

# ANNUAL REPORT 2017



*"Come grow with us"*



PROMOTING RENEWABLE ENERGY

The background of the page features a faded image of a Demerara Bank building with a prominent sign that reads "DEMERARA BANK LIMITED" and the slogan "Come Grow With Us". The sign also displays the bank's logo, which consists of two stylized, interlocking vertical shapes. The top of the page has a yellow and green gradient banner with the word "Contents" in a yellow arrow-shaped box.

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A large photograph of the Demerara Bank Limited building, a modern white structure with a green roof. A sign on the building reads "DEMERARA BANK LIMITED" and "Come Grow With Us".

## 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 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 Institution Act, 1995.



*"Come grow with us"*

## OUR LOGO

The elements of the Demerara Bank 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 race 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 stands proud and secure, reflecting its commitment to Guyana and confidence in the future.



## CORPORATE OBJECTIVES

- ▶ To help build a stronger, healthier, more diverse business sector through prudent investment, attractive deposit plans and innovative lending policies.
- ▶ To provide the financial support that will demonstrate the banks commitment to business development and to a better Guyana
- ▶ To provide a diversified range of quality financial services through its worldwide network of major Correspondent Banks
- ▶ To provide employees with excellent opportunities for personal growth and development
- ▶ To provide investors with an attractive rate of return on their investment.
- ▶ 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”

## REGISTERED OFFICE

214 Camp Street, North Cummingsburg  
Georgetown, Guyana  
Tel: +592-226-0601  
Fax: +592-225-0619  
email: banking@demerarabank.com  
Website: www.demerarabank.com

## CORPORATE INFORMATION

### DIRECTORS

Dr Yesu Persaud (Chairman)  
Mr. Pravinchandra Dave (Chief Executive Officer)  
Mrs Chandra Gajraj  
Mr Komal Samaroo  
Dr Leslie Chin  
Mrs Sheila George  
Mr Hemraj Kissoon  
Mr Harryram Parmesar  
Mr. Garfield Wilshire

### CORPORATE SECRETARY

Mrs Chandra Gajraj

### AUDITORS

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

### ATTORNEYS AT LAW

De Caires, Fitzpatrick & Karran  
80 Cowan Street, Kingston  
Georgetown, Guyana.

Persaud and Associates  
217 South Road,  
Georgetown, Guyana.

Luckhoo & Luckhoo  
Lot 1 Croal Street,  
Georgetown, Guyana.

### REGISTRAR & TRANSFER OFFICE

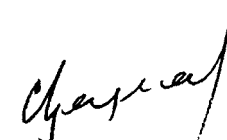
Trust Company (Guyana) Limited  
Lot 11 Lamaha Street, Queenstown  
Georgetown, Guyana.

# NOTICE OF MEETING

Notice is hereby given that the Twenty Third Annual General Meeting of Demerara Bank Limited will be held on Friday, 15th December, 2017, at 16:30 hours at the New Head Office and Corporate Banking Branch, Lot 214 Camp Street, North Cummingsburg, Georgetown when 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, 2017.
2. To approve the declaration of a dividend.
3. To elect Directors in the 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

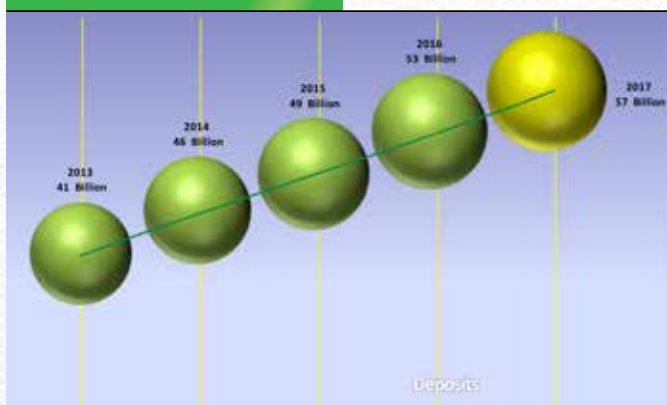
## PLEASE NOTE

- 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 anytime and place thereafter.

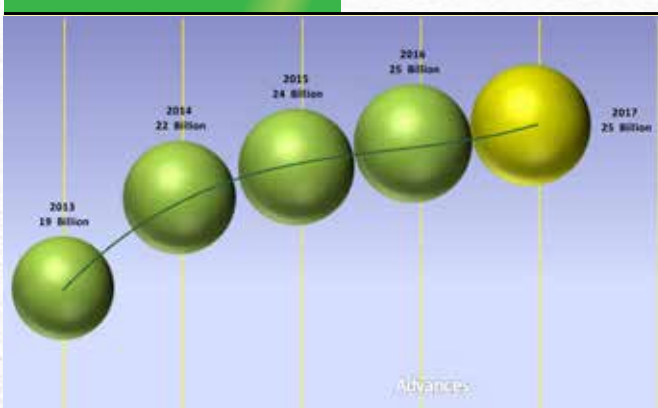


# FINANCIAL SUMMARY

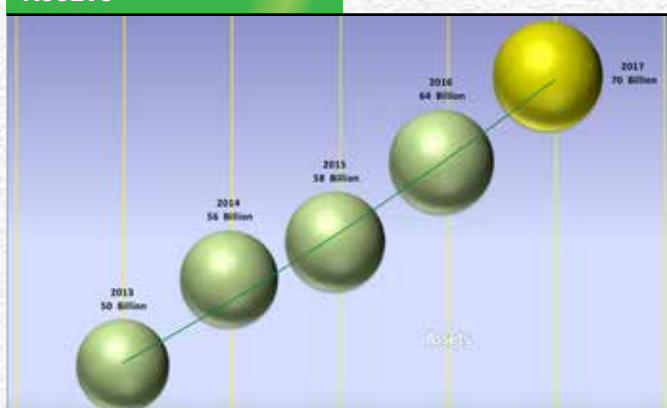
## DEPOSITS



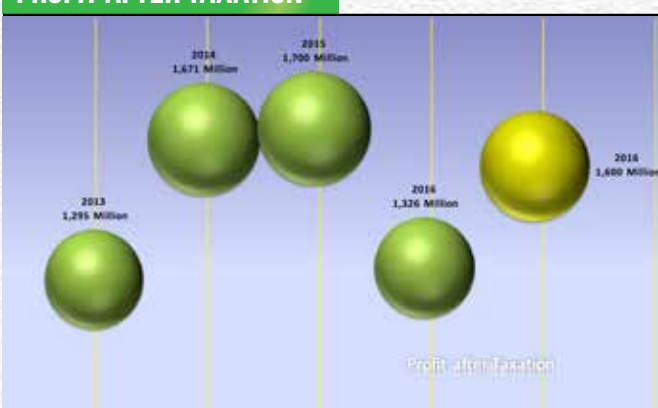
## ADVANCES



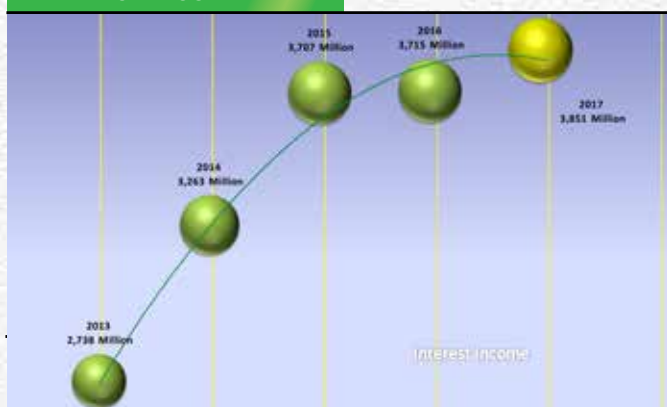
## ASSETS



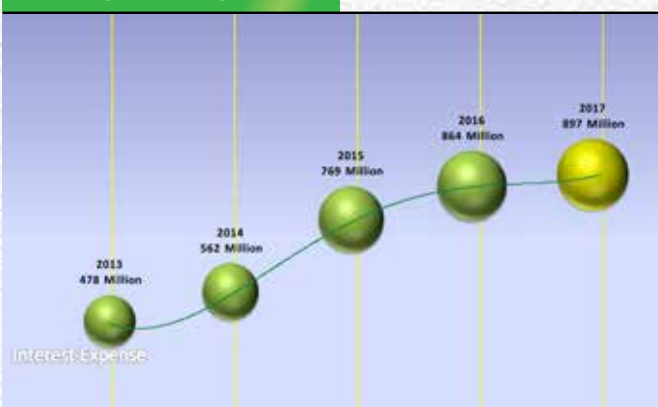
## PROFIT AFTER TAXATION



## INTEREST INCOME



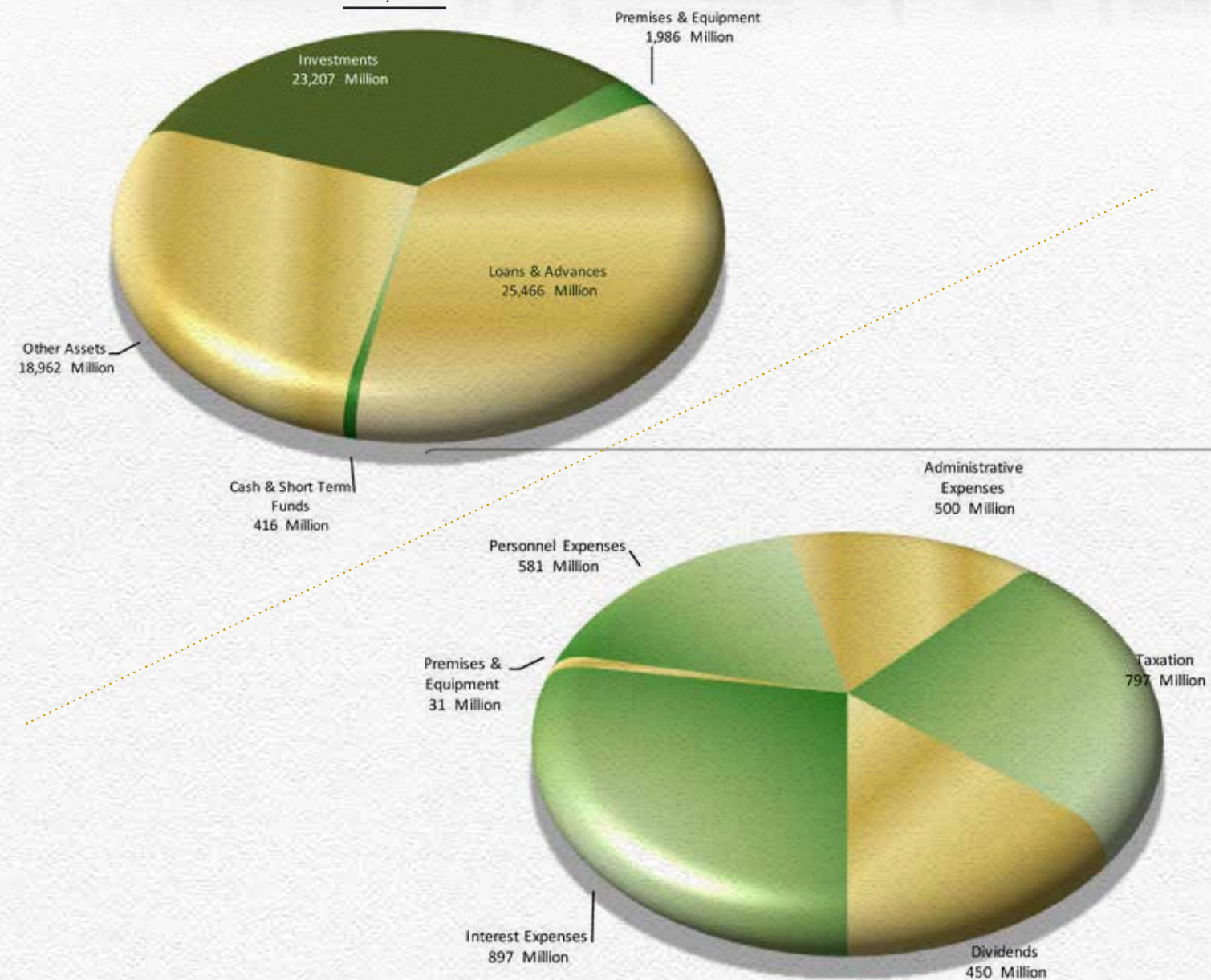
## INTEREST EXPENSE



## Financial Summary (continued)

### ASSETS (G\$ MLN)

Investments	23,207	33.1%
Premises & Equipment	1,986	2.8%
Loans & Advances	25,466	36.4%
Cash & Short Term Funds	416	0.6%
Other Assets	18,962	27.1%
	<u>70,037</u>	



### DISTRIBUTION OF INCOME (G\$ MLN)

Interest Expenses	897	27.5%
Premises & Equipment	31	1.0%
Personnel Expenses	581	17.8%
Administrative Expenses	500	15.4%
Taxation	797	24.5%
Dividends	450	13.8%
	<u>3,256</u>	



# CORPORATE SOCIAL RESPONSIBILITY



DBL- Corriverton Branch Csr Activity/Involvement- Trophy Donation To Corriverton Primary National Grade 6 Assessment 2017



DBL - Corriverton Branch Csr Activity/Involvement- Sponsorship Of The Police Youth Groups In The Traditional Parade (Berbice) For The 47Th Republic Anniversay Of Guyana

The Police Youth Groups Participated In The Traditional Float Parade In New Amsterdam. Demerara Bank Made A Financial Donation To This Group Of 200 Youths ( All Groups Combined ) To Assist With The Purchase Of Jerseys And Spray Paint. The Police Youth Group Promoted Messages On Issues Affecting Youths- Hiv Aids, Domestic Violence And Suicide.



Donation Done By The DBL Anna Regina Branch Sponsoring The Second Prize To The Essequibo Coast Naujawaan Of The Guyana Hindu Dharmic Sabha In The Observance Of Annual Diwali Motorcade 2017





**Rose Hall Branch - Donation For Branch's Anniversary**  
 The Branch Celebrated It's 13Th Anniversary On The 4Th February, 2017 And As Such Donated 13 Food Hampers To 13 Needy Senior Citizens All Of Whom Are Account Holders Of The Branch And Residents Within The Community.



Demerara Bank Limited joined with Protected Areas Commission and contributed towards the 2017 Zoo Camp by engaging the children in educational, stimulating, fun-filled activities inclusive of recycling projects, tree planting, bird watching and nature field trips.



**Rose Hall Branch - Donation To Fire Victims**  
 Rose Hall Branch Donated A Bed Set And Numerous Other Items To A Family Of 5 From Black Bush Polder, Corentyne Whose Home Was Completely Destroyed By Fire In November 2016  
 The Branch Donated A Bed Set, Mosquito Net, Bed Sheets & Bath Towels To A Family Of 5, With Children Of Ages, 6Yrs, 2Yr Old And A 3Mths Old Baby From Black Bush Polder Corentyne Whose Home Was Completely Destroyed During A Fire In November, 2016. Recipient Is Also An Account Holder With Dbl



**Continuing our green initiative**  
 Demerara Bank Limited joined with Protected Areas Commission and contributed towards the 2017 Zoo Camp by engaging the children in educational, stimulating, fun-filled activities inclusive of recycling projects, tree planting, bird watching and nature field trips.





## Occupational Health and Safety 2017

Demerara Bank Limited recognised April as the designated Occupational Safety and Health month and hosted various activities inclusive of training in areas for First Aid and Fire Prevention to enhance employees' awareness as to the significance of health and safety in the organisation.



## Mothers' Day 2017

We recognised and value the mothers in our employ and joined in mothers' day celebrations with special tributes and presentation of tokens and presents.

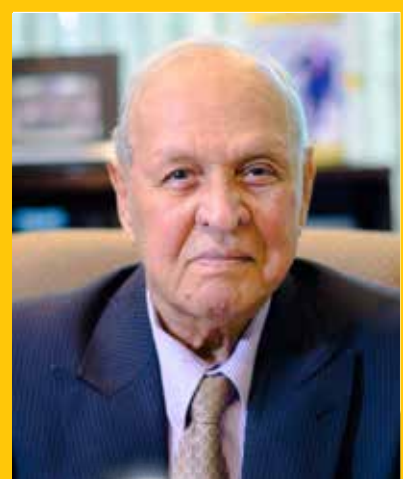


## Father's Day 2017

We equally recognised the fathers within our employ and celebrated fathers' day with presentation of tokens.



# BOARD OF DIRECTORS



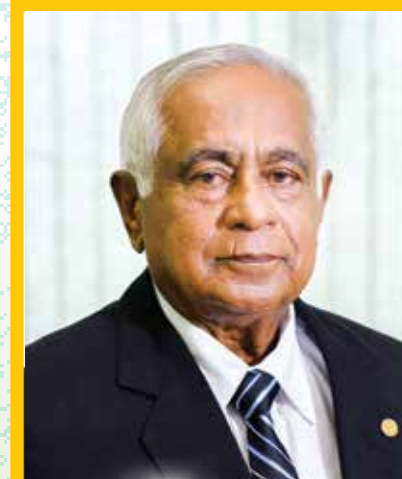
**DR. YESU PERSAUD - CHAIRMAN**

Dr Yesu Persaud is a Chartered Accountant, an experienced finance professional, national business icon and an outstanding entrepreneur. He is a former long serving Chairman of the DDL Group of Companies and Founding Chairman of Demerara Bank Limited.



**MR. PRAVINCHANDRA DAVE**

Mr Pravinchandra Dave is a highly qualified and experienced banking professional with over 30 years as a Senior Banking Executive in Guyana and abroad. He currently serves as the CEO of Demerara Bank Limited and has overseen rapid growth and expansion of the Bank during his tenure.



**MR. HEMRAJ KISSOON**

Mr Hemraj Kissoon is a long serving Director of Demerara Bank Limited. He is the CEO of the A H & L Kissoon Group of Companies, a well recognised and successful furniture manufacturing group. He is also a former President of the Guyana Manufacturers' Association.



**DR. LESLIE CHIN**

Dr Leslie Chin is an experienced Private and Public Sector Manager. He is a long serving Director of Demerara Bank Limited. He is also the Chairman of the Board of Directors of Sterling Products Limited and Chairman of the National Aquaculture Association of Guyana.



**MR. HARRYRAM PARMESAR**

Mr Harryram Parmesar is a Chartered Accountant and the Senior Partner in the Accounting Firm of Parmesar & Associates. He has served as President of the Institute of Chartered Accountants of Guyana and the Institute of Chartered Accountants of the Caribbean.



**MRS. CHANDRA GAJRAJ**

Mrs Chandra Gajraj is a long serving Director and Company Secretary of Demerara Bank Limited. She has over 40 years experience as a financial professional and currently serves as the Managing Director of Trust Company (Guyana) Limited.



**MR. KOMAL R. SAMAROO**

Mr Komal Samaroo is a Chartered Accountant and a long serving Director of Demerara Bank Limited. He is the current Chairman and CEO of the DDL Group of Companies and Chairman of Diamond Fire & General Insurance Co.



**MRS. SHEILA GEORGE**

Mrs Sheila George is a Founding Member of the original Shareholder Group and long serving Director of Demerara Bank Ltd. Mrs. George is a member of the Adoption Board and is a former Chairperson of Habitat for Humanity, Guyana. She is also a former President and Treasurer of the Anglican Mothers' Union.



**MR. GARFIELD WILTSHIRE**

Mr Garfield Wiltshire is a Chartered Accountant who holds a Masters Degree in Sports Organisational Management. He is currently the accountant of Bounty Farm Ltd, J.P. Santos and Co Ltd and JPS Trading Inc. He was a former chief accountant of Guyana Stores Ltd. and is a long standing member of the Guyana Olympic Association and Guyana Squash Association.



## SENIOR MANAGERS



**MR. JOHN LEE**  
SENIOR MANAGER  
(MANAGEMENT INFORMATION SYSTEM)



**MS. DEBORAH SUGRIM**  
SENIOR MANAGER  
OPERATIONS

## MANAGERS



**MR. DAVID RAMDEHOLL**  
CREDIT MANAGER



**MRS. AMRITA HENRIQUES**  
COMPLIANCE MANAGER



**MS. NAVITA SAHADEO**  
CHIEF INTERNAL AUDITOR



**MS. PRAVINI RAMOTAR**  
HUMAN RESOURCES AND ADMINIS-  
TRATION MANAGER



# THE MANAGEMENT TEAM

## ASSISTANT MANAGERS



**MR. DOWLAT PARBHU** - ASSISTANT MANAGER - CREDIT  
**MS. DEBORAH SHIM-FOO** - ASSISTANT MANAGER - CREDIT  
**MR. HARRYNARINE BHAGWANDIN** - SYSTEM ADMINISTRATOR  
**MR. JERRETT MORGAN** - ASSISTANT MANAGER - INVESTMENTS

## SENIOR BRANCH MANAGER & SENIOR SUPERVISORS 2



**MRS. KENESHA COLLINS-PHILLIPS** - SENIOR BRANCH MANAGER (MAIN BRANCH)  
**MR. DEVON D'OLIVEIRA** - SENIOR SUPERVISOR 2 (LE RESSOUVENIR BRANCH)  
**MS. SEROJNIE SINGH** - SENIOR SUPERVISOR 2 (CORPORATE BANKING BRANCH)



# THE MANAGEMENT TEAM

## BRANCH MANAGERS



MR. IMRAN BADRUDDIN  
MS. ANNA ABRAHAM  
MR. DEVENDRA PERSAUD  
MR. MANDREKAR KHEMRAJ

(DIAMOND BRANCH)  
(ANNA REGINA BRANCH)  
(ROSEHALL BRANCH)  
(CORRIVERTON BRANCH)

## HISTORY

The idea of a private sector bank was conceived by Dr. Yesu Persaud in the late sixties. It was held in abeyance but reactivated in 1991, at a time of Glasnost and more international openness.

The process of liberalisation had just begun, with the shift from rigidly controlled to a more open emerging economy. Dr. Persaud's entrepreneurial instincts, coupled with his solid understanding of the economy, led him to the view that there was a need for a truly Guyanese bank – a bank that would capture the latest technology, yet offer a very personal, high quality and competitive service; a bank that would provide export trade finance, recognising that the economy had to be export oriented; a bank that would be innovative in its approach and its products; indeed, a bank that would act as a catalyst for growth.

It was the beginning of another chapter in Guyanese history, the first private sector indigenous bank was in the making.

The company, Demerara Bank Limited, was incorporated on January 20, 1992. A share capital of \$250M was required. Dr. Persaud's vast personal and indeed corporate connections, acquired through his chairmanship of Demerara Distillers Limited and affiliation with other institutions, both local and overseas, were tapped to secure backing for this venture. It received overwhelming support and was largely over-subscribed.

On November 12th, 1994, Demerara Bank Limited was declared open by His Excellency, Dr. Cheddi B. Jagan, late President of the Cooperative Republic of Guyana.

Conceptualising an idea, nurturing and finally bringing it to fruition, is a skill few possess. To do it for the good of a nation is even rarer. Yet Dr. Yesu Persaud has done it without receiving any consideration in any form.





“ It's my privilege to report to the shareholders the performance of the Bank during 2016 – 2016. The Bank has recorded another year of satisfactory performance in terms of deposit growth, advances, investments and shareholders' funds amidst the challenges of the operating environment. ”

## DR. YESU PERSAUD

### CHAIRMAN'S REPORT FOR YEAR ENDED SEPTEMBER 30, 2017

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present our Annual Report for the year ended September 30, 2017.

This year, Demerara Bank Limited continued to deliver on its promises as we embarked on a number of changes in the Company. However, what has not changed is the unique ability of our company to continue providing superior banking services to all our customers and adapt to an environment that remains volatile and challenging while responding in a manner that reflects our qualities and experience.

#### The Global Economy

During the first half of 2017, global economic growth increased to 3.4%. Among emerging markets and developing economies, higher domestic demand in China and continued recovery in key emerging market economies supported growth in the first half of 2017. In India, growth momentum slowed, reflecting the lingering impact of the authorities' currency exchange initiative as well as uncertainty related to the midyear introduction of the country-wide Goods and Services Tax. With the upswing in global economic activity, global growth is projected to rise to 3.6% in 2017 and 3.7% in 2018. Broad-based upward revisions in the euro area, Japan, emerging Asia, emerging Europe, and Russia more than offset downward revisions for the United States and the United Kingdom.

As the global economy keeps showing signs of strengthening, foreign trade has exhibited a strong recovery. Global demand has intensified, after a long period of weakness, and this has helped trade especially for durable consumer and investment goods. However, the global trade recovery should not be taken for granted. The shift toward more services-oriented economies in emerging markets as well as changes in the organization of global value chains might create a different relationship between trade and GDP going forward. Risk factors around high equity values, shocks to energy and commodity prices, and possible policy disruptions may also limit the trade recovery.

Several of the Caribbean economies in the first half of 2017 returned to positive growth. However, the Barbados and Trinidad & Tobago economies are facing some serious problems. According to the Director of Economics at the

Caribbean Development Bank (CDB), Barbados is the most indebted country in the region and there are strong signs that the Trinidad and Tobago economy is headed for trouble. Barbados is facing huge problems in servicing its external debts, containing public expenditure and maintaining inflation which has resulted in international agencies downgrading Barbados to junk status. Trinidad & Tobago is also experiencing difficulties in maintaining their exchange risk. The Foreign Exchange inflow which was approximately USD2.3 billion in 2007-2008, has come down to USD500 – USD600 million. Barbados and Trinidad & Tobago may face a large depreciation in their currencies which will result in a high risk of inflation. Further, some of our other Caribbean neighbours are also in a state of chaos as they try to grapple with the aftermath caused by the recent hurricanes. Guyana is fortunate to be in a relatively safe haven.

#### The Guyana Economy

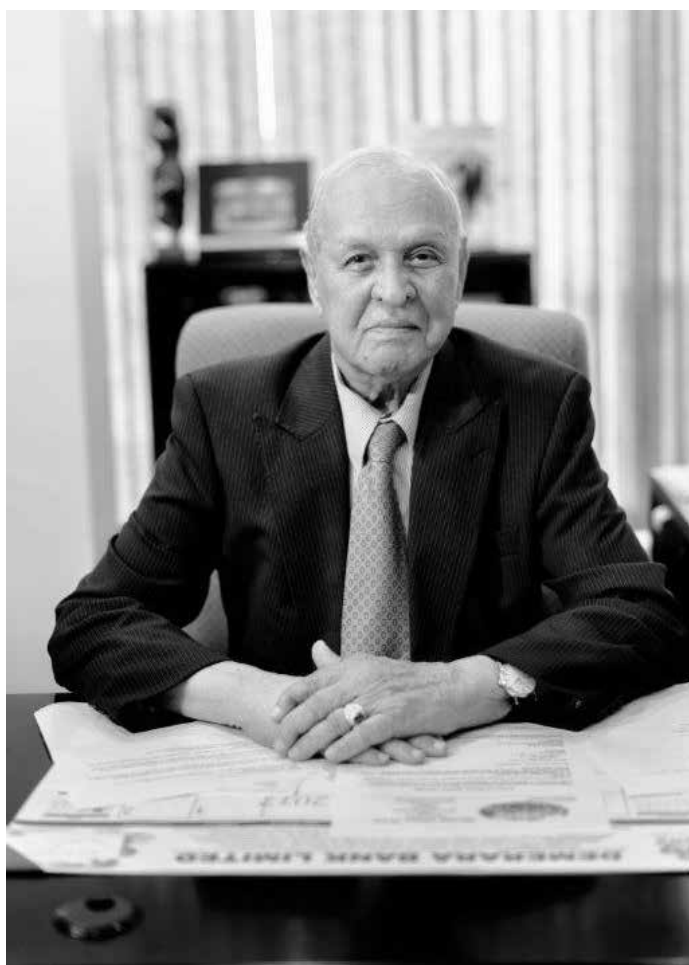
The Guyanese economy recorded real growth of 2.2% during the first half of 2017 with growth projected to be 3.1% ending December 2017. The growth was largely driven by an increase in the production of rice, fishing, other crops, manufactured goods and the activities of construction and other services. The output of the mining sector, the sugar and forestry industries, as well as financial and insurance activities contracted due to adverse weather conditions, lower productive capacity and lesser private investments. The inflation rate was 1.1% on account of moderate increases in food and fuel prices.

The financial system remained liquid during 2016-2017. Growth of the Guyanese economy is majorly dependent on Commercial Bank's ability to extend credit. Borrowers are still hesitant to access funds that are available to them for investment due to the uncertainty of the business environment that still exists. Notwithstanding, the Bank will continue its strategy to increase and diversify its credit portfolio as it seeks to lend in the area of renewable energy development.

Guyana is experiencing problems of low public confidence, high levels of crime and migration. Government should prepare a strategic plan for the oil and gas sector which will be operational from May 2020. It is reported that Guyana has oil reserves in the vicinity of 2.5 billion barrels with the quality of the oil being good and the costs of the drilling operations expecting to be low.



## CHAIRMAN'S REPORT CON'T



### Performance of the Bank

The Bank has recorded another year of exceptional performance in terms of profit and profitability, return on shareholders' investment, deposit growth, advances and investments amidst the challenges of the operating environment.

The Bank was able to achieve Profit before Taxation of \$2.4 billion, an increase of 19.0% over the previous year and an After Tax Profit of \$1.6 billion, an increase of 20.6% for the period ended September 2017. This result was on account of very efficient assets and liabilities management, wise investment decisions and prudent lending strategies. Shareholders' fund increased by 19.0% to \$11.0 billion. Returns on Shareholder's funds has been consistently high over the years, marginally increasing in 2017 to 14.5%. Total Deposits of the Bank increased from \$53.1 billion to \$57.0 billion; an increase of 7.3% over the previous year. Loans & Advances moved from \$24.7 billion to \$25.5 billion, an increase

3.2% over the 2016 corresponding period. Investments of the Bank stood at \$23.2 billion for the year ended September 2017.

The Bank has paid an interim dividend of \$0.30 per share during 2017. The Board of Directors is happy to recommend a final dividend of \$0.80 per share. The payment of final dividend will be subject to approval of the shareholders at the Annual General Meeting. The total dividend payout comes to \$1.10 per share during the year which is the highest dividend paid to date by the Bank.

### Core Business Strategies

In response to the Paris climate accord to which Guyana is a party, the effects of Global Warming and the initiative of Government, our Board of Directors felt the need for implementation of strategies that would allow the Bank to develop and encourage environmentally friendly projects.

The Bank took the initiative to reduce its carbon footprint by installing solar solutions on two of its buildings during this financial year while another is in progress and will soon be completed. The first installation done at our Corporate Office was monumental in Guyana as it is the only commercial building that is fully powered by renewable energy. The installation of the solar panels resulted in a reduction in our electricity cost of approximately \$17.3 million during the 2017 financial year. This saving is expected to increase in the coming years.

Further in keeping with its promises made in 2016, the Bank has approved a special loan scheme specifically geared towards the Government Go-Green Initiative and has already financed projects of this nature at concessional rates. Apart from Solar, our Bank has committed over a period of time to install LED lights and Inverter based A/C Units at all of its branches and we are encouraging others by donating such technology to places such as orphanages. These equipment promote environmental benefits whilst reducing utility consumption.

The bank is constantly analyzing options that can be implemented and promoted in the area of protecting our environment. Our Bank will continue to be an environmentally friendly Bank and a catalyst for green and clean energy.

We are still a principal member of Visa and have been providing Visa Credit Card facilities to our valued customers. The Bank will be changing all of its existing mag-stripe credit cards to the EMV (chip) credit cards in the early part of 2018 which will add more security to our payment processes and greater protection to our customers. We are also one step closer to launching the EMV VISA Debit Card for customers early in new financial year, which would give all customers access to an internationally accepted Card for everyday use.

### Information Technology

Building on the solid foundation of our existing banking platform, the Bank continues to renew and expand our infrastructure to provide cutting edge technologies to our customers. We are in the process of replacing all of our computer servers and implementing the latest versions of the various application and server software to further enhance our internal security systems and to take advantage of the newest trends in technology. New and more efficient interfaces between our staff and our Core Banking System will in turn provide a more satisfying experience to our customers. Customers can look forward to faster interactions at the counter and new functionality online.

### Management and Staff

Our people are our greatest assets and their collective efforts, dedication and enthusiasm have contributed tremendously to the successes of the Bank. We will continue to invest in the development of our employees by providing training on an ongoing basis, creating career opportunities for advancement within the organisation's hierarchy and to encourage and contribute to employees' personal development as a number of our employees at varying levels are pursuing higher education. Our team will be the catalyst of our growth, achievements and competitive edge.

On behalf of the Board of Directors, I would profusely like to thank all members of staff and management for their application and commitment in the performance of their duties and for the many times they had to go the extra mile to ensure that superior banking services are given to our customers. We will remain customer-centric and a highly technologically driven Guyanese Bank.

### Board of Directors

Wise leadership by our capable and experienced Board of Directors is a testimony to our continued growth. All our Directors have extensive knowledge and experience in different types of industries in Guyana. Their ability to identify business potentials, areas of growth and the linkage with other business organisations have allowed the Bank to have an efficient and quick-decision making process. The Directors have made valuable contributions through their active participation in monthly Board Meetings. I thank them for their invaluable support, trust and guidance over the years and look forward to working with them in the coming years.

### Prospects

With another recent major oil discovery offshore Guyana; all Guyanese should become oil-minded. The oil prospect looks bright and it is hopeful that smart leadership and strategic and capable management will ensure maximum returns to the Country. Regarding Regulatory Compliance, although the Government has given its commitment to maintain an effective Anti-Money

Laundering and Countering the Financing of Terrorism (AML/CFT) regime that will give priority to effective supervision and enforcement of the laws, one needs to ensure that we do not lose focus on what is relevant and that the Government should move swiftly to enact the relevant legislation to address new threats and vulnerabilities to money laundering and terrorism financing. This will make doing business in Guyana easier whilst projecting a better image of the Country in the international financial market.

The Bank of Guyana is moving to implement the National Payment System Act which will enhance the payment system within the country and allow the use of Electronic Payments as a settlement option amongst financial institutions. This will complement the previously implemented E-clearing facility which features the new cheque standards to which all banks have to adhere.

The initiative for the establishment of an Agency Banking System will improve the Banking scenarios in Guyana. Our aim will be to provide superior banking services to all Guyanese. At present the pre-conditions that exist to open a bank account with a Commercial Bank is very challenging. I wish to implore the Guyana Association of Bankers and the Bank of Guyana take the time to re-look at the Supervision Guideline No. 13 and find an amicable guideline that is more location and country specific.

We have upgraded our Banking Software in 2017 to facilitate a better platform for banking services provided to our valued customers and to ease the way they do business with us.

### Acknowledgement

During the year, we have received valuable support and patronage from customers, shareholders and well-wishers in Guyana and abroad. We are thankful to all of them and also grateful for the continued support from corresponding Agencies and other financial institutions and the general public.





“ Our Deposit growth is noteworthy in view of the fact that interest rates on deposits have remained stagnant. We shall continue with our resource mobilization efforts in 2016/2017. Our corporate banking branch was added in 2015. We will continue to explore the possibilities of opening other branches in unbanked areas. ”

## PRAVINCHANDRA DAVE

### CHIEF EXECUTIVE OFFICER'S REPORT FOR YEAR ENDED SEPTEMBER 30, 2017

I extend my greetings and best wishes to all our Shareholders and other Stakeholders. I am pleased to once again report that Demerara Bank Limited has ended another year on a great note.

The Global economy continues to strengthen with growth projected to rise to 3.6% in 2017 and 3.7% in 2018. Improvements in investment, trade, and industrial production, coupled with strengthening business and consumer confidence, are supporting this growth. Even though the outlook is gaining momentum, growth still remains weak in many countries. Economic activity in both advanced economies and emerging and developing economies is forecast to accelerate in 2017, to 2.0% and 4.6% respectively.

The outlook for advanced economies has improved, notably for the euro area, but in many countries inflation remains weak and prospects for growth in GDP per capita are held back by weak productivity growth and rising old-age dependency ratios. The growth forecast for 2017 was revised upwards for Canada, where buoyant domestic demand boosted first-quarter growth to 3.7% and indicators suggest resilient second-quarter activity. Private consumption, investment, and exports supported first-quarter growth in Japan which resulted in a marginal upward revision of its growth forecast. The growth forecast in the United States has been revised downwards from 2.3% to 2.1% in 2017 and from 2.5% to 2.1% in 2018 on account of weak growth outturn in the first quarter of the year and the assumption that fiscal policy will be less expansionary than previously assumed, given the uncertainty about the timing and nature of U.S. fiscal policy changes. The political uncertainties coupled with the unpredictable behaviour of the President of the United States are also contributing factors to the downward revision in growth. Additionally, market expectations of fiscal stimulus have receded. The growth forecast has also been revised down for the United Kingdom on weaker-than-expected activity in the first quarter.

Growth is projected to rise over this year and next in emerging markets and developing economies, supported by improved external factors—a benign global financial environment and a recovery in advanced economies. Growth in China and other parts of emerging Asia remains strong. Prospects for many emerging market and developing economies in sub-Saharan Africa, the Middle East, and Latin America are lackluster, with several experiencing stagnant per capita incomes. Commodity exporters, especially of fuel, are particularly hard hit as their adjustment to a sharp decline in foreign earnings continues.

Inflation remains subdued and generally below targets in several emerging economies such as Brazil, India and Russia. India, Indonesia, and China are performing well however, their prospects are critically linked with the price of oil.

#### Guyana's Economy

The Guyanese economy recorded real GDP growth of 2.2% in the first half of 2017, compared with the 2.0% growth for the corresponding 2016 period. This growth was largely driven by increases in the production of rice, other crops, fishing, manufactured goods and the activities of construction and other services. On the other hand, output of the mining sector, the sugar and forestry industries, as well as financial & insurance activities contracted due to adverse weather conditions, lower productive capacity and less private investments. The inflation rate was 1.1% on account of moderate increases in food and fuel prices.

In order for the Guyana economy to develop, the country needs to have a clear roadmap and pursue growth strategies. Private investment is weak, Government stimulus packages are not forthcoming and Foreign Direct Investments are lacking except for the pre-operative investment in the oil sector. The prospects of getting oil and its income are bright, but we should not ignore other prospective sectors of the economy.

#### Banking Scenario

Total Foreign Exchange market transactions expanded by 4.4% to US\$3,207.9 million as a result of an increase in the value of foreign trade. Aggregate purchases were higher than sales, resulting in a net purchase of US\$24.7 million. The Bank of Guyana's foreign currency accounts and cambio transactions accounted for 83.8% of the total volume. The Guyana dollar weighted mid-rate for the bank cambios was G\$213.25 against the United States dollar at the end of June 2017. The Foreign Exchange market remained stable even though there was a temporary hiccup earlier in the year. The excellent and timely intervention by the Bank of Guyana resulted in the forex rate immediately stabilizing.

The stock of outstanding public and publicly guaranteed external debt of Guyana increased by 5.0% from the June 2016 level to US\$1.2 billion. The rise in debt was on account of significantly higher disbursements from the China EximBank as well as the Inter-American Development Bank (IADB) and the International Development Association (IDA).



# CHIEF EXECUTIVE OFFICER'S REPORT

According to the Bank of Guyana Half-Year report for 2017, macroeconomic prudential indicators indicated moderate risk to the financial system during the review period. Most of the indicators have been favourable to promote financial system resilience. The domestic economy benefitted from the improved conditions of the global economy, predominantly from higher prices and enhanced trade. The Guyanese economy also had no further measures of de-risking by correspondent banks, and the commercial banks continued to exhibit positive financial indicators, except for the issue of rising NPLs. High interest rate spread, slow economic activities, as well as uncertainty in the international financial market continue to be downside risks to financial stability.

Residents' deposits with the commercial banks comprising of the private and public sectors as well as the non-bank financial institutions, decreased by 3.1% to G\$350 billion for the half year ended June 2017 over December 2016. There was also a notable decline in the net domestic credit by the banking system which reduced by 4.4% to G\$190 billion compared to a reduction of 5.4% at the end of June 2016. This performance was mainly attributed to reduced credit extended to the public and private sectors.

## Performance of the Bank

Notwithstanding the challenges of the Banking environment, Demerara Bank continued to excel in many areas. Performances recorded during the year were as follows:-

1. Net Profit of the Bank increased by 20.6% to \$1.6 billion in comparison to \$1.3 billion in 2016

2. Gross Profit of the Bank during 2017 was recorded at \$2.4 billion compared to \$2.0 billion during last year; registering a rise of 19.0% over the previous year.
3. Total Deposits increased from \$53.1 billion to \$57.0 billion; increasing by 7.3% over the previous year
4. Total Advances of the Bank increased from \$24.7 billion to \$25.5 billion in 2017; showing a rise of 3.2% over the corresponding 2016 period.
5. Investments of the Bank as at September 30, 2017 remained constant at \$23.2 billion.
6. Gross Non-Performing Assets (GNPA) decreased by 1.7% to \$1.899 billion as at September 30, 2017. The Bank will continue to make every effort to ensure maximum recoverability.
7. Earnings Per Share registered a notable increase moving from \$2.95 to \$3.55 per share as at September 30, 2017.
8. Return on Average Assets as at September 30, 2017 was 2.39% compared to 2.17% in the previous year; recording a rise of 10.23%.
9. Shareholders' Funds have gone up from \$9.3 billion to \$11.0 billion; showing a rise of 19.0% over the previous year.
10. Return on Shareholders' Funds increased to 14.5% compared to 14.3% for the previous year.

11. The Book Value of the shares has gone up from \$20.60 per share in 2016 to \$24.51 per share in 2017; showing a rise of 18.98% over the previous year.

## Income and Expenses

The Gross Profit of the Bank increased by 19.0% to \$2.4 billion during the year. Concurrently, Net Profit increased by 20.2% to \$1.6 billion over the previous year. This was mainly on account of an increase in other income and interest income. Other Income expanded from \$422 million to \$988 million during the year, showing a rise of 133.8%. This was as a result of an increase in Exchange gain and a surplus from the disposal of investments. Interest Income on Investments went up from \$1.56 billion to \$1.66 billion; an increase of 6.3% over the previous year whilst Interest Income on Loans and Advances marginally increased from \$2.15 billion to \$2.19 billion; a rise of 1.8% over the previous year. Total Interest Income rose by 3.7% to \$3.9.

Interest Expenses increased by \$33 million or 3.8% on account of higher customer deposits. Non-Interest Expenses have moved from \$1.058 billion to \$1.112 billion; showing a rise of 5.1% over the previous year. The main contributors to Non-Interest Expenses were mainly on account of an increase in other costs, staff costs, property taxes and depreciation. We will pay utmost attention to increase our income and control costs in order to have the most efficient cost-control ratio amongst all the commercial banks in Guyana.

## Deposit Mobilization

Total Deposits have increased to \$57.0 billion during the year reflecting a growth of 7.1%. This compares favourably to the Banking Sector Deposits which declined by 2.34% at the end of Aug 2017. The increase in Total Deposits by the Bank was mainly attributable to the growth in Term and Demand Deposits which increased by \$2.0 billion and \$1.2 billion respectively, or 10.9% and 21.0% respectively. Saving Deposits which make up 52.1% of the deposit portfolio of the Bank increased by \$667 million or 2.3%. The growth in deposits is applaudable given the almost stagnant rate of interest in a saturated market. Good marketing efforts by our branches in Berbice and Essequibo have contributed 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 \$24.7 billion to \$25.5 billion, showing a rise of 3.2% over the previous year. This was as a result of an increase in lending to the manufacturing and rice sectors. There is still an apparent uncertainty in the Guyanese economy and borrowers are cautious in the way they access and invest the funds that are available to them which is reflected in the Total Loans & Advances of the Commercial Banks. Loans and Advances in the Banking Sector for the period Sep 2016 - Aug 2017, recorded a marginally increase of just 0.30%. Locally, demand for credit remained sluggish.

We have a diversified portfolio which is evident from the following statistics, viz:-

	\$'000
1. Agriculture	\$4,827,469
2. Services	\$9,056,348
3. Manufacturing	\$2,719,827
4. Household	\$9,220,959
5. Mining and Quarrying	\$632,220
<b>Total (Gross Advances)</b>	<b>\$26,456,823</b>

## Non-Performing Advances and Loan Provisions

Total Non-Performing Advances (NPAs) marginally decreased to \$1.899 billion as at September 30, 2017, which is of grave concern to us. The majority of our NPAs is in the rice sector. Even though our NPAs are well collateralized, every effort is being made to ensure maximum recoverability. We have provisions of \$1.116 billion against our Non-Performing Loans which is more than 56% of the NPAs. Our Action Plan should help us to bring down our Non-Performing Loans to less than \$1.0 billion in 2018. We will continue to pay our undivided attention on improving the quality of our appraisals and to ensure our controls are strong. We are confident that once we continue to implement our strategy for the reduction of non-performing loans, the Bank will be able to achieve significant reduction in our NPAs.

## Investments

The Investments of the Bank as at September 30, 2017 remained almost constant at \$23.2 billion. Investment across the globe was a little more favourable during the past year. However, investment locally remains a challenge as there are not many opportunities for investment in Guyana. Our Investment income has gone up from \$1.564 billion to \$1.663 billion during the year, showing a rise of 6.3%.

## Capital Adequacy and Risk Management

Our Capital Adequacy Ratio over the years has remained well above the prudential 8.0% benchmark set by the Central Bank. The Bank Capital Adequacy Ratio stood at 34.93% in 2017. The higher capital base provides an excellent opportunity for expansion of our credit and investment portfolio in the future as it improves the likelihood for high-risk appetite. Our Bank remains strong, profitable and adequately capitalized and this is reflective of our excellent asset management.

In an environment of continued uncertainty and an elevated level of regulatory and business risk, risk management and risk governance will continue to be the driving forces in the enhancement of business strategies. The Bank has adopted new strategies in order to respond to regulations and how we can improve our business in a regulatory, political and economic environment that is fundamentally more restraining. We will seek to strike a balance between sensible risk taking and financial performance. The Guyanese economy is still at risk of losing its correspondent relationships and negative publicity on any of the Financial Institution could elevate this risk.



## CHIEF EXECUTIVE OFFICER'S REPORT CONT'D

The Board and Management will continue to act as the catalyst for positive change and value creation. We are upgrading the skills of our employees in the area of risk management as well as 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. We will continue to identify risk in the areas of Advances, Investments, Foreign Exchange and Operations and take corrective action to minimize any future losses.

All Financial Institutions are exposed to some level of social risk through their customers. The type, quantity and severity of social issues that present a risk to a Bank depends on a variety of factors, including geographic area, industry sector and the type of transaction and if left unmanaged, these risks can lead to serious reputational damage, costly litigations and loss of revenue.

### Regulatory Compliance

Guyana is making every effort to strengthen its Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) regime. During the first half of 2017, the Minister of Finance received the country's first National Risk Assessment and Risk Based Action Plan Report from the Director of the Financial Intelligence Unit. This is an important achievement for our country as it marks the start of Guyana's preparation for the Caribbean Financial Action Task Force (CFATF) Fourth Round of Mutual Evaluation which is scheduled for 2022.

Demerara Bank Limited is committed to preventing itself from

being used for money laundering and/or terrorist financing purposes and will continue to adopt a Risk Based approach to Customer Due Diligence. Our Bank will continue to support and co-operate with all the regulatory agencies in our quest to combat money laundering and the financing of terrorism.

To ensure the Bank is compliant with the US Foreign Account Tax Compliance Act (FATCA), during the year the Bank diligently contacted all of its customers with US Indica to ensure that the required documentations were in order. These efforts will continue in the coming year. During the year the Bank commenced its reporting to the Guyana Revenue Authority (GRA) for further submission to the US Internal Revenue Services (IRS). The Bank has made all operational preparations to facilitate the timely and accurate reporting of data to the relevant authorities.

### Upholding Values and Social Work

As one of our core values, we are an equal opportunity employer. Our policies remain non-discriminatory as we continue to strive to offer the best services to all our customers, irrespective of ethnicity, cultural backgrounds, and religion / belief. The Bank continues to play its role as a corporate citizen.

The Bank prides itself in being one of the Ambassadors for Guyana's Go-Green initiative. As a result, we are transforming the majority of our locations to energy efficient buildings. We have participated in various programs to educate our youths and various entities on renewable energy and energy conservation.



In accordance with our Mission Statement, the Bank takes pride in fulfilling its social responsibilities through meaningful involvement in community development. The Bank has been a proud sponsor of various sporting and educational events especially in areas where our branches are located. We have made many contributions towards several graduating students and graduation exercises at a number of schools.

Our social responsibilities were also extended to various religious and humanitarian bodies to which we made generous contributions towards their special events. In addition, we continued to focus on making the lives of Guyanese better by contributing towards the construction of houses for those in need. We believe that our contributions have and will continue to make a positive impact on the lives of the future generations in Guyana. We continue to pledge our support to giving back to the society as we remain a committed and responsible corporate citizen.

### Future Plans

The Bank will continue to promote a green and sustainable environment as it seeks to ensure all of its Branches are generating electricity through renewable energy resources. The Bank will also revolutionize its lending strategies in order to take advantage of the opportunities that exist in the Oil and Gas industry. Additionally, the prospects within the rice industry look bright with Guyana now being able to ship rice to Cuba. However, we need to be mindful of the embargoes that exist and operate on the side of caution.

The Bank remains steadfast in improving its Visa products offered to the general public. Though there was a minor setback with the introduction of the EMV (chip) credit cards, the Bank will forge ahead in this area and will soon be launching the Visa gold card, adding to the already existing VISA Credit Classic and Signature products. The EMV cards add more security to the

payment process protecting the users against fraud and theft. Further, in an effort to meet the needs of our entire customer base, the bank will be introducing the Visa Debit card which will give our debit customers the ease of using debit cards and the convenience of worldwide access.

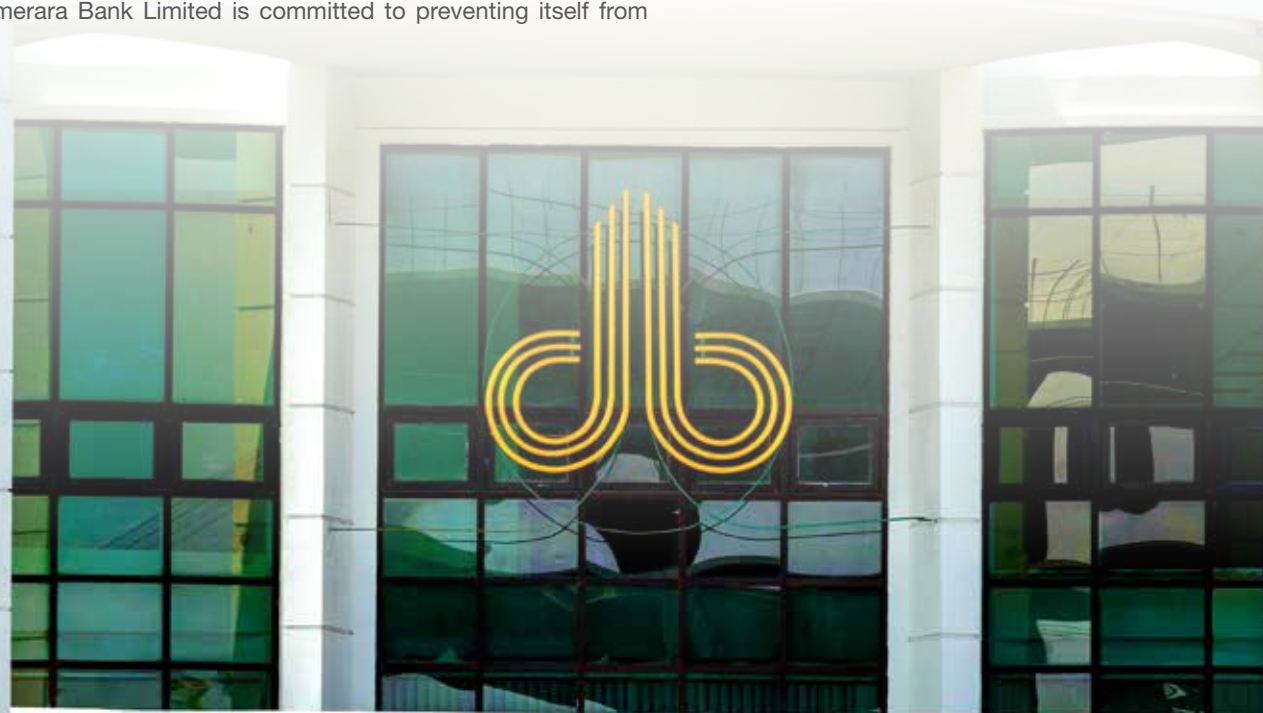
To meet the ever changing needs of our clientele and to continue providing superior Banking services to our customers, the Bank plans to improve all customer-facing services in the near future. This will see an improvement to our over-the-counter services, internet banking services and a wide range of other services.

### Acknowledgement

Our clients have been our greatest source of inspiration and support. The consistent demand for excellent service has strengthened the process of our decision making and technological development. We are highly grateful to our customers who have shown incredible loyalty and support during the last 23 years of the Bank's existence. Our Board of Directors has been the backbone of our successes and achievements. They have played a very important role by their active participation in the monthly Board Meetings and have also provided valuable input to our process of policy formulation. 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 Chairman, Dr. Yesu Persaud, I thank him profusely for his trust and support during the year. The progress of the Bank would not have been possible without his guidance and motivation.





# REPORT OF THE DIRECTORS

THE DIRECTORS HAVE PLEASURE IN SUBMITTING THIS REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

## PRINCIPAL ACTIVITIES:

The Bank provides a comprehensive range of banking services out of our Corporate Office at 214 Camp Street, North Cummingsburg, Georgetown, our main office at 230 Camp & South Streets, Georgetown and Branches in Rose Hall & Corriverton, Berbice, Anna Regina, Essequibo, Diamond, East Bank Demerara and Le Ressenouvir, East Coast Demerara.

## FINANCIAL RESULTS: (IN THOUSANDS OF GUYANA DOLLARS)

The results for the year ended September 30, 2017 are as follows:

	2017	2016
	\$	\$
<b>Profit Before Tax</b>	2,396,390	2,013,520
<b>Taxation</b>	796,752	909,157
<b>Profit After Tax</b>	1,599,638	1,326,489
<b>APPROPRIATIONS</b>		
<b>Dividends Paid</b>	450,000	450,000
<b>Retained Earnings</b>	1,149,638	876,489

## DIVIDEND:

The Directors recommend a dividend of \$1.10 per share, which includes \$0.30 interim paid in May 2017.

## RESERVES AND RETAINED EARNINGS:

The Bank has reached its statutory reserve limit and no further provision is required. The balance of \$1,149,638 is placed on Retained Earnings which now stands at \$10,171,954. The proposed dividend of \$360M will be paid out of Retained Earnings.

## DIRECTORS:

<b>Dr. Yesu Persaud</b>	<b>Chairman</b>	<b>Mr. K. R. Samaroo</b>
<b>Mr. Pravinchandra Dave</b>	<b>CEO</b>	<b>Mrs. Sheila George</b>
<b>Mrs. Chandra Gajraj</b>	<b>Corporate Secretary</b>	<b>Dr. Leslie Chin</b>
<b>Mr. Hemraj Kissoon</b>		<b>Mr. Harry Ram Parmesar</b>
		<b>Mr. Garfield Wiltshire</b>

In accordance with Article 97 of the Bank's Articles of Association, the Directors retiring for the time being are Dr Yesu Persaud, Mr Hemraj Kissoon, Mr Pravinchandra Dave, Dr Leslie Chin and Mr Garfield Wiltshire and being eligible, offer themselves for re-election.

## AUDITORS:

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

## DIRECTORS' EMOLUMENTS:

<b>Dr. Yesu Persaud</b>	<b>\$2,800,000</b>	<b>Mrs. Chandra Gajraj</b>	<b>\$1,500,000</b>
<b>Mr. Hemraj Kissoon</b>	<b>\$1,500,000</b>	<b>Mr. Pravinchandra Dave</b>	<b>\$1,500,000</b>
<b>Mr. K. R. Samaroo</b>	<b>\$1,500,000</b>	<b>Mr. Harryram Parmesar</b>	<b>\$1,500,000</b>
<b>Mrs. Sheila George</b>	<b>\$1,500,000</b>	<b>Mr. Garfield Wiltshire</b>	<b>\$1,500,000</b>
<b>Dr. Leslie Chin</b>	<b>\$1,500,000</b>		

## DIRECTORS' INTERESTS:

	Beneficial Interest	Associate's Interest
<b>Dr. Yesu Persaud (Chairman)</b>	5,410,000	Nil
<b>Mr. Hemraj Kissoon</b>	Nil	3,196,341
<b>Mr. K.R. Samaroo</b>	Nil	22,410,000
<b>Mr. Harryram Parmesar</b>	336,000	Nil
<b>Mrs. Sheila George</b>	100,000	Nil
<b>Dr. Leslie Chin (held jointly with associate)</b>	390,000	390,000
<b>Mrs. Chandra Gajraj (Corporate Secretary/Director)</b>	1,000,000	Nil
<b>Mr. Pravinchandra Dave (CEO/Director)</b>	Nil	Nil
<b>Mr. Garfield Wiltshire</b>	25,000	Nil

## SERVICE CONTRACTS:

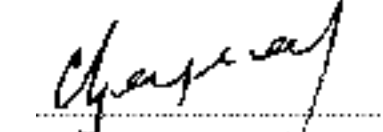
There are no service contracts between the Bank and any of its Directors.

## SUBSTANTIAL SHAREHOLDING:

**TRUST COMPANY (GUYANA) LIMITED. 84,773,531 – 18.84%**

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**





## Nizam Ali & Company Chartered Accountants

215 'C' Camp Street  
North Cummingsburg  
Georgetown  
Guyana

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Tele/Fax: (592) 225-7085  
Email: nizamali@gol.net.gy

## TO THE SHAREHOLDERS OF DEMERARA BANK LIMITED

### INDEPENDENT AUDITOR'S 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, 2017, and 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, 2017, 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 Auditor's 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, 2017. 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, continued

##### Key Audit Matter

##### Impairment of available-for-sale investments

The Bank invests a significant portion of its funds in financial instruments that comprise mainly available-for-sale investments in equity shares and fixed income securities. These investments are measured at fair value with the corresponding fair value changes recognized in other comprehensive income. As at the year end the Bank performs an impairment review of its available-for-sale investments and records an impairment charge where there has been decline in the value of these investments.

##### 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. An annual impairment review is also carried out for all property, plant and equipment which entails a high degree of management's judgment.

##### Impairment of loans and advances to customers

The Bank carries out an impairment of its loans and advances in compliance with IAS 39, which requires the amount of loss to be measured as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the assets' original effective interest rate.

In estimating the future cash flows of assets, key sensitive judgments and assumptions are made in determining the inputs to these estimates including:

- Forced sale value of collateral
- Realisation period
- Historical loss rate
- Discount rate

##### How our audit addressed the key audit matter

In auditing the impairment of available-for-sale investments we reviewed and verified the processes and key controls applied

in the valuation of these investments. In addition, we obtained the market prices, as at September 30, 2017, for all investments quoted on an active market and assessed the adequacy of impairment charges on available for sale investments at year end.

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. An assessment was done of the impairment review carried out by management. Additionally, we physically verified a sample of items to ensure consistency with the impairment review.

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.

#### Key Audit Matter

##### Impairment of loans and advances to customers, continued

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 IAS 39 differs from the provision under the Supervision Guidelines number 5; at minimum the bank recognises the impairment required under the provisions of IAS 39. 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

How our audit addressed the key audit matter

☑ Verifying that all loans and advances are secured, active and are monitored in accordance with the Supervision Guidelines 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.

☑ We tested the discounted cash flow models and the related assumptions used in impairment assessment by assessing the amount, timing and likelihood of estimated future cash flows, including cash flows from collateral.

☑ Assessing whether the disclosures in the financial statements appropriately reflects the Bank's exposure to credit risk.

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.

#### Other Information

Management is responsible for the other information. The other information comprises all the information included in the Bank's 2017 annual report but does not include the financial statements and our auditor's 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.

#### Other Information, continued

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.

#### Auditor's 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 auditor's 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.
- Auditor's 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 auditor's 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 auditor's 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 auditor's 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 and the Companies Act 1991. The engagement partner responsible for the audit resulting in this independent auditors' report is Mr. Leslie Veerasammy, FCCA.

Chartered Accountants Georgetown, Guyana  
October 20, 2017

**Chartered Accountants**  
Georgetown, Guyana  
October 19, 2016

# STATEMENT OF FINANCIAL POSITION

**AS AT SEPTEMBER 30, 2017**  
WITH COMPARATIVE FIGURES FOR SEPTEMBER 30, 2016  
(EXPRESSED IN GUYANA DOLLARS)

	Notes	2017 \$'000	2016 \$'000
<b>ASSETS</b>			
Cash		415,636	466,605
Due from banks		10,122,005	4,965,681
Deposit with Central Bank other than statutory deposit		1,710,798	1,775,188
Statutory deposit with Central Bank	7	6,958,026	6,483,490
Investment securities	8	23,207,183	23,181,040
Loans and advances	9	25,465,859	24,683,336
Property, plant and equipment	11	1,986,348	1,983,119
Taxation recoverable		6,087	6,087
Deferred Tax	20	4,775	414,967
Other	12	160,562	80,387
		<u>70,037,279</u>	<u>64,039,900</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Deposits	10	57,012,447	53,132,582
Taxation payable		280,599	-
Other liabilities	13	1,714,173	1,638,526
		<u>59,007,219</u>	<u>54,771,108</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)	(41,894)	(653,524)
Retained earnings		10,171,954	9,022,316
		<u>11,030,060</u>	<u>9,268,792</u>
		<u>70,037,279</u>	<u>64,039,900</u>

These financial statements were approved by the Directors on October 19, 2016 and signed on its behalf by:



Mr. Pravinchandra S. Dave  
Chief Executive Officer  
Director



Mr. Hemraj Kissoon  
Director

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



# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE YEAR ENDED SEPTEMBER 30, 2016

WITH COMPARATIVE FIGURES FOR SEPTEMBER 30, 2015  
(EXPRESSED IN GUYANA DOLLARS)

	Notes	ASSETS	
		2017 \$'000	2016 \$'000
<b>Interest income</b>			
Loans and advances		2,188,101	2,150,172
Investments		1,663,139	1,564,447
		<u>3,851,240</u>	<u>3,714,619</u>
<b>Interest expense</b>			
Savings deposits		324,523	328,305
Term deposits		567,016	531,879
Others			
		<u>897,006</u>	<u>863,888</u>
<b>Net interest income</b>			
		2,954,234	2,850,731
Loan losses net of recoveries	9	(434,092)	(202,148)
Net interest income after loan losses net of recoveries		2,520,142	2,648,583
Other income	21	987,825	422,488
		<u>3,507,967</u>	<u>3,071,071</u>
<b>Net interest and other income</b>			
		3,507,967	3,071,071
<b>Non-interest expenses</b>	17	1,111,577	1,057,551
Income before taxation		2,013,520	2,396,390
Taxation	19	796,752	687,031
<b>Net income for the year</b>	16	<u>1,599,638</u>	<u>1,326,489</u>
<b>Earnings per share in dollars</b>	22	<u>3.55</u>	<u>2.95</u>

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

## Statement of Profit or Loss and Other Comprehensive Income (continued)

## FOR THE YEAR ENDED SEPTEMBER 30, 2017

WITH COMPARATIVE FIGURES FOR SEPTEMBER 30, 2016  
(EXPRESSED IN GUYANA DOLLARS)

	Notes	2017 \$'000	2016 \$'000
<b>Net income for the year</b>		<u>1,599,638</u>	<u>1,326,489</u>
<b>Other Comprehensive Income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Net change in fair value of available-for-sale financial assets		889,608	463,681
Net change in fair value of available-for-sale financial assets transferred to income statement		129,776	(17,994)
Tax on components of other comprehensive income		(407,754)	(178,275)
Total other comprehensive income for the year		<u>611,630</u>	<u>267,412</u>
Total comprehensive income for the year		<u>2,211,269</u>	<u>1,593,901</u>

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



# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2017  
WITH COMPARATIVE FIGURES FOR SEPTEMBER 30, 2016  
(EXPRESSED IN GUYANA DOLLARS)

	2017	2016
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Net income before taxation	2,396,390	2,013,520
Interest income	(3,851,240)	(3,714,619)
Interest expense	897,006	863,888
<b>Adjustments for:</b>		
Depreciation	111,579	194,853
Loss (gain) on disposal of plant and equipment	4,227	(800)
Interest received	3,830,737	3,708,852
Interest paid	(895,599)	(800,814)
Increase in statutory deposit with Central Bank	(474,536)	(488,649)
Increase in other assets	(80,176)	(35,606)
Increase in deposits	3,878,458	3,993,516
Increase in other liabilities	75,647	653,664
Taxes paid	(513,715)	(948,127)
<b>Net cash from operating activities</b>	<u>5,378,778</u>	<u>5,339,678</u>
<b>Cash flows from investing activities</b>		
Decrease (increase) in investments	980,236	(1,629,710)
Increase in loans and advances	(749,014)	(985,720)
Purchase of property, plant and equipment	(119,035)	(291,724)
Proceeds from sale of plant and equipment	-	800
<b>Net cash from (used in) investing activities</b>	<u>112,187</u>	<u>(2,906,354)</u>
<b>Cash flows from financing activities</b>		
Dividends	(450,000)	(450,000)
<b>Net cash used in financing activities</b>	<u>(450,000)</u>	<u>(450,000)</u>
<b>Net increase in cash and cash equivalents</b>		<b>5,040,965</b>
<b>Cash and cash equivalents, beginning of year</b>	<u>7,207,474</u>	<u>1,983,324</u>
<b>Cash and cash equivalents, end of year</b>	<u>12,248,439</u>	<u>7,207,474</u>
Cash and cash equivalent comprises of the following statement of financial position items:		
Cash	415,636	466,605
Deposit with Central Bank other than statutory deposit	1,710,798	1,775,188
Due from banks	10,122,005	4,965,681
	<u>12,248,439</u>	<u>7,207,474</u>

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

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2016  
(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

Disclosure Initiative amendments to IAS 1. Effective January 1, 2016

The amendment clarifies the materiality requirement in IAS 1, that specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated, that entities have flexibility as to the order in which they present the notes to the financial statements and that the share of OCI of associates and Joint Ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will be subsequently reclassified to profit or loss.

Amendments to IAS 16 and IAS 38 - Clarification of acceptable methods of depreciation and amortisation. Effective January 1, 2016 The amendment clarifies the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business rather than the economic benefits that are consumed through use of the asset.

Entities currently using revenue-based amortisation methods for property, plant and equipment will need to change their current amortisation approach to an acceptable method.

### Annual improvements to IFRS's 2012 -2014 cycle effective January 1, 2016

- IFRS 5 – Non-current asset held for sale and discontinued operations- The amendment clarifies that changing from one disposal method to another would not be considered a new plan of disposal, rather it is a continuation of the original plan.
- IFRS 7 – Financial instrument: disclosure- The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset.
- IAS 19 – Employee benefits - The amendment clarifies that market depth of high quality corporate bond is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. Where there is no deep market for high quality corporate bond in that currency, government bond rates must be used.
- IAS 34 – Interim financial reporting- The amendment clarifies that the required interim financial disclosures must either be in the interim financial statements or incorporated by cross reference between the interim financial statements and whether they are included within the interim financial report.

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

IFRS 9 Financial Instruments  
IFRS 9 Financial Instruments sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39; Financial Instruments: Recognition and Measurement.

IFRS 9 contains a new recognition and measurement approach, for financial assets that reflects the business model in which assets are managed by their cash flow characteristics.

IFRS 9 contains three principle recognition categories for financial assets measured and amortized at fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing IAS 39 categories of held to maturity loans, recoverables and available for sale.

Based on their assessment, the Bank does not believe that the new classification requirements will have a material impact on its annuity for the loan, investment in debt securities and investment in equity securities that are managed on a fair value



## 2. Changes in accounting policies and disclosures (continued)

### 2.2 New standards, amendments and interpretations not yet adopted (continued)

#### 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.

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#### 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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The amendment clarifies the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business rather than the economic benefits that are consumed through use of the asset.

Entities currently using revenue-based amortisation methods for property, plant and equipment will need to change their current amortisation approach to an acceptable method.

##### Annual improvements to IFRS's 2012 -2014 cycle effective January 1, 2016

- IFRS 5 – Non-current asset held for sale and discontinued

operations- The amendment clarifies that changing from one disposal method to another would not be considered a new plan of disposal, rather it is a continuation of the original plan.

- IFRS 7 – Financial instrument: disclosure- The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset.
- IAS 19 – Employee benefits - The amendment clarifies that market depth of high quality corporate bond is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. Where there is no deep market for high quality corporate bond in that currency, government bond rates must be used.
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##### 2.2 New standards, amendments and interpretations not yet adopted

###### IFRS 9 Financial Instruments

IFRS 9 Financial Instruments sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39; Financial Instruments: Recognition and Measurement.

IFRS 9 contains a new recognition and measurement approach, for financial assets that reflects the business model in which assets are managed by their cash flow characteristics.

IFRS 9 contains three principle recognition categories for financial assets measured and amortized at fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing IAS 39 categories of held to maturity loans, recoverables and available for sale.

Based on their assessment, the Bank does not believe that the new classification requirements will have a material impact on its annuity for the loan, investment in debt securities and investment in equity securities that are managed on a fair value basis.

At September 30, 2017 the Bank held equity investments classified as available-for-sale with a fair value of \$23,207,182,957 that are held for long term strategic purposes.

Under IFRS 9, the Bank has designated these investment as measured at FVOCI. Consequently all fair value gains and losses will be reported in OCI, no impairment loss will be recognized in profit or loss and no gains or losses will be recognized in profit or loss on disposal.

IFRS 9 replaces the “named loss” model in IAS 39 with a

## 2. Changes in accounting policies and disclosures (continued)

### 3. Summary of significant accounting policies

forward looking expected credit loss (ECL) model. This will require considerable judgment about how changes in economic factors affect ECL which will be determined on a probability weighted basis.

The new impairment model will apply to financial assets measured at amortized cost or FVOCI, except for investments in equity instruments, and to contract assets.

Under IFRS 9, loss allowances will be measured on either of the following basis:  
– 12 months ECL's then on ECL's that results from possible default events within 12 months after the reporting date; and,  
– Lifetimes ECLs assets, these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Bank believes that impairment losses are likely to increase and become more volatile for assets in the scope of the IFRS 9 Impairment model.

###### IFRS 15 - Revenue from Contract with Customers

IFRS 15 establishes a comprehensive framework for determining whether how much and when revenue is recognized. It replaces existing revenue recognition guidance. IAS 18 Revenue, IAS 11 Construction contracts and IFRIC 13 Customer Loyalty Programs. Based on assessment the Bank does not expect the application of IFRS 15 to result in a significant impact in its financial statements.

The Bank plans to adopt IFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognized at the date of initial application (January 1, 2018) as a result, the Bank will not apply the requirements of IFRS 15 to the comparative period presented.

###### IFRS 16 - Leases

IFRS 16 replaces existing lease guidance, including IAS 17 Leases, IFRIC 4 determining whether an arrangement contains a lease, SIC 15 operating leases - incentives and SIC 27 Evaluating the Substance of transactions in the legal form of the lease. The Standard is effective for annual reporting periods beginning on or after January 1, 2019.

IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset, representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exceptions for short-term leases and leases of low-value-items.

Based on the bank's initial assessment, no significant impact is expected on the adoption of these standards.

**The following amended standards and interpretations are not expected to have a significant impact on the Bank's financial statements:**

- Annual Improvements to IFRSs 2014-2016 cycle

(Amendment to IFRS 1 and IFRS 18)

– Classification and measurement of Share based payment transactions (Amendment to IFRS 2)

– Transfer to investment property (Amendment to IAS 40)

– Sale or contribution of assets between an investor and its associate or joint venture. (Amendments to IFRS 10 and IAS

2–8) IFRIC 22 - Foreign Currency Transactions and Advances Consideration – IFRIC 23 - Uncertainty over Income Tax Treatments

#### 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 (IFRS) 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 inclusion of investments at fair value through profit or loss, available-for-sale investments at fair value and non-current assets classified as “assets held for sale.”

The preparation of these financial statements in conformity with IFRS 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 25th, 2017

##### 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. Summary of significant accounting policies (continued)

#### 3.5 Financial assets and liabilities (continued)

##### 3.5.1 Classification (continued)

#### 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. Operating leases.

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

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

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.

#### 3.4 Non-current assets held for sale

A non-current asset is classified as held for sale when: its carrying amount will be recovered principally through a sale transaction; the asset is available for immediate sale in its present condition; and its sale is highly probable. Assets classified as held for sale are not depreciated or amortised and are carried at the lower of carrying amount and fair value less costs to sell.

#### 3.5 Financial assets and liabilities

##### 3.5.1 Classification

The Bank classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Financial liabilities are classified in the following categories: financial liabilities at fair value through profit or loss and other financial liabilities. Management determines the classification of

its financial assets and liabilities at initial recognition.

- (a) Financial assets at fair value through profit or loss  
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.
- (b) Available for sale financial assets  
Available-for-sale assets are financial assets that are not financial assets at fair value through profit or loss or loans and receivables originated by the Bank. Available-for-sale instruments include certain debt and equity investments.
- (c) Loans and receivables  
Loans and receivables are financial assets with determinable payments that are not quoted in an active market.

##### 3.5.2 Recognition

The Bank initially recognises loans and advances and deposits on the date that they originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

##### 3.5.3 Derecognition

The Bank derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Bank is recognised as a separate asset or liability.

The Bank derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

##### 3.5.4 Measurement

On initial recognition, financial assets and liabilities are measured at fair value plus, in case of a financial asset or liability not at fair value through profit or loss, transaction cost that are directly attributable to the acquisition or issue of the financial asset or liability.

Subsequent to initial recognition all financial assets at fair value through profit or loss and available-for-sale assets are measured at fair value. Where these assets are traded on an active market, the quoted market price is used to measure fair value. Where these instruments are not quoted on an active market fair value is determined using discounted cash flow analysis. Estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the statement of financial position date for an instrument with similar terms and conditions.

### 3. Summary of significant accounting policies (continued)

#### 3.6 Loans and Advances (continued)

Any available-for-sale asset that does not have a quoted market price in an active market and where fair value cannot be reliably measured, is stated at cost, including transaction cost, less impairment loss.

Gains and losses arising from the change in the fair value of available-for-sale investments subsequent to initial recognition are accounted for in the statement of other comprehensive income.

Gains and losses, both realised and unrealised, arising from the change in the financial assets and liabilities at fair value through profit or loss are reported in other income.

All non-trading financial liabilities, loans and receivables and held-to-maturity assets are measured at amortised cost less impairment losses. Amortised cost is calculated on the effective interest rate method.

#### 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 principal or interest is past due or when, 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.

##### Impairment

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.

Specific provisions are established as a result of these detailed reviews of individual loans and advances and reflect an amount which in management's judgement, 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.

General provision is established where prudent assessment by the Bank of past experience and existing economic and portfolio conditions indicate that it is probable that losses have occurred, but where such losses cannot be determined on an item-by-item basis.

Doubtful loans are written off after all necessary legal procedures have been completed and the amount of the loss is finally determined.

The provision for the year, less recoveries of amounts previously written off and the reversal of provision no longer required, is disclosed in the statement of profit or loss and other comprehensive income as loan losses net of recovery.

#### 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 23 to the financial statements.

#### 3.9 Revenue Recognition Interest income

Interest income is accounted for on the accrual basis for investments and for all loans other than non-accrual loans using the effective interest rate method. When a loan is classified as non-accrual, any previously accrued but unpaid interest thereon is reversed against income of the current period. Thereafter, interest income is recognised only after the loan reverts to performing status.

##### Fees and commission income

Fees and commission are not included in the calculation of effective interest rate. These fees are recognised in income when a binding obligation has been established. Where such obligations are continuing, fees and commission income which are significant are recognised over the duration of the facility.

#### 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



### 3. Summary of significant accounting policies (continued)

#### 4. Financial risk management

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, 2017 amounted to \$3,604,887,059 (2016 - \$3,822,594,762) see note 25 (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.

##### 3.14 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease. All leasing arrangements to which the Bank is a party are considered operating leases.

##### 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 2016 figures have been reclassified to conform with the financial statements presentation adopted in 2017.

#### 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 the risk 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. The Bank does not actively trade in equity instruments. The Bank's exposure to equity price risks arising from equity investment is not material to the financial statements.

##### (ii) Interest rate risk

The Bank is exposed to interest rate risk but the Bank's sensitivity to interest rate is immaterial as its financial instrument sare substantially at fixed rates. The Bank's exposure to interest rate risk on financial assets and financial liabilities sare disclosed on page 20.

### 5. Fair Value Of Financial Assets And Liabilities

#### 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 3.5.

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 judgement 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:

	2017		
	Carrying value \$'000	Fair Value \$'000	Fair Value measurement hierarchy
<b>Financial assets</b>			
Cash on hand	415,636	415,636	Level 1
Due from banks	10,122,005	10,122,005	Level 1
Deposit with Central Bank other than statutory deposit	1,710,798	1,710,798	Level 1
Statutory deposit with Central Bank	6,958,026	6,958,026	Level 1
Net loans to customers	25,465,859	25,465,859	Level 3
Available for sale investment	23,086,194	23,016,371	Level 1
Available for sale investment	190,812	190,812	Level 3
Other financial asset	160,562	160,562	Level 3
<b>Total financial assets</b>	<b>68,109,892</b>	<b>68,040,069</b>	
<b>Financial liabilities</b>			
Deposits	57,012,447	57,012,447	Level 3
Other financial liabilities	1,994,772	1,994,772	Level 3
<b>Total financial liabilities</b>	<b>59,007,219</b>	<b>59,007,219</b>	



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

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

	2016		Fair value measurement hierarchy
	Carrying value \$'000	Fair Value \$'000	
<b>Financial assets</b>			
Cash on hand	466,605	466,605	Level 1
Due from banks	4,965,681	4,965,681	Level 1
Deposit with Central Bank other than statutory deposit	1,775,188	1,775,188	Level 1
Statutory deposit with Central Bank	6,483,490	6,483,490	Level 1
Net loans to customers	24,683,336	24,683,336	Level 3
Available for sale investment	24,149,459	23,060,250	Level 1
Available for sale investment	120,790	120,790	Level 3
Other financial asset	80,387	80,387	Level 3
<b>Total financial assets</b>	<b>62,724,936</b>	<b>61,635,727</b>	
<b>Financial liabilities</b>			
Deposits	53,132,582	53,132,582	Level 3
Other financial liabilities	1,638,526	1,638,526	Level 3
<b>Total financial liabilities</b>	<b>54,771,108</b>	<b>54,771,108</b>	

### Transfers between Level 1 and 2

For the year ended September 30, 2017, no assets valued were 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, 2017, there were no Level 3 financial instruments measured at fair value.

## 6. Critical accounting estimates and judgements in applying accounting policies

### 7. Deposits with the Central Bank

### 8. Investments

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2017

(EXPRESSED IN GUYANA DOLLARS)

### 6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS 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 judgements 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) Impairment of financial assets

Loans accounted for at amortised cost are evaluated for impairment on a basis described in accounting policy 3.6.

The Bank reviews its loan and investment portfolios to assess impairment on a regular basis. In determining whether an impairment should be recorded in the statement of profit or loss and other comprehensive income, the Bank makes judgement as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cashflows from a portfolio of assets before the decrease can be identified with an individual asset in that portfolio. This evidence may include data indicating that there has been adverse change in payment status of borrowers in a group, or national or economic condition that correlates with defaults on assets. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling

its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experienced.

#### (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 judgement 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 3.5.1(a).

In designating financial assets or liabilities as "available-for-sale", the Bank has determined that it has met the criteria for this designation set out in accounting policy 3.5.1(b).

### 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% (2016 - 12%) of total prescribed liabilities.

	2017	2016
	\$'000	\$'000
Primary	6,958,026	0
<b>Total</b>	<b>6,958,026</b>	<b>0</b>

### 8. INVESTMENTS

	2017	2016
	\$'000	\$'000
Available -for -sale		
Shares	39,476	39,476
Corporate bonds	22,770,054	22,730,906
	22,809,531	22,770,382
Accrued interest	397,651	410,658
	<b>23,207,183</b>	<b>23,181,040</b>



9. Loans and advances  
10. Deposits

12. Other assets`  
14. Share Capital

13. Other liabilities  
15. Statutory reserve

9. LOANS AND ADVANCES

	2017	2016
	\$'000	\$'000
Loans and advances	26,456,823	25,276,790
Less: Allowance for loan losses	(1,116,284)	(685,266)
	<u>25,340,538</u>	<u>24,591,524</u>
Interest receivable	125,321	91,812
	<u>25,465,859</u>	<u>24,683,336</u>
Included in the above are non-accrual loans totaling	<u>1,898,976</u>	<u>1,931,308</u>

The movement in the allowance for loan losses during the year was as follows:

	2017	2016
	\$'000	\$'000
Balance, beginning of year	685,266	489,328
Write - offs / recoveries	(3,074)	6,210
Additional provisions	434,092	202,148
Balance, end of year	<u>1,116,284</u>	<u>685,266</u>

10. DEPOSITS

	2017	2016
	\$'000	\$'000
Demand	6,979,161	5,769,068
Savings		
Principal	29,606,754	28,940,799
Accrued interest	97,174	96,336
	<u>29,703,928</u>	<u>29,037,135</u>
Term		
Principal	20,060,880	18,058,469
Accrued interest	268,478	267,910
	<u>20,329,358</u>	<u>18,326,379</u>
	<u>57,012,447</u>	<u>53,132,582</u>

12. OTHER ASSETS`

	2017	2016
	\$'000	\$'000
Prepaid expenses	20,793	24,346
Others	139,769	56,041
	<u>160,562</u>	<u>80,387</u>

13. OTHER LIABILITIES

	2017	2016
	\$'000	\$'000
Cash margin on credit, guarantees & indemnities	112,919	133,760
Bills payable	1,423,557	1,418,771
Property tax	85,744	66,986
Deferred income	45,251	-
Others	46,702	19,009
	<u>1,714,173</u>	<u>1,638,526</u>

14. SHARE CAPITAL

	2017	2016
	\$'000	\$'000
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 available for sale financial assets at September 30.



16 . Net income  
17. Non- interest expenses  
18. Pension plan

16 . NET INCOME

	2017	2016
\$'000 \$'000		
Net income after taxation:	1,599,638	1,326,489
After charging		
· Auditors' remuneration	4,280	4,280
· Directors' remuneration (note i)	14,800	14,800
· Depreciation	111,579	94,854

(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. (2016 - Directors annual emoluments were as follows: each director was entitled to a fee of \$1,500,000 and the chairman a fee of \$2,800,000).

17. NON- INTEREST EXPENSES

2017 2016		
\$'000 \$'000		
Staff costs (see note)	580,830	551,900
Directors' remuneration	14,800	14,800
Subscription and donations	11,196	8,689
Property and equipment expenses	31,580	23,328
Rentals	20,553	20,413
Depreciation	111,579	94,854
Stationery	26,644	22,901
Electricity	22,506	9,782
Property tax	85,744	66,986
Licence	7,762	3,996
Advertising	4,661	5,682
Computer expense	41,843	94,388
Visa expense	47,240	46,715
Foreign bank charges	40,206	30,344
Others	64,432	32,772
	1,111,577	1,057,551

Note:

The average number of employees during 2017 was 195 (2016 - 191).

18. 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, 2014 revealed a past service surplus of one billion six hundred and seventy one million seven hundred thousand dollars (\$1,671,700,000). The next actuarial valuation is statutorily due on December 31, 2017.

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.

18 Taxation  
20. Deferred Taxation

19. TAXATION

	2017	2016
	\$'000	\$'000
Corporation tax		
- Current	794,315	684,954
- Prior year	-	3,146
- Deferred	2,438	(1,069)
	796,752	687,031

The tax on the operating profit differs from theoretical amount that would arise using the basic tax rate as follows:

	2017	2016
	\$'000	\$'000
Profit before tax	2,396,390	2,013,520
Tax calculated at a rate of 40%	958,556	805,408
Income exempted from tax	(211,072)	(157,571)
Expenses not deductible for tax purposes	40,333	27,214
Difference in accounting depreciation versus tax depreciation	6,497	9,903
	794,315	684,954

20. DEFERRED TAXATION

	2017	2016
	\$'000	\$'000
Balance at beginning of year	414,967	592,173
Movement in the year	(410,192)	(177,206)
Balance at end of year	4,775	414,967
Components of deferred tax		
Accelerated depreciation	(23,154)	(20,716)
Fair value adjustment	27,929	435,683
	4,775	414,967



## 21. OTHER INCOME

	2017	2016
	\$'000	\$'000
Exchange gain	686,510	226,241
Commissions received	143,063	140,706
Gain on disposal of investment	155,022	52,465
Others	3,230	3,076
	<u>987,825</u>	<u>422,488</u>

## 22. EARNINGS PER SHARE

	2017	2016
	\$'000	\$'000
Calculated as follows:		
Net income after tax \$'000	1,599,638	1,326,489
Number of shares '000 (see note 14)	450,000	450,000
Earnings per share in dollars	<u>3.55</u>	<u>2.95</u>

## 23. DIVIDENDS

	2017	2016
	\$'000	\$'000
Dividends accounted for as an appropriation of retained earnings:		
Final dividend for 2016 \$0.70 per share (2015 - \$0.70)	315,000	315,000
Interim dividend for 2017 \$0.30 per share (2016 - \$0.30)	135,000	135,000
	<u>450,000</u>	<u>450,000</u>

The financial statements do not reflect a final dividend of \$0.80 per share proposed by the directors. This amount will be accounted for as an appropriation of retained earnings in the subsequent year.

## 24. 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.

## 24. 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 officers.

### Outstanding balances

	2017	2016
	\$'000	\$'000
Loans, investments and other assets		
Held by enterprises with which directors are affiliated	1,108,669	1,491,163
Directors and key management personnel	192,889	161,534
	<u>1,301,558</u>	<u>1,652,697</u>
Provision for amounts due from related parties	-	-

### Deposits and other liabilities

Held by enterprises with which directors are affiliated	2,700,857	1,943,902
Directors and key management personnel	58,078	68,647
	<u>2,758,935</u>	<u>2,012,549</u>

### Interest expense

Held by enterprises with which directors are affiliated	9,609	14,026
Directors and key management personnel	1,265	333
	<u>10,874</u>	<u>14,359</u>

### Interest income

Held by enterprises with which directors are affiliated	118,225	127,479
Directors and key management personnel	7,574	5,256
	<u>125,799</u>	<u>132,735</u>

### Key management personnel

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

Twenty four (2016 - twenty four) individuals are considered as key management personnel. The remuneration paid to key management personnel for the year was as follows:

	2017	2016
	\$'000	\$'000
Short-term employee benefits	171,874	182,578



Statement of Changes in Equity

For the year ended September 30, 2017

With comparative figures for September 30, 2016

(Expressed in Guyana Dollars)

	Share capital \$'000	Retained earnings \$'000	Statutory reserves \$'000	Investment revaluation \$'000	Total reserve \$'000
<b>Balance at October 1, 2015</b>	450,000	8,145,827	450,000	(920,936)	8,124,891
Profit for the year September 30, 2016 -		1,326,489	-	-	1,326,489
Dividend (note 23)	-	(450,000)	-	-	(450,000)
Net change in fair value of available for sale investment		-	-	267,412	267,412
<b>Balance at September 30, 2016</b>	450,000	9,022,316	450,000	(653,524)	9,268,792
Profit for the year September 30, 2017 -		1,599,638	-	-	1,599,638
Dividend (note 23)	-	(450,000)	-	-	(450,000)
Net change in fair value of available for sale investment		-	-	611,630	611,630
<b>Balance at September 30, 2017</b>	450,000	10,171,954	450,000	(41,894)	11,030,060

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

Notes to Financial Statements

September 30, 2017 (Expressed in Guyana Dollars)

**11. Property, plant and equipment**

2017	Freehold land and building \$'000	Leasehold premises \$'000	Construction work in progress \$'000	Furniture and equipment \$'000	Motor vehicles \$'000	Total \$'000
<b>Cost</b>						
At October 1, 2016	1,520,516	13,051	61,087	774,775	57,217	2,426,646
Additions	13,914	-	-	105,121	-	119,035
Disposals	-	-	-	(3,791)	-	(3,791)
Transfers	22,314	-	(61,087)	37,958	-	(815)
At September 30, 2017	1,556,744	13,051	-	914,063	57,217	2,541,075
<b>Accumulated depreciation</b>						
At October 1, 2016	129,399	4,309	-	279,923	29,896	443,527
Charge for the year	23,934	132	-	80,458	7,055	111,579
Write back on disposal	-	-	-	(379)	-	(379)
At September 30, 2017	153,333	4,441	-	360,002	36,951	554,727
<b>Net Book Values</b>						
At September 30, 2017	1,403,411	8,610	-	554,061	20,266	1,986,348
2016	Freehold land and building \$'000	Leasehold premises \$'000	Construction work in progress \$'000	Furniture and equipment \$'000	Motor vehicles \$'000	Total \$'000
<b>Cost</b>						
At October 1, 2015	597,657	13,051	1,004,956	475,315	46,708	2,137,687
Additions	77,715	-	102,059	98,676	13,274	291,724
Disposal	-	-	-	-	(2,765)	(2,765)
Transfers	845,144	-	(1,045,928)	200,784	-	-
At September 30, 2016	1,520,516	13,051	61,087	774,775	57,217	2,426,646
<b>Accumulated depreciation</b>						
At October 1, 2015	107,448	4,177	-	214,789	5,025	351,439
Charge for the year	21,951	132	-	65,134	7,636	94,853
Write back on disposal	-	-	-	-	(2,765)	(2,765)
At September 30, 2016	129,399	4,309	-	279,923	29,896	443,527
<b>Net Book Values</b>						
At September 30, 2016	1,391,117	8,742	61,087	494,852	27,321	1,983,119



4. Financial risk management, continued

(a) (ii) Interest rate risk, continued

	Average Interest rate	Maturing 2017				Total
		Within 1 year	1-5 years	Over 5 years	Non- interest bearing	
	%	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>						
Cash resources	1.00	19,206,465	-	-	-	19,206,465
Net loans to customers	9.60	7,072,755	4,543,306	11,950,821	1,898,977	25,465,859
Investments	5.90	206,745	1,490,712	21,509,726	-	23,207,183
Others		-	-	-	2,157,773	2,157,773
		26,485,965	6,034,018	33,460,547	4,056,750	70,037,280
<b>Liabilities and shareholders' equity</b>						
Customers' deposits	1.28	29,703,927	20,329,358	-	6,979,161	57,012,446
Other liabilities		69,544	-	-	1,925,228	1,994,772
Shareholders' equity		-	-	-	11,030,060	11,030,060
		29,773,471	20,329,358	-	19,934,449	70,037,278
<b>Interest sensitivity gap</b>		(3,287,506)	(14,295,340)	33,460,547	(15,877,699)	-

	Average 2016 Interest rate	Maturing 2016				Total
		Within 1 year	1-5 years	Over 5 years	Non- interest bearing	
	%	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>						
Cash resources	1.00	4,998,227	-	-	8,692,737	13,690,964
Net loans to customers	9.14	9,796,678	3,680,517	9,274,833	1,931,308	24,683,336
Investments	6.86	-	614,196	22,566,844	-	23,181,040
Others		-	-	-	2,484,560	2,484,560
		14,794,905	4,294,713	31,841,677	13,108,605	64,039,900
<b>Liabilities and shareholders' equity</b>						
Customers' deposits	1.28	29,309,836	18,058,467	-	5,764,279	53,132,582
Other liabilities		37,532	-	-	1,600,994	1,638,526
Shareholders' equity		-	-	-	9,268,792	9,268,792
		29,347,368	18,058,467	-	16,634,065	64,039,900
<b>Interest sensitivity gap</b>		(14,552,463)	(13,763,754)	31,841,677	(3,525,460)	-

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:

	2017				Total
	US Dollar	Pound Sterling	Euro	CDN Dollar	
	000	000	000	000	000
<b>Assets</b>					
Cash resources	10,008,404	68,375	22,635	517,248	10,156,662
Investments	21,626,657	1,114,510	-	-	22,741,167
Loans and advances	87,338	-	-	-	87,338
	31,722,399	1,182,587	22,635	517,248	32,985,167
<b>Liabilities</b>					
Deposits	8,831,300	759	880	6,372	8,839,311
	8,831,300	759	880	6,372	8,839,311
<b>Net</b>	22,891,099	1,182,126	21,755	50,876	24,145,856

	2016				Total
	US Dollar	Pound Sterling	Euro	CDN Dollar	
	000	000	000	000	000
<b>Assets</b>					
Cash resources	9,340,116	194,389	10,584	109,069	9,654,158
Investments	22,241,420	1,457,904	-	-	23,699,324
Loans and advances	102,939	-	-	-	102,939
	31,684,475	1,652,293	-	109,069	33,456,421
<b>Liabilities</b>					
Deposits	9,544,133	807	9,116	6,769	9,580,825
	9,544,133	807	29,116	6,769	9,580,825
<b>Net</b>	22,140,342	1,651,486	(18,532)	102,300	23,875,596

#### 4. Financial risk management, continued

##### (a) (iii) Currency risk, continued

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

	Change in exchange rates %	Effect on profit before tax \$'000	Effect on other Components of equity \$'000
<b>Year ended September 30, 2017</b>			
Increase in exchange rates			
USD	2%	457,822	(748)
GBP	2%	23,643	(90)
EURO	2%	435	-
CAD	2%	1,018	-
		<u>482,918</u>	<u>(838)</u>
Decrease in exchange rates			
USD	2%	(457,822)	748
GBP	2%	(23,643)	90
EURO	2%	(435)	-
CAD	2%	(1,018)	-
		<u>(482,918)</u>	<u>838</u>
	Change in exchange rates %	Effect on profit before tax \$'000	Effect on other Components of equity \$'000
<b>Year ended September 30, 2016</b>			
Increase in exchange rates			
USD	2%	442,807	(10,477)
GBP	2%	33,030	(2,593)
EURO	2%	(371)	-
CAD	2%	2,046	-
		<u>477,512</u>	<u>(13,070)</u>
Decrease in exchange rates			
USD	2%	(442,807)	10,477
GBP	2%	(33,030)	2,593
EURO	2%	371	-
CAD	2%	(2,046)	-
		<u>(477,512)</u>	<u>13,070</u>

#### 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:

	Average Interest rate %	Maturing 2017				\$'000
		Within 1 year		Over 5 years	Total	
		Due in 3 mths	Due 3-12 mths			
		\$'000	\$'000	\$'000	\$'000	
<b>Assets</b>						
Cash resources	1.00	19,206,465	-	-	19,206,465	
Loans to customers	9.60	7,713,843	99,864	11,950,821	25,465,859	
Investments	5.90	108,035	98,710	21,509,726	23,207,183	
Others	-	171,425	-	1,986,348	2,157,773	
<b>Liabilities</b>						
Customers' deposits	1.28	36,732,675	-	-	36,732,675	
Other liabilities	-	1,994,772	-	-	1,994,772	
		<u>38,727,447</u>	<u>20,279,772</u>	<u>20,279,772</u>	<u>79,286,991</u>	
<b>Net gap</b>		<u>(11,527,679)</u>	<u>1,158,025</u>	<u>35,446,895</u>	<u>11,030,061</u>	



4. Financial risk management, continued  
(b) Liquidity risk, continued

	2016							Total
	Within 1 year							
	Average Interest rate	On Demand	Due in 3 mths	Due 3-12 mths	1 to 5 years	Over 5 years	Total	
%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Assets</b>								
Cash resources	1.00	13,690,964	-	-	-	-	-	13,690,964
Loans to customers	9.14	9,476,684	308,615	11,079	3,680,517	11,206,441	24,683,336	
Investments	6.86	106,732	-	-	614,196	22,460,112	23,181,040	
Other assets		501,441	-	-	-	1,983,119	2,484,560	
<b>Liabilities</b>								
Customers' deposits	1.28	35,074,115	10,696	-	18,047,771	-	53,132,582	
Other liabilities		1,638,526	-	-	-	-	1,638,526	
<b>Net gap</b>		<b>(12,936,820)</b>	<b>297,919</b>	<b>11,079</b>	<b>(13,753,058)</b>	<b>35,649,672</b>	<b>9,268,792</b>	

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 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.

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

Impairment and provisioning

Impairment provisions are recognised for financial reporting purposes in accordance with the requirements of International Financial Reporting Standards (IFRS) and the Financial Institutions Act 1995.

The Bank's policy requires the review of individual financial assets at least twice annually or more regularly when individual circumstances require. Impairment allowance on individual asset accounts are determined by an evaluation of the incurred loss at the statement of financial position date on a case-by-case basis.

The assessment normally encompasses collateral held and the anticipated receipts for that individual account.

#### 4. Financial risk management, continued

##### (c) Credit Risk, continued

Concentration of risk of financial assets with credit risk exposure by industry sectors

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

	2017	2016
	\$'000	\$'000
Loans and advances		
Agriculture	4,827,469	4,193,821
Services	9,056,348	9,073,730
Manufacturing	2,719,827	1,152,446
Household	9,220,959	10,311,677
Mining and quarrying	632,220	545,116
	26,456,823	25,276,790
Credit quality of financial assets		
The Bank's maximum exposure to credit risk, before collateral held or credit enhancement, is detailed below:		
	2017	2016
	\$'000	\$'000
Credit risk recognised on the statement of financial position		
Deposit with central bank	8,668,824	8,258,678
Due from banks	10,122,005	4,965,681
Investment securities	23,207,183	23,181,040
Loans and advances	25,465,859	24,683,336
Credit risk not recognised on the statement of financial position		
Acceptances, guarantees and letters of credit	3,604,887	,822,595
Total credit risk exposure	71,068,758	64,911,330

#### 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:

	2017	2016
	\$'000	\$'000
Investment securities		
Counterparties with credit ratings		
Credit rating	Rating agency	
AA+	Standard & Poors	-
A+	Standard & Poors	205,468
A-	Standard & Poors	2,978,948
BBB+	Standard & Poors	1,179,668
BBB	Standard & Poors & Fitch	2,023,187
BBB-	Standard & Poors 3,	1,239,414
BB+	Standard & Poors	1,723,478
BB	Standard & Poors	3,208,010
BB-	Standard & Poors	1,879,823
B+	Standard & Poors	2,278,671
B	Standard & Poors	346,273
B-	Standard & Poors	3,609,737
CCC+	Standard & Poors	-
A3	Moody	-
Ba1	Moody	790,256
Ba2	Moody	497,974
Ba3	Moody	47,190
Baa2	Moody	-
Baa3	Moody	-
Counterparties without credit ratings		
Group 2	804,491	762,285
	22,809,531	22,770,382

##### Loans and advances

2017

	Group 1	Group 2	Group 3	Total
	\$'000	\$'000	\$'000	\$'000
Commercial	892,600	15,866,135	671,200	17,429,935
Mortgages	288,250	7,464,684	11,942	7,764,876
Others	129,865	1,116,647	15,500	1,262,012
	1,310,715	24,447,466	698,642	26,456,823

2016

	Group 1	Group 2	Group 3	Total
	\$'000	\$'000	\$'000	\$'000
Commercial	1,883,610	12,262,852	- 1	4,146,462
Mortgages	762,855	6,986,648	8,442	7,757,945
Others	78,993	1,356,582	5,500	1,441,075
	2,725,458	20,606,082	13,942	23,345,482

	2017	2016	
	\$'000	\$'000	
Due from banks and short term deposits	Group 2	10,122,005	4,965,681
Deposit with Central Bank	Group 2	6,958,026	6,483,490
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.



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, 2017

	Neither past due nor impaired \$'000	Past due but not impaired \$'000	Impaired \$'000	Total \$'000
Due from banks and short term investments	10,122,005	-	-	10,122,005
Deposit with Central Bank other than statutory deposit	1,710,798	-	-	1,710,798
Deposit with Central Bank 6,958,026	-	-	6,958,026	
Investment securities Available for sale:				
Government	10,556,822			10,556,822
Corporate	11,893,390			11,893,390
Others	359,319			359,319
	41,600,360	-	-	41,600,360
Loans to customers				
Commercial	15,524,623	119,636	1,873,585	17,517,844
Mortgages	7,764,876	3,579	25,392	7,793,847
Others	1,145,132	-	-	1,145,132
	24,434,631	123,215	1,898,977	26,456,823
Total	66,034,991	123,215	1,898,977	68,057,183

As at September 30, 2016

	Neither past due nor impaired \$'000	Past due but not impaired \$'000	Impaired \$'000	Total \$'000
Due from banks and short term investments	4,965,681	-	-	4,965,681
Deposit with Central Bank other than statutory deposit	1,775,188	-	-	1,775,188
Deposit with Central Bank 6,483,490	-	-	6,483,490	
Investment securities Available for sale:				
Government	7,840,374	-	-	7,840,374
Corporate	14,263,281	-	-	14,263,281
Others	666,727	-	-	666,727
	35,994,741	-	-	35,994,741
Loans to customers				
Commercial	14,211,274	68,914	1,893,965	16,174,153
Mortgages	7,259,517	87,853	4,884	7,382,256
Others	1,712,976	4,946	2,459	1,720,381
	23,183,767	161,715	1,931,308	25,276,790
Total	59,178,508	161,715	1,931,308	61,271,531

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, 2017 and 2016. During those two years the Bank complied with the externally imposed capital requirements to which they are subject.

	2017 \$'000	2016 \$'000
Tier I Capital		
Share capital	450,000	450,000
Statutory reserve	450,000	450,000
Retained earnings	10,171,954	9,022,316
	11,071,954	9,922,316
Tier II Capital		
Securities revaluation reserves	(41,894)	(653,524)
Total regulatory capital	11,030,060	9,268,792
Risk weighted assets:		
On-balance sheet	29,777,018	26,442,748
Off-balance sheet	1,802,444	1,911,298
Total risk weighted assets	31,579,462	28,354,046
Total regulatory capital to risk weighted assets %	34.93	32.69

25. Commitments and contingent liability

(i) Operating lease commitments

Less than one year	2017	2016
One to five years	\$'000	\$'000
	18,523	17,141
	47,025	31,992

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

	2017			2016			
	Under 3 mths	3 to 12 months	Over 12 months	Total 3 mths	Under months	Over 12 months	Total
Commercial sector	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2,244,838	664,952	693,257	3,603,047	691,698	298,396	3,698,029
Personal sector	40	880	920	1,840	73,500	51,066	124,566

(iv) 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.

26. 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.

26. Segment information, continued

	2017					
	Corporate & Commercial Banking	Investment	Deposit	Other	Unallocated	Total
Interest income	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2,188,101	15,751	1,647,388	-	-	3,851,240
Interest expense	-	-	(897,006)	-	-	(897,006)
Other income	-	-	-	987,825	-	987,825
Loan impairment	(434,092)	-	-	-	-	(434,092)
Operating expense	-	-	-	-	(1,111,577)	(1,111,577)
Profit before tax	1,754,009	15,751	(897,006)	987,825	(1,111,577)	2,396,390
Segment assets	25,465,858	190,813	23,016,370	-	21,364,238	70,037,279
Segment liabilities	-	-	57,012,447	-	1,994,772	59,007,219



	2016					Total
	Corporate & Commercial Banking	Investment Local	Investment Foreign	Deposit	Other	
Interest income	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest expense	2,150,172	20,895	1,543,552	-	-	3,714,619
Other income	-	-	-	(863,888)	-	(863,888)
Loan impairment	(202,148)	-	-	-	422,488	422,488
Operating expense	-	-	-	-	-	202,148
Profit before tax	1,948,024	20,895	1,543,552	(863,888)	422,488	(1,057,551)
Segment assets	24,683,336	162,993	23,018,047	-	-	2,013,520
Segment liabilities	-	-	-	53,132,582	-	1,638,526
						64,039,900
						54,771,108

# OUR SERVICES

## AUTOMATIC TELLER MACHINE MONEY MASTER CARD

- 24-hour banking
- Withdrawals
- Convenience at its best
- Deposits
- Balance Enquiries
- Telebanking

## MONEY MASTER DEBIT CARD

- Convenience and security
- Acceptance at stores, supermarkets, restaurants, hotels and gas stations
- Immediate, direct access to the total balance on your account

## PAYMENT OF UTILITY BILLS

- GT&T/GPL bills payment accepted
- Customers' convenience

## EXPRESS DEPOSIT CENTRE

- Convenient drop-in deposit
- Fire proof and anti-tamper design
- Receipt validated instantly

## E-BANKING

- View Balances
- View activity up to the last 45 days
- Pay GTT, Digicel, GPL and other Merchants
- Request Bank Drafts
- Inter-Account Transfers
- Request Certified Statements
- Order Cheques
- Request Address change
- Make Stop Payment Requests

## SAFETY DEPOSIT BOXES

- 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

## SAVINGS ACCOUNT

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

## STATEMENT SAVINGS

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

## FOREIGN TRADE

- Foreign currency transactions and accounts
- Telex transfers
- Bills for collection
- Letters of credit
- Negotiation drafts
- Trade financing
- Competitive cambio

## DEPOSITS ACCOUNTS/TERM DEPOSITS

- Available 3, 6 and 12 months.
- Renewed automatically or funds disposed at your request
- Highly competitive interest rates
- Minimum balance G\$100,000.00

## PERSONAL CHEQUING ACCOUNT

- Personalised cheque books
- Statements available periodically or on request
- Easy access to funds with your Money Master Card

## CORPORATE CHEQUING

- Overdraft facility
- Night deposit facility
- Statements available periodically or on request
- First Facts

## LOANS AND ADVANCES

- Short and medium term financing
- Consumer credit
- Working capital requirements
- Flexible repayment plans
- Low income Mortgage financing

## DEMERARA BANK VISA PRODUCTS:

- Visa Credit Signature
- Visa Credit Classic

# 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-Third Annual General Meeting of the Bank to be held on Friday, December 15, 2017 or any adjournment thereof in such manner as such Proxy may think proper.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2017

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.