

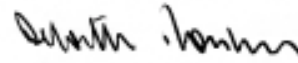
REPORT OF THE AUDITORS

**TO THE MEMBERS OF
GUYANA BANK FOR TRADE AND INDUSTRY LIMITED**
(SUBSIDIARY OF SECURE INTERNATIONAL FINANCE COMPANY INCORPORATED)
**ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

We have audited the financial statements set out on pages 34 to 50. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view, in all material respects, of the state of affairs of the Bank as at 31 December 2002 and of the results of its operations and cash flows for the year then ended and comply with the requirements of the Financial Institutions Act 1995 and the Companies Act 1991.



**DELOITTE & TOUCHE
CHARTERED ACCOUNTANTS**

77 Brickdam,
Stabroek, Georgetown,
Guyana

3 March 2003

STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	2002 G\$ 000	2001 G\$ 000 Restated
Interest income			
Loans and advances		894,218	1,217,169
Securities and Central Bank deposits		492,698	664,415
Other		210,227	91,801
		<u>1,597,143</u>	<u>1,973,385</u>
Interest expense			
Savings deposits		394,141	472,586
Term deposits		370,101	584,186
Other		53,284	63,866
		<u>817,526</u>	<u>1,120,638</u>
Net interest income		779,617	852,747
Other income		517,675	432,244
Net interest and other income		<u>1,297,292</u>	<u>1,284,991</u>
Non-interest expenses			
Salaries and other staff costs		354,352	368,059
Premises and equipment		170,315	163,425
Other		514,710	478,994
		<u>1,039,377</u>	<u>1,010,478</u>
Net profit before taxation		257,915	274,513
Taxation	3	87,183	128,351
Net profit after taxation	4	<u>170,732</u>	<u>146,162</u>
Earnings per share in dollars	5	<u>4.27</u>	<u>3.65</u>

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2002

	Share Capital	Retained Earnings	Other Reserve	Statutory Reserve	Revaluation Reserve
	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Balance at 31 December 2000	800,000	1,260,070	-	488,163	18,963
Net profit after taxation	-	146,162	-	-	-
Dividends - \$1.50 per share	-	(60,000)	-	-	-
Transfer	<u>-</u>	<u>(23,869)</u>	<u>-</u>	<u>23,869</u>	<u>-</u>
Balance at 31 December 2001	800,000	1,322,363	-	512,032	18,963
Net profit after taxation	-	170,732	-	-	-
Fair value adjustment	-	-	12,711	-	-
Dividends - \$1.50 per share	-	(60,000)	-	-	-
Transfer	<u>-</u>	<u>(25,610)</u>	<u>-</u>	<u>25,610</u>	<u>-</u>
Balance at 31 December 2002	<u>800,000</u>	<u>1,407,485</u>	<u>12,711</u>	<u>537,642</u>	<u>18,963</u>

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



BALANCE SHEET
AT 31 DECEMBER 2002


	Notes	2002	2001
		G\$ 000	G\$ 000
ASSETS:			Restated
Cash Resources			
Cash and due by banks	6	932,667	1,344,923
Deposits with Bank of Guyana		3,585,048	2,375,545
Cheques and other items in transit		<u>232,802</u>	<u>279,646</u>
		4,750,517	4,000,114
Investments			
Treasury bills		8,142,826	7,220,816
Others	7	<u>1,844,824</u>	<u>774,786</u>
		9,987,650	7,995,602
Loans and advances			
	8	<u>7,685,327</u>	<u>10,048,459</u>
Property and equipment	9 (a)	1,066,390	1,003,651
Acceptances, guarantees and letters of credit		1,247,405	952,259
Deferred tax assets	3	77,168	70,668
Other assets	10	<u>250,767</u>	<u>164,374</u>
		2,641,730	2,190,952
		25,065,224	24,235,127


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

BALANCE SHEET
AT 31 DECEMBER 2002

	Notes	2002	2001
		G\$ 000	G\$ 000
LIABILITIES:			Restated
Deposits			
Demand		4,156,620	4,046,255
Savings		9,528,142	8,563,695
Term		<u>6,727,395</u>	<u>7,038,701</u>
		20,412,157	19,648,651
Defined benefit liability	13	36,028	23,575
Due to banks		19,117	12,768
Acceptances, guarantees and letters of credit		1,247,405	952,259
Other	11	<u>573,716</u>	<u>944,516</u>
		1,876,266	1,933,118
Capital and reserves			
Share capital	12	800,000	800,000
Retained earnings		1,407,485	1,322,363
Other reserve		12,711	-
Statutory reserve		537,642	512,032
Revaluation reserve	9 (b)	<u>18,963</u>	<u>18,963</u>
		2,776,801	2,653,358
		25,065,224	24,235,127

On behalf of the Board:


.....
Mr. R.K.Sharma
Chief Executive Officer and Director


.....
Mr. Robin Stoby, S.C.
Director

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2002

	2002	2001
	G\$ 000	G\$ 000 Restated
Operating activities		
Net profit before taxation	257,915	274,513
Adjustments for:		
Depreciation	72,188	78,078
Provision for loan losses (net)	134,938	275,870
(Gain)/loss on sale of fixed assets	(22,041)	666
Net (increase)/decrease in customers' loans	2,228,194	(285,266)
Net increase in customers' deposits	763,506	258,812
(Increase)/decrease in other assets	(53,710)	25,729
Increase/(decrease) in other liabilities	(346,217)	247,540
Fixed assets adjustment	14,871	-
Increase in defined benefit liability	12,453	23,575
Cash provided by operating activities	3,062,097	899,517
Taxation		
Corporation taxes paid (net)	(130,031)	63,021
Property taxes paid	(20,917)	(40,713)
Total taxes	(150,948)	22,308
Investing activities		
Increase in investments	(1,979,337)	(1,535,384)
Additions to fixed assets	(153,887)	(196,177)
Proceeds from disposal of fixed assets	26,129	-
Cash used in investing activities	(2,107,095)	(1,731,561)
Financing activities		
Increase in balances due to other banks	6,349	4,199
Dividends paid	(60,000)	(60,000)
Cash used in financing activities	(53,651)	(55,801)
Net increase/(decrease) in cash and cash equivalents	750,403	(865,537)
Cash and short term funds at beginning of year	4,000,114	4,865,651
Cash and short term funds at end of year	4,750,517	4,000,114

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

NOTES ON THE ACCOUNTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of property and equipment as stated in Note 9 (b) and conform with International Accounting Standards adopted by the Institute of Chartered Accountants of Guyana.

(b) Foreign currency transactions

Foreign currency transactions completed during the year are translated at the prevailing official or Cambio rates at the date of each transaction. At the balance sheet date all assets and liabilities denominated in foreign currencies are translated at the official or Cambio rates of exchange in effect on that date. Gains and losses arising from these translations are reflected in the Statement of Income.

(c) Loans and advances

Loans and advances are stated net of unearned and uncollected interest, and provisions for losses. Specific provisions are made against advances where in the opinion of the Directors, credit risks or economic and political factors make recovery doubtful. Doubtful loans are written off when the possibility of recovery seems remote.

The aggregate provisions, which are made during the year, (less recoveries for amounts previously written off) are charged against operating profit. Upon classification of a loan to a non-accrual status, interest is not taken up in income on an accrual basis. In subsequent periods, interest is only recognised to the extent payments are received.

(d) Fixed assets and depreciation

Property and equipment are depreciated on the straight line method over their estimated useful lives as follows:-

Buildings	-	50 years
Furniture and equipment	-	4 to 10 years

(e) Acceptances, Guarantees and Letters of Credit

The Bank's potential liability under acceptances, guarantees and letters of credit is reported as a liability while the Bank's recourse against the customers in the case of a call on these commitments is reported as an off-setting asset for the same amount.

(f) Balances Excluded from the Accounts

The accounts do not include certain balances where, in the opinion of management, the Bank bears no financial responsibility as it acts merely as an intermediary. These balances are instead disclosed as a note on the accounts.

(g) Pension Scheme

The Bank maintains a non-contributory, defined benefit pension plan which offers its employees retirement benefits depending on the length of service.

NOTES ON THE ACCOUNTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Pension Scheme (cont'd)

The Plan is administered by an insurance company under the terms of a trust deed dated 1st January 1999 which makes it responsible to ensure that contributions are adequate to meet the liabilities of the scheme. The Bank's total contribution to the Pension Scheme for the year amounted to \$14,254,498 (2001 - \$16,271,016), During the year the average number of employees was 250 (2001 - 252).

On 17 February 2003, Bacon Woodrow & De Souza, actuaries, provided the information required by International Accounting Standards No.19 for inclusion in the financial statements.

Pension accounting costs are assessed using the Projected Unit Method. Under this method, the cost of providing pensions is charged to the statement of income based on actuarial advice. Actuarial gains and losses are recognized as income or expense if the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceed the greater of (a) 10% of the present value of the defined benefit obligation, and (b) 10% of the fair value of any plan assets at that date. The gains or losses are recognised by amortising them over the expected average remaining working lives of the employees in the plan.

(h) Statutory Reserves

The Financial Institutions Act 1995 requires that a minimum of 15% of the net profit after deduction of taxes in each year must be transferred to a statutory reserve account until the balance on this reserve is not less than the paid up capital.

(i) Deferred tax assets/liabilities

Deferred tax liabilities are recognised in respect of corporation taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are recognised in respect of deductible temporary differences but only to the extent that it is probable that taxable profit will be available for offset.

(j) Investments

From 2002 investments are recognized in the financial statements to comply with International Accounting Standards No. 39 – Financial Instruments – Recognition and measurement.

The Bank's investments have been classified as "available for sale financial assets", "investments held to maturity" and "originated loans".

"Available for sale" investments are initially recognised at cost and adjusted to fair value (market value) at subsequent periods.

Gains or losses on "available for sale financial assets" are recognized through the statement of changes in equity until the asset is sold or otherwise disposed, at which time previously recognised gains or losses are transferred to the profit and loss account for that period when the asset is de-recognised or impaired.

NOTES ON THE ACCOUNTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Investments (cont'd)

"Investments held to maturity" and "originated loans" are carried at cost. Any gain or loss on these investments is recognized in the profit and loss account when the asset is de-recognised or impaired.

(k) Cash and cash equivalents

Cash and cash equivalents are comprised of cash and due by banks, deposits with Bank of Guyana and cheques and other items in transit.

2. INCORPORATION

The Bank was incorporated on the 27 November 1987 as a limited liability company under the Companies Act, Chapter 89:01 and continued under the Companies Act 1991 and is licensed as bankers under the Banking Act, Chapter 85:01.

On 30 November, 1987 the Government of Guyana acquired the assets and liabilities of the Guyana banking operations of Barclays Bank PLC and vested these assets and liabilities on 1 December 1987 in the Guyana Bank for Trade and Industry Limited.

On 1 January 1990 the Guyana Bank for Trade and Industry Limited merged with Republic Bank (Guyana) Limited taking over their assets and liabilities at the net values at that date.

On 1 October 1991 the Bank was converted to a Public Company having issued a Prospectus and Offer for sale of 14 million shares at \$10.00 each which contributed to a total issued capital of G\$200 million.

On 15 December 1995 a rights issue of 1 share for every share held was made at G\$30.00 each. All shares were taken up increasing issued capital to \$800 million. As at 31 December 2002 the shareholding of Secure International Finance Company Incorporated in the Bank was 61%. Secure International Finance Company Incorporated is a wholly owned subsidiary of Edward Beharry & Company Limited.

	2002	2001
	G\$ 000	G\$ 000 Restated
3. TAXATION		
Corporation tax at 45%	67,433	116,268
Deferred taxation	<u>(6,500)</u>	<u>(8,610)</u>
	60,933	107,658
Property tax	21,842	20,693
Capital gains tax	<u>4,408</u>	<u>-</u>
	<u>87,183</u>	<u>128,351</u>
Taxation - current	93,683	136,961
- deferred	<u>(6,500)</u>	<u>(8,610)</u>
	<u>87,183</u>	<u>128,351</u>

NOTES ON THE ACCOUNTS

	2002	2001	
	G\$ 000	G\$ 000 Restated	
3. TAXATION (CONT'D)			
Reconciliation of tax expense and accounting profit			
Accounting profit	<u>257,915</u>	<u>274,513</u>	
Corporation tax at 45%	<u>116,062</u>	<u>123,531</u>	
Add:			
Tax effect of expenses not deductible in determining taxable profits			
Depreciation for accounting purposes	<u>32,485</u>	<u>35,135</u>	
Other	<u>5,840</u>	<u>11,345</u>	
	<u>154,387</u>	<u>170,011</u>	
Deduct:			
Tax effect of depreciation for tax purposes	<u>23,183</u>	<u>24,753</u>	
Interest not taxable	<u>53,853</u>	<u>28,990</u>	
Other	<u>9,918</u>	<u>-</u>	
	<u>67,433</u>	<u>116,268</u>	
Deferred tax credit	<u>(6,500)</u>	<u>(8,610)</u>	
	<u>60,933</u>	<u>107,658</u>	
Components of deferred tax assets			
Fixed assets	<u>60,954</u>	<u>60,059</u>	
Defined benefit liability	<u>16,214</u>	<u>10,609</u>	
	<u>77,168</u>	<u>70,668</u>	
Movement in temporary differences			
	Defined benefit liability	Fixed assets	Total
	G\$ 000	G\$ 000	G\$ 000
At 31 December 2000	-	62,058	62,058
Movement during the year	<u>10,609</u>	<u>(1,999)</u>	<u>8,610</u>
At 31 December 2001	10,609	60,059	70,668
Movement during the year	<u>5,605</u>	<u>895</u>	<u>6,500</u>
At 31 December 2002	<u>16,214</u>	<u>60,954</u>	<u>77,168</u>

NOTES ON THE ACCOUNTS

	2002	2001
	G\$ 000	G\$ 000 Restated
4. NET PROFIT AFTER TAXATION	<u>170,732</u>	<u>146,162</u>
After charging:		
Auditors' remuneration	2,155	2,091
Depreciation	72,188	78,078
Directors' emoluments:		
Chairman	1,243	
7 Directors	2,383	
2 Executives	<u>69</u>	
	<u>3,695</u>	<u>3,799</u>
5. EARNINGS PER SHARE		
Calculated as follows:		
Net profit after taxation	<u>170,732</u>	<u>146,162</u>
Ordinary shares issued and fully paid	<u>40,000,000</u>	<u>40,000,000</u>
Earnings per share in dollars	<u>4.27</u>	<u>3.65</u>
6. CASH AND DUE BY BANKS		
Cash	160,620	225,453
Balances with other banks	<u>772,047</u>	<u>1,119,470</u>
	<u>932,667</u>	<u>1,344,923</u>

NOTES ON THE ACCOUNTS

	2002		2001	
	Fair value	Cost	Fair value	Cost
	G\$ 000	G\$ 000	G\$ 000	G\$ 000
7. OTHER INVESTMENTS				
Held to maturity	14,000	14,000	583,000	583,000
Available for sale:				
Associated company Note (a)	90,000	90,000	90,000	90,000
Others	227,824	215,113	1,786	1,786
Originated loans	1,513,000	1,513,000	100,000	100,000
	<u>1,844,824</u>	<u>1,832,113</u>	<u>774,786</u>	<u>774,786</u>

- (a) The Bank owns 20% of the issued share capital of Guyana Americas Merchant Bank Inc., which commenced operations in March 2001.

The financial statements of Guyana Americas Merchant Bank Inc. in summary form is presented below:

	2002	2001
	G\$ 000	G\$ 000
Net assets at 31 December	<u>452,036</u>	<u>445,633</u>
Accumulated earnings/(loss)	<u>2,036</u>	<u>(4,367)</u>

8. LOANS AND ADVANCES

Accrual loans and advances	4,807,532	7,128,554
Non-accrual loans and advances	4,673,321	4,580,493
	9,480,853	11,709,047
Provision for doubtful accounts	(1,795,526)	(1,660,588)
Net loans and advances	<u>7,685,327</u>	<u>10,048,459</u>
Provision for doubtful accounts:		
At 1 January	1,660,588	1,384,718
Write-offs (net)	(273,062)	(130,130)
Provision for the year	408,000	406,000
At 31 December	<u>1,795,526</u>	<u>1,660,588</u>

NOTES ON THE ACCOUNTS

9. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Equipment	Work-in- progress	Total
	G\$ 000	G\$ 000	G\$ 000	G\$ 000
(a) Cost/valuation				
At 1 January 2002	894,088	688,706	21,319	1,604,113
Additions	98,830	26,068	28,989	153,887
Disposals	(4,682)	(14,208)	-	(18,890)
Transfers	12,948	-	(12,948)	-
Adjustments	-	-	(14,871)	(14,871)
At 31 December 2002	<u>1,001,184</u>	<u>700,566</u>	<u>22,489</u>	<u>1,724,239</u>
Comprising:				
Cost	979,888	700,369	22,489	1,702,746
Valuation	<u>21,296</u>	<u>197</u>	<u>-</u>	<u>21,493</u>
	<u>1,001,184</u>	<u>700,566</u>	<u>22,489</u>	<u>1,724,239</u>
Depreciation				
At 1 January 2002	62,382	538,080	-	600,462
Charge for the year	17,837	54,351	-	72,188
Write back on disposals	(712)	(14,089)	-	(14,801)
At 31 December 2002	<u>79,507</u>	<u>578,342</u>	<u>-</u>	<u>657,849</u>
Net book values:				
At 31 December 2002	<u>921,677</u>	<u>122,224</u>	<u>22,489</u>	<u>1,066,390</u>
At 31 December 2001	<u>831,706</u>	<u>150,626</u>	<u>21,319</u>	<u>1,003,651</u>

(b) Revaluation reserve

Land and buildings vested in the Bank on 1 December 1987 were revalued in 1988 by professional valuers and the surplus arising out of this revaluation is shown as Revaluation Reserve. Equipment taken over on the merger with Republic Bank (Guyana) Limited was previously valued by their Directors on 1 June 1985 and the surplus is also included in the Revaluation Reserve.

	2002	2001
	G\$ 000	G\$ 000 Restated
10. OTHER ASSETS		
Interest and commissions accrued	25,703	12,012
Prepayments and other	<u>225,064</u>	<u>152,362</u>
	<u>250,767</u>	<u>164,374</u>

NOTES ON THE ACCOUNTS

	2002	2001
	G\$ 000	G\$ 000 Restated
11. OTHER LIABILITIES		
Accrued interest on deposits	150,632	221,064
Taxation	63,728	88,311
Proposed dividends	40,000	40,000
Customer foreign currency balances	62,039	75,200
Accruals and others	<u>257,317</u>	<u>519,941</u>
	<u>573,716</u>	<u>944,516</u>
12. SHARE CAPITAL		
Authorised		
Number of ordinary shares	<u>50,000,000</u>	<u>50,000,000</u>
	2002	2001
	G\$ 000	G\$ 000
Issued and fully paid 40,000,000 Ordinary shares	<u>800,000</u>	<u>800,000</u>
13. DEFINED BENEFIT LIABILITY		
Amounts in the balance sheet:		
Defined benefit obligation	103,116	75,118
Fair value of plan assets	(67,709)	(51,543)
Unrecognised actuarial gain	<u>621</u>	<u>-</u>
Defined benefit liability	<u>36,028</u>	<u>23,575</u>
Amounts included in salaries and other staff costs in the statement of income		
Current service cost	26,218	
Interest on defined benefit obligation	3,372	
Expected return on plan assets	<u>(2,883)</u>	
	<u>26,707</u>	
Reconciliation of opening and closing defined benefit liability in balance sheet:		
Opening defined benefit liability	23,575	
Plus net premium pension cost	26,707	
Less contributions paid	<u>(14,254)</u>	
Closing defined benefit liability	<u>36,028</u>	

NOTES ON THE ACCOUNTS

	2002	2001
	G\$ 000	G\$ 000 Restated
13. DEFINED BENEFIT LIABILITY (CONT'D)		
Actual return on plan assets		
Expected return on plan assets	2,883	
Actuarial gain on plan assets	<u>128</u>	
	<u>3,011</u>	
Actuarial assumptions	Per annum	Per annum
	%	%
Discount rate	4.5	4.5
Expected return on scheme assets	9.5	9.5
Rate of salary increases	<u>4.5</u>	<u>4.5</u>
	2002	2001
	G\$ 000	G\$ 000 Restated
14. BALANCES EXCLUDED FROM THE ACCOUNTS	<u>10,146</u>	<u>10,146</u>
Monies received on behalf of customers and deposited in the External Payments Deposits Scheme with the Bank of Guyana, in accordance with the terms of agreement signed with each customer which specifically exclude the Bank from any liability.		
15. CAPITAL COMMITMENTS		
Capital commitments not provided for in the financial statements	<u>140,000</u>	<u>150,000</u>
16. CONCENTRATION OF ASSETS AND LIABILITIES		
The major activity of the bank is in providing Banking Services to commercial, industrial and domestic consumers. The risk is spread over a cross-section of clients.		
Loans and advances		
Agriculture	1,172,032	3,208,926
Services	2,597,299	3,237,266
Manufacturing	2,880,440	2,292,348
Household	646,451	925,485
Mining and quarrying	<u>389,105</u>	<u>384,434</u>
	<u>7,685,327</u>	<u>10,048,459</u>
Investments		
Long term		
Investment in associated company	<u>90,000</u>	<u>90,000</u>

NOTES ON THE ACCOUNTS

	2002	2001
	G\$ 000	G\$ 000 Restated
16. CONCENTRATION OF ASSETS AND LIABILITIES (CONT'D)		
Short term		
Government of Guyana Treasury bills	<u>8,142,826</u>	<u>7,220,816</u>
Other		
Central government securities	-	50
Corporate bonds	1,227,000	683,000
Other investments	1,736	1,736
Loans to local bank	300,000	-
Foreign government securities	<u>226,088</u>	<u>-</u>
	<u>1,754,824</u>	<u>684,786</u>
	<u>9,987,650</u>	<u>7,995,602</u>
Deposits		
State entities	1,217,319	974,955
Commercial sector	2,431,487	1,978,166
Personal sector	15,059,154	14,989,553
Other enterprises	71,306	136,420
Non residents	<u>1,632,891</u>	<u>1,569,557</u>
	<u>20,412,157</u>	<u>19,648,651</u>
Customers' liability under Acceptances, Guarantees and Letters of Credit		
State entities	1,382	1,046
Commercial sector	1,171,308	785,337
Personal sector	70,365	103,176
Other	<u>4,350</u>	<u>62,700</u>
	<u>1,247,405</u>	<u>952,259</u>

17. MATURITIES OF ASSETS AND LIABILITIES

It is unusual for banks to have the maturities of its assets and liabilities completely matched since business transacted is often of uncertain term and differing types. As such the matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Bank.

The information given overleaf relates to the major financial assets and liabilities based on the remaining period at 31 December to the contractual maturity dates.

NOTES ON THE ACCOUNTS

17. MATURITIES OF ASSETS AND LIABILITIES (CONT'D)

	Maturing		Maturing	
	Within 1 year 2002	Over 1 Year 2002	Within 1 year 2001	Over 1 Year 2001
	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Assets				
Investments	8,142,826	1,844,824	7,220,866	774,736
Loans and advances (net)	4,218,800	3,466,527	5,119,150	4,929,309
Liabilities				
Demand, savings and term deposit accounts	20,306,662	105,495	19,531,755	116,896
Due to banks	19,117	-	12,768	-
Other	573,716	-	944,516	-
			2002	2001
			G\$ 000	G\$ 000

18. ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

The aggregate amounts of assets and liabilities denominated in currencies other than Guyana dollars are as shown:

Assets	1,372,055	1,653,398
Liabilities	763,758	1,561,639

19. RELATED PARTY TRANSACTIONS

Listed below are related party transactions.

Loans and advances	1,487,912	1,486,372
Deposits	585,388	879,946
Caricom investments purchased through associated company (Guyana Americas Merchant Bank Inc.)	213,377	-

Related parties include directors, officers, officials, shareholders, affiliates of directors and share holders owning at least 20% of the shares. Included in the balances listed above are loans and advances of \$17,956,000 to Edward B. Beharry Group of Companies and deposits of \$479,166,865 from Edward B. Beharry Group of Companies for the year 2002. The rates of interest and charges have been similar to transactions involving third parties in the normal course of business.

NOTES ON THE ACCOUNTS

20. INTEREST RATE RISK

The Bank is exposed to various risks that are associated with the effects of variations in interest rates. This impacts directly on its cash flow.

The Bank's management continually monitors and manages these risks through the use of appropriate tools and implements relevant strategies to hedge against any adverse effects.

21. RESTATEMENT

In 2002, the Bank changed its accounting policy for accounting for pension costs by adopting International Accounting Standards No. 19 - Employee Benefits. As a result, certain prior year balances were restated as follows:

	2001	2001	Amount
	G\$ 000	G\$ 000	G\$ 000
	Restated		
Statement of income			
Salaries and other staff costs	<u>368,059</u>	<u>344,484</u>	<u>23,575</u>
Taxation	<u>128,351</u>	<u>138,960</u>	<u>10,609</u>
Balance sheet			
Defined benefit liability	<u>23,575</u>	<u>-</u>	<u>23,575</u>
Deferred tax assets	<u>70,668</u>	<u>60,059</u>	<u>10,609</u>