

DIRECTORS' REPORT

The Directors have pleasure in submitting their Report and Audited Financial Statements for the year ended 31st December, 2015.

PRINCIPAL ACTIVITIES

The Bank provides a comprehensive range of commercial banking services. Banking operations are considered a single business operation that includes lending, investments, foreign exchange trading and deposit taking. The contribution of these activities to overall revenues is included in Note 30 of the financial statements.

FINANCIAL RESULTS

| | |
|----------------------------------|-------------------------|
| Net Profit after Taxation | <u>\$ 1,912,600,000</u> |
| Interim Dividend | <u>\$ (240,000,000)</u> |
| Retained Earnings | <u>\$ 1,672,600,000</u> |
| Proposed Final Dividend | <u>\$ 440,000,000</u> |

DIVIDENDS

The Directors recommend a dividend of \$17.00 per share, of which \$6.00 per share has already been paid.

RESERVES & RETAINED EARNINGS

The Bank's Statutory Reserve Account equals its Paid-Up Capital thus no sum is transferred. The sum of \$1,672,600,000 was placed to the Retained Earnings Account.

SHARE CAPITAL

The authorised Share Capital for the Bank is \$500,000,000 divided into 50,000,000 shares of which 40,000,000 have been issued and fully paid.

DIRECTORS

At the 27th Annual General Meeting of the Bank, the following persons retired and were re-appointed Directors of the Bank:

MR. BASIL DAHANA RAM MAHADEO
MR. EDWARD ANAND BEHARRY
MR. CARLTON JAMES

In accordance with By Law 94 of the Bank's By Laws, Mr Robin Stoby S.C., Mr Paul Cheong, and Mr John Tracey retire from the Board, and being eligible, offer themselves for re-election.



DIRECTORS' INTERESTS

The interests of the Directors holding office as at December 31, 2015, in the ordinary shares of Guyana Bank for Trade and Industry Limited were as follows:

| Directors | Directors' Interest | | Associate's Interest | |
|---------------------------|---------------------|----------------|----------------------|----------------|
| | Beneficial | Non Beneficial | Beneficial | Non Beneficial |
| Mr. Robin Stoby, S.C. | Nil | Nil | Nil | Nil |
| Mr. Edward A. Beharry | Nil | Nil | Nil | Nil |
| Mr. Suresh E. Beharry | Nil | Nil | Nil | Nil |
| Mr. Paul Cheong | 108,079 | Nil | 56,000 | Nil |
| Mr. Michael Cummings | Nil | Nil | Nil | Nil |
| Mrs. Kathryn Eytel-McLean | Nil | Nil | Nil | Nil |
| Mr. Carlton James | Nil | Nil | Nil | Nil |
| Mr. Basil D. R. Mahadeo | 3,800 | Nil | Nil | Nil |
| Mr. John Tracey | Nil | Nil | Nil | Nil |

No Director or any associate of the Director has any right to subscribe to equity or debt securities of the Bank.

DIRECTORS FEES PER ANNUM

| | 2015 \$000 |
|-------------------------|----------------------|
| Chairman | 3,492 |
| Executive Director | 1,164 |
| Non- Executive Director | <u>8,148</u> |
| | <u>12,804</u> |

GEOGRAPHICAL ANALYSIS OF REVENUE AND CONTRIBUTION TO RESULTS

The Bank's operations are based in Guyana but investments are maintained overseas from which income of \$1,066M (2014: \$804M) was earned during the year.

CAPITALISED INTEREST

The amount of interest capitalised by the Bank for the year was \$68,645,186.

CAPITAL EXPENDITURES

The Bank incurred a total of \$441M on capital expenditure in 2015 in areas including branch premises and equipment and software upgrades.

FINANCIAL HIGHLIGHTS

Summary of Assets and Liabilities

| | 2015 | 2014 |
|---------------------|-------------------|-------------------|
| | \$000 | \$000 |
| Total Assets | <u>96,156,210</u> | <u>95,651,287</u> |
| Liabilities | <u>82,995,820</u> | <u>83,684,498</u> |
| Shareholders Equity | <u>13,160,390</u> | <u>11,966,789</u> |
| | <u>96,156,210</u> | <u>95,651,287</u> |

Summary of Income and Expenditure

| | | |
|------------------------------------|-------------------------|-------------------------|
| Net Interest Income | <u>4,719,136</u> | <u>4,493,414</u> |
| Other Income | <u>1,384,304</u> | <u>1,311,283</u> |
| | <u>6,103,440</u> | <u>5,804,697</u> |
| Loan Impairment Expenses | <u>(620,656)</u> | <u>(176,677)</u> |
| Operating Expense | <u>(2,893,075)</u> | <u>(2,630,168)</u> |
| Share of Associate Profit/ (Loss) | <u>(3,470)</u> | <u>(1,405)</u> |
| Net Profit Before Taxes | <u>2,586,239</u> | <u>2,996,447</u> |
| Taxation | <u>(673,639)</u> | <u>(875,314)</u> |
| Net Profit After Taxes | <u>1,912,600</u> | <u>2,121,133</u> |
| Interim Dividend Paid | <u>(240,000)</u> | <u>(240,000)</u> |
| Retained Earnings | <u>1,672,600</u> | <u>1,881,133</u> |
| Proposed Final Dividend | <u>440,000</u> | <u>440,000</u> |

Substantial Shareholders

| | 2015 | 2015 | 2014 | 2014 |
|---|---------------|-------------|---------------|-------------|
| | Amount | % | Amount | % |
| Secure International Finance Company Incorporated | 24,400,000 | 61 | 24,400,000 | 61 |

A substantial shareholder is defined as a person or entity entitled to exercise control of five (5%) or more of the voting power at any general meeting.

AUDITORS

TSD Lal & Co. – Chartered Accountants, retire and being eligible, offer themselves for re-appointment.



PENSION SCHEME

The valuation of the company's Defined Benefit Pension Plan was completed as at December 31, 2015 in accordance with Section 111(1) (2) and (3) of the Insurance Act of 1998. The status of the Plan revealed that the valuation of the scheme's liabilities exceeded the value of its assets by \$31.4M (2014: \$4.1M surplus). The Bank conducts annual actuarial valuations of the pension plan. IAS 19 disclosures are included in Note 24 of the audited financial statements.

PRINCIPAL ACTIVITY OF OUR SUBSIDIARY COMPANY

The Bank owns 100% of the issued share capital of GBTI Property Holdings Inc. The principal activity of this subsidiary is real estate management and gold trading. GBTI Property Holdings Inc.'s Operating Loss for the year 2015 was \$90,858,121.

PRINCIPAL ACTIVITY OF OUR ASSOCIATE COMPANY

The Bank owns 40% of the issued share capital of Guyana Americas Merchant Bank Inc. The principal activity of this associate company is the provision of investment management and advisory services. The Guyana Americas Merchant Bank Inc.'s Operating Loss for the year 2015 was \$8,674,250.

SERVICE CONTRACTS

There are no service contracts between the Bank and any of its Directors or any Director proposed for election at the forthcoming Annual General Meeting.

There were no contracts of significance in which the Directors had material interest.

We mention that effective August 17, 2015, Guyana Americas Merchant Bank Inc. was appointed our new Registrar and Transfer Agent.

TRANSACTIONS WITH RELATED PARTIES

Related Party transactions with the Parent company are addressed in Note 26 of the audited financial statements.

The Bank leases space in its Corporate Head Office building to Guyana Americas Merchant Bank, an associate company. The Bank leases space in a few of its branches to NALICO/NAFICO.

CONTROLLING SHAREHOLDER CONTRACT

The Bank maintains a non-contributory Defined Contribution Pension Plan which is administered under the terms of a Trust Deed by North American Life Insurance Company Limited, a wholly owned subsidiary of Edward B. Beharry and Company Limited. The Bank also maintains a non-contributory Group Life and Accidental Death & Dismemberment Plan and Group Health Plan with North American Life Insurance Company Limited.

BY ORDER OF THE BOARD



**SHALEEZA SHAW (MS.)
SECRETARY**

