

# Interim Report as at June 30, 2013

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the unaudited Report on the Financial Performance of the Bank for the first six (6) months of the financial year, which ended June 30, 2013. This Interim Report was approved by the Board on July 17, 2013.

In 2012, because of the underperformance of the economies of most of the developed world and especially the state of the U.S. economy, the U.S. dollar lost its position as the preferred store of value and was replaced by gold. As a consequence, gold prices soared in 2012 and with record production by our Gold Mining Sector our economy benefitted significantly. Recently however, with the outlook for an upswing in the U.S. economy and projections of a policy shift by the Federal Reserve in 2013, gold prices have dropped to below US\$1,200 per ounce from a high of \$1,800 per ounce.

This along with a delayed signing of a new contract with Venezuela to supply them with rice and paddy, low production of sugar in the first crop of 2013 and a National Budget that was cut by \$31B, we have seen a noticeable slowdown in our economy and this has put some pressure on Exchange Rate stability.

The effect of our present political circumstances has rendered us unable to pass legislation to comply with

the Anti-Money Laundering and the Countering of the Financing of Terrorism requirements of Caribbean Financial Action Task Force (C.F.A.T.F.), our Regional Regulatory Body. This has very serious implications for our Banks and by extension our customers who make and receive international payments.

Thankfully, there have been some improvements, as a new contract has been concluded with Venezuela, gold prices have recovered slightly and the second crop for sugar has begun.

Our performance over the past six (6) months has been marked by a slowing of the rate of growth of our Loan Portfolio while our rate of growth of deposits has exceeded budget targets. This increasing liquidity has challenged our asset/liability management strategy.

We are nevertheless pleased to report a net profit-after-tax of \$1.02B for the period January to June 2013. This represents a 35% increase over the corresponding period of 2012.

On the basis of this achievement, the Board has approved an Interim Dividend of \$5.00 per share.



MR ROBIN STOBY, S.C.

Chairman of the Board

July 17, 2013

*Your Friend Your Bank*



## 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)

	Unaudited Three Mths Ended 30-Jun-2013	Unaudited Three Mths Ended 30-Jun-2012	Unaudited Six Mths Ended 30-Jun-2013	Unaudited Six Mths Ended 30-Jun-2012	Audited Year Ended 31-Dec-2012
Interest Income	1,232,751	1,086,324	2,375,201	1,979,654	4,501,397
Interest Expense	(210,297)	(213,014)	(445,336)	(427,361)	(856,524)
Net Interest Income	1,022,454	873,310	1,929,865	1,552,293	3,644,873
Other Income	395,389	221,308	687,143	423,423	1,022,750
Net Interest and Other Income	1,417,843	1,094,618	2,617,008	1,975,716	4,667,623
Operating Expenses	(603,051)	(482,454)	(1,139,078)	(947,065)	(2,078,038)
Loan Provisioning net of Recoveries	8,330	7,094	26,663	55,144	(37,387)
Associate Company: Share of Profit	296	(2,202)	296	(2,202)	(8,521)
Profit before Taxation	823,418	617,056	1,504,889	1,081,593	2,543,677
Taxation	(268,398)	(189,064)	(482,423)	(319,624)	(729,541)
Net Profit After Tax	<b>555,020</b>	<b>427,992</b>	<b>1,022,466</b>	<b>761,969</b>	<b>1,814,136</b>
Earnings Per Share	13.87	10.75	25.55	19.05	45.35

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

	<b>Unaudited 30-Jun-2013 \$'000</b>	<b>Unaudited 30-Jun-2012 \$'000</b>	<b>Audited 31-Dec-2012 \$'000</b>
<b>ASSETS</b>			
Cash Resources	18,944,809	32,795,801	23,070,312
Investments	30,910,282	10,474,743	20,568,460
Loans and Advances	36,854,334	28,231,576	35,307,632
Property and Equipment	7,027,969	6,818,926	7,014,357
Other	1,024,116	612,570	1,613,025
<b>TOTAL ASSETS</b>	<b>94,761,510</b>	<b>78,933,616</b>	<b>87,573,786</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Deposits	84,712,531	70,124,675	77,274,283
Other Liabilities	654,689	767,769	1,303,333
<b>TOTAL LIABILITIES</b>	<b>85,367,220</b>	<b>70,892,444</b>	<b>78,577,616</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share Capital	800,000	800,000	800,000
Retained Earnings	7,638,156	6,169,683	7,055,690
Statutory Reserve	800,000	800,000	800,000
Revaluation & Other Reserves	156,134	271,489	340,480
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>9,393,994</b>	<b>8,041,172</b>	<b>8,996,170</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>94,761,510</b>	<b>78,933,616</b>	<b>87,573,786</b>

The Directors approved these financial statements for publication on July 17, 2013.

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, 2013:

<b>Directors</b>	<b>Directors' Interest</b>		<b>Associate's Interest</b>	
	<b>Beneficial</b>	<b>Non Beneficial</b>	<b>Beneficial</b>	<b>Non Beneficial</b>
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 Eytel-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

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

	Unaudited Three Mths Ended 30-Jun-2013	Unaudited Three Mths Ended 30-Jun-2012	Unaudited Six Mths Ended 30-Jun-2013	Unaudited Six Mths Ended 30-Jun-2012	Audited Year Ended 31-Dec-2012
<b>Profit for the Year</b>	555,020	427,992	1,022,466	761,969	1,814,136
<b>Other Comprehensive Income</b>					
Gain/(loss) arising on Revaluation of:-					
Available for Sale Financial Assets	(195,698)	126,491	(184,346)	126,491	222,456
Share of Comprehensive Income/(loss) of Associate	-	-	-	-	6,866
Other Comprehensive Income Net of Tax	(195,698)	126,491	(184,346)	126,491	229,322
<b>Total Comprehensive Income for the Year</b>	<b>359,322</b>	<b>554,483</b>	<b>838,120</b>	<b>888,460</b>	<b>2,043,458</b>

**STATEMENT OF CHANGES IN EQUITY**  
(All Amounts stated in thousands of Guyana Dollars)

	<u>Share</u> <u>Capital</u> G\$ 000	<u>Retained</u> <u>Earnings</u> G\$ 000	<u>Other</u> <u>Reserve</u> G\$ 000	<u>Statutory</u> <u>Reserve</u> G\$ 000	<u>Revaluation</u> <u>Reserve</u> G\$ 000	<u>General Banking</u> <u>Risk Reserve</u> G\$ 000	<u>Total</u> G\$ 000
<b>Unaudited Six months ended June 30 2013</b>							
Balanace at beginning of Period	800,000	7,055,690	19,319	800,000	18,963	302,198	8,996,170
Profit for the Period		1,022,466					1,022,466
Other comprehensive income for the Period	-		(184,346)	-	-	-	(184,346)
Payment of Dividends	-	(440,000)	-	-	-	-	(440,000)
Transfer to/ (from) Reserve	-		-	-	-	-	-
<b>Balance at end of Period</b>	<b>800,000</b>	<b>7,638,156</b>	<b>(165,027)</b>	<b>800,000</b>	<b>18,963</b>	<b>302,198</b>	<b>9,394,290</b>
<b>Unaudited Six months ended June 30 2012</b>							
Balanace at beginning of Period	800,000	5,727,714	(210,003)	800,000	18,963	336,038	7,472,712
Profit for the Period		761,969					761,969
Other comprehensive income for the Period	-	-	126,491				126,491
Payment of Dividends	-	(320,000)	-	-	-	-	(320,000)
Transfer to/ (from) Reserve	-	-	-	-	-	-	-
<b>Balance at end of Period</b>	<b>800,000</b>	<b>6,169,683</b>	<b>(83,512)</b>	<b>800,000</b>	<b>18,963</b>	<b>336,038</b>	<b>8,041,172</b>
<b>Audited Year Ended December 31 2012</b>							
Balanace at beginning of Period	800,000	5,727,714	(210,003)	800,000	18,963	336,038	7,472,712
Profit for the Period		1,814,136					1,814,136
Other comprehensive income for the Period	-	-	229,322				229,322
Payment of Dividends	-	(520,000)	-	-	-	-	(520,000)
Transfer to/ (from) Reserve	-	33,840	-	-	-	(33,840)	-
<b>Balance at end of Period</b>	<b>800,000</b>	<b>7,055,690</b>	<b>19,319</b>	<b>800,000</b>	<b>18,963</b>	<b>302,198</b>	<b>8,996,170</b>