

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit	4,884,512	4,898,054
Taxation	2,260,470	2,047,470
Effective Taxation rate <sup>1</sup>	<u>46.3</u>	<u>41.8</u>

<sup>1</sup> The average effective tax rate equals the net amount of taxation expense divided by income before taxation, as these line items are reported in the statement of profit or loss and other comprehensive income.

	<b>2022</b>		<b>2021</b>	
	%	<b>\$'000</b>	%	<b>\$'000</b>
Statutory tax rate	40.0	1,953,805	40.0	1,959,222
Income exempted from tax	(1.9)	(91,702)	(1.9)	(92,179)
Expenses not deductible for tax purposes	8.1	395,378	3.6	177,358
Accounting depreciation	1.2	57,373	1.2	60,251
Tax depreciation	(1.1)	(54,384)	(1.2)	(57,182)
Effective tax rate	<u>46.3</u>	<u>2,260,470</u>	<u>41.8</u>	<u>2,047,470</u>

**21. Deferred taxation**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of year	69,383	329,218
Movement in the year	2,677,928	(259,835)
Balance at end of year	<u>2,747,311</u>	<u>69,383</u>

**Components of deferred tax**

Accelerated depreciation	60,351	58,916
Fair value adjustment	2,686,960	10,467
	<u>2,747,311</u>	<u>69,383</u>

**22. Other income**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Exchange gain	585,084	344,820
Commissions received	375,371	283,542
Visa income	50,707	39,241
Dividend income (quoted)	47,163	59,059
Dividend income (unquoted)	5,037	3,871
(Loss) gain on disposal of quoted investments (debt instruments)	(60,454)	615,066
Gain on disposal of quoted investments (equity instruments)	512,837	856,596
Unrealised loss on equity instruments	(822,209)	(270,211)
Others	65,360	75,930
	<u>758,896</u>	<u>2,007,914</u>

## DEMERARA BANK LIMITED

### Notes to Financial Statements

September 30, 2022

(Expressed in Guyana Dollars)

#### 23. Earnings per share

	<b>2022</b>	<b>2021</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Calculated as follows:		
Net income after tax \$'000	2,954,360	2,954,106
Number of shares '000 (see note 14)	<u>450,000</u>	<u>450,000</u>
Earnings per share in dollars	<u>6.57</u>	<u>6.56</u>

#### 24. Dividends

Dividends accounted for as an appropriation of retained earnings:

	<b>2022</b>	<b>2021</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Final dividend for 2021 \$1.60 per share (2020 - \$1.25)	720,000	562,500
Interim dividend for 2022 \$0.40 per share (2021 - \$0.40)	<u>180,000</u>	<u>180,000</u>
	<u>900,000</u>	<u>742,500</u>

The financial statements do not reflect a final dividend of \$1.60 per share proposed by the Directors. This amount will be accounted for as an appropriation of retained earnings in the subsequent year.

#### 25. Related parties

##### (a) *Identity of related parties*

A party is related to the Bank if:

- (i) Directly or indirectly the party
  - controls, is controlled or is under common control of the Bank;
  - has an interest in the Bank that gives it significant influence over the Bank; or
  - has joint control over the Bank.
- (ii) The party is a member of the key management personnel of the Bank.
- (iii) The party is a close member of the family of any individual referred to in (i) or (ii) above.
- (iv) The party is a post-employment benefit plan for the benefits of employees of the Bank or any company that is a related party of the Bank.

**DEMERARA BANK LIMITED****Notes to Financial Statements****September 30, 2022**

(Expressed in Guyana Dollars)

**25. Related parties, continued**

A number of banking transactions have been entered into with related parties in the normal course of business. These transactions were conducted at market rates, on commercial terms and conditions, except for certain loans made available to directors and key management personnel.

**Outstanding balances****Loans, investments and other assets**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Held by enterprises with which directors are affiliated	3,662,178	2,655,909
Directors and key management personnel	<u>295,294</u>	<u>254,218</u>
	<u>3,957,472</u>	<u>2,910,127</u>
Provision for amounts due from related parties	<u>-</u>	<u>-</u>

**Deposits and other liabilities**

Held by enterprises with which directors are affiliated	6,576,450	5,855,394
Directors and key management personnel	<u>242,006</u>	<u>169,053</u>
	<u>6,818,456</u>	<u>6,024,447</u>

**Interest expense**

Held by enterprises with which directors are affiliated	33,570	53,690
Directors and key management personnel	<u>5,328</u>	<u>2,561</u>
	<u>38,898</u>	<u>56,251</u>

**Interest income**

Held by enterprises with which directors are affiliated	101,257	251,605
Directors and key management personnel	<u>12,018</u>	<u>6,847</u>
	<u>113,275</u>	<u>258,452</u>

*Key management personnel*

Key management comprises individuals responsible for planning, directing and controlling the activities of the Bank.

Twenty eight (2021 - twenty six) individuals are considered as key management personnel. The remuneration paid to key management personnel for the year was as follows:

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits	<u>405,920</u>	<u>439,983</u>

DEMERARA BANK LIMITED

Notes to Financial Statements

September 30, 2022

(Expressed in Guyana Dollars)

26. Commitments and contingent liability

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
(i) <i>Operating lease commitments</i>		
Due within one year	8,036	9,511
Due within two to five years	30,166	40,025

(ii) *Capital commitments*

As at September 30, 2022, the Bank has capital commitments for ongoing projects amounting to \$44,643,094.

(iii) *Customers liabilities under Acceptances, Guarantees and Letters of Credit*

	<u>2022</u>				<u>2021</u>			
	Under 3 mths <u>\$'000</u>	3 to 12 months <u>\$'000</u>	Over 12 months <u>\$'000</u>	Total <u>\$'000</u>	Under 3 mths <u>\$'000</u>	3 to 12 months <u>\$'000</u>	Over 12 months <u>\$'000</u>	Total <u>\$'000</u>
Commercial sector	654,242	2,792,414	887,092	4,333,748	1,600,286	2,768,640	839,053	5,207,979
Personal sector	-	500	630	1,130	-	1,000	630	1,630

(iv) As at September 30, 2022, loans and advances totalling \$5,146,698,000 were approved but not disbursed.

(v) *Litigation*

In the ordinary course of business the Bank has brought legal proceedings against defaulting customers. The Bank is also defendant in certain litigation. Management does not believe that the outcome of these proceedings will have material adverse effect on the Bank's result of operations and accordingly no provision for contingencies is necessary.

27. Segment information

The operations of the Bank are concentrated within Guyana. The Bank's operations are managed by strategic business units which offer different financial products and services to various market segments. The management function of the various business units review internal reports at least monthly.

The following summary describes the operations of each of the Bank's reportable segments:

- Corporate and commercial - Includes the provision of loans and other financial services to business and individuals.
- Investment - Local and foreign investment
- Deposit business - Demand, savings and time deposits
- Other - Foreign trade and other non-core business.

DEMERARA BANK LIMITED

Notes to Financial Statements  
September 30, 2022  
(Expressed in Guyana Dollars)

27. Segment information, continued

The results of the various operating segments are set out below. Performance is measured based on segment profits before tax as included in the internal management reports reviewed by senior management. Segment profitability is used by management to assess product, pricing, productivity and hence, the allocation of resources to the various operating segments.

	2022						Total \$'000
	Corporate & Commercial Banking \$'000	Investment Local \$'000	Foreign \$'000	Deposit \$'000	Other \$'000	Unallocated \$'000	
	Interest income	4,297,041	8,427	1,999,552	-	-	
Interest expense	-	-	-	(799,908)	-	-	(799,908)
Other income	-	5,037	(322,664)	-	-	1,076,523	758,896
Credit impairment losses	362,254	-	-	-	-	-	362,254
Operating expense	-	-	-	-	-	(1,741,750)	(1,741,750)
Profit before tax	4,659,295	13,464	1,676,888	(799,908)	-	(665,227)	4,884,512
Segment assets	58,192,909	180,579	39,785,571	-	-	28,410,783	126,569,842
Segment liabilities	-	-	-	106,984,399	-	2,845,538	109,829,937

	2021						Total \$'000
	Corporate & Commercial Banking \$'000	Investment Local \$'000	Foreign \$'000	Deposit \$'000	Other \$'000	Unallocated \$'000	
	Interest income	3,460,515	10,768	1,948,188	-	-	
Interest expense	-	-	-	(876,816)	-	-	(876,816)
Other income	-	3,871	1,261,124	-	-	742,919	2,007,914
Credit impairment losses	65,000	-	-	-	-	-	65,000
Operating expense	-	-	-	-	-	(1,717,515)	(1,717,515)
Profit before tax	3,525,515	14,639	3,209,312	(876,816)	-	(974,596)	4,898,054
Segment assets	46,383,479	233,357	33,394,835	-	-	34,493,012	114,504,683
Segment liabilities	-	-	-	92,875,562	-	3,422,160	96,297,722

28. Subsequent events

There are no events occurring after the statement of financial position date and before the date of approval of these statements by the Board of Directors that require adjustment to or disclosure in these financial statements.





## Tribute to the Late

### *Dr. Yesu Persaud*

*"A great soul serves everyone all the time. A great soul never dies. It brings us together again and again."*

*Maya Angelou*

**D**emerara Bank Limited would like to take this opportunity to pay tribute to its founder and former Chairman, Dr. Yesu Persaud, who sadly passed away on January 17, 2022, at the age of 93. No amount of words can sufficiently capture the immeasurable contribution this individual has made during his sojourn with us.

Described as a "true son of the soil" by the President of Guyana, His Excellency Dr. Mohamed Irfaan Ali, Dr. Yesu Persaud was indeed a remarkable individual who has left a rich legacy of simplicity, honesty and philanthropy. He can also be credited for his significant involvement in bringing about dynamic changes in the business environment in our country.

He led his life by example which today serves as inspiration and motivation to many. Although he came from a humble background, Dr. Persaud always strived for excellence in every facet of his life and utilized every opportunity to help anyone wherever possible. Through his steadfast determination and disciplined work ethic, he evolved into an internationally recognized business icon.

Dr. Yesu Persaud was born on October 18, 1928, at the Diamond Sugar Plantation to parents who were descendents of indentured labourers. His foreparents, like other Indo-Guyanese, were brought from India to work on the sugar estates of the then colony of British Guiana. He knew that there was hardly a chance for upliftment or attainment of social

respect in the state of poverty and hardship that existed throughout the colony and was extremely reluctant to work on the sugar plantation like his parents. He had seen firsthand the plight of the sugar workers. However, at the tender age of 16, after some time working in the City of Georgetown. Dr. Persaud eventually returned to the Diamond Plantation where he started as a 'rat catcher' and worked his way up to become a supervisor - the highest position at the time for non-expatriates.

In 1955, with the assistance of his beloved wife and lifelong partner, the late Premkowitz Persaud, he was able to pursue higher education in England. Not without its challenges, however, Dr. Yesu Persaud became a Certified Chartered Accountant, Fellow of the Royal Society of Arts and Institute of Chartered Accountants of Guyana, and a Companion of the British Institute of Management.

During his years abroad, Dr. Persaud had proven himself as an individual with excellent business acumen, leadership and vast knowledge of Tax Law. It was mainly these qualities and his ability to envision the needs of an organization in order to bring about profitable changes that he was appointed Finance Director of Sandbach Parker and Company after returning to Guyana. He was entrusted to many Executive and Managerial positions and later accepted the offer to assist the Government in 1975 with the Nationalization of the Demerara Sandbach Group. Dr. Persaud ultimately transformed these companies, especially Demerara Distillers Limited, which resulted from the 1983 merger between Diamond Liquors Limited and Guyana Distilleries Limited, into a world-renowned business entity.

A visionary entrepreneur at heart, Dr. Yesu Persaud was not satisfied with just transforming companies. He wanted to encourage persons to achieve their full potential by providing opportunities for them. The successful development of the Institute of Private Enterprise Development (IPEDE), Diamond Fire and

General Insurance Inc., Trust Company (Guyana) Ltd. and Demerara Bank Ltd. are just a few examples of his creative vision and leadership.

The fruition of Demerara Bank Ltd. in 1994, amid the political transformation of Guyana, was an incredible accomplishment for Dr. Persaud. Today, the Bank prides itself as the first indigenous bank in the country that grew from the ground up into a leading profitable financial institution. Under Dr. Persaud's stewardship and guidance, the Bank underwent many structural changes and extended its presence in many areas of the country with the establishment of eight branches and a ninth now under construction at Leonora, West Coast Demerara. This is further testimony to the solid foundation laid by this incredible gentleman for Demerara Bank Ltd. For his exemplary work in the development of new industries in Guyana, Dr. Persaud was conferred the *Cacique's Crown of Honour (C.C.H.)* in 1983, prior to which he was the recipient of the *Golden Arrow of Achievement (A.A.)* in 1981. Not only did Dr. Persaud receive many national awards but he also was the recipient of Honorary Doctorate Degrees for his outstanding achievement and contribution towards the development of business and entrepreneurship. In 2006, he was awarded the coveted *Pravasi Bharatiya Samman* for his outstanding contribution to business and Indian history & culture, and in 2005, he was bestowed with the *Gandhi Organisation Plaque, the Glory of India Award and Certificate of Excellence* by the India International Friendship Society. For more than 25 years, Dr. Persaud served faithfully as the Honorary Consul for the Republic of Chile and was awarded posthumously a medal for his service to that country.

This patriotic son, who was known for his engaging and humble personality, sharp wit, dedication to work and charitable nature, will be dearly missed and Demerara Bank Limited will remain eternally grateful.

May his soul rest in peace.



## Tribute to the Late

### *Dr. Leslie Chin*

*A life so purposefully lived  
deserves to be  
beautifully remembered.*

On July 24, 2022, Demerara Bank Limited lost yet another extraordinary person, Dr. Leslie Chin, who passed at the age of 84. This nobleman of simple character left behind a rich legacy and while we mourn his loss, we must also celebrate the great man he became and his achievements that touched the lives of many.

Born on December 12, 1937, to parents Elaine Fong-Chin and Clarence Eric Chin of La Penitence, Georgetown, who held strong principles on the value of education, it was no surprise that Dr. Chin developed an aptitude for learning at a very tender age. He distinguished himself with honours at every level of his primary and secondary education and later embarked on his journey for higher education overseas on a Government Scholarship. He earned

himself a B.Sc. in Biochemistry from the University of Aberdeen and a Ph.D. in Human Nutrition from the University of London.

After gaining his doctorate in Human Nutrition, Dr. Chin returned to his homeland and served in the public sector as an Assistant Government Analyst. He was always committed, dutiful and very knowledgeable of the task at hand. His ability to adapt to any situation and effectively perform naturally elevated him to head other entities where he superintended significant changes in those institutions.

With his rich and varied experience and expertise in managerial and leadership positions, Dr. Chin went on to become Chairman of the Board of Directors

of Sterling Products Ltd., a Director of the Boards of the Institute of Private Enterprise Development (IPEd), Demerara Mutual Life Assurance Society Ltd., Demerara Bank Ltd., Pomeroon Oil Mill Ltd., Guyana Marketing Corporation, Laparkan Holdings Ltd., the National Aquaculture Association of Guyana and the Guyana Sugar Corporation, just to name a few.

Dr. Chin's passion for life was equally shared by his wife and lifelong companion, Mrs. Eileen Chin who remained his guiding star and avid supporter until the time of his passing. An enduring passion of his was where the welfare of others was concerned. It was the plight of the people, in particular the children, over banned food items in 1986 that motivated Dr. Chin to develop the baby weaning food - CEREX. His boundless ability for sharing his knowledge and skills continued with the establishment of a thriving microcredit scheme for residents of Enterprise, East Coast Demerara and St. Cuthbert's Mission, an Amerindian settlement in the interior where he provided mentorship for more than 40 years. Tireless even in his golden years, Dr. Chin, along with his son, was actively involved in an initiative that collected and refurbished laptop computers which were eventually distributed to visually impaired students.

Demerara Bank Ltd. was fortunate to have Dr. Chin as one of its founding Directors when he joined Bank as a Non-Executive member of the Board. He brought with him a wealth of knowledge and experience acquired

over his long and illustrious career. His support, commitment and guidance in the direction of the Bank were resoundingly positive and innovative, especially in the Bank's 'Go Green' initiative. Even with failing eyesight, he was not deterred from performing his duties and responsibilities as he continued to show up for important functions and engagements of the Bank. This was a testament to his calibre and one of the many qualities he was greatly admired and respected for among his fellow Board members, management and the entire staff of the Bank.

This astute businessman, entrepreneur and philanthropist led an exemplary life both personally and professionally. He was a true visionary who worked gallantly for causes he strongly believed would make a difference in the lives of the ordinary people. For his sterling contribution in the field of business and management, he was conferred with the fourth highest national award *Cacique's Crown of Honour* (C.C.H.) in 2016, prior to which he was the recipient of the *Golden Arrow of Achievement* (A.A.).

The passing of Dr. Chin has truly taken away a genuinely warm and affable individual, more importantly, a loving husband and father. Demerara Bank lost a good colleague, advisor and friend and remains indebted for his tremendous contribution which continues to be a beacon for us all.

May his soul rest in eternal peace.



# Corporate Social Responsibility

As an active and progressive corporate citizen, Demerara Bank Limited remains steadfast in fulfilling its social responsibilities through charitable donations and sponsorships to drive societal, environmental and educational progress. This year, our CSR activities were carried out in honour of the late Dr. Yesu Persaud who was known for his philanthropic nature.



A monetary donation presented to the Roy family to assist with medical expenses for Master Mulchand who was born with a visual disability



Trophy presented to the best graduating student of the Massiah Primary School



Trophy presented to the best graduating student of the Bygeval Secondary School



Trophy presented to a graduand of the Covent Garden Secondary School



Monetary donation handed over to a representative of the Sophia Primary School



Donation to the Victoria Community Development Council to support its community development efforts



Hardware supplies donated to the Dharm Shala to assist with improvement works at its Georgetown Centre



A printer and other stationery supplies donated to the Helena Primary School to assist with expenses relating to the Easter Term examinations



Supplies donated to St. Ann's Orphanage which has been a home and refuge for many underprivileged and disadvantaged girls since 1851



Fire extinguishers and other office supplies donated to the Humanitarian Mission of Guyana to support its continuous efforts towards breaking the cycle of poverty among the underprivileged through education and empowerment



Supplies donated to the Cheshire Home to support its rehabilitation services for persons living with mental, physical, or learning disabilities



# Support Towards the Housing Sector

The housing industry is an important component of our national economy and Demerara Bank Limited continues to play a pivotal role in supporting this sector by providing access to affordable low-cost Home Loans for all income brackets.



Applicants under the Central Housing & Planning Authority's Adequate Housing and Urban Accessibility Programme were able to realize their dreams of home ownership through donations from the Bank



Low Income Housing Customer Ms Padmini Ugraj receives the Key to her Home



First-time home owners received the keys to their modern two bedroom elevated homes in the Cummings Lodge, East Coast Demerara Housing Development.

Demerara Bank Limited participated in the International Building Expo. and other Dream Realized Housing Exercises that were organized and hosted by the Ministry of Housing and Water, Central Housing & Planning Authority.





# Support Towards the Agriculture Sector

In support of the Government's vision of reducing 25% of its food imports by 2025, Demerara Bank Limited launched its Farmer's Credit Line, a suit of banking products and services that were specifically designed to assist with rice cultivation. Under the terms of this offering, Rice Farmers were offered collateral free facilities up to the value of \$1.5M.



The Bank also participated in the inaugural Agri-Expo and Business Forum that was held at the Arthur Chung Conference Centre in May, 2022.





## Cultural and other Activities

The culture of integrity, credibility and high ethical standards, is the foundation of our relationship with our employees, customers and community. We strive to create an environment where all employees feel respected, valued and have equal opportunities for professional development.

**Diwali**



**Emancipation**



**Independence**



**Mother's Day**



**National Day of Prayer**



# Branch Information



## HEAD OFFICE & CORPORATE BANKING BRANCH

Lot 214 Camp Street, North Cummingsburg,  
Georgetown

Tel: +592-226-0601/5/9/29/32

Fax: +592-225-0619

Email: [banking@demerarabank.com](mailto:banking@demerarabank.com)

Foreign Exchange: [forex@demerarabank.com](mailto:forex@demerarabank.com)

Loans: [credit@demerarabank.com](mailto:credit@demerarabank.com)

Website: [www.demerarabank.com](http://www.demerarabank.com)

## BRANCH NETWORK

### MAIN BRANCH

230 Camp Street & South Road,

Lacytown,

Georgetown

Tel: +592-225-0610-8

Fax: +592-225-0601

Email: [banking@demerarabank.com](mailto:banking@demerarabank.com)

Foreign Exchange: [forex@demerarabank.com](mailto:forex@demerarabank.com)

Loans: [credit@demerarabank.com](mailto:credit@demerarabank.com)

### CORRIVERTON BRANCH

K & L #78 Springlands,

Corriverton,

Berbice

Tel: +592-335-3551/3589

Fax: +592-335-3406

Email: [corriverton@demerarabank.com](mailto:corriverton@demerarabank.com)

### DIAMOND BRANCH

Plantation Great Diamond,

East Bank Demerara

Tel: +592-265-5706-8

Fax: +592-265-5709

Email: [diamond@demerarabank.com](mailto:diamond@demerarabank.com)

### ESSEQUIBO BRANCH

W ½ Lot 7 Henrietta,

Essequibo Coast

Tel: +592-771-5402-3

Fax: +592-771-5404

Email: [annaregina@demerarabank.com](mailto:annaregina@demerarabank.com)

### LE RESSOUVENIR BRANCH

E ½ Lot 3 Public Road,

Le Souvenir,

East Coast Demerara

Tel: +592-220-6460/6483

Fax: +592-220-6498

Email: [leressouvenir@demerarabank.com](mailto:leressouvenir@demerarabank.com)

### MAHAICA BRANCH

Sublot Lettered 'A' Helena No. 1 Mahaica,

East Coast Demerara

Tel: +592 228-5663/5674/5665

E-mail: [mahaica@demerarabank.com](mailto:mahaica@demerarabank.com)

### ROSE HALL BRANCH

71 Public Road, Rose Hall,

Corentyne, Berbice

Tel: +592-337-4441/4452

Fax: +592-337-4439

Email: [rosehall@demerarabank.com](mailto:rosehall@demerarabank.com)



## Our Services

### AUTOMATED TELLER MACHINE

- 24-hour banking
- Withdrawals
- Convenience at its best
- Deposits
- Balance enquiries

### VISA DEBIT CARD

- Accepted globally, wherever the VISA logo is displayed
- Convenience and security
- Immediate, direct access to the total balance on your account

### PAYMENT OF UTILITY BILLS

- GTT/GPL bills accepted
- Customers' convenience

### E-BANKING

- View balances
- View activity up to the last 512 days
- Pay GTT, Digicel, GPL and other merchants
- Request bank drafts
- Inter-Account transfers
- Request certified statements
- Order cheque leaves
- Make Stop Payment requests



### SAFETY DEPOSIT BOXES

- Available in four sizes, dual key locking mechanism located in high-security vault

### NIGHT DEPOSITS

- Security bags for deposits
- Tamper-proof deposit chute
- Highly secured & conveniently located

### MONEY MARKET ACCOUNT

- Competitive rates
- Interest paid monthly
- Minimum balance G\$1,000,000.00

### PREMIUM MONEY MARKET ACCOUNT

- Competitive rates
- Interest accrued monthly and paid quarterly
- Minimum balance G\$1,000,000.00

### PASSBOOK SAVINGS ACCOUNT

- Transaction recorded in a convenient pocket-sized passbook
- Minimum balance G\$5,000.00
- Cash on demand/No service charge

### STATEMENT SAVINGS ACCOUNT

- Statements available periodically or on request
- Minimum balance G\$2,000.00
- ATM ready
- Cash on demand



<p><b>FOREIGN TRADE</b></p> <ul style="list-style-type: none"> <li>• Foreign currency transactions and accounts</li> <li>• Telex transfers</li> <li>• Bills for collection</li> <li>• Letters of credit</li> <li>• Negotiation drafts</li> <li>• Trade financing</li> <li>• Competitive Cambio</li> </ul>	<p><b>DEPOSITS ACCOUNTS/TERM DEPOSITS</b></p> <ul style="list-style-type: none"> <li>• Available for 3, 6 and 12 months</li> <li>• Renewed automatically or funds disposed at your request</li> <li>• Highly competitive interest rates</li> <li>• Minimum balance G\$100,000.00</li> </ul>	<p><b>PERSONAL CHEQUING ACCOUNT</b></p> <ul style="list-style-type: none"> <li>• Personalised cheque books</li> <li>• Statements available periodically or on request</li> <li>• Easy access to funds with your VISA Debit Card</li> </ul>
<p><b>CORPORATE CHEQUING</b></p> <ul style="list-style-type: none"> <li>• Overdraft facility</li> <li>• Night deposit facility</li> <li>• Statements available periodically or on request</li> <li>• First Facts</li> </ul>		<p><b>LOANS AND ADVANCES</b></p> <ul style="list-style-type: none"> <li>• Housing Loans</li> <li>• Vehicle Loans</li> <li>• Small &amp; Medium Sized Enterprise Loans</li> <li>• Consumer Loans</li> <li>• Farmers Credit Line</li> <li>• Working Capital requirements</li> </ul>
<p><b>DEMERARA BANK VISA CREDIT CARDS</b></p> <ul style="list-style-type: none"> <li>• Visa Signature</li> <li>• Visa Gold</li> <li>• Visa Classic</li> </ul>	<p><b>ELECTRONIC FUNDS TRANSFER (EFT) SERVICES</b></p> <ul style="list-style-type: none"> <li>• Faster processing</li> <li>• Cost effective</li> <li>• Highly secured transmission channels</li> <li>• Reduced organisational cost/ simplified bookkeeping</li> </ul>	<p><b>IDEAL FOREX</b></p> <ul style="list-style-type: none"> <li>• Quick and efficient transfer of funds in 134 currencies</li> <li>• Exchange loss avoided</li> <li>• Competitive exchange rates</li> <li>• Highly secured remittance channel</li> </ul>
<p><b>CORPORATE EBANKING PLATFORM FEATURES</b></p> <ul style="list-style-type: none"> <li>• View transaction history on your accounts</li> <li>• View and print statements on all your DBL accounts</li> <li>• Transfer funds between your accounts</li> <li>• Transfer funds to third party accounts</li> <li>• Transfer funds to other local banks</li> <li>• Initiate international wire transfers</li> <li>• Schedule payments and transfers</li> <li>• Make credit card payments (including third party credit cards)</li> <li>• Place stop payment on cheques</li> <li>• Pay bills</li> <li>• Upload documents</li> <li>• Create Corporate group, add accounts &amp; access permissions and set account limits</li> </ul>		<p><b>REAL TIME GROSS SETTLEMENT (RTGS)</b></p> <ul style="list-style-type: none"> <li>• Large value payments settled in real-time</li> <li>• Reduces cash handling costs</li> <li>• Highly secured transmission channels</li> </ul>



# Correspondent Bank

Bank of New York Mellon  
New York



# PROXY FORM



Demerara Bank Limited  
Lot 214 Camp Street North Cummingsburg,  
Georgetown  
Guyana

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member/members of DEMERARA BANK LIMITED,

hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him/her \_\_\_\_\_

of \_\_\_\_\_

as my/our Proxy to vote in my/our name(s) and on my/our behalf upon any matter at the Twenty-Eighth Annual General Meeting of the Bank to be held on 15<sup>th</sup> December, 2022 or any adjournment thereof in such a manner as such Proxy may think proper.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2022

Signed by the said \_\_\_\_\_

(Name of Member/s) \_\_\_\_\_

(Signature of Member/s) \_\_\_\_\_

**NOTE** To be valid, this form must be completed and deposited with the Secretary at least 48 hours before the time appointed for the meeting or adjourned meeting.





**DEMERARA  
BANK  
LIMITED**

*"Come grow with us"*

Demerara Bank Limited  
Lot 214 Camp Street, North Cummingsburg,  
Georgetown, Guyana  
Telephone: +592.226.0632  
Email: [banking@demerarabank.com](mailto:banking@demerarabank.com)  
Web: [www.demerarabank.com](http://www.demerarabank.com)