

# GUYANA BANK FOR TRADE AND INDUSTRY LIMITED

## INTERIM REPORT AS AT 30<sup>TH</sup> JUNE, 2016

Dear Shareholders,

The Board is pleased to present the report on the financial performance of the Bank and its subsidiary for the first six months of the financial year ended June 30; 2016. These statements were approved by the Board on July 20, 2016.

In spite of the exceptionally early presentation of the National Budget in January of this year, the expectations and confidence that usually follow and flow out of the fiscal policies of such a Budget have not been manifested in this instance so far. As a result, the economy continued to display a sluggishness throughout the first half of the year.

It is quite evident that with the loss of the Venezuelan market for a sizeable portion of our production of paddy and rice and with the World Market price of this commodity being very low that the Rice Industry would be in some difficulty. Sugar production was just marginally below its target for the half year but with the World Market price for sugar being less than the cost of our production, its contribution to GDP has not improved. The bright spot for the year to date has been the level of production of gold, which has been bolstered by a significant increase in the World Market price after a protracted period of relatively low prices. In addition, the Housing Sector has levelled off after years of good growth which provided a stable lending

opportunity for the Banking Sector.

Globally the World was stunned by the outcome of the Referendum in the United Kingdom (U.K.) which decided that the U.K. should exit the European Union (EU) after negotiations. The outcome of this is expected to impact the economic expansion of not only the E.U. but globally, and perhaps even felt in some way by us here in Guyana and the Caribbean.

As we look towards the next half of the year, we need to set our minds on the effects of the Presidential Election of the United States of America (USA) in November and closer to home the trial of President Dilma Roussef of Brazil and the recall vote against President Maduro of Venezuela. Any of these events could have a very serious impact on us here in Guyana, but in a manner that at the present cannot be foreseen.

Presently, our Bank, like so many others in the Caribbean and Latin America, is facing the prospects of the loss of Correspondent Banking Relationships with the prime banks of the USA according to what these banks term as “de-risking”. This was the unintended result of stringent regulations to prevent money laundering and terrorist financing particularly in relation to small countries like our own.

These prospects, some of which will have an impact on our Banking System, require us at GBTI to exercise more dexterity than ever before in navigating the Bank’s path to continued growth and stability and we do intend to do so.

Considering all of this, the Board is pleased to have approved an Interim Dividend of \$6 per share on the basis of a Net Profit after Tax of \$961M for the first half of the year 2016.

**GUYANA BANK FOR TRADE AND INDUSTRY LIMITED AND SUBSIDIARY**  
(SUBSIDIARY OF SECURE INTERNATIONAL FINANCE COMPANY INCORPORATED)

**FINANCIAL STATEMENT**

(Statutory Information published in accordance with the provisions of the Securities Industry Act 1998)

**UNAUDITED STATEMENT OF INCOME**  
(All Amounts stated in thousands of Guyana Dollars)

	COMPANY			GROUP		
	Unaudited Six Mths Ended <u>30-Jun-2016</u>	Unaudited Six Mths Ended <u>30-Jun-2015</u>	Audited Year Ended <u>31-Dec-2015</u>	Unaudited Six Mths Ended <u>30-Jun-2016</u>	Unaudited Six Mths Ended <u>30-Jun-2015</u>	Audited Year Ended <u>31-Dec-2015</u>
Interest Income	2,825,365	2,837,606	5,666,850	2,815,393	2,837,606	5,625,227
Interest Expense	<u>(459,333)</u>	<u>(438,353)</u>	<u>(906,091)</u>	<u>(459,333)</u>	<u>(438,353)</u>	<u>(906,091)</u>
Net Interest Income	2,366,032	2,399,253	4,760,759	2,356,060	2,399,253	4,719,136
Other Income	<u>505,986</u>	<u>581,358</u>	<u>1,382,809</u>	<u>1,631,566</u>	<u>581,519</u>	<u>1,384,304</u>
Net Interest and Other Income	2,872,018	2,980,611	6,143,568	3,987,626	2,980,772	6,103,440
Operating Expenses	(1,424,131)	(1,377,286)	(2,833,348)	(2,480,004)	(1,386,141)	(2,893,075)
Loan Provisioning net of Recoveries	(294,710)	(104,036)	(620,656)	(294,710)	(104,036)	(620,656)
Associate Company: Share of Profit	<u>1,888</u>	<u>(6,891)</u>	<u>(3,470)</u>	<u>1,888</u>	<u>(6,891)</u>	<u>(3,470)</u>
Profit before Taxation	1,155,065	1,492,398	2,686,094	1,214,800	1,483,704	2,586,239
Taxation	<u>(253,041)</u>	<u>(430,879)</u>	<u>(673,639)</u>	<u>(253,041)</u>	<u>(430,879)</u>	<u>(673,639)</u>
Net Profit After Tax	<u><b>902,024</b></u>	<u><b>1,061,519</b></u>	<u><b>2,012,455</b></u>	<u><b>961,759</b></u>	<u><b>1,052,825</b></u>	<u><b>1,912,600</b></u>
Earnings Per Share	<u>22.55</u>	<u>26.54</u>	<u>50.31</u>	<u>24.04</u>	<u>26.32</u>	<u>47.82</u>


**GUYANA BANK FOR TRADE AND INDUSTRY LIMITED AND SUBSIDIARY**  
(SUBSIDIARY OF SECURE INTERNATIONAL FINANCE COMPANY INCORPORATED)

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
(All Amounts stated in thousands of Guyana Dollars)

	Unaudited 30-Jun-2016	COMPANY Unaudited 30-Jun-2015	Audited 31-Dec-2015	Unaudited 30-Jun-2016	GROUP Unaudited 30-Jun-2015	Audited 31-Dec-2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>						
Cash Resources	19,754,398	27,401,312	18,635,703	19,754,503	27,401,354	18,635,703
Investments	25,858,290	18,026,567	19,998,034	25,858,274	18,033,442	19,998,118
Loans and Advances	45,905,569	44,809,300	48,022,063	45,446,300	44,809,300	48,022,063
Property and Equipment	7,119,609	7,003,147	6,977,642	7,514,465	7,664,302	7,641,663
Deferred Tax	300,768	282,166	300,768	300,768	282,166	300,768
Defined Benefit Asset	31,401	4,118	31,401	31,401	4,118	31,401
Other	1,340,015	862,961	2,254,764	1,368,083	189,141	1,526,494
<b>TOTAL ASSETS</b>	<b>100,310,050</b>	<b>98,389,571</b>	<b>96,220,375</b>	<b>100,273,794</b>	<b>98,383,823</b>	<b>96,156,210</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>LIABILITIES</b>						
Deposits	85,538,715	84,616,115	82,304,989	85,529,081	84,616,115	82,304,989
Other Liabilities	961,761	866,077	659,267	963,494	864,897	690,831
<b>TOTAL LIABILITIES</b>	<b>86,500,476</b>	<b>85,482,192</b>	<b>82,964,256</b>	<b>86,492,575</b>	<b>85,481,012</b>	<b>82,995,820</b>
<b>SHAREHOLDERS' EQUITY</b>						
Share Capital	800,000	800,000	800,000	800,000	800,000	800,000
Retained Earnings	11,406,625	10,891,720	10,946,481	11,378,270	10,887,152	10,850,752
Other reserve	85,133	354,017	(8,178)	85,133	354,017	(8,178)
Statutory Reserve	800,000	800,000	800,000	800,000	800,000	800,000
Revaluation reserve	18,963	18,963	18,963	18,963	18,963	18,963
General Banking Risk Reserve	698,853	42,679	698,853	698,853	42,679	698,853
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>13,809,574</b>	<b>12,907,379</b>	<b>13,256,119</b>	<b>13,781,219</b>	<b>12,902,811</b>	<b>13,160,390</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>100,310,050</b>	<b>98,389,571</b>	<b>96,220,375</b>	<b>100,273,794</b>	<b>98,383,823</b>	<b>96,156,210</b>

The Directors approved these financial statements for publication on July 20, 2016.

On behalf of the Board:

  
Mr. Robin Stoby, S.C., Chairman

  
Mr. John Tracey, Chief Executive Officer and Director

**Directors' Interests in the Ordinary Shares of the Bank**

The following are the Interests of Directors holding office at June 30, 2016:

Directors	Directors' Interest Beneficial	Non Beneficial	Associate's Interest Beneficial	Non Beneficial
Mr. Robin Stoby, S.C.	Nil	Nil	Nil	Nil
Mr. Edward A. Beharry	Nil	Nil	Nil	Nil
Mr. Suresh Beharry	Nil	Nil	Nil	Nil
Mr. Paul Cheong	107,375	Nil	54,000	Nil
Mr. Michael Cummings	Nil	Nil	Nil	Nil
Mrs. Kathryn Eytle-McLean	Nil	Nil	Nil	Nil
Mr. Basil Dahana Ram Mahadeo	3,800	Nil	Nil	Nil
Mr. Carlton James	Nil	Nil	Nil	Nil
Mr. John Tracey	Nil	Nil	Nil	Nil

**GUYANA BANK FOR TRADE AND INDUSTRY LIMITED AND SUBSIDIARY**  
(SUBSIDIARY OF SECURE INTERNATIONAL FINANCE COMPANY INCORPORATED)

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**

	COMPANY			GROUP		
	Unaudited Six Mths Ended 30-Jun-2016	Unaudited Six Mths Ended 30-Jun-2015	Audited Year Ended 31-Dec-2015	Unaudited Six Mths Ended 30-Jun-2016	Unaudited Six Mths Ended 30-Jun-2015	Audited Year Ended 31-Dec-2015
<b>Profit for the Year</b>	902,024	1,061,519	2,012,455	961,759	1,052,825	1,912,600
<b>Other Comprehensive Income</b>						
<b>Items that will not be re-classified subsequently to profit and loss statement</b>						
Remeasurement of Defined Benefit Obligation	0	0	14,728			14,728
			14,728	-	-	14,728
<b>Items that will not be re-classified subsequently to profit and loss statement</b>						
Gain/(loss) arising on Revaluation of:-						
Available for Sale Financial Assets	93,331	323,196	(49,458)	93,331	323,196	(49,458)
Share of Comprehensive Income/(loss) of Associate			(4,269)			(4,269)
	93,331	323,196	(53,727)	93,331	323,196	(53,727)
<b>Other Comprehensive Income Net of Tax</b>	<b>93,331</b>	<b>323,196</b>	<b>(38,999)</b>	<b>93,331</b>	<b>323,196</b>	<b>(38,999)</b>
<b>Total Comprehensive Income for the Year</b>	<b>995,355</b>	<b>1,384,715</b>	<b>1,973,456</b>	<b>1,055,090</b>	<b>1,376,021</b>	<b>1,873,601</b>

**GUYANA BANK FOR TRADE AND INDUSTRY LIMITED AND SUBSIDIARY**  
(SUBSIDIARY OF SECURE INTERNATIONAL FINANCE COMPANY INCORPORATED)

## STATEMENT OF CHANGES IN EQUITY

	COMPANY						Total G\$ 000
	<u>Share</u>	<u>Retained</u>	<u>Other</u>	<u>Statutory</u>	<u>Revaluation</u>	<u>General</u>	
	<u>Capital</u>	<u>Earnings</u>	<u>Reserve</u>	<u>Reserve</u>	<u>Reserve</u>	<u>Banking</u> <u>Risk</u> <u>Reserve</u>	
G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000	
<b>Unaudited Six Months ended June 30 2016</b>							
Balance at beginning of Period	800,000	10,946,482	(8,178)	800,000	18,963	698,853	13,256,120
Profit for the Period		902,204					902,204
Other comprehensive income for the Period	-		93,331	-	-	-	93,331
Payment of Dividends	-	(440,000)	-	-	-	-	(440,000)
Transfer to/ (from) Reserve	-		-	-	-	-	-
<b>Balance at end of Period</b>	<b>800,000</b>	<b>11,408,506</b>	<b>(85,153)</b>	<b>800,000</b>	<b>18,963</b>	<b>698,853</b>	<b>13,809,574</b>
<b>Unaudited Six Months ended June 30 2015</b>							
Balance at beginning of Period	800,000	10,270,201	30,821	800,000	18,963	42,679	11,962,664
Profit for the Period		1,061,519					1,061,519
Other comprehensive income for the Period	-		323,196	-	-	-	323,196
Payment of Dividends	-	(440,000)	-	-	-	-	(440,000)
Transfer to/ (from) Reserve	-		-	-	-	-	-
<b>Balance at end of Period</b>	<b>800,000</b>	<b>10,891,720</b>	<b>354,017</b>	<b>800,000</b>	<b>18,963</b>	<b>42,679</b>	<b>12,907,379</b>
<b>Audited Year Ended December 31 2015</b>							
Balance at beginning of Period	800,000	10,270,200	30,821	800,000	18,963	42,679	11,962,663
Profit for the Period		2,012,455	(38,999)				1,973,456
Other comprehensive income for the Period	-	-	-	-	-	-	-
Payment of Dividends	-	(680,000)	-	-	-	-	(680,000)
Transfer to/ (from) Reserve	-	(656,174)	-	-	-	656,174	-
<b>Balance at end of Period</b>	<b>800,000</b>	<b>10,946,482</b>	<b>(8,178)</b>	<b>800,000</b>	<b>18,963</b>	<b>698,853</b>	<b>13,256,119</b>

**GUYANA BANK FOR TRADE AND INDUSTRY LIMITED AND SUBSIDIARY**  
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## STATEMENT OF CHANGES IN EQUITY

	GROUP						Total G\$ 000
	<u>Share</u>	<u>Retained</u>	<u>Other</u>	<u>Statutory</u>	<u>Revaluation</u>	<u>General</u>	
	<u>Capital</u>	<u>Earnings</u>	<u>Reserve</u>	<u>Reserve</u>	<u>Reserve</u>	<u>Banking</u> <u>RISK</u> <u>Reserve</u>	
G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000	
<b>Unaudited Six Months ended June 30 2016</b>							
Balance at beginning of Period	800,000	10,850,753	(8,178)	800,000	18,963	698,853	13,160,391
Profit for the Period		961,759					961,759
Other comprehensive income for the Period	-		93,331	-	-	-	93,331
Payment of Dividends	-	(440,000)	-	-	-	-	(440,000)
Transfer to/ (from) Reserve	-		-	-	-	-	-
<b>Balance at end of Period</b>	<b>800,000</b>	<b>11,378,270</b>	<b>(85,133)</b>	<b>800,000</b>	<b>18,963</b>	<b>698,853</b>	<b>13,781,219</b>
<b>Unaudited Six Months ended June 30 2015</b>							
Balance at beginning of Period	800,000	10,274,327	30,821	800,000	18,963	42,679	11,966,790
Profit for the Period		902,024					1,052,825
Other comprehensive income for the Period	-		323,196	-	-	-	323,196
Payment of Dividends	-	(440,000)	-	-	-	-	(440,000)
Transfer to/ (from) Reserve	-		-	-	-	-	-
<b>Balance at end of Period</b>	<b>800,000</b>	<b>10,736,351</b>	<b>354,017</b>	<b>800,000</b>	<b>18,963</b>	<b>42,679</b>	<b>12,902,811</b>
<b>Audited Year Ended December 31 2015</b>							
Balance at beginning of Period	800,000	10,274,326	30,821	800,000	18,963	42,679	11,966,789
Profit for the Period		1,912,600	(38,999)				1,873,601
Other comprehensive income for the Period	-	-	-	-	-	-	-
Payment of Dividends	-	(680,000)	-	-	-	-	(680,000)
Transfer to/ (from) Reserve	-	(656,174)	-	-	-	656,174	-
<b>Balance at end of Period</b>	<b>800,000</b>	<b>10,850,753</b>	<b>(8,178)</b>	<b>800,000</b>	<b>18,963</b>	<b>698,853</b>	<b>13,160,390</b>

**GUYANA BANK FOR TRADE AND INDUSTRY LIMITED AND SUBSIDIARY**  
(SUBSIDIARY OF SECURE INTERNATIONAL FINANCE COMPANY INCORPORATED)

**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2016**

	COMPANY			GROUP		
	Unaudited Six Mths Ended <u>30-Jun-2016</u> G\$ 000	Unaudited Six Mths Ended <u>30-Jun-2015</u> G\$ 000	Audited Twelve Mths Ended <u>31-Dec-2015</u> G\$ 000	Unaudited Six Mths Ended <u>30-Jun-2016</u> G\$ 000	Unaudited Six Mths Ended <u>30-Jun-2015</u> G\$ 000	Audited Twelve Mths Ended <u>31-Dec-2015</u> G\$ 000
<b>Operating activities</b>						
Profit before taxation	1,155,065	1,483,704	2,686,094	1,214,800	1,483,704	2,586,239
Adjustments for:						
Share of (profit)/loss of associate company	(1,888)	6,891	3,470	(1,888)	6,891	3,470
Depreciation	175,099	193,494	380,727	179,414	193,494	387,603
Loss on sale of fixed assets	75,281	36,253	104,877	84,382	36,253	104,877
Net (increase)/ decrease in customers' loans	2,116,494	636,191	(3,345,654)	2,575,763	636,191	(3,345,654)
Net increase/ (decrease) in customers' deposits	3,233,726	4,090,805	1,776,482	3,224,092	4,090,805	1,779,679
(Increase)/Decrease in other assets	914,749	2,423	(639,054)	158,411	2,423	(562,937)
(Decrease)/increase in other liabilities	302,494	(2,294,291)	(2,499,938)	272,663	(2,294,291)	(2,468,357)
Increase in defined benefit asset	-	-	(27,283)	-	-	(27,283)
Increase in defined benefit liability	-	-	-	-	-	-
(Increase)/Decrease in required reserve with Bank of Guyana	(635,503)	(605,444)	(261,929)	(635,503)	(605,444)	(261,929)
<b>Cash provided by operating activities</b>	<b>7,335,517</b>	<b>3,550,025</b>	<b>(1,822,208)</b>	<b>7,072,133</b>	<b>3,550,025</b>	<b>(1,804,292)</b>
Taxation						
Taxes paid/adjusted	(472,525)	(543,276)	(668,363)	(472,525)	(543,276)	(668,304)
<b>Net cash provided by operating activities</b>	<b>6,862,992</b>	<b>3,006,749</b>	<b>(2,490,571)</b>	<b>6,599,608</b>	<b>3,006,749</b>	<b>(2,472,596)</b>
<b>Investing activities</b>						
(Increase)/ Decrease in Investments	(5,860,256)	4,021,931	1,559,234	(5,860,156)	4,021,931	1,559,234
Additions to Fixed assets	(349,177)	(200,918)	(423,197)	(352,624)	(200,918)	(441,012)
Proceeds from disposal of fixed assets	47	-	-	257,547	-	-
<b>Net cash provided by/(used in) investing activities</b>	<b>(6,209,386)</b>	<b>3,821,013</b>	<b>1,136,037</b>	<b>(5,955,233)</b>	<b>3,821,013</b>	<b>1,118,222</b>
<b>Financing activities</b>						
Dividends paid	(440,000)	(440,000)	(680,000)	(440,000)	(440,000)	(680,000)
<b>Net cash used in financing activities</b>	<b>(440,000)</b>	<b>(440,000)</b>	<b>(680,000)</b>	<b>(440,000)</b>	<b>(440,000)</b>	<b>(680,000)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>213,606</b>	<b>6,387,762</b>	<b>(2,034,534)</b>	<b>204,375</b>	<b>6,387,762</b>	<b>(2,034,374)</b>
Cash and short term funds at beginning of period	9,144,601	11,179,135	11,179,135	9,144,761	11,179,135	11,179,135
Cash and short term funds at end of period	<b>9,358,207</b>	<b>17,566,897</b>	<b>9,144,601</b>	<b>9,349,136</b>	<b>17,566,897</b>	<b>9,144,761</b>