

# Directors' Report

The Directors have pleasure in submitting their Report and Audited Financial Statements for the year ended 31<sup>st</sup> December, 2014.

## 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

<b>Net Profit after Taxation</b>	<u>\$ 2,121,133,000</u>
Interim Dividend	<u>\$ (240,000,000)</u>
<b><u>Retained Earnings</u></b>	<u>\$ 1,881,133,000</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 \$1,881,133,000 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 26<sup>th</sup> Annual General Meeting of the Bank, the following persons retired and were re-appointed Directors of the Bank:

MR. MICHAEL CUMMINGS  
MRS. KATHRYN McLEAN  
MR SURESH BEHARRY

In accordance with By Law 94 of the Bank's By Laws, Mr Basil Mahadeo, Mr Edward Anand Beharry, and Mr Carlton James 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, 2014, 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 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

	2014
	<b>\$000</b>
Chairman	3,299
Executive Director	1,100
Non- Executive Directors	7,700
	<u>12,099</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 \$804M (2013: \$762M) was earned during the year.

## CAPITALISED INTEREST

The amount of interest capitalised by the Bank for the year was \$114,619,610.

## CAPITAL EXPENDITURE

The Bank incurred a total of \$933M on capital expenditure in 2014 in areas including branch expansion and equipment and software upgrades.

## **FINANCIAL HIGHLIGHTS**

### **Summary of Assets and Liabilities**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Total Assets	<u>95,650,375</u>	<u>95,387,906</u>
Liabilities	83,687,712	85,214,225
Shareholders Equity	<u>11,962,663</u>	<u>10,173,681</u>
	<u>95,650,375</u>	<u>95,387,906</u>

### **Summary of Income and Expenditure**

Net Interest Income	4,493,414	4,085,196
Other Income	<u>1,311,045</u>	<u>1,423,595</u>
	<b><u>5,804,459</u></b>	<b><u>5,508,791</u></b>
Loan Impairment Expenses	(176,677)	(32,031)
Operating Expense	(2,634,056)	(2,416,079)
Share of Associate Profit/ ( Loss)	<u>(1,405)</u>	<u>785</u>
Net Profit Before Taxes	<b><u>2,992,321</u></b>	<b><u>3,061,466</u></b>
Taxation	<u>(875,314)</u>	<u>(882,549)</u>
Net Profit After Taxes	<b><u>2,117,007</u></b>	<b><u>2,178,917</u></b>
Interim Dividend Paid	<u>(240,000)</u>	<u>(200,000)</u>
Retained Earnings	<b><u>1,877,007</u></b>	<b><u>1,978,917</u></b>
Proposed Final Dividend	<u>440,000</u>	<u>480,000</u>

### **Substantial Shareholders**

	<b>2014</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
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.

## **PENSION SCHEME**

The valuation of the Bank's Defined Benefit Pension Plan was completed as at December 31, 2014 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 \$4.1M (2013: \$0.6M surplus). The Bank conducts annual actuarial valuations of the pension plan. IAS 19 disclosures are included in Note 24 of the audited financial statements.

## **AUDITORS**

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

## **PRINCIPAL ACTIVITY OF OUR SUBSIDIARY COMPANY**

The Bank owns 100% of the issued share capital of GBTI Property Holding Inc. The principal activity of this subsidiary company is real estate management.

## **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. Operating Loss for the year 2014 was (\$3,511,466).

## **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.

## **TRANSACTIONS WITH RELATED PARTIES**


Related Party transactions with the Parent company are addressed in Note 26 of the 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**

  
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**SHALEEZA SHAW (MS.)**  
**CORPORATE SECRETARY**