1. INCORPORATION AND ACTIVITIES

The Bank was incorporated on the 27 November 1987 in Guyana 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 Financial Institutions Act 1995.

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 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 the issued capital to $800 million. Secure International Finance Company Incorporated owns 61% of the Bank's shares. Secure International Finance Company Incorporated is a wholly owned subsidiary of Edward Beharry & Company Limited. Both companies are incorporated in Guyana.

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

Amendments effective for the current year end

	Effective for annual periods beginning on or after
New and Amended Standards	
IAS 12 Income taxes	1 January 2017
IAS 7 Disclosure initiative	1 January 2017

IAS 12: INCOME TAXES

The amendments to IAS 12: Income Taxes are to be applied retrospectively and are effective from 1 January 2017 with earlier application permitted. The amendments were issued to clarify recognition of deferred tax assets for unrealized losses related to debt instruments measured at fair value in the financial statements but at cost for tax purposes can give rise to deductible temporary differences. ►

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS – CONT'D

IAS 12: INCOME TAXES- CONT'D

The amendments also clarify that:

- The carrying amount of an asset does not limit the estimation of probably future profits; and that;
- when comparing deductible temporary differences with future taxable profits, the future taxable profits excludes tax deductions resulting from the reversal of those deductible temporary differences;

IAS 7 DISCLOSURE INITIATIVE

The amendments to IAS 7 Statement of Cash Flows respond to investors' requests for improved disclosures about changes in an entity's liabilities arising from financing activities. The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash flows.

Pronouncements effective in future period for early adoption

	Effective for annual periods beginning on or after
IAS 40 Transfers of investment property	1 January 2018
IFRS 2 Share based Payment: Classification and measurement of share based transactions	1 January 2018
IFRS 4 Insurance contracts: Applying IFRS 9 "Financial Instrument" with "IFRS 4 "Insurance Contracts"	1 January 2018
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2018
IFRS 9 Additions for Financial Liability Accounting	1 January 2018
IFRS 15 Revenue from Contracts With Customers	1 January 2018
Annual improvements to IFRS 2014-2016	1 January 2018
IFRS 16 Leases	1 January 2019
IFRS 17 Insurance contracts	1 January 2021

The Company and Group has not opted for early adoption.

The standards and amendments that are expected to have an impact on the Group's accounting policies when adopted are explained below.

IAS 40 TRANSFERS OF INVESTMENT PROPERTY

The amendments to IAS 40 Investment Property state that an entity shall transfer a property to or from investment property when and only when there is evidence of a change in use. A change in use occurs if property meets or ceases to meet the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS – CONT'D

IFRS 9-FINANCIAL INSTRUMENTS

IFRS 9 is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. Early adoption must apply all of the requirements in IFRS 9 at the same time, except for those relating to:

1. the presentation of fair value gains and losses attributable to changes in the credit risk of financial liabilities designated as at FVTPL, the requirements for which an entity may early apply without applying the other requirements in IFRS 9; and
2. hedge accounting, for which an entity may choose to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements of IFRS 9.The standard contains specific transitional provisions for: classification and measurement of financial assets; impairment of financial assets; and hedge accounting.

IFRS 15: REVENUE FROM CONTRACTS WITH CUSTOMERS

This standard provides amendment to clarify how to: Identify the contract with the customer, Determine whether an entity is a principal or an agent, Determine whether the revenue from granting a licence to an entity's intellectual property should be recognize at a point in time or over time.

In addition to clarifications, the amendments include two additional reliefs to reduce cost and complexity for an entity when it first applies IFRS 15

New and revised interpretations

Available for early adoption

	Effective for annual periods beginning on or after
IFRIC 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IFRIC 23 Uncertainty over Income Tax treatments	1 January 2019

The Directors have not yet performed a detailed analysis of the impact on the application of the amendments and hence have not yet quantified the extent of the impact.

3.1 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 "available for sale" investments, property and equipment, and conform with International Financial Reporting Standards. The principal accounting policies are set out below.

(B) INTEREST INCOME

Interest income for all interest bearing financial instruments except for those classified as available for sale or designated at fair value through profit or loss is recognized in the statement of profit or loss and other comprehensive income on an accrual basis using the effective interest yield method.

The effective interest yield is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

Interest income on 'available for sale' investments is accrued applying the nominal interest rate.

Interest income is not recognized on non-accrual loans.

The Bank earns fee income from a diverse range of services provided to its customers.
Income earned from the provision of services is recognized as revenue as the services are provided.

Fees and commissions are recognized as earned. Examples of these types of accounts are:

- ATM – transaction charge for use of ATM service
- Commitment Fees – negotiation, application fees for new loan accounts
- Drafts and Transfers – cost of drafts, telegraphic transfer
- Ledger Fees – charge for new cheque books
- Safe Custody – annual rental of safe deposit boxes,
- Internet Banking – transaction cost.

RENTAL INCOME

Income from rental of property to Guyana Americas Merchant Bank Inc. and N.A.L.I.C.O/N.A.F.I.C.O are recognized on an accrual basis. ►

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(C) LOANS AND ADVANCES

It is the Bank's policy to provide for impaired loans on a consistent basis in accordance with the Financial Institutions Act (FIA) 1995 and established International Accounting Standards and practices.

Loans and advances to customers include loans and advances originated by the Bank and are classified as Financial Assets at amortised cost.

Loans and advances are recognized when cash is advanced to borrowers and are derecognized when borrowers repay their obligations or when written off.

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) LOAN IMPAIRMENT

Losses for impaired loans are recognized promptly when there is objective evidence that impairment of a loan or portfolio of loans has occurred.

Impairment losses are calculated on individual loans and on loans assessed collectively.

Throughout the year, the Bank assesses on a case-by-case basis whether there is any objective evidence that a loan is impaired. The following factors are considered in so doing;

- the Bank's aggregate exposure to the customer;
- the viability of the customer's business model and its capability to trade successfully out of financial difficulties and generate sufficient cash flow to service its debt obligations;
- the amount and timing of expected receipts and recoveries;
- the slow legal process as it relates to the registration and realization of Security;
- the realizable value of security (or other credit mitigants) and likelihood of successful repossessions;
- the likely deduction of any cost involved in recovery of amounts outstanding;
- national or local economic conditions that correlate with defaults on the assets of the Bank (eg an increase in the unemployment rate in the geographical area of the borrowers, a decrease in property prices for mortgages in the relevant area, or adverse changes in industry conditions that affect the borrowers in the Bank.)

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONT'D

(D) LOAN IMPAIRMENT-CONT'D

The Bank's policy requires a review of the level of impairment allowances on individual facilities at least half-yearly. This normally includes a review of collateral held (including reconfirmation of its enforceability) and an assessment of actual and anticipated receipts. This approach is generally applied to the following types of portfolios:

- **Personal Loan Financing:-** Quality Lifestyle Loans: low income mortgage loans, residential mortgage loans, automobile, consumer care, personal and Single Parent loans.

- **Business financing:-** Commercial Loan Plan: corporate, manufacturing, agriculture, rice farming and trading & services loans.

COLLATERAL

It is the Bank's policy that all facilities are fully and tangibly secured. However, under the current Quality Lifestyle Loan Plan some loans such as the Consumer Care, Personal and Automobile Loans are issued against Bills of Sale over moveable assets, which are not considered as tangible collateral, hence these facilities can be considered as unsecured. In exceptional cases, depending on the customer's credit history, size and type of product and duration of credit, facilities may also be unsecured.

CLASSIFICATION

The Bank follows the prescriptions of the Financial Institutions Act 1995 and classifies loans and overdrafts into the following categories:-

Grade 1: represents commercial loans and overdrafts demonstrating financial condition, risk factors and capacity to repay that are good to excellent; Quality Lifestyle loans with low to moderate loan to value ratios; and generally reflect accounts which are not impaired and are up-to-date in repayments or operating within approved limits as per the Bank's policy guidelines

Grade 2: represents satisfactory risk and includes credit facilities which require closer monitoring or which operate outside product guidelines, or which require various degrees of special attention, where the collateral is not fully in place; where current market conditions are affecting a sector or industry; and that are progressively between 30 and 90 days past due. ▸

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONT'D

(D) LOAN IMPAIRMENT-CONT'D

CLASSIFICATION-CONT'D

Grade 3: represents overdrafts with approved limits which have exceeded between 90 and 180 days for reasons such as shortfall in the borrower's cash flow and are being monitored, or which are between 90 and 179 days expired.

Grade 3: also represents loans for which principal and interest is due and unpaid between 90 and 179 days or, where interest charges for three to five months have been capitalized for reasons such as primary source of repayment has become insufficient, and where appropriate, mortgages in arrears by greater than 90 days where the value of the collateral is sufficient to repay both principal and interest in the event the account is identified for recovery action.

Grade 4: represents loans and advances accounts which are considered uncollectible or for which the collection of the full debt is improbable; accounts which have shown little or no improvement over the twelve months period prior to its present classification; principal or interest is due and unpaid for twelve months or more; or an account which may have some recovery value but it is not considered practical nor desirable to defer write-off, for example, where litigation becomes protracted.

The Financial Institutions Act 1995 requires that a Financial Institution shall report in its monthly statement of assets and liabilities, the outstanding balance of its loan portfolio considered to be past-due and those considered to be non-performing.

The Act further states that the principal balance (and not the amount of delinquent payments) shall be used in calculating the aggregate amount of past-due or non-performing accounts.

PAST DUE

A loan is classified as past due when:

(i) Principal or interest is due and unpaid for one month to less than three months or

(ii) Interest charges for one to two months have been capitalized, refinanced or rolled over

An overdraft is classified as past due when

(i) The approved limit has been exceeded for one month to less than three months.

(ii) The interest charges for one month to two months have not been covered by deposits.

(iii) The account had turnovers which did not conform to the business Cycle.

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONT'D

(D) LOAN IMPAIRMENT-CONT'D

CLASSIFICATION-CONT'D

PAST DUE-CONT'D

NON-PERFORMING LOANS

For individually assessed accounts, loans are required to be designated as non-performing as soon as there is objective evidence that an impairment loss has incurred. Objective evidence of impairment includes observable data such as when contractual payments of principal or interest are 90 days overdue. Portfolios of loans are designated as non-performing if facilities are 90 days or more overdue.

Loan Accounts reported as past due are reclassified and reported as non- performing when:

Loans

(i) Principal or interest is due and unpaid for three months or more, or
(ii) Interest charges for three months or more have been capitalized, refinanced or rolled over.

Overdrafts

(i) The approved limit has been exceeded for three months or more into a term loan after three months or more.
(ii) Interest charges for three months or more have not been covered by deposits.
(iii) The account has developed a hardcore which was not converted.

LOAN LOSSES

The Financial Institutions Act 1995 prescribes that a loan be classified as loss where one or more of the following conditions apply:

(i) An account is considered uncollectible.
(ii) An account classified as doubtful with little or no improvement over the twelve month period.
(iii) The unsecured portion of a loan with fixed repayment dates when:-

(1) Principal or interest is due and unpaid for twelve months or more, or
(2) Interest charges for twelve months or more have been capitalized, refinanced or rolled over ►

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONT'D

(D) LOAN IMPAIRMENT-CONT'D

LOAN LOSSES

(iv) The unsecured portion of an overdraft when:-

(1) The approved limit has been exceeded for six months or more,

(2) Interest charges for six months or more have not been covered by deposits, or

(3) The account has developed a hard core which was not converted into a term loan after 12 months or more.

Loans and advances under this category include accounts which are considered uncollectible or for which the collection of the debt is highly improbable; accounts which have shown little or no improvement over the twelve months period prior to its present classification; principal or interest is due and unpaid for twelve months or more; or an account which may have some recovery value but it is not considered practical nor desirable to defer write-off, for example, where litigation becomes protracted.

The Bank follows the prescriptions of the Financial Institutions Act 1995 and writes off such a loan three months after being so classified unless it shows a definite and significant improvement which indicates recovery within the next six months.

PROVISIONING

Provisioning for each classification categories is made based on the following minimum level:

Classification	Level of Provision
Grade 1	0%
Grade 2	0%
Grade 3	0 – 20%
Past Due	20%
Non Performing	100%

A general provision of 1% of the portion of the loan portfolio not individually assessed is also made.

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(D) LOAN IMPAIRMENT-CONT'D

RENEGOTIATED LOANS

The Bank's policy in relation to renegotiated loans is in accordance with the Financial Institutions Act (FIA) of 1995 -Supervision Guideline No. 5, paragraph No. 14.

This Act states that a renegotiated facility may be a facility which has been refinanced, rescheduled, hived-off, rolled-over, or otherwise modified because of weaknesses in the borrower's financial position or the non-servicing of the debt as arranged, where it has been determined by the Bank that the terms of the renegotiated loan are such as to remedy the specific difficulties faced by the borrower.

A credit facility may also be renegotiated upon the request by the client, followed by a subsequent analysis and approval by the Bank's approving committee; which may be due to the occurrence of one or both of the following conditions:

- The merging of total liabilities into one credit facility.
- The refinancing of a loan to facilitate the accessing of additional financing.

Renegotiated credit facilities are permitted subjected to the following conditions:

- The existing financial position of the borrower can service the debt under the new conditions.
-
- An account classified as doubtful or loss shall not be renegotiated unless an upfront cash payment is made to cover, at the least, unpaid interest or there is an improvement in the collateral taken which will make the renegotiated account, including unpaid interest, a well-secured account.
-
- A commercial facility shall not be renegotiated more than twice over the life of the original facility and mortgage or personal loans not more than twice in a five-year period.

A renegotiated facility shall not be reclassified upward for a minimum of one year following the new arrangements.

Renegotiating of selected credit facilities can be facilitated upon approval granted by the Bank of Guyana/Ministry of Finance on the occurrence of natural disasters or exceptional circumstances. ►

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(D) LOAN IMPAIRMENT - CONT'D

IMPAIRMENT LOSSES

Impairment losses are calculated by discounting the expected future cash flows of a loan at its original effective interest rate and comparing the resultant present value with the loan's current carrying value.

The General Banking Risk Reserve Account is computed in accordance with the Financial Institutions Act. It carries the excess in the provisioning arrived at by the application of the requirements of the Financial Institutions Act over the impairment computed in accordance with the International Financial Reporting Standards.

The carrying amount of impaired loans on the financial statement is reduced through the use of a provisioning account in accordance with the Financial Institutions Act. Any loss is charged to the statement of profit or loss and other comprehensive income.

ASSETS ACQUIRED IN EXCHANGE FOR LOANS

Non-financial assets acquired in exchange for loans in order to achieve an orderly realization are recorded as "Assets Held for Sale". No depreciation is provided in respect of such assets.

(E) FOREIGN CURRENCIES

Transactions in currencies other than Guyana dollars are recorded at the official or cambio rates of exchange prevailing on the dates of the transaction.

At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the official or Cambio rates prevailing on that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the statement of profit or loss and other comprehensive income for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognized directly in equity. ►

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(F) PROPERTY, EQUIPMENT AND DEPRECIATION

Freehold land and buildings held for use in the supply of services or for administrative purposes are stated in the financial statement at their revalued amounts. Revalued amounts are taken as the fair value at the date of revaluation less any subsequent accumulated impairment losses and any subsequent accumulated depreciation.

Any revaluation increase arising on the revaluation of such land, buildings and equipment is credited to revaluation reserve.

Depreciation on revalued buildings and equipment is charged to profit or loss.

Depreciation of property and equipment is calculated on the straight line method at rates sufficient to write off the cost or valuation of these assets to their residual values over their estimated useful lives as follows:

Buildings	-	**50 years**
Furniture and Equipment	-	**4 to 10 years**

Assets are reviewed for impairment whenever there is objective evidence to indicate that the carrying amount of an asset is greater than its estimated recoverable amount, and is written down immediately to its recoverable amount.

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

(G) ACCEPTANCES, GUARANTEES AND LETTERS OF CREDIT

The Bank's potential liability under acceptances, guarantees and letters of credit is reported as a contingent liability.

(H) BALANCES EXCLUDED FROM THE ACCOUNTS

The financial statements 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.

(I) PENSION PLAN

At 1 January, 2004 the defined benefit plan was changed to a defined contribution plan. However, employees in the scheme as of 31 December, 2003 will receive benefits accrued to them under the defined benefit plan up to 31 December, 2003. For service after 31 December, 2003 pensions and contributions will be in accordance with the defined contribution plan. This also applies to new employees, who joined the scheme after 1 January, 2004. ►

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(I) PENSION PLAN - CONT'D

The Contribution Plan is administered by an insurance company under the terms of a trust deed dated 1 January, 1999 which makes it responsible to ensure that contributions are adequate to meet the liabilities of the plan. The Bank's total contribution to the pension plan for the year amounted to G$83,435,000 (2016 - G$77,376,000).

DEFINED BENEFIT SCHEME

Pension accounting costs are assessed using the Projected Unit Credit Method as required by International Accounting Standard 19-Employee Benefits (Revised).

There is 1 (2016-1) employee remaining in this scheme.

(J) STATUTORY RESERVE

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. This reserve is not distributable.

This reserve account is now equal to the 'paid up' capital.

(K) RESERVE REQUIREMENT

Bank of Guyana requires each Commercial Bank to maintain a current account with a balance of 12% of their time and demand liabilities calculated on a weekly basis.

(L) REVALUATION RESERVE

Surplus on revaluation of property and equipment (land, buildings and equipment) is credited to this account. This reserve is not distributable.

(M) OTHER RESERVE

Fair value adjustments of "available for sale" investments as discussed in (p) below are taken to this account as well as the Bank's share of reserve of its associate company. This reserve is not distributable.

(N) TAXATION

Income tax expense represents the sum of tax currently payable and deferred tax.

CURRENT TAX

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Bank's liability for current tax is calculated using tax rates that have been enacted in Guyana at the reporting date. ►

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(N) TAXATION - (CONT'D)

DEFERRED TAX

Deferred tax is recognized on the differences between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

The carrying amount of the deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized based on tax rates (and tax laws) that have been enacted or substantively been enacted by the end of the reporting period. Deferred tax is charged or credited to statement of profit or loss and other comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority, and the company intends to settle its current tax assets and liabilities on a net basis.

(O) FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognized on the Bank's statement of financial position when the Bank becomes a party to the contractual provisions of the instruments.

These instruments are intended to be held on a continuing basis and are recognized when the Bank enters into contractual arrangements with counter-parties to purchase securities.

Financial instruments carried on the statement of financial position include investment securities, loans and overdrafts, receivables, customer's deposits, payables, accruals, borrowing and cash resources. The recognition methods adopted for loans and overdrafts and investment securities are disclosed in the individual policy statements. ►

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(O) FINANCIAL INSTRUMENTS - (CONT'D)

OTHER RECEIVABLES

Other receivables are measured at amortised cost. Appropriate allowances for estimated unrecoverable amounts are recognized in the statement of profit or loss and other comprehensive income when there is objective evidence that the asset is impaired. The allowance recognized is based on management's evaluation of the collectability of the receivables.

CASH AND SHORT TERM FUNDS

For the purpose of presentation in the statement of cash flows, cash and short-term funds comprised of cash and due by and to banks, deposits with Bank of Guyana in excess of the required reserve and cheques and other items in transit, bills discounted, bankers' acceptances with original maturities of three months or less.

DEPOSITS AND OTHER PAYABLES

These are measured at amortised cost.

DERECOGNITION

'Other receivables' and 'cash' and 'short-term funds' are derecognized when the right to receive cash flows from the asset has expired.

Financial liabilities are derecognized when they are extinguished, i.e. when the obligation is discharged, cancelled or expired.

(P) FINANCIAL INVESTMENTS

The Bank classifies its investment portfolio into the following categories: "held to maturity investments" and "available for sale financial assets". Management determines the appropriate classification at the time of purchase based on the purpose for which the investment securities were acquired. The classification is reviewed annually.

"Held to maturity investments" are those with fixed or determinable payments and fixed maturity for which the Bank has the positive intent and ability to hold to maturity. "Held to maturity investments" are measured at amortised cost using the effective interest rate method. Any gain or loss on these investments is recognized in the statement of profit or loss and other comprehensive income when the assets are derecognized or impaired.

"Available for sale financial assets" are initially recognized at cost and adjusted to fair value at subsequent periods. ►

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(P) FINANCIAL INVESTMENTS - (CONT'D)

Gains or losses on "available for sale financial assets" are recognized in the statement of comprehensive income until the asset is sold or otherwise disposed, at which time previously recognized gains or losses are transferred to the statement of profit or loss and other comprehensive income for that period.

AVAILABLE FOR SALE FINANCIAL ASSETS

In classifying investment securities as available for sale, the Bank has determined that these securities do not meet the criteria for loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

(Q) PROVISIONS

Provisions are recognised when the Bank has a present obligation (legal or constructive) as a result of a past event, it is probable that the Bank will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(R) NON-CURRENT ASSETS HELD FOR SALE

A noncurrent asset is classified as held for sale when: its carrying amount will be recovered principally through a sale transaction rather than through continuing use; 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. Fair values of these assets are determined by independent valuators. ►

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONT'D

(S) IMPAIRMENT OF TANGIBLE ASSETS

At the end of the financial period, the Bank reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the re-coverable amount of an individual asset, the Bank estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(T) DIVIDENDS

Dividends that are proposed and declared are recorded as an appropriation of retained earnings in the statement of changes in equity in the period in which they have been approved. Dividends that are proposed and declared after the financial year end are disclosed as a note to the financial statements.

(U) INVESTMENT IN ASSOCIATE COMPANY

An associate is an entity over which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not in control or in joint control over those policies.

The results and assets and liabilities of the Associate Company are incorporated in these financial statements using the equity method of accounting. Under the equity method, investment in associate is carried in the statement of financial position at cost as adjusted for post-acquisition changes in the Bank's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of the associate in excess of the Bank's interest in the associate (which includes any long-term interests that, in substance, form part of the Bank's net investment in the associate) are not recognized, unless the Bank has incurred legal or constructive obligations or made payments on behalf of the associate.

(V) SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing similar products and 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. ►

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(V) SEGMENT REPORTING- CONT'D

The Bank analyses its operations by both business and geographic segments. The primary format is business reflecting "retail and commercial banking" and "treasury". Its secondary format is that of geographic segments reflecting the primary economic environments in which the bank has exposure.

(W) EARNINGS PER SHARE

Basic earnings per share attributable to ordinary equity holders of the Bank's equity is calculated by dividing profit or loss attributable to ordinary equity holders of the Bank's equity by the weighted number of ordinary shares out-standing during the period.

(X) INTANGIBLE ASSET

Intangible assets are recognized at amortized cost and tested annually for impairment

SOFTWARE

The software is for a period of 5 years and will be amortized at a rate of 20% over the useful life of the software.

(Y) CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entity controlled by the Company (its subsidiary). Control is achieved through share ownership. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition or up to effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial state-ments of subsidiaries to bring their accounting policies into line with those used by other members of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. ►

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONT'D

(Y) CONSOLIDATION - CONT'D

Non-controlling interest in the net assets of consolidated subsidiary is identified separately from the group's equity therein. Non-controlling interest consists of the amount of those interests at the date of the original business combination and non-controlling interest's share of changes in equity since the date of the combination

Profit and losses applicable to the non-controlling interest in the subsidiary's equity are allocated against the interests of the group except to the extent that the non-controlling interest has a binding obligation and is able to make an additional investment to cover the losses.

(i) The consolidated accounts incorporate the accounts as at 31 December 31, 2017 of the following :

Name of Company	Country of registration	% shareholding	Main business
GBTI Property Holdings Inc	Guyana	100	Real estate management and gold trading

The financial statement of GBTI Property Holdings Inc in summary form as at 31 December, 2017 is presented below:

Statement of Financial Position

	2017 G$	2016 G$
Total assets	556,322,135	765,916,948
Total liabilities	664,364,070	864,947,935
Equity	16,000	16,000
Accumulated loss	(108,057,935)	(99,046,987)

(II) Associate Company

The Guyana Bank for Trade and Industry Limited owns 40% of the share capital of the Guyana Americas Merchant Bank Inc. The company's main business is in investment management. ►

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(Z) INVESTMENT PROPERTY

Investment properties, which are held to earn rentals and or capital appreciation are stated at cost less accumulated depreciation at each reporting date.

After initial recognition, investment properties are measured at cost.

Depreciation is charged on premises using the straight line method at 2 % per annum.

No depreciation is charged on work in progress.

3.2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

It is the Directors' responsibility to select suitable accounting policies and to make judgements and estimates that are reasonable and prudent.

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimated

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

IMPAIRMENT LOSSES ON LOANS AND ADVANCES

The Bank on a regular basis reviews its portfolio of loans and advances with a view of assessing impairment. This is done in addition to what is required under the Financial Institutions Act 1995 with respect to provisioning. Certain judgements are made that reflect the Bank's assessment of several critical factors that can influence future cash flows.

AVAILABLE FOR SALE FINANCIAL ASSETS

In classifying investment securities as available for sale, the Bank has determined that these securities do not meet the criteria for loans and receivables, held to maturity investments or financial assets at fair value through profit or loss and are valued at fair value. ►

3.2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - CONT'D

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES - CONT'D

HELD TO MATURITY FINANCIAL ASSETS

The Directors have reviewed the Bank's "Held to Maturity" assets in the light of its capital maintenance and liquidity requirements and have confirmed the Bank's positive intention and ability to hold these assets to maturity.

USEFUL LIVES OF PROPERTY AND EQUIPMENT

Management reviews the estimated useful lives of property and equipment at the end of each year to determine whether the useful lives of property and equipment should remain the same.

IMPAIRMENT OF FINANCIAL ASSETS

Management makes judgement at each reporting date to determine whether financial assets are impaired. Financial assets are impaired when the carrying value is greater that the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows. ►

	COMPANY		GROUP	
	2017	2016	2017	2016
	G$ 000	G$ 000	G$ 000	G$ 000
4 Interest Income				
Loans and advances	3,721,073	4,480,320	3,689,670	4,480,320
Investment securities:-				
-Available for sale	1,158,592	1,379,605	1,158,592	1,379,605
-Held to maturity	28,705	31,334	28,705	31,334
Other	136,212	103,500	136,212	66,060
	5,044,582	**5,994,759**	**5,013,179**	**5,957,319**
5 Interest Expense				
Savings deposits	516,570	571,200	516,570	571,200
Term deposits	239,502	307,501	239,502	307,501
Other	33,684	33,602	33,684	33,602
	789,756	**912,303**	**789,756**	**912,303**
6 Other Income				
Commissions	492,533	513,086	492,533	513,086
Exchange trading and revaluation gains	1,120,721	612,711	1,120,721	612,711
Rental and other income	12,747	8,140	854,107	1,226,024
	1,626,001	**1,133,937**	**2,467,361**	**2,351,821**
7 Operating Expenses				
Staff costs (Note 8)	1,416,648	1,360,641	1,427,353	1,367,692
Depreciation	352,916	351,195	356,228	222,059
General administrative expenses (a)	925,198	389,035	925,198	389,035
Marketing and public relations	55,363	73,628	55,363	73,628
Auditor remuneration	19,280	9,983	20,083	9,983
Director's fees	11,115	12,541	11,115	12,541
Other operating expenses	530,792	500,825	1,318,990	1,789,773
Property taxes	101,610	100,664	101,610	100,664
	3,412,922	**2,798,512**	**4,215,940**	**3,965,375**

(a) Included in this amount is G$470M(2016-Nil) which represents provision for fraud losses.

8 Staff Costs				
Salaries and wages	861,382	842,097	872,087	849,148
Other staff costs	473,381	441,168	473,381	441,168
Pension	81,885	77,376	81,885	77,376
	1,416,648	**1,360,641**	**1,427,353**	**1,367,692**
9 Basic Earnings Per Share				
Calculated as follows:				
Profit after taxation	1,520,906	2,043,459	1,520,395	2,032,502
Number of ordinary shares issued and fully paid	40,000,000	40,000,000	40,000,000	40,000,000
Basic earnings per share in dollars	38.02	51.09	38.01	50.81

10 (a) Taxation	COMPANY 2017 G$ 000	COMPANY 2016 G$ 000	GROUP 2017 G$ 000	GROUP 2016 G$ 000
Current:- Corporation tax	325,009	510,997	332,459	510,997
Minimum tax at 2% of turnover	-	-	-	24,538
Adjustment		(21,011)	-	(21,011)
Deferred Tax	35,114	(14,573)	35,114	(14,573)
	360,123	**475,413**	**367,573**	**499,951**
Reconciliation of Tax Expense and Accounting Profit				
Accounting profit	1,881,029	2,518,872	1,887,968	2,532,453
Share of Associate Company's profit	(620)	(143)	(620)	(143)
	1,880,409	2,518,729	1,887,348	2,532,310
Corporation tax at 40%	752,165	1,007,492	754,939	1,012,924
Add:				
Tax effect of expenses not deductible in determining Taxable Profits				
Depreciation for Accounting Purposes	141,166	140,478	144,098	140,478
Collectively assessed impairment allowance	-	2,308	-	2,308
Other	3,412	2,379	6,468	2,379
Property tax	40,644	40,266	40,644	40,266
	937,387	1,192,923	946,149	1,198,355
Deduct:				
Tax effect of depreciation for tax purposes	96,134	115,503	97,240	115,503
Other	-	2,515	205	7,947
Tax Exempt Income	516,244	563,906	516,244	563,907
Corporation Tax	325,009	510,997	332,459	510,997
Prior year adjustment	-	(21,011)	-	(21,011)
Minimum tax at 2 % of turnover	-	-	-	24,538
Deferred Tax	35,114	(14,573)	35,114	(14,573)
	360,123	475,413	367,573	499,951
Components of deferred tax asset				
Property and equipment	306,682	327,526	306,682	327,526
Defined benefit asset	(40,176)	(12,185)	(40,176)	(12,185)
	266,506	315,341	266,506	315,341

10 (a) Taxation - (cont'd)

Movement in temporary differences

	COMPANY AND GROUP		
	Defined benefit liability/(assets)	Property and equipment	Total
	G$ 000	G$ 000	G$ 000
At 1 January 2016	(12,560)	313,328	300,768
Movement during the year:-			
Statement of profit or loss and other comprehensive income	375	14,198	14,573
At 31 December 2016	(12,185)	327,526	315,341
Movement during the year:-			
Statement of profit or loss	(14,270)	(20,844)	(35,114)
Statement of other comprehensive income	(13,721)	-	(13,721)
At 31 December 2017	(40,176)	306,682	266,506

10(b) Disclosure of tax effects relating to each component of other comprehensive income and statement of changes in equity

	2017 COMPANY AND GROUP			2016 COMPANY AND GROUP		
	Before tax amount	Tax(expense)/ benefit	Net of tax amount	Before tax amount	Tax(expense)/ benefit	Net of tax amount
	G$'000	G$'000	G$'000	G$'000	G$'000	G$'000
Remeasurement of defined benefit pension plan	34,303	(13,721)	20,582	2,400	(960)	1,440
Loss arising on available for sale financial asset	(1,527)	-	(1,527)	(85,255)	-	(85,255)
Share of other comprehensive profit/ (loss) of associate company	4,371	-	4,371	(1,583)	-	(1,583)
	37,147	(13,721)	23,426	(84,438)	(960)	(85,398)

11 Cash Resources	COMPANY 2017 G$ 000	COMPANY 2016 G$ 000	GROUP 2017 G$ 000	GROUP 2016 G$ 000
Cash in hand	2,005,459	1,892,383	2,005,577	1,892,503
Balance with Bank of Guyana in excess of required reserves	6,037,103	2,580,357	6,037,103	2,580,357
Balances with other banks	4,487,125	5,922,008	4,487,125	5,922,008
Cheques and other items in transit	620,914	1,599,027	620,914	1,599,027
Total Cash and Short Term Funds	13,150,601	11,993,775	13,150,719	11,993,895
Reserve requirement with Bank of Guyana	9,309,619	9,749,364	9,309,619	9,749,364
Total Cash Resources	**22,460,220**	**21,743,139**	**22,460,338**	**21,743,259**

12 Investments

Available for Sale				
Government of Guyana Treasury Bills & Bonds	7,313,433	7,445,646	7,313,433	7,445,646
Securities Issued by/ Guaranteed by Foreign Governments	7,788,701	6,141,175	7,788,701	6,141,175
Corporate Bonds	7,199,978	8,041,654	7,199,978	8,041,654
Investment in subsidiary's shares	16	16	-	-
	22,302,128	**21,628,491**	**22,302,112**	**21,628,475**
Held to Maturity				
Unlisted Investments	275,637	298,710	275,637	298,710
	22,577,765	**21,927,201**	**22,577,749**	**21,927,185**
Investment in Associate Company				
Non Current Asset - Associate Company	**252,665**	**247,674**	**252,665**	**247,674**
The Bank holds 40% (2016-40%) of the share capital of the Guyana Americas Merchant Bank Inc.				
Associate company				
At 1 January	247,674	249,113	247,674	249,113
Share of profit of associate company	620	143	620	143
	248,294	249,256	248,294	249,256
Share of investment reserve of associate company	4,371	(1,582)	4,371	(1,582)
At 31 December	252,665	247,674	252,665	247,674
Total Investments	**22,830,430**	**22,174,875**	**22,830,414**	**22,174,859**

12 Investment - (Cont'd)

Associate Company- cont'd
The financial statements of Guyana Americas Merchant Bank Inc. in summary form as at 31 December is presented below:

	COMPANY AND GROUP	
Statement of Income	**2017**	**2016**
	G$ 000	G$ 000
Income	75,116	69,205
Profit after taxation	1,551	358,845
Statement of Financial Position		
Total assets	664,314	653,395
Tax liability	6,022	8,479
Equity and liabilities		
Capital and reserves	654,416	641,937
Current liabilities	9,898	11,458
Total equity and liabilities	664,314	653,395

13 Loans and Advances

	COMPANY		GROUP	
	2017	**2016**	**2017**	**2016**
	G$ 000	G$ 000	G$ 000	G$ 000
Accrual loans and advances	36,522,875	37,089,025	35,871,481	36,630,949
Non accrual loans and advances	11,843,558	11,805,644	11,843,558	11,805,644
	48,366,433	48,894,669	47,715,039	48,436,593
Impairment allowances	(3,654,527)	(3,368,981)	(3,654,527)	(3,368,981)
Net loans and advances	**44,711,906**	**45,525,688**	**44,060,512**	**45,067,612**
Impairment allowances				
Collectively assessed impairment				
At 1 January	142,668	148,437	142,668	148,437
Movement during the year	(6,302)	(5,769)	(6,302)	(5,769)
At 31 December	136,366	142,668	136,366	142,668
Individually assessed impairment				
At 1 January	3,226,313	2,717,881	3,226,313	2,717,881
Write-offs on loans	(339,456)	(390,720)	(339,456)	(390,720)
Increase in the year	631,304	899,152	631,304	899,152
At 31 December	3,518,161	3,226,313	3,518,161	3,226,313
Total at 31 December	**3,654,527**	**3,368,981**	**3,654,527**	**3,368,981**

14 (a) Property and Equipment

	COMPANY				
	Land and buildings G$ 000	Equipment G$ 000	Capital work-in-progress G$ 000	Total G$ 000	2016 Total G$ 000
Cost/Valuation					
At 1 January	6,913,359	2,684,164	364,955	9,962,478	9,725,086
Additions	1,517	38,945	170,371	210,833	473,159
Disposals		(47,700)	(31,060)	(78,760)	(235,767)
Transfers	245,625	134,752	(380,377)	-	-
At 31 December	**7,160,501**	**2,810,161**	**123,889**	**10,094,551**	**9,962,478**
Comprising:					
Cost	7,139,207	2,810,161	123,889	10,073,257	9,941,184
Valuation	21,294	-		21,294	21,294
	7,160,501	**2,810,161**	**123,889**	**10,094,551**	**9,962,478**
Accumulated Depreciation					
At 1 January	1,080,291	1,818,833		2,899,124	2,747,444
Charge for the year	132,922	219,994		352,916	351,195
Write back on disposals		(46,767)		(46,767)	(199,515)
At 31 December	**1,213,213**	**1,992,060**		**3,205,273**	**2,899,124**
Net book values:					
At 31 December 2017	**5,947,288**	**818,101**	**123,889**	**6,889,278**	
At 31 December 2016	**5,833,068**	**865,331**	**364,955**		**7,063,354**

14 (a) Property and Equipment - Cont'd

	GROUP				
	Land and buildings	Equipment	Capital work-in-progress	2017 Total	2016 Total
	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
Cost/Valuation					
At 1 January	6,913,360	2,699,081	366,301	9,978,742	9,740,351
Additions	1,655	39,083	170,371	211,109	474,158
Disposals	-	(47,830)	(31,060)	(78,890)	(235,767)
Transfers	245,625	134,752	(380,377)	-	-
At 31 December	**7,160,640**	**2,825,086**	125,235	10,110,961	9,978,742
Comprising:					
Cost	7,139,346	2,825,086	125,235	10,089,667	9,957,448
Valuation	21,294	-	-	21,294	21,294
	7,160,640	**2,825,086**	125,235	10,110,961	9,978,742
Accumulated depreciation					
At 1 January	1,080,291	1,824,092	-	2,904,383	2,749,465
Charge for the year	132,922	223,266	-	356,228	354,433
Write back on disposals	-	(46,815)	-	(46,815)	(199,515)
At 31 December	**1,213,213**	**2,000,543**	-	3,213,796	2,904,383
Net book values:					
At 31 December 2017	**5,947,427**	**824,543**	125,235	6,897,165	
At 31 December 2016	**5,833,069**	**874,989**	366,301		7,074,359

Refer to note 29 for details of revaluation of property and equipment.

	COMPANY AND GROUP	
	2017	2016
Intangible assets	G$ 000	G$ 000
Net Book Value of acquired software (included in equipment)	710,135	652,275

14 (b) Investment Property

2017	Premises	2017 Total	2016 Total
	G$'000	G$'000	G$'000
COST			
At 1 January	390,084	390,084	655,933
Additions	721	721	493
Disposals/write off	-	-	(266,342)
At 31 December	390,805	390,805	390,084
ACCUMULATED DEPRECIATION			
At 1 January	10,921	10,921	5,257
Charge for the year	5,904	5,904	5,664
At 31 December	16,825	16,825	10,921
NET BOOK VALUES			
At 31 December	373,980	373,980	
At 31 December	379,163		379,163

15 Other Assets

	COMPANY		GROUP	
	2017	2016	2017	2016
	G$ 000	G$ 000	G$ 000	G$ 000
Interest and commissions accrued	357,703	695,080	345,536	695,080
Prepaid expenses	113,008	93,673	113,008	93,673
Prepaid stationery/inventory	32,907	27,908	185,934	27,908
Sundry receivables	69,191	112,700	72,395	112,700
Agriculture diversification fund	16,266	16,266	16,266	16,266
Assets classified as held for sale (See note 16)	189,405	150,953	189,405	150,953
Taxes recoverable	483,249	297,558	501,355	297,558
Other	204,200	187,398	204,200	188,980
	1,465,929	1,581,536	1,628,099	1,583,118

	COMPANY		GROUP	
16 Assets classified as held for sale Properties on hand	**2017**	**2016**	**2017**	**2016**
	G$ 000	G$ 000	G$ 000	G$ 000
At 1 January	150,953	27,535	150,953	27,535
Additions	41,356	125,218	41,356	125,218
Disposals	(2,904)	(1,800)	(2,904)	(1,800)
At 31 December	**189,405**	150,953	**189,405**	**150,953**
17 Deposits				
Demand	20,270,617	20,485,829	20,270,617	20,485,829
Savings	46,107,880	45,056,889	46,107,880	45,056,889
Term	15,320,482	17,351,023	15,320,482	17,351,023
	81,698,979	82,893,741	**81,698,979**	82,893,741
18 Other Liabilities				
Agriculture diversification fund (a)	174,445	174,391	174,445	174,391
Due to banks	21	26	21	26
Accrued interest on deposits	144,321	150,141	144,321	150,141
Unpresented drafts	17,426	26,164	17,426	26,164
Accrued expenses(b)	611,896	140,678	611,896	140,678
Others	567,686	517,955	567,628	558,419
	1,515,795	1,009,355	**1,515,737**	**1,049,819**

(a) On June 14, 2011, the Bank entered into a contract with the Ministry of Agriculture to carry out the implementation of a Financial Facility of US$1.7M which was funded by the Inter American Development Bank (IDB). The Financial Facility aims to increase Guyana's export growth rate in the agricultural sector by making financial resources through loans and grants available to eligible beneficiaries in three (3) clusters of non traditional agricultural exports, aquaculture, fruits and vegetables, and livestock (beef).

In 2011, two (2) tranches of funds totalling US$1,130,090 were disbursed to the Bank. Interest earned on the loans are exempted from Corporation Tax. The Financial Facility comes to an end on 31.08.2021 The Bank and the Ministry of Agriculture have agreed to an interest rate of 5% to 8% per annum.

(b) Included in this amount is G$470M(2016-Nil) which represents provision for fraud losses.

	COMPANY AND GROUP	
	2017	2016
19 Share Capital		
Authorised		
Number of ordinary shares	50,000,000	50,000,000
	G$ 000	**G$ 000**
Issued and fully paid		
40,000,000 ordinary shares	800,000	800,000

These shares are all ordinary shares with equal voting rights and no par value

20 Reserves

(a) Other Reserve		
(i) Available for sale investment:-		
At 1 January	(53,400)	33,295
Movement	19,055	(86,695)
At 31 December	(34,345)	(53,400)
(ii) Share of reserve of associate company:-		
At 1 January	(43,056)	(41,473)
Share of comprehensive income	4,371	(1,583)
At 31 December	(38,685)	(43,056)
Total	**(73,030)**	**(96,456)**
(b) Statutory Reserve		
At 1 January and 31 December	**800,000**	**800,000**

This reserve is computed in accordance with the Financial Institutions Act.

(c) Revaluation Reserve		
At 1 January and 31 December	**18,963**	**18,963**

This represents revaluation increase of land, buildings and equipment

(d) General Banking Risk Reserve		
At 1 January	13,407	698,853
Movement	11,339	(685,446)
At 31 December	**24,746**	**13,407**

21 Capital Risk Management

The Group manages its capital structure on an on-going basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. The Group's overall strategy remains unchanged from 2016.

The capital structure of the Group consists of equity, comprising issued capital, reserves and retained earnings.

Capital Adequacy

The Group monitors its Capital Adequacy with reference to the risk-based capital adequacy guidelines issued by the Bank of Guyana in keeping with the BASEL convention. The guidelines evaluate Capital Adequacy based upon the perceived risk associated with balance sheet assets, as well as certain off balance sheet exposures, and stipulate a minimum ratio of qualifying capital (Tier 1 and Tier 11) to risk-weighted assets of 8%.

GBTI remains well capitalised with the Bank's Tier 1 Capital Adequacy Ratio standing at 29.75% as at 31 December, 2017.

Total Tier 1 and Tier 11 Capital was 29.87% of risk-adjusted assets at 31 December , 2017 compared to 25.70% at the end of the previous year.

The Group did not have a fixed rate or range to distribute dividends but its dividends policy is based on the performance of the Bank and future development plans.

Gearing ratio

The gearing ratio at the year end was as follows:

	COMPANY AND GROUP		COMPANY AND GROUP	
	2017	2016	2017	2016
	G$ 000	G$ 000	G$ 000	G$ 000
Debt (i)	81,698,979	82,893,741	81,698,979	82,893,741
Cash and cash equivalents	(22,460,220)	(21,743,139)	(22,460,338)	(21,743,259)
Net debt	59,238,759	61,150,602	59,238,641	61,150,482
Equity (ii)	15,475,632	14,531,300	15,368,435	14,424,614
Net debt to equity ratio	3.83:1	4.21:1	3.85:1	4.24:1

(i) Debt is defined as long-term and short-term funds.

(ii) Equity includes all capital and reserves of the Bank.

22 FINANCIAL RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group'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. These risks include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by the use of techniques that are governed by management's policies on foreign exchange risk, interest rate risk and credit risk which are approved by the Board of Directors.

The Group's Management reports monthly to the Board of Directors on matters relating to risk and management of risk.

(A) MARKET RISK

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The Group uses gap analysis, interest rate sensitivity and exposure limits to financial instruments to manage its exposure to interest rate and foreign currency risk. There has been no change in the Bank's exposure to market risks or the manner in which it manages these risks.

PRICE RISK

(I) OTHER PRICE RISK

Other 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 in order to minimize the risk.

Cross-border risk though relatively minimal, exists in relation to investments in Caricom Sovereign Bonds and such risk is mitigated by the application of prudent selection and stringent monitoring of the Group's investment portfolio by its intermediary Guyana Americas Merchant Bank Inc.

The Group does not actively trade in equity investments.

(II) INTEREST RATE SENSITIVITY ANALYSIS

The table on page 79 analyses the sensitivity of interest rates exposure for both financial assets and liabilities at the end of the reporting period. For floating rate instruments, the analysis is prepared assuming the amount of the instrument outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate.

Apart from the foregoing with respect to the other financial assets and liabilities, it was not possible to determine the expected impact of a reasonable possible change in interest rates on profit or equity as other factors such as credit risks, market risks, political and disaster risks can affect the value of the assets and liabilities.

22. FINANCIAL RISK MANAGEMENT - (CONT'D)

(A) MARKET RISK - (CONT'D)

(II) INTEREST RATE SENSITIVITY ANALYSIS- (CONT'D)

The impact on the profit for the year is the effect of changes in interest rates on the floating interest rates of financial assets and liabilities. This impact is illustrated on the following table

	GROUP		
	Impact on profit for the year		
	Increase/ Decrease in basis point	2017 Increase/(Decrease)	2016 Increase/(Decrease)
		G' 000	G' 000
Local Currency	+/-50	106,309	103,426
Foreign Currencies	+/-50	67,166	64,090

(iii) Interest rate risk

The Group is exposed to interest rate risk but the Group's sensitivity to interest is immaterial as its financial instruments are substantially at fixed rates. The Group's exposures to interest rate risk on financial assets and financial liabilities are listed below:

		GROUP				
		Maturing				
		2017				
	Interest rate	Within 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
		G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
Assets						
Cash resources	0.00 to 2.00	3,534,130	-	-	18,926,208	22,460,338
Investments	2.80 to 8.00	11,083,542	4,608,385	6,610,185	528,302	22,830,414
Loans and advances (net)	0.00 to 27.00	19,661,116	9,422,280	14,977,116	-	44,060,512
Other assets	-	-	-	-	1,628,099	1,628,099
		34,278,788	**14,030,665**	**21,587,301**	**21,082,609**	**90,979,363**
Liabilities						
Deposits	0.75 to 1.20	61,428,362	-	-	20,270,617	81,698,979
Other liabilities	-	-	-		1,515,737	1,515,737
		61,428,362	-	-	**21,786,354**	**83,214,716**
Interest sensitivity gap		**(27,149,574)**	**14,030,665**	**21,587,301**		

22. FINANCIAL RISK MANAGEMENT - (CONT'D)

(A) MARKET RISK - (CONT'D)

		GROUP				
		Maturing				
		2016				
	Average Interest rate	Within 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
	%	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
Assets						
Cash resources	0.00 to 2.00	5,922,128	-	-	15,821,131	21,743,259
Investments	6.80	10,266,619	2,542,968	9,365,272	-	22,174,859
Loans and advances (net)	9.16	19,531,564	9,991,958	15,544,090	-	45,067,612
Other assets	-	-	-	-	1,583,118	1,583,118
		35,720,311	12,534,926	24,909,362	17,404,249	90,568,848
Liabilities						
Deposits	5-8%	62,407,912	-	-	20,485,829	82,893,741
Other liabilities		-	-	-	1,049,819	1,049,819
		62,407,912		-	21,535,648	83,943,560
Interest sensitivity gap		**(26,687,601)**	**12,534,926**	**24,909,362**		

22. FINANCIAL RISK MANAGEMENT - (CONT'D)

(a) **Market Risk- (cont'd)**

(iv) Currency risk

The Group's exposure to the effects of fluctuations in foreign currency exchange rates arose mainly from investments and foreign bank balances. The currencies which the Bank is mainly exposed to are Euro , United States Dollars, Pounds Sterling and Canadian Dollars.

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

	GROUP					
	Euro €	US $	GBP £	Cdn $	Others	Total
	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
31 December 2017						
Assets	50,293	20,987,959	137,421	10,027	171,970	21,357,670
Liabilities	28,110	6,255,150	77,199	219	-	6,360,678
31 December 2016						
Assets	22,539	22,751,888	3,526	6,630	171,492	22,956,075
Liabilities	2,444	5,552,557	4,390	229	-	5,559,620

FOREIGN CURRENCY SENSITIVITY ANALYSIS

The following table details the Group's sensitivity to a 2.5% increase or decrease in the Guyana dollar (GYD) against the relevant currencies. 2.5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2.5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the foreign currency strengthens 2.5% against the GYD. For a 2.5% weakening of the relevant foreign currency against the Guyana dollar, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

	Euro Impact		US Dollar Impact		£ Sterling Impact		Canadian Dollar Impact	
	2017	2016	2017	2016	2017	2016	2017	2016
	$M	$M	$M	$M	$M	$M	$M	$M
Profit or (loss)	0.55	368.32	368.32	1.51	1.51	0.25	2.45	42.99

22. FINANCIAL RISK MANAGEMENT - (CONT'D)

(b) Liquidity risk

The Group maintains a diversified and stable funding base comprising core retail and corporate customer deposits and institutional balances, coupled with wholesale funding and portfolios of liquid assets which are diversified by currency and maturity, in order to be able to respond quickly and smoothly to unforeseen liquidity requirements.

The Group's policy is to maintain a strong liquidity position and to manage the liquidity profile of assets, liabilities and commitments so that cash flows are appropriately balanced and all funding obligations met when due.

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 are fundamental to the management of the Group.

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

	GROUP					
	Maturing					
	2017					
		Within 1 year				
	On Demand	Due in three months	Due within 3 to 12 months	1 to 5 years	Over 5 years	Total
	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
Cash resources	18,926,208	2,194,565	1,339,565	-	-	22,460,338
Investments	1,658,772	5,943,656	3,481,114	4,608,385	7,138,487	22,830,414
Loans & advances (net)	6,194,732	8,615,071	4,851,313	9,422,280	14,977,116	44,060,512
Other assets	1,628,099	-	-	-	-	1,628,099
	28,407,811	16,753,292	9,671,992	14,030,665	22,115,603	90,979,363
Liabilities						
Deposits	66,378,498	5,211,488	10,108,993	-	-	81,698,979
Other liabilities	1,515,737	-	-	-	-	1,515,737
	67,894,235	5,211,488	**10,108,993**	-	-	**83,214,716**
Net assets/(liabilities)	**(39,486,424)**	**11,541,804**	**(437,001)**	**14,030,665**	**22,115,603**	

22. FINANCIAL RISK MANAGEMENT - (CONT'D)

(b) Liquidity risk

	GROUP					
	Maturing					
	2016					
	Within 1 year			Over		
	On Demand	Due in 3 mths	Due 3 - 12 mths	1 to 5 years	5 years	Total
	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
Assets						
Cash resources	18,774,395	317,645	735,525	1,915,694	-	21,743,259
Investments	840,354	2,101,042	3,499,944	3,825,279	11,908,240	22,174,859
Loans & advances (net)	5,305,740	4,363,157	10,236,712	9,991,958	15,170,045	45,067,612
Other assets	1,583,118				-	1,583,118
	26,503,607	6,781,844	14,472,181	15,732,931	27,078,285	90,568,848
Liabilities						
Deposits	65,542,744	12,165,313	5,185,684	-	-	82,893,741
Other liabilities	1,049,819	-	-	-	-	1,049,819
	66,592,563	12,165,313	5,185,684	-	-	83,943,560
Net assets/(liabilities)	**(40,088,956)**	**(5,383,469)**	**9,286,497**	**15,732,931**	**27,078,285**	

(C) Credit Risk

Credit risk exposures arise principally in lending and investment activities. Credit risk also occurs in off balance sheet financial instruments such as guarantees and letters of credit. This risk relates to the possibility that a counter party will cause a financial loss to the Group by failing to discharge an obligation. The Group's lending and investing activities are conducted with various counterparties and in pursuing these activities the Bank is exposed to credit risk. These are the principal areas of activity for the Group and it is expected that such exposures will continue to exist for the foreseeable future. The management of credit risks is of utmost importance and an appropriate organizational structure has been put in place to ensure that this function is effectively discharged. Management carefully manages its exposure to credit risk through appropriate policies, procedures, practices and audit functions together with approved limits.

Credit Risk Management

In its management of credit risk, the organisational structure supports the lending philosophy of the Group. This structure comprises the Board of Directors, the Board Credit Committee (BCC), the Executive Director, Head of Credit; Senior Management of Risk and Compliance and the Internal Audit Function.

To facilitate day to day decision making and timely implementation of decisions, the Board has delegated authority for specific areas to specific committees and/or officers with an appropriate reporting system to the Board. The Board's Credit Committee focuses primarily on credit risk appetite and in so doing sanction amendments to credit policies, delegation of lending authority to senior management and credit requests exceeding the authority of management.

22 FINANCIAL RISK MANAGEMENT - (CONT'D)

The Executive Director along with the Senior Manager of Risk monitors the effectiveness of credit procedures and policies and may direct changes to strategies to improve the effectiveness of policies. Policies are established and communicated through the Bank's written Credit Policy Manual. This document sets out in detail the current policies governing the lending function and provides a comprehensive framework for prudent risk management of the credit function. Major areas of focus are: General Credit Criteria; Credit Risk Rating; Control Risk Mitigants over the Credit Portfolio and Credit Concentration among others. The Bank's policies and procedures are dedicated to controlling and monitoring risk from such activities. Compliance with credit policies and exposure limits is reviewed by the Internal Auditors on a continuous basis.

RISK LIMIT CONTROL AND MITIGATION POLICY

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or Bank's of borrowers, industry and country seg-ments. The Bank monitors its concentration of credit exposure so that no single borrower or industry default will have a material impact on the Group.

(A) SINGLE BORROWER AND BANK BORROWER EXPOSURE LIMITS

Limits established by regulatory authorities have been incorporated into the credit policies where concentration is restricted by limiting credit amounts to a fraction of the capital base. This is supported by a stringent reporting requirement and is further enhanced by policies requiring periodic review of all commercial credit relationships.

(B) INDUSTRY EXPOSURE LIMITS

These limits have been established based on a ranking of the riskiness of various industries. The ranking is guided by a model developed for the Bank for this purpose. The model utilises a scale incorporating scores of 1 to 8 with 1 being the least risky. These have been consolidated into four (4) bands of exposure limits which have been set in relation to the total credit portfolio with a smaller limit being assigned to the more risky industries. ►

22 FINANCIAL RISK MANAGEMENT - (CONT'D)

(C) CREDIT RISK-(CONT'D)

THESE POLICIES INCLUDE BUT ARE NOT LIMITED TO:

i. Conducting interviews to obtain an overall impression of the applicant's ability to manage its finances and service the credit facility.

ii. Collateral offered is subjected to inspection/field visit to enable the Group to decide whether it concurs with the valuator's opinion. Valuations are assessed conservatively and reviewed regularly with the support of empirical evidence.

iii. Adherence to a loan to equity ratio policy that conforms to the tenets of sound banking.

iv. Loans and overdrafts are generally collateralised with some or all of the following:
- Cash
- Mortgages
- Debentures
- Bills of Sale
- Guarantees
- Assignment of Traded Shares
- Assignment of Salary or Crop proceeds
- Assignment of Insurance Policies
- Promissory Notes

v. Security structures and legal conditions are reviewed from time to time to ensure they continue to fulfil their intended purpose and remain in line with current banking practice.

vi. Generally, funds are not disbursed unless mortgages or debentures are duly executed in the High Court.

vii. Loan Officers are required to continually track loans recommended or approved by them-selves to ensure projects are implemented as conceptualized, approved and scheduled; re-payments are made in accordance with loan agreements; potential problems are identified and appropriate actions are taken to avoid the performance of the loans being adversely affected; and generally to maintain and improve the healthiness of the Bank's credit portfolio. ►

22 FINANCIAL RISK MANAGEMENT - (CONT'D)

(C) CREDIT RISK-(CONT'D)

viii. Credit exposure is controlled by lending limits that are reviewed and approved by the Credit Committee and the Board of Directors.

ix. Ongoing training is conducted for Credit Officers to enhance their skills and techniques in assessing credit.

x. Compliance with the "single borrower" or "group borrower's" limit as set out in the Financial Institutions Act (1995), other regulatory guidelines and the Group's own prudential judgements.

xi. Authorized lending limits utilizing the hierarchical structure of the Group.

xii. Generation of daily and monthly management exception reports.

xiii. The avoidance of being one of multiple lenders to a borrower. In the event this occurs, the Group seeks to rank in priority to the other lenders.

xiv. Monthly credit meetings are conducted to review loans and overdrafts at varying degrees of default so that actions are taken in a timely manner.

xv. Non-performing accounts are provided for or written-off in accordance with accepted banking principles and the Financial Institutions Act (1995).

xvi. Interest on non-accrual/impaired accounts is not taken to income.

xvii. Observation of the market trends, both local and global, which may be affecting a particular industry or sector.

xviii. Diversification of the Group's lending portfolio so as to spread the risk and stabilise financial results.

CREDIT RISK MEASUREMENT

As part of the on-going process of prudent risk management, the Group's policy is to risk rate credit facilities at the time of approval and on a regular basis. The Credit Classification System is in place to assign risk indicators to credits in the portfolio and engages the traditional categories utilized by regulatory authorities. ►

22. FINANCIAL RISK MANAGEMENT - (CONT'D)

(c) Credit risk - (cont'd)

The table below shows the Bank's maximum exposure to credit risk.

	COMPANY		GROUP	
	2017	2016	2017	2016
	Maximum exposure	Maximum exposure	Maximum exposure	Maximum exposure
	G' 000	G' 000	G' 000	G' 000
Cash and short term funds	13,150,601	11,993,775	13,150,719	11,993,775
Deposit with Bank of Guyana	9,309,619	9,749,364	9,309,619	9,749,364
Investments:				
Available for sale	22,302,128	21,628,491	22,302,112	21,628,491
Held to maturity	275,637	298,710	275,637	298,710
Loans and advances	44,711,906	45,525,688	44,060,512	45,067,612
Total	89,749,891	89,196,028	89,098,599	88,737,952
Customer liability under acceptances, guarantees and letters of credit	4,058,782	2,489,679	4,058,782	2,489,679
Total credit risk exposure	93,808,673	91,685,707	93,157,381	91,227,631

The above table represents a worst case scenario of credit risk exposure to the Bank without taking account of any collateral held or other credit enhancements attached.

CREDIT QUALITY LOANS & ADVANCES	COMPANY		GROUP	
	2017	2016	2017	2016
	G$ 000	G$ 000	G$ 000	G$ 000
Neither past due nor impaired	29,364,687	34,196,578	28,713,293	33,738,502
Past due but not impaired	7,158,188	2,892,447	7,158,188	2,892,447
Impaired	11,843,558	11,805,644	11,843,558	11,805,644
	48,366,433	48,894,669	47,715,039	48,436,593

The collateral held are in excess of 95% of total loans and advances

22 FINANCIAL RISK MANAGEMENT - (CONT'D)

(C) CREDIT RISK - (CONT'D)

CREDIT RISK MEASUREMENT - (CONT'D)

There are a variety of reasons why certain loans and advances designated as 'past due' are not regarded as impaired. Unless other information is available to the contrary, all loans and advances between 90 and 180 days are not considered impaired as they may be well-secured. In addition, renewals may be delayed due to pending submission of required documentation and as such do not reflect any concern on the creditworthiness of the borrower. Further, past due loans and advances secured in full by cash collateral are not considered impaired, and where appropriate, neither are mortgages in arrears by greater than 90 days where the value of the collateral is sufficient to repay both principal and interest in the event the account is identified for recovery action.

Loans and advances which were past due but not impaired as at 31 December can be assessed by reference to the Bank's credit grading system. The following information is based on that system.

	2017 G$000	2016 G$000
Grade 1- Satisfactory risk	28,713,293	33,738,502
Grade 2- Monitor list		
Past Due up to 29 days	3,456,405	1,275,706
Past Due up 30-59 days	2,416,643	1,023,007
Past Due 60-89 days	1,285,140	593,734
	7,158,188	2,892,447

The security held for these loans are the same as those stated in Note 22 (c) (iv).

(D) IMPAIRED LOANS AND ADVANCES

The Bank's rating process for credit facilities extends across its Branches and is designed to detect exposure requiring greater management attention based on a higher probability of default and potential loss. Management particularly focuses on facilities with delinquencies 90 days and above with a view to taking action such as working with the borrowers to restore their performing status, or instituting legal or recovery action if considered necessary.

22 FINANCIAL RISK MANAGEMENT - (CONT'D)

(D) IMPAIRED LOANS AND ADVANCES (CONT'D)

The Bank's risk response strategy also includes regular evaluation of the adequacy of provision allocated for impaired loans and advances by conducting detailed half-yearly reviews of the total loan portfolio, comparing performance and delinquency statistics with historical trends and prevailing economic conditions.

The Bank's policy in its reviews of the level of impairment allowances for loans and advances includes a review of collateral held (e.g. reconfirmation of its enforceability) and an assessment of actual and anticipated receipts. For significant commercial and corporate debts, specialized credit committees with experience in insolvency and specific market factors are used to determine likely losses.

22. FINANCIAL RISK MANAGEMENT - (CONT'D)

(D) IMPAIRED LOANS AND ADVANCES-CONT'D

Reduction or reversals on calculated impairment allowances are recognized when the Bank has reasonable evidence that the established estimate of loss has been reduced.

Impaired loans and advances by product type (includes corporate facilities)

	COMPANY AND GROUP	
	2017	2016
	G$ 000	G$ 000
Grade 3 - Sub-standard		
- Past due 90 - 179 days	3,947,691	511,348
Grade 4 - Doubtful and loss		
- Past due 180 - 359 days	1,228,266	2,407,792
- Past due 360 days and over	6,667,601	8,886,504
	7,895,867	11,294,296
Total impaired loans and advances	11,843,558	11,805,644
Impaired loans and advances by product type (includes corporate facilities)		
Quality lifestyle loans	408,409	353,698
Commercial loans and advances (includes corporate facilities)	11,435,149	11,451,946
	11,843,558	11,805,644

The tables below depict the Bank's exposure to credit risk based on the geographic region where financial instruments are held.

	GROUP					
As at December 2017	**Guyana**	**Caricom**	**North America**	**Europe**	**Others**	**Total**
	G$' 000	G$' 000	G$' 000	G$' 000	G$' 000	G$' 000
On Statement of Financial Position						
Cash resources	19,563,974	717,079	1,923,844	255,441	-	22,460,338
Investments	8,775,820	12,460,667	-		1,341,262	22,577,749
Loans and advances (net)	42,708,286	1,352,226	-		-	44,060,512
	71,048,080	**14,529,972**	**1,923,844**	**255,441**	**1,341,262**	**89,098,599**
Off Statement of Financial Position						
Acceptances, guarantees and letters of credit	4,058,782	-		-	-	4,058,782
	4,058,782		**-**	**-**	**-**	**4,058,782**
Total	**75,106,862**	**14,529,972**	**1,923,844**	**255,441**	**1,341,262**	**93,157,381**

22. FINANCIAL RISK MANAGEMENT - (CONT'D)

(D) IMPAIRED LOANS AND ADVANCES-CONT'D

As at December 2016

On Statement of Financial Position						
Cash resources	15,821,249	3,742,725	1,923,844	255,321	-	21,743,139
Investments	8,780,827	11,805,112	-	-	1,341,262	21,927,201
Loans and advances (net)	43,715,386	1,352,226	-	-		45,067,612
	68,317,462	16,900,063	1,923,844	255,321	1,341,262	88,737,952
Off Statement of Financial Position						
Acceptances, guarantees and letters of credit	2,384,064	-	105,615	-	-	2,489,679
	2,384,064	-	105,615	-	-	2,489,679
Total	70,701,526	**16,900,063**	**2,029,459**	**255,321**	**1,341,262**	**91,227,631**

22. FINANCIAL RISK MANAGEMENT - (CONT'D)

(e) INVESTMENT SECURITIES

The Group utilizes external ratings such as international credit rating agencies or their equivalent in managing credit risk exposures for investments.

The table below represents an analysis of debt securities, treasury bills and other eligible bills by rating agency designation.

	GROUP			
31 December 2017	Treasury Bills G$'000	Available for Sale Securities G$'000	Held to Maturity Securities G$'000	Total G$'000
A- to AAA	-	3,594,514	-	3,594,514
BBB- to BBB+	-	1,371,535	-	1,371,535
Lower than BBB-	-	5,117,094	-	5,117,094
Unrated	10,142,540	2,076,429	528,302	12,747,271
	10,142,540	**12,159,572**	**528,302**	**22,830,414**
31 December 2016				
A- to AAA	-	3,197,541	-	3,197,541
BBB- to BBB+	-	1,004,759	-	1,004,759
Lower than BBB-	-	4,285,452	-	4,285,452
Unrated	8,234,280	4,905,888	546,939	13,687,107
	8,234,280	**13,393,640**	**546,939**	**22,174,859**

The carrying value of past due or impaired loans and advances whose terms have been re-negotiated.

	COMPANY AND GROUP	
	2017	2016
	G$ 000	G$ 000
Renegotiated loans/overdrafts	6,587,128	6,093,794

COMMITMENT FEES

There has been no deferral of commitment fees on the grounds that the amount calculated for possible deferral has been deemed immaterial.

22. FINANCIAL RISK MANAGEMENT - (CONT'D)

(f) DIVERSIFICATION OF EXPOSURE

The Group provides a wide range of financial services to borrowers in over 7 (seven) sectors within Guyana. As a result, its portfolio of financial instruments with credit risk is highly diversified with no exposure to individual borrowers and group borrowers totaling more than 25% and 40% respectively of the Bank's capital base.

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. At the reporting date there were no significant concentrations of credit risk for loans. There is no special collateral requirement relating to concentration of risks.

The carrying amount reflected below represents the Group's maximum exposure to credit risk for such loans.

	COMPANY	
	2017	2016
	G$ 000	G$ 000
Loans and Advances		
Agriculture	4,720,936	5,803,655
Services and distribution	24,495,271	24,542,209
Manufacturing	3,217,477	3,788,917
Household	13,773,890	13,542,565
Mining and quarrying	2,158,860	1,217,323
	48,366,434	48,894,669
Impairment allowances	(3,654,527)	(3,368,981)
Net loans and advances	44,711,907	45,525,688
Concentration of deposits		
Deposits		
State entities	13,190,117	15,419,120
Commercial sector	15,720,946	14,480,897
Personal sector	48,338,328	47,290,045
Other enterprises	3,254,315	4,280,056
Non residents	1,195,273	1,423,623
	81,698,979	82,893,741

23. CONTINGENCIES

(i) Contingent liabilities

(a) Pending litigations

The Group is the claimant in several litigation matters involving defaulting customers. The Directors are of the view that no provision for any contingency is necessary.

(b) Customers' liability under acceptances, guarantees and letters of credit

	COMPANY AND GROUP 2017				COMPANY AND GROUP 2016			
	Under 3 mths G$'000	3 to 12 months G$'000	Over 12 mths G$'000	Total G$'000	Under 3 mths G$'000	3 to 12 months G$'000	Over 12 mths G$'000	Total G$'000
State entities	-	-	26	26	-	-	26	26
Commercial sector	2,478,617	514,414	901,929	3,894,960	803,072	538,436	1,023,647	2,365,155
Personal sector	50	139,370	24,376	163,796	14,463	83,235	26,800	124,498
	2,478,667	653,784	926,331	4,058,782	817,535	621,671	1,050,473	2,489,679

24. DEFINED BENEFITS ASSET

The most recent actuarial valuation of the plan assets and the present value of the defined benefit asset were carried out as at 31 December, 2017 by Bacon Woodrow & de Souza Limited. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method.

	COMPANY AND GROUP	
	2017	**2016**
	G$ 000	G$ 000
(a) Amounts in the statement of financial position:		
Defined benefit obligation	751,313	691,361
Fair value of plan assets	(817,450)	(721,824)
Surplus	(66,137)	(30,463)
Effect on asset ceiling		-
Defined benefit asset	(66,137)	(30,463)
(b) Changes in the present value of the defined benefit obligation		
Defined benefit obligation at the start of the year	691,361	603,633
Current service cost	85,292	80,543
Interest cost	30,971	27,023
Past service cost/(credit)		-
Remeasurements:		
- Experience adjustments	(50,020)	(13,538)
Members' contribution	-	-
Benefit Improvements	-	-
Actuarial gain	-	-
Benefits paid	(6,291)	(6,300)
Defined benefit obligation at the end of the year	**751,313**	**691,361**
(c) Changes in the fair value of the plan assets		
Plan assets at start of year	721,824	635,034
Interest income	34,199	30,190
Return on plan assets, excluding interest income	(15,717)	(15,890)
Bank contributions	83,435	78,790
Benefits paid	(6,291)	(6,300)
Plan assets at the end of the year	**817,450**	**721,824**

24. DEFINED BENEFITS ASSET (CONT'D)

	COMPANY AND GROUP	
	2017	2016
	G$ 000	G$ 000
(d) Asset allocation		
Deposit administration contract	756,218	662,905
Annuity policies	61,232	58,919
Fair value of plan asset at the end of the year	**817,450**	**721,824**

The value of the plan's assets is equal to the face value of the deposit administration contract provided by the insurance company provider, NALICO plus an estimate of the value of the plan's immediate annuity policies which was calculated using the same assumptions used to calculate the defined benefit obligation.

The value of these policies is not quoted and is reliant on NALICO's financial strength.

The plan's assets are invested in a strategy agreed with the plan's trustees which is largely driven by statutory constraints and asset availability. There are no asset-liability matching strategies used by the plan other than the decision to purchase immediate annuity policies to match pensions in payments

	2017	2016
	G$ 000	G$ 000
(e) Expense recognised in profit or loss		
Current service cost	85,292	80,543
Net interest on net defined benefit asset	(3,228)	(3,167)
Past service cost	-	-
Net pension cost	82,064	77,376
(f) Re-measurements recognised in other comprehensive income		
Experience (gains)/losses	(34,303)	2,352
Effect of asset ceiling	-	-
Total amount recognised in other comprehensive income	(34,303)	2,352
(g) Reconciliation of opening and closing balance sheet entries		
Opening defined benefit asset	(30,463)	(31,401)
Net pension cost	82,064	77,376
Re-measurements recognised in other comprehensive income	(34,303)	2,352
Bank's contributions paid	(83,435)	(78,790)
Closing defined benefit asset	(66,137)	(30,463)

24. DEFINED BENEFITS ASSET - (CONT'D)

	COMPANY AND GROUP	
(h) Summary of principal assumptions as at 31 December	**2017**	**2016**
	Per annum %	Per annum %
Discount rate	4.5	4.5
Average individual salary increases	4.5	4.5
Future pension increases	0.0	0.0

Assumptions regarding future morality are based on published morality tables. The life expectancies underlying the value of the defined benefit obligation as at 31 December are as follows:

	2017	2016
Life expectancy for current pensioner in years		
- Male (aged 60)	18	18
- Female (aged 55)	26.9	26.9
Life expectancy for current members age 40 in years		
- Male (aged 60)	18	18
- Female (aged 55)	269	269

(i) Sensitivity analysis

Since the majority of the plan's liabilities are defined contribution in nature and pensions in payment are insured, the surplus or deficit in the Plan is not very sensitive to the actuarial assumptions used in the calculations.

(j) Funding

The Bank meets the cost of funding the pension plan. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the plan and the assumptions used to determine the funding required may differ from those set out above. The Bank expects to pay G$80.7M to the pension plan during 2018.

(k) Experience history	**2013**	**2014**	**2015**	**2016**	**2017**
	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
Defined benefit obligation	464,702	538,345	603,633	691,361	751,313
Fair value of plan assets	(464,060)	(542,463)	(635,034)	(721,824)	(817,450)
(Surplus)/Deficit	642	(4,118)	(31,401)	(30,463)	(66,137)

25. BALANCES EXCLUDED FROM THE ACCOUNTS

	COMPANY AND GROUP	
	2017	2016
	G$ 000	G$ 000
	9,379	9,942

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 Group from any liability.

26. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

A number of banking transactions are entered into with related parties in the normal course of business. Such transactions were executed at rates of interest and charges that are similar to transactions involving third parties in the normal course of business. Transactions were both secured and unsecured.

Employees in the Group are granted loans, advances and other banking services at preferential rates.

	COMPANY AND GROUP	
(a) **Group companies**	2017	2016
	G$ 000	G$ 000
(i) Loans and advances		
Balances at end of year	2,615,744	2,614,961
Interest income	175,194	223,541
(ii) Deposits		
Balance at end of year	3,328,622	2,983,156
Interest expense	47,225	39,904
(iii) Commissions	7,398	6,094
(iv) Insurance coverage	7,426,274	7,401,274
(v) Insurance premiums paid	40,909	41,278
The nature of these contracts relate to policies held for fire insurance, cash on premises, public liability, fidelity guarantee, employers liability, computer all risk, cash-in-transit and various risks		
(vi) Rental of locations-NALICO	1,800	1,800
(vii) All pension payments have been secured by annuities from Nalico.		
(b) **Parent Company**		
Deposits		
Balance at end of year	859	531
Interest expense	79	-
(c) **Associate Company**		
(i) Deposits		
Balance at end of year	30,203	36,102
Interest expense	-	-
(ii) Investments		
Investments effected through associate company (fair value)	1,340,990	1,625,439

26. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

(c) **Associate Company-(cont'd)**

	GROUP	
	2017	**2016**
	G$ 000	G$ 000
(iii) Fees paid to associate company- Guyana Americas Merchant Bank Inc.	2,496	2,496
(iv) Annual rental income received- Guyana Americas Merchant Bank Inc.	5,602	5,602

(d) **Subsidiary Company**

(i) Loans and advances

Balances at end of year	651,394	832,120
(ii) Rental paid	9,000	9,000

(e) **Key management personnel**

(i) **Compensation**

The Group's 55 (2016 -48) key management personnel comprise its Directors, its Executive Director and Managers. The remuneration paid to key management for the year was as follows:

	GROUP	
	2017	**2016**
	G$ 000	G$ 000
Short-term employee benefits	321,808	299,403
Post-employment benefits	22,389	22,384
	344,197	321,787

(ii) **Directors emoluments**

Amounts represents fees paid to individuals in respect of their services as Directors (included in key management compensation)

Chairman	3,553	3,630
Executive Director	403	1,210
Non- Executive Director	7,159	7,700
	11,115	12,540

(iii) **Loans and advances**	219,178	238,263
Balance at end of year		
Interest income	11,601	14,140
(iv) **Deposits**	177,234	201,848
Balance at end of year		
Interest expense	1,818	2,606

Employees of the Bank are granted loans at concessionary rates of interest.

No provision was made for loan losses to related parties.

26. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

	GROUP	
	2017	2016
	G$ 000	G$ 000
(v) Sievewright Stoby & Co.		
Fees	580	580

Sievewright Stoby & Co. provides a range of legal services to the Group which include the preparation, filing and registration of mortgages, debentures and bills of sale; preparation and filing of cancellation of mortgages and debentures; conveyance of transported properties, and transfer of titles; issues demand letters; represents the Group in actions filed by the Group against defaulting customers, as well as in actions filed against the Group; follows through on the entering of judgements obtained and levy proceedings commenced; and generally provides legal advice on miscellaneous Group related matters. The fees charged for these services are paid directly to Sievewright Stoby & Co. by the customer.

27. CAPITAL COMMITMENTS

	COMPANY AND GROUP	
	2017	2016
	G$ 000	G$ 000
Authorized and not contracted for	999,758	89,666
Authorized and contracted for	124,890	358,587
Capital commitments not provided for in the financial statements	1,124,648	448,253

28. DIVIDENDS

Amounts recognised as distributions to shareholders in the year:

Final dividend for year ended 31 December 2016 G$11.00 per share (2015- G$11.00)	440,000	440,000
Interim dividend of G$4.00 per share (2016 - G$6.00)	160,000	240,000
	600,000	680,000
Proposed final dividend of G$10.00 per share (2016 - G$11.00)	400,000	440,000

The proposed final dividend is subject to approval by shareholders at the annual general meeting and has not been included as a liability in the financial statements.

29 FAIR VALUE ESTIMATION

Fair value measurement recognised in the statement of financial position.

Level 1- Fair value determination is with reference to quoted prices in active markets for identical assets and liabilities. Quotation from recognised stock exchange was used to value financial assets under this ranking.

Level 2- Fair value measurement are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly(i.e. as prices) or indirectly(i.e. derived from prices).

The following assets and liabilities are carried at amortised cost. However, fair values have been stated for disclosure purposes

	2017 GROUP			2016 GROUP		
	IFRS 13 Level	Carrying amount G$'000	Fair value G$'000	IFRS 13 Level	Carrying amount G$'000	Fair value G$'000
ASSETS						
Investment property	2	373,980	373,980	2	379,163	379,163
Cash resources	1	22,460,338	22,460,338	1	21,743,259	21,743,259
Investments:						
- Held to maturity	2	275,637	275,637	2	298,710	298,710
Loans and advances	2	44,060,512	44,060,512	2	45,067,612	45,067,612
Other assets	2	1,628,099	1,628,099	2	1,583,118	1,583,118
Defined benefit assets	2	66,137	66,137	2	30,463	30,463
		68,864,703	68,864,703		69,102,325	69,102,325
LIABILITIES						
Deposits	2	81,698,979	81,698,979	2	82,893,741	82,893,741
Other liabilities	2	1,515,737	1,515,737	2	1,049,819	1,049,819
		83,214,716	83,214,716		83,943,560	83,943,560

29 FAIR VALUE ESTIMATION - (CONT'D)

Valuation techniques and assumptions applied for the purposes of measuring fair value.

The fair values of financial assets and liabilities were determined as follows:

(a) Investment properties fair values were measured primarily at cost less accumulated depreciation. Management's judgment was used to determine that fair value approximates the carrying value.
(b) Loans and advances are net of specific and other provisions for impairment. The fair value of loans and advances is based on expected realisation of outstanding balances taking into account the bank's history with respect to delinquencies.
(c) Financial instruments where the carrying amounts are equal to fair value:- Due to their short-term maturity, the carrying amounts of certain financial instruments are assumed to approximate their fair values. These include cash resources, customer's deposits accounts, other assets, defined benefit assets and other liabilities.
(d) Defined benefit assets were measured by management on the advice from the Actuary.

Assets carried at fair value

PROPERTY AND EQUIPMENT

Land and buildings vested in the Bank on 1 December 1987 were revalued in 1988 by professional valuer 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.

A revaluation of land, building and errections of the properties was done by Mr. David Patterson from Patterson Associates, a qualified valuer in 2014 which resulted in no change. The revalued amount approximated the carrying value in the financial statements.

All valuations were based on open market value. The most significant input of these valuation approaches is the value or replacement cost per square foot which is considered to be observable. The valuation of property is classified as a level 2.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 and 2 based on the degree to which the value is observable.

INVESTMENT

	GROUP	
	2017	2016
	G$000	G$000
Available for sale		
Level 1	14,988,679	16,722,603
Level 2	7,313,433	7,445,872
	22,302,112	24,168,475
	========	========

30 SEGMENT INFORMATION

The accounting policies of the operating segments are the same as those describe in note 3.1(v) of the summary of significant accounting policies except that pension expenses for each operating segments are recognised and measured on the basis of cash payments to the pension plan. The Group evaluates performance on the basis of profit or loss from operations before tax expense not including non-recurring gains and losses and foreign exchange gains and losses.

The Group accounts for intersegment revenue and transfers as if the revenue or transfers were with third parties at current market prices.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technologies and marketing strategies. Most of the business were acquired as individual units, and the management at the time of the acquisition was retained.

Operating segments are being identified on the basis of internal reports maintained by components of the Group that are regularly reviewed by management in order to allocate resources to the segments and to assess their performance.

Effective from 1 January 2016 the Group's business has been classified primarily into three main segments, namely Retail Commercial Banking, Treasury and Gold Trading (by class of business).

30 SEGMENT INFORMATION (CONT'D)

The table below shows segment information by class of business

	GROUP 2017			
	Retail and Commercial Banking	Treasury	Gold Trading	Total
	$'000	$'000	$'000	$'000
Interest income	3,689,670	1,323,509	-	5,013,179
Interest expense	(789,756)	-	-	(789,756)
Net interest income	2,899,914	1,323,509	-	4,223,423
Loan impairment expense	(625,002)	-	-	(625,002)
Loan impairment recoveries	37,506	-	-	37,506
	2,312,418	1,323,509	-	3,635,927
Other income	494,255	1,120,721	852,385	2,467,361
Share of profit of associate company	-	620	-	620
Operating expenses	(3,369,634)	-	(846,306)	(4,215,940)
Profit before taxation	(562,961)	2,444,850	6,079	1,887,968
Segment assets				
Cash resources	22,460,220	-	118	22,460,338
Investments:-				
Available for sale	-	22,302,112	-	22,302,112
Held to maturity	-	275,637	-	275,637
Non current assets-associate company		252,665	-	252,665
Loans and advances	44,060,512	-	-	44,060,512
Property and equipment	6,889,278	-	7,887	6,897,167
Investment property	-	-	373,980	373,980
Deferred tax assets	266,506	-	-	266,506
Other assets	-	1,628,099	-	1,628,099
Defined benefit asset	66,137	-	-	66,137
Total segment assets	73,742,653	24,458,513	381,985	98,583,153
Segment liabilities				
Deposits:-				
Demand	20,270,617	-	-	20,270,617
Savings	46,107,880	-	-	46,107,880
Term	15,320,482	-	-	15,320,482
Due to banks	21	-	-	21
Other	1,514,955	-	819	1,515,774
Total segment liabilities	83,213,955	-	819	83,214,774

30 SEGMENT INFORMATION (CONT'D)

	GROUP 2016			
	Retail and Commercial Banking	Treasury	Gold Trading	Total
	$'000	$'000	$'000	$'000
Interest income	4,442,880	1,514,439	-	5,957,319
Interest expense	(912,303)	-	-	(912,303)
Net interest income	3,530,577	1,514,439	-	5,045,016
Loan impairment expense	(999,931)	-	-	(999,931)
Loan impairment recoveries	100,779	-	-	100,779
	2,631,425	1,514,439	-	4,145,864
Other income	512,226	612,711	1,226,884	2,351,821
Share of profit of associate company	-	143	-	143
Operating expenses	2,752,851	-	1,212,524	3,965,375
Profit before taxation	390,800	2,127,293	14,360	2,532,453
Segment assets				
Cash resources	21,743,259	-	-	21,743,259
Investments:-				
Available for sale	-	21,628,475	-	21,628,475
Held to maturity	-	298,710	-	298,710
Non current assets-associate company	-	247,674	-	247,674
Loans and advances	45,067,612	-	-	45,067,612
Property and equipment	7,063,254	-	11,105	7,074,359
Investment property	-	-	379,163	379,163
Deferred tax assets	315,341	-	-	315,341
Other assets	-	1,583,118	-	1,583,118
Defined benefit asset	30,463	-	-	30,463
Total segment assets	74,219,929	23,757,977	390,268	98,368,174
Segment liabilities				
Deposits:-				
Demand	20,485,829	-	-	20,485,829
Savings	45,056,889	-	-	45,056,889
Term	17,351,023	-	-	17,351,023
Due to banks	26	-	-	26
Taxation	-	-	10,096	10,096
Other	1,032,188	-	7,509	1,039,697
Total segment liabilities	83,925,955	-	17,605	83,943,560

30 SEGMENT INFORMATION - (CONT'D)

(a) The classification shown below is followed by a secondary classification into geographical segments.

	Additions to non current assets			
	Company		Group	
	2017	2016	2017	2016
	G$ 000	G$ 000	G$ 000	G$ 000
Retail and commercial lending	210,833	473,159	210,833	473,159
Other		-	276	999
	210,833	473,159	211,109	474,158

(b) Revenue from major services

The following is an analysis of the Group's revenue from its major services

	GROUP	
	2017	2016
	G$ 000	G$ 000
Retail and commercial lending	3,689,670	4,442,880
Treasury	1,323,509	1,514,439
	5,013,179	5,957,319

(c) Geographical information

(i) The Group operates in three principal geographical area-retail commercial banking, treasury and gold trading.

The Group's revenue derived from operations from external customers and information about its non current assets by geographical location are detailed below

	GROUP			
	Revenue		Non Current Assets	
	2017	2016	2017	2016
	G$ 000	G$ 000	G$ 000	G$ 000
Treasury(corporate office)	4,183,925	4,061,701	-	-
Retail and commercial banking(other branches)	2,444,230	2,041,739	6,897,165	7,074,359
Other- gold trading and rental	852,385	2,205,700	373,980	379,163
	7,480,540	8,309,140	7,271,145	7,453,522

Revenue by geographic location

2017	Guyana	Caricom	Others	Total
	G$ 000	G$ 000	G$ 000	G$ 000
Interest income	3,689,670	961,262	362,247	5,013,179
Other income	2,467,361	-	-	2,467,361
Total revenue	6,157,031	961,262	362,247	7,480,540

2016	Guyana	Caricom	Others	Total
	G$ 000	G$ 000	G$ 000	G$ 000
Interest income	4,671,251	1,073,914	212,154	5,957,319
Other income	2,351,821	-	-	2,351,821
Total revenue	7,023,072	1,073,914	212,154	8,309,140

Major customer

There were no revenues earned from an individual or group of customers that exceeded 10% of total revenues.

31 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT BASIS

	COMPANY					
ASSETS	**Held to Maturity**	**Loans and Receivables**	**Available for Sale**	**Financial Assets and Liabilities at amortised cost**	**Total**	**2016 Total**
2017	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
Cash resources	-	-	-	22,460,220	22,460,220	21,743,139
Investments	275,637	-	22,554,793	-	22,830,430	22,174,875
Loans & advances (net)	-	44,711,906	-	-	44,711,906	45,525,688
Other assets	-	-	-	1,465,929	1,465,929	1,581,536
Total assets	275,637	44,711,906	22,554,793	23,926,149	91,468,485	91,025,238
2016	298,710	45,525,688	21,876,165	23,324,675	91,025,238	
LIABILITIES						
2017						
Deposits	-	-	-	81,698,979	81,698,979	82,893,741
Other liabilities	-	-	-	1,515,795	1,515,795	1,009,355
Total liabilities	-	-	-	**83,214,774**	**83,214,774**	**83,903,096**
2016	-	-	-	**83,903,096**	**83,903,096**	

	GROUP					
ASSETS	**Held to Maturity**	**Loans and Receivables**	**Available for Sale**	**Financial Assets and Liabilities at amortised cost**	**Total**	**2016 Total**
2017	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000	**G$ 000**
Cash resources	-	-	-	22,460,338	22,460,338	21,743,259
Investments	275,637	-	22,554,777	-	22,830,414	22,174,859
Loans & advances (net)	-	44,060,512	-	-	44,060,512	45,067,612
Other	-	-	-	1,628,099	1,628,099	1,583,118
Total Assets	275,637	44,060,512	22,554,777	24,088,437	90,979,363	**90,568,848**
2016	298,710	45,067,612	21,876,149	23,326,377	90,568,848	
LIABILITIES						
2017						
Deposits	-	-	-	81,698,979	81,698,979	82,893,741
Other	-	-	-	1,515,737	1,515,737	1,049,819
Total liabilities	-	-	-	83,214,716	83,214,716	**83,943,560**
2016	-	-	-	82,995,819	82,995,819	

32 PENDING LIGITATIONS

There are several pending litigations against the company. These matters are currently receiving the attention of the high court and the outcome cannot be determined at this date.

33 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for issue on March 8, 2018.