WE SEE GUYANA THROUGH YOUR EYES

GUYANA BANK FOR TRADE & INDUSTRY

GBTI

ANNUAL REPORT

2019

inner
front
cover

CONTENTS

THE LOGO

The logo consists of two elements representing the interdependent, symbiotic interaction between the Bank and its customers; a family relationship which harmonises the resources of a premier financial institution with the needs of its customers.

The element on the left symbolises the supportive arm of one, guiding the arm of another as the latter aspires upward to a position of financial stability and independence.

Aquamarine Blue represents the value and quality of experience, products and service which GBTI offers to meet the needs of its customers. It is a testimony to the history of an institution whose values have transcended changing times and trends while remaining flexible to the demands of a constantly expanding market.

Royal Blue represents the aspirations to a better quality of life, aspirations which GBTI shares with its clients in the ongoing process of human development.

Both elements come together at the apex to form a flame, representing a fusion of spirit, which is manifested in the strong, progressive and dynamic financial force that is GBTI.

THE VISION

To be a reliable, efficient institution known for the use of modern banking technology; for being innovative while employing sound business practices

& THE MISSION

To achieve a mutually beneficial relationship between the bank and its customers by providing efficient and quality services to both depositors and entrepreneurs in the tradition of courtesy and confidentiality through the harnessing of state-of-the-art technology, and the employment and training of a committed team.

a family relationship
which harmonises the resources of a premier financial institution with the needs of its customers.

CORPORATE INFORMATION

CHAIRMAN
Mr. Robin Stoby, S.C.

EXECUTIVE DIRECTOR
Mr. Richard Isava

DIRECTORS
Mr. Edward A. Beharry
Mr. Suresh E. Beharry
Mrs. Kathryn Eytle-McLean
Mr. Carlton James
Mr. Basil D. R. Mahadeo
Mrs. Anna Lisa Fraser-Phang
Mr. Glenn Parmassar

REGISTERED OFFICE
High & Young Streets
Kingston
Georgetown
Guyana
South America

P. O. Box # 10280
Telephone: 592-231-4400 – 8
Fax: 592-231-4411
Email: banking@gbtibank.com
Website: www.gbtibank.com
SWIFT ID: GUTIGYGE

BRANCHES
GEORGETOWN
47- 48 Water Street
Robbstown, Georgetown
Tel.: 592-226-8430-9

138 Regent Street
Lacytown, Georgetown
Tel.: 592-225-5291-3/5

CORRIVERTON
211 No. 78 Village
Corriverton, Berbice
Tel.: 592-335-3399-3404

ANNA REGINA
2 Anna Regina
Essequibo Coast
Tel.: 592-771-4830-3

PARIKA
300 Parika Highway,
East Bank Essequibo
Tel.: 592-260-4400-5

VREED-EN-HOOP
Lot N Plaintain Walk
Vreed-en-Hoop
West Bank Demerara
Tel.: 592-264-2191/3-4

DIAMOND
Diamond Public Road
East Bank Demerara
Tel.: 592-265-3936/3943

LETHEM
Barrack Retreat
Lethem
Rupununi
Tel.: 592-772-2241/2270-3

PORT KAITUMA
Turn Basin
Port Kaituma
Tel.: 592-777-4087-9

PROVIDENCE
c/o Ramada Princess Hotel
Providence
East Bank Demerara
Tel.: 592-265-7064-5

PORT MOURANT
Lot 2, Area Q
Port Mourant
Berbice
Tel.: 336-6585-6/6652-3

BARTICA
Lot 59 Second Avenue
Bartica
Essequibo River
Tel.: 455-2011/2

ATTORNEYS AT LAW
Messrs. Hughes, Fields & Stoby
62 Hadfield Street
Werk-en-Rust
Georgetown

Messrs. Cameron & Shepherd
2 Avenue of the Republic
Stabroek
Georgetown

Messrs. Sievewright Stoby & Co.
Chancery Chambers
15 Ketley & Drysdale Streets
Charlestown
Georgetown

AUDITORS
TSD Lal & Co.
Chartered Accountants
77 Brickdam
Stabroek
Georgetown

REGISTRAR AND TRANSFER OFFICE
Guyana Americas Merchant Bank
GBTI Corporate Office
High and Young Streets
Georgetown

NOTICE OF MEETING

Notice is hereby given that the 32nd Annual General Meeting of Guyana Bank for Trade and Industry Limited will be held on Friday, August 28, 2020 at the GBTI Head Office, High & Young Streets, Kingston, Georgetown, at 6.00 p.m. for the following purposes:-

1. To receive the Report of the Directors and the Audited Accounts for the year ended 31st December, 2019.
2. To approve the declaration of a dividend.
3. To elect Directors.
4. To fix the remuneration of the Directors.
5. To appoint Auditors.
6. To empower the Directors to fix remuneration of the Auditors.
7. To transact any other business of an Annual General Meeting.

BY ORDER OF THE BOARD

…………………………………..

NADIA SAGAR
SECRETARY
April 22, 2020

Registered Office:
High & Young Streets
Kingston, Georgetown

N.B. Only Shareholders may attend.

Any member entitled to attend and vote is entitled to appoint a proxy to do so for him/her. A proxy need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the Appointer or of his Attorney, or if the Appointer is a Corporation, either under seal, or under the hand of an Officer or Attorney duly authorised, and shall be deposited at the registered office of the Company not less than 36 hours before the time for holding the Meeting.

A Corporation which is a member of the Company may, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any or all meetings of the Company.

Please bring this Notice to gain entry to the Meeting.

CORPORATE OBJECTIVES

1 To create a friendly banking environment through the effective structuring of business operations and the provision of the highest standard of service in a courteous, confidential and reliable manner.

2 To keep abreast of modern technology in the areas of transaction processing, information provision and communication with a view to enhancing customer service and convenience.

3 To earn a reputation for ourselves as leaders in the areas of innovation and product diversification, and to increase our market share through the maintenance of a wide network of branches and an aggressive marketing policy.

4 To provide on-going training for staff at all levels in order to improve the quality of our human resources and ultimately the quality of our service

5 To fulfil responsibilities of a good corporate citizen based on generally accepted corporate practices through the maintenance of standards of accountability and integrity.

6 To earn a reasonable return on capital employed primarily through the maintenance of strong deposit and loan portfolios to the end that the shareholders will be adequately rewarded for their investment, and staff attractively remunerated for their efforts.

CORPORATE PROFILE

1836

Guyana Bank for Trade and Industry Limited has a rich and successful history of over 180 years that began with the establishment of the first commercial bank in British Guiana, the Colonial Bank, in May 1836, continuing with the operations of Barclays PLC.

1987

In 1987 the assets and liabilities of Barclays PLC were acquired by the Government of Guyana and renamed Guyana Bank for Trade and Industry Limited, whose doors were opened to the public on 1st December 1987. In January 1990 G.B.T.I. merged with Republic Bank (Guyana) Ltd. formerly Chase Manhattan Bank N.A, and in 1991, the Bank was privatised. With over 1,800 shareholders, the majority shareholder of the Bank is Secure International Finance Company Inc. with 61% of the issued shares.

2020

Today, GBTI provides an extensive range of services to its corporate and individual clients through its thirteen (13) countrywide branches – personal savings, business and investment accounts; personal, housing and business financing; GBTI Debit Card and VISA International Prepaid and Credit Cards, Online Banking and Mobile Banking.

The Bank also provides other services such as a countrywide network of ATMs and Point of Sale Terminals; money transfer, letters of credit, bills collection and discounting, and pre-export trade financing.

CHAIRMAN'S REPORT

As I pen this report our world is confronting one of greatest health treats of the last hundred years. COVID-19 has profoundly impacted the global economy and people from every corner of our world. Our best thoughts and wishes go out the families impacted by this dreaded infection and offer our sincere thanks and heartfelt appreciation to the first responders, healthcare professionals, religious and community leaders who have worked tirelessly and often thanklessly to protect us from virus of our lifetime.

Throughout our 180 plus year history, GBTI has built a reputation of always being there for our clients and communities. Through these unprecedented times, our commitment remains steadfast in support of the continuity and development of our nation's economy; our team sincerely believes our efforts will positively impact Guyana and its citizens.

As we confront the seemingly uncontrollable effects of this pandemic, world economies are being pushed into recession; as a result, many of our customers have been affected. The conditions have similarly affected the bank; having previously navigated many extraordinary challenges; today's unprecedented one will undoubtedly test our bank's and our country's metal; as such, we have doubled down our efforts on remaining strong, dynamic and strategically positioned to serve our clients, shareholders and communities. Together we strive to assiduously address and alleviate some of the economic and social challenges faced; continuously tweaking plans to get our team safely back to work and restore normalcy to our daily lives and operations.

Challenging times are a test of a board of directors. The Board was strengthened in 2019 with what proved to be the particularly timely appointment of Glenn Parmassar and Anna-Lisa Fraser-Pang, whose expertise is in the field of risk management and human resources, respectively.

During the course of this last year we have consolidated the steps we put in place during the previous year 2018, when we formulated policies to deal with the weakness in the performance of certain of our loan clientele, and sought to diversify our investment strategies to take up more of the slack caused by weak demand in the loan sector. Banking is about managing risk – the last year not unlike the previous ones, managing risk has been paramount on the board's agenda. There have been many learning moments, and management has responded to the everchanging dynamics of our industry, customers and country.

Despite Nonperforming assets again being a drag on performance; Lines of business continue to grow, and our capital bases remains strong. We are confident that management has been prudent and has successfully managed and reduced risk across our bank. Your board has unwavering confidence in them to lead the bank through the unchartered waters that we sense are upon us. 2019 presented challenges as has the start of 2020 with more on the horizon, but we remain confident in our plans to improve our technology platforms, self service delivery channels coupled with the launch of innovative banking products and alliances to position our bank to be successful despite the current economic environment while we embrace the future,

On behalf of the Board, I would like to thank you our valued shareholders for your support and trust and look forward to continuing to work on your behalf in the year ahead.

Our plans and achievements are only possible because of the loyalty and support of our customers and our hardworking staff, for which we at the level of the Board are most grateful.

Robin Stoby
Chairman of the Board

EXECUTIVE DIRECTOR'S REPORT

'The bank continues to invest heavily in the development of competencies and personal development as we believe that a knowledgeable team is the underpinning for improved results.'

Greetings are extended to the Shareholders, Directors, Management and Staff of the Bank as we present the review for 2019.

The current pandemic facing the world is unprecedented in our lifetimes. Covid-19; has shattered our sense of normality and forced us to adjust our ways of living and doing business. The effects have been felt throughout the world with developed nations being hit the hardest.

The bank recorded another year of growth. Profit after Tax of $1.487B was achieved, representing an increase of 2.6% over 2018. The bank's Total Assets stood at $116B, a growth of over 8%.

Global growth in 2019 recorded its weakest pace since the global financial crisis a decade ago, reflecting common influences across countries and country-specific factors.

Rising trade barriers and associated uncertainty weighed on business sentiment and activity globally. In some cases (such as China), these developments magnified cyclical and structural slowdowns already under way. Further, pressures came from country-specific weakness in large emerging market economies such as Brazil, India, Mexico, and Russia. Geo-political tensions (Iran), and social unrest (Venezuela, Libya and Yemen) rounded out the challenging picture.

Central banks reacted aggressively to the weaker activity. Over the course of the year, several—including the US Federal Reserve, the European Central Bank (ECB), and large emerging market central banks—cut interest rates, while the ECB also restarted asset purchases.

The Local Economy

The Guyanese economy recorded real Gross Domestic Product (GDP) growth of 4.7% in 2019. This outturn was on account of higher output of rice, gold and other crops as well as enhanced construction and services activities. In contrast, there were lower output of sugar, fishing, livestock, forestry and bauxite. The inflation rate was 2.1%, primarily on account of higher food prices.

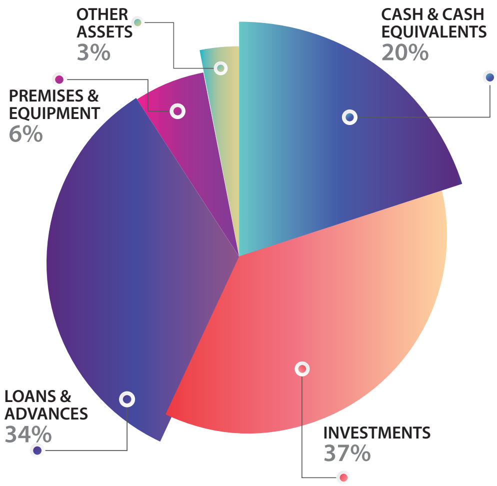
Review of our Performance

GBTI's performance in 2019 showed improvements in key areas as the bank continued to undergo improvements to continue our position as a key player in the local financial industry.

In an economically challenging environment that has been subdued by constitutional uncertainty; there was an overall decrease in revenue earning opportunities for the bank. Some of our outlying branches have had to grapple with economic stagnation in those areas and low banking penetration in others. Increased liquidity has compounded the operating environment.

Assets Distribution

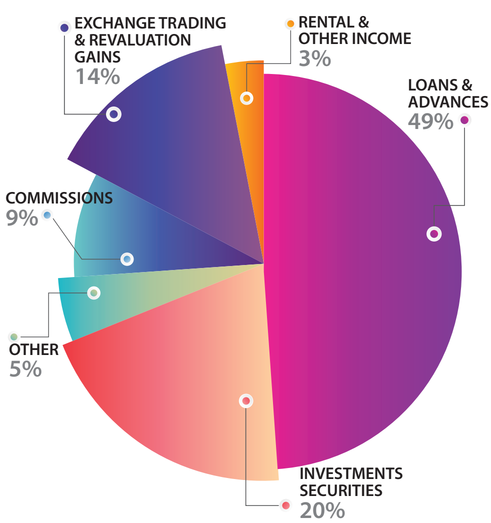
The bank's Assets grew by 8% or to $116B in 2019; in line with market trends. With increased liquidity; the bank adjusted its diversification strategies. Credit to Deposit ratio was 44%.



ASSET DISTRIBUTION

Sources of Revenue

Loans and advances continued to be the main income earner for the bank followed by Investments. In a highly liquid environment; interest rates have fallen, and interest spreads continued to narrow. The yield on one-year Treasury Bill trended below 1% for the first time in more than ten years. Holdings of Treasury Bills by all commercial banks grew by 20% in 2019.

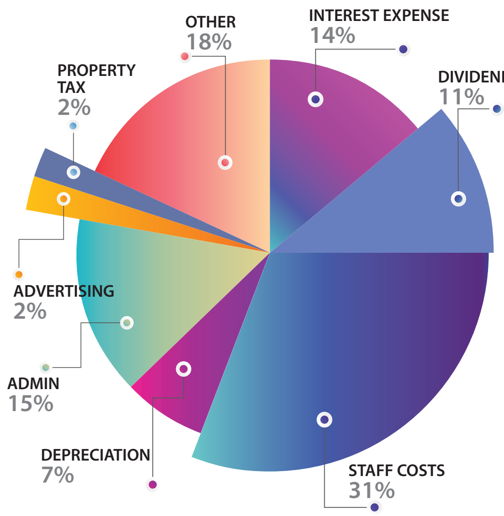


SOURCES OF REVENUE

Revenue Distribution

Being a local bank; the bank remains cognizant of the needs of all stakeholders. From paying competitive returns on deposits to ensuring our team members are adequately compensated; the bank also plays its role in giving back through our various programmes as part of our Corporate Social Responsibility.

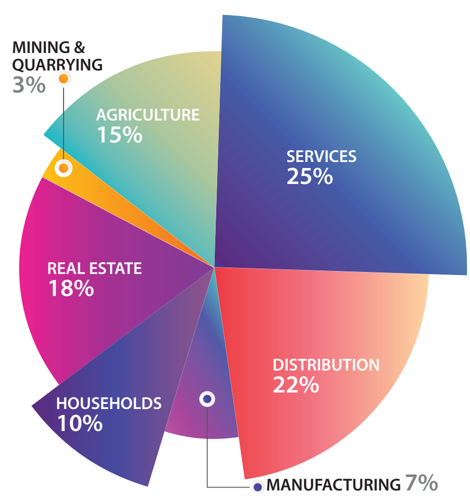
The bank recorded a 3% improvements in its productivity/efficiency ratio in 2019 as we continue our transformation journey.



REVENUE DIDTRIBUTION

Loans and Advances

Total Loans and Advances were $39.6B as at year end, a decline of 8% as the bank continued its efforts to rationalize the portfolio prudentially.



DISTRIBUTION OF CREDIT PORTFOLIO
AS AT 31 DECEMBER 2019

The bank loan portfolio has been concentrated in the business sector over the years. Consciously strides have been undertaken to reduce this and to expand our retail portfolio. As agriculture sector is key to our national development; GBTI has continued with its traditional strong support.

The bank's non-performing asset while stable; remains an area of concern. The state of the local economy as well as the back log in judicial matters have slowed down remediation activities. The bank remains resolute in its efforts to remediate these exposures in the coming periods.

The bank has met its reporting obligations under the new financial reporting standard, IFRS 9, and requisite provisioning adjustments have been made.

Investments

With increasing liquidity; the bank increased its investment portfolio by some 28% to 43.2B, and excess liquidity rose to above 55% in the local banking sector. The bank maintains a conservative approach to investment and the returns on this portfolio is consistent with market trends.

The bank's investment portfolio is comprised of mostly sovereign and corporate bonds from the region and developed economies. Liquidity is a key objective in our portfolio management as we ensure there is adequacy. Our exposures are in line with regulatory requirements and best practice guidelines.

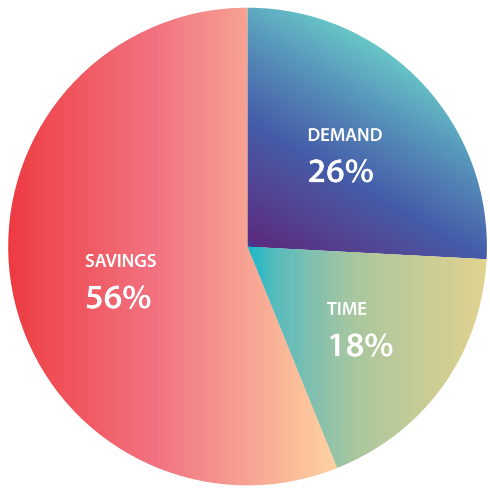
During the year; the debt restructuring of our Barbados debt was concluded and resulted in haircuts of 23% of our exposure. The bank was part of the External Creditors Negotiating Committee and worked tirelessly to ensure the best outcome was achieved.

Capital Adequacy

GBTI remains a well-capitalized institution. With a Capital Adequacy Ratio at 31%, the bank's risk taking has been conservative. The Net Stable Funds Ratio as well as the Liquidity Coverage Ratio are above benchmarks recommended by the Basel III Reporting Framework. The bank continuously measures its ability to withstand shocks through various methods of stress testing.

Deposits

The bank continues to be viewed as an institution of strength as our deposit portfolio grew by 9% to $97.1B at year end. Our Savings deposit grew at 12.5% to $54.1B. As the bank continues to increase its market presence, these "sticky" deposits are essential for planning and forecasting. In a challenging interest rate environment, the bank-maintained interest rates at a level that were favorable to the market averages.



The bank welcomed the introduction of the Deposit Insurance Program during the year. Although it is a charge to our profits, we believe this will increase confidence and stability in the local banking system.

Information Technology

Over the last few years the bank has expended considerable resources in this area. COVID-19 has demonstrated reasons for banks to improve its digital servicing abilities while modernizing our internal operations. The changes implemented have seen improvements to our system's architecture and governance structure of this key area.

Recognizing changes can be challenging; our experience has guided us thorough as we work with our clients to ensure service delivery was not compromised.

AML and Compliance

The bank's AML and Compliance Programme is robust and continues to evolve given the changing regulatory and business environment. This area becomes increasingly important as Guyana gains international attention due to the world class oil discoveries and the economic boom on the horizon. Our programme continues to withstand the scrutiny of our regulators as well as our correspondent partners.

Human Resources

Our team members continue to be key to our success. Their ability to adapt to a rapidly changing environment and consistently offer a peerless level of customer service has been a highlight in 2019. The bank continues to invest heavily in the development of competencies and personal development as we believe that a knowledgeable team is the underpinning for improved results. As our local economy goes through transformation; a stable, efficient, well informed and committed team will be the key to our continued success.

Subsidiary Operations

The bank decided to discontinue the gold operations arm of GBTI Properties Holdings Inc. While profitable; the returns did not compensate for the risks undertaken. The company continues to be involved in the property management business and is looking to expand this arm in 2020.

GBTI Mutual Funds

The GBTI Mutual Funds has had a good year having returns that have exceeded expectations. It is anticipated that a full public launch will occur in the current fiscal year and will be an excellent addition to our country's financial sector landscape.

Looking forward

The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures have severely impacted economic activity. As a result of the pandemic, the global economy is projected to contract sharply by –3% in 2020, much worse than that experienced during the 2008–2009 financial crisis.

Guyana could experience unprecedented real GDP growth in the next 18 months as energy production and investment ramps up following the country's first export of crude oil in 2020. The Extractive sector growth will drive significant increases in private consumption and investment despite the country's weak business environment. Growth is also expected to be adversely impacted by the high level of uncertainty stemming from the COVID-19 pandemic.

With the economic challenges facing our outlying locations, the bank will explore various strategies to remedy the issue. It is hoped that our national development plan will include economic strategies to revitalize these areas that were once viable in the earlier years.

The bank continues to modernize its operations; there are significant improvements planned for 2020 for both our banking operations and information technology areas. These will bring significant benefits to the bank and to the services we offer our customers. As the next decade unfolds; the bank stands ready to meet both the challenges and the opportunities.

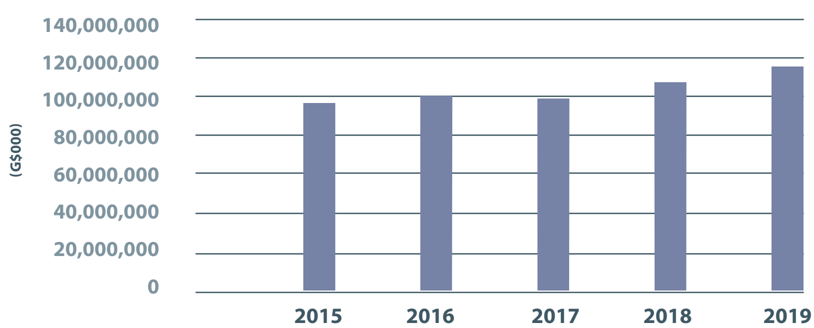
In closing; we express sincere appreciation to the Board, team members, customers and all stakeholders for their support in 2019.

FINANCIAL HIGHLIGHTS

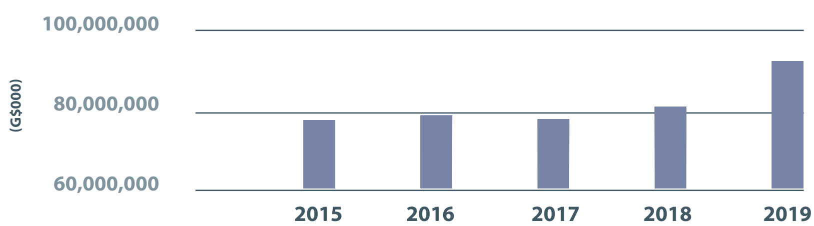
FIVE YEAR FINANCIAL SUMMARY

	2015 G$000	2016 G$000	2017 G$000	2018 G$000	2019 G$000
Total Assets	96,156,210	98,434,396	98,690,406	107,491,745	115,995,341
Shareholders' Equity	13,160,390	14,531,300	15,475,632	16,066,260	16,987,913
Reserves and Retained Earnings	12,360,390	13,731,300	14,675,632	15,266,260	16,187,913
Total Deposits	82,995,820	83,903,096	83,214,774	89,285,118	97,011,107
Loans and Advances	48,022,063	45,525,688	44,711,906	42,799,376	39,111,657
Profit before Taxation	2,586,239	2,518,872	1,881,029	1,588,029	1,709,280
Profit after Taxation	1,912,600	2,043,459	1,520,906	1,448,322	1,486,795
Return on Average Assets (%)	1.99%	2.10%	1.54%	1.40%	1.33%
Return on Average Equity (%)	15.22%	14.76%	10.14%	9.18%	9.00%
Earnings per Share ($)	47.82	51.09	38.02	36.21	37.17

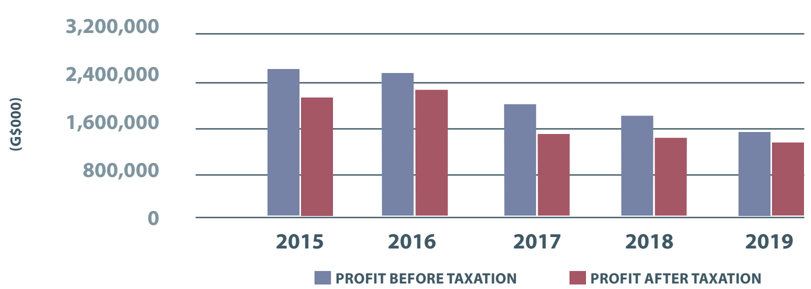
TOTAL ASSETS 2019



TOTAL DEPOSITS 2019



INCOME 2019

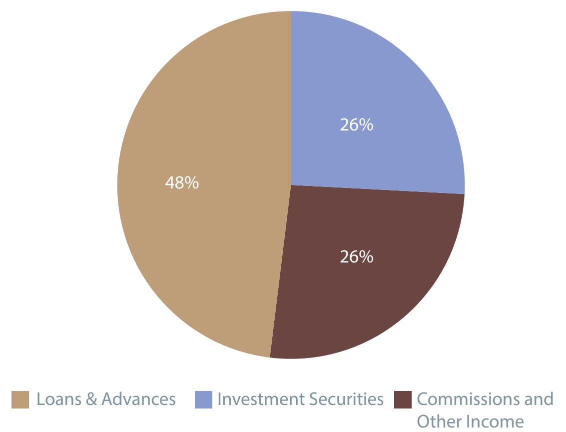


FINANCIAL HIGHLIGHTS

INCOME DISTRIBUTION
Amount in millions of Guyana Dollars

	Amount	%
Interest Expense	763	16
Staff Costs	1,685	35
Depreciation	368	8
Admin	791	16
Advertising	95	2
Property Tax	132	3
Others	975	20
	4,809	100.00

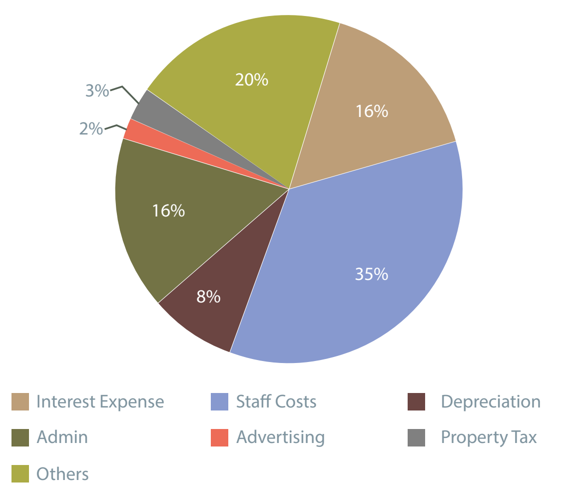
SOURCES OF INCOME 2019



SOURCES OF INCOME
Amount in millions of Guyana Dollars

	Amount	%
Loans & Advances	3,110	47.78
Investment Securities	1,717	26.38
Commissions and Other Income	1,682	25.84
	6,509	100.00

EXPENSES 2019

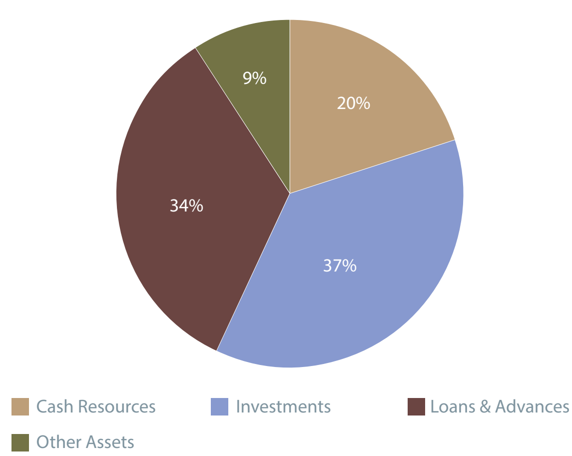


DISTRIBUTION OF ASSETS & LIABILITIES
Amount in millions of Guyana Dollars

ASSETS	Amount	%
Cash Resources	23,430	20.20
Investments	43,268	37.30
Loans & Advances	39,112	33.72
Other Assets	10,185	8.78
	115,995	100.00

LIABILITIES	Amount	%
Deposits	97,011	83.12
Other Liabilities	1,996	7.45
Shareholders Equity	16,988	9.43
	115,995	100.00

ASSET DISTRIBUTION 2019



CORPORATE GOVERNANCE STATEMENT

The nature of the Corporate Governance of the Guyana Bank for Trade and Industry Limited is characterised by the strong commitment of the Board of Directors to various ethical and prudential guidelines in managing the affairs of the Bank, and adherence to the principle of transparency in all decision making.

The Board of Directors recognises its responsibility for the leadership, direction and control of the Bank and its accountability to the shareholders for financial performance. It delegates the management and day-to-day running of the Bank to a Chief Executive Officer/Executive Director and Senior Management.

The Board of Directors comprises the Chief Executive Officer/Executive Director and eight (8) Non-Executive Directors who have come from diverse backgrounds in law, business, finance and communications, and have brought a wealth of experience to the Board in enabling it to discharge its responsibilities effectively and maintain a high degree of probity in the management of the affairs of the Bank.

The Board exhibits true transparency by not allowing its members to participate in decision making where they may have an interest in the subject matter, and has made mandatory, full disclosure to the Board by all Directors of contracts with the Bank, where they may be deemed parties or related parties.

The Board is led by a non-Executive Chairman who along with the other non-Executive Directors promotes the accountability of the whole Board.

AUDIT AND RISK COMMITTEE

The Board has recognised the synergies between the functions of the Audit and Risk Committees and have resolved to merge these Committees. The Audit function of the new Audit and Risk Committee provides an independent reporting channel for the work of the Internal Audit Department, while the Risk Department functions to provide an independent reporting channel for the work of its department.

This Committee comprises three (3) Non-Executive Directors; Mr Basil Mahadeo (Chairman), Mr Robin Stoby, S.C., Mr Glenn Parmassar and Mr Suresh Beharry with Mr Richard Isava as the Executive Director/Chief Executive Officer and the Company Secretary as ex-officio members. The Committee holds quarterly meetings at which reports are presented by the Head of the Internal Audit Department, the Head of the Risk Department and the Legal and Compliance Officers.

BUILDING AND PREMISES COMMITTEE

This Committee is made up of two (3) Non-executive Directors: Mr Basil Mahadeo and Mr Edward A. Beharry, with the Chief Executive Officer/Executive Director and the Corporate Secretary as ex-officio members. The Committee is chaired by Director, Mr Edward Beharry.

The Committee plays monitoring and advisory roles in relation to all major construction projects undertaken by the Bank, and is active throughout the whole building process, from the appointment of an Architect right through to the handing over of the completed project. This Committee meets as the need arises.

CREDIT AND INVESTMENT COMMITTEE

The Credit and Investment Committee comprises the full Board, and plays a crucial role within the Bank's sphere of credit appraisal.

The granting of credit and uptake of investment are paramount among the Bank's income generating activities, and the Credit and Investment Committee makes all credit decisions involving amounts over a stipulated level; and all investment opportunities are made by the board. This Committee expends much effort in the analysing of the risks associated with credit and investment decisions, and reviews and monitors the processes for the maintenance of credit and investment quality, giving direction on the areas where surplus funds may be invested after taking full account of the relevant risks. This Committee meets once per month and more frequently as necessary.

HUMAN RESOURCES AND COMPENSATION COMMITTEE

The Human Resources and Compensation Committee brings the desired degree of objectivity and transparency to decisions on all Human Resources matters as it ensures that decisions on matters such as remuneration and other rewards are not tainted by the biases of persons who may have a vested interest in the result.

The Committee approves key executive appointments and remuneration, monitors and reviews executive succession planning, and monitors the performance of the Bank's Chief Executive Officer/Executive Director and Senior Management.

The Human Resources and Compensation Committee comprises four (4) Non-executive Directors, namely Mrs Kathryn Eytle-Mc Lean (Chairman), Mr Edward A. Beharry, Mr Robin Stoby, S.C. and Mrs Anna Lisa Fraser-Phang along with the Chief Executive Officer/Executive Director and the Corporate Secretary as ex-officio members, and meets semi-annually.

MARKETING COMMITTEE

This Committee comprises four (4) Non-Executive Directors: Mr. Edward A. Beharry, Mrs. Katryn Eytle-Mc Lean, Mr. Carlton James, Mrs Anna Lisa Fraser-Phang and Mr. Basil Mahadeo, and is chaired by Mr. Carlton James, an experienced Communications Specialist and the Chief Executive Officer/Executive Director and the Corporate Secretary as ex-officio members. This Committee meets quarterly or more frequently as necessary.

The mandate of the Committee is to determine the policy direction for the marketing strategy of the Bank and the process for proactive growth to market share and projecting a positive corporate image. The Committee also reviews the budget and plans for activities concerning marketing and promotion.

We see GUYANA through your eyes

EXTERNAL AUDITORS

The Board believes in the maintenance of independence of its External Auditors and therefore does not use its External Auditors for 'other' services. By this means the Board demonstrates its commitment to ensuring that the External Auditors are seen to be independent and that conflicts of interest are obviated.

STRATEGY

The Board approves and reviews the Bank's Strategic Plan and within the context of this Plan, approves Annual Budgets, which include all capital and current expenditure, proposed developments in Information Technology, expansion and renovations of premises and the provision of new products to customers.

The Board holds a statutory monthly meeting and in all its deliberations on matters concerning the strategic direction of the Bank, seeks to arrive at consensus before approving implementation.

MANAGEMENT TEAM

Mrs Collette Lyken-Ramdial – Head of Banking Operations
Mr Shawn Gurcharran – Head – Finance & Accounts
Mr Terry Gopaul – Senior Manager – Credit Adjudication
Ms Nadia Sagar – Company Secretary
Mrs Jaishree Lam – Manager – Internal Audit
Mr Mario Farinha – Manager - Credit Adjudication
Mr Hugh Watson – Manager – Human Resources and Training
Mr Randir Ramkissoon – Manager - Information Technology Services
Mrs Amrita Patterson – Manager – Remedial Management
Mrs Tonia Griffith – Manager - Corporate Credit
Mr Parmeshwar Budhu – Manager – Projects

Ms Rawattie Mohandeo – Business Unit Development Manager
Ms Pamela Binda – Public Relations and Marketing Manager
Ms Bebi Wharton – Credit Administration
Mrs Tumeshwarie Udai – Information Technology Services
Mr Raymond Forde – Officer-in-Charge – Water Street Branch

Ms Shantel Adams - Administration
Mrs Marcelle Mootoo - Officer-in-Charge - Risk
Mrs Dahana Ramjist - Customer Relationship Manager
Mr Bin-Saud Baksh - Retail Services Manager
Mrs Christina De Agrella - Foreign Trade Business Officer
Mrs Nadia Mardenborough - Training
Mr Trevor Abrams - Chief Security Officer

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and Audited Financial Statements for the year ended 31st December, 2019.

PRINCIPAL ACTIVITIES

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

FINANCIAL RESULTS

Net Profit after Taxation	$ 1,486,795,000
Interim Dividend	$ (160,000,000)
Retained Earnings	$ 1,326,795,000
Proposed Final Dividend	$ 400,000,000

DIVIDENDS

The Directors recommend a dividend of $10.00 per share, of which $4.00 per share has already been paid.

RESERVES & RETAINED EARNINGS

The bank's Statutory Reserve Account equals its Paid-Up Capital thus no sum is transferred. The sum of $1,326,795,000 was placed to the Retained Earnings Account.

SHARE CAPITAL

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

DIRECTORS

At the 31st Annual General Meeting of the bank, Mr Robin M.S. Stoby, S.C. retired and was re-elected Director of the bank.

In accordance with By-law 97 (b), Mrs Anna-Lisa Fraser-Phang and Mr Glenn Parmassar were appointed as Directors of the bank.

In accordance with By-law 94, Mr. Suresh E. Beharry, Mrs. Kathryn Eytle-McLean and Mr. Richard Isava retire from the Board, and being eligible, offer themselves for re-election.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

The interests of the Directors holding office as at December 31, 2019, in the ordinary shares of Guyana Bank for Trade and Industry Limited were as follows:

Directors	Directors' Interest		Associate's Interest	
	Beneficial	Non Beneficial	Beneficial	Non Beneficial
Mr. Robin Stoby, SC	NIL	NIL	NIL	NIL
Mr. Edward A. Beharry	NIL	NIL	NIL	NIL
Mr. Suresh E. Beharry	NIL	NIL	NIL	NIL
Mrs. Kathryn Eytle-Mc Lean	NIL	NIL	NIL	NIL
Mr. Carlton James	NIL	NIL	NIL	NIL
Mr. Basil Mahadeo	4000	NIL	NIL	NIL
Mrs. Anna Lisa Fraser-Phang	2000	NIL	NIL	NIL
Mr Glenn Parmassar	NIL	NIL	NIL	NIL
Mr. Richard A. Isava	NIL	NIL	NIL	NIL

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

DIRECTORS FEES PER ANNUM

	DIRECTOR'S NAME	2019 $000
1	Mr Robin Stoby S.C. (Chairman/Non Executive)	3,552,876
2	Mr Richard Isava (Executive Director)	1,209,996
3	Mr Edward A Beharry (Non Executive)	1,209,996
4	Mr Suresh E Beharry (Non Executive)	1,209,996
5	Mr Basil Mahadeo (Non Executive)	1,209,996
6	Mr Carlton James (Non Executive)	1,209,996
7	Mrs. Kathryn Eytle-Mclean (Non Executive)	1,209,996
8	Mrs. Anna Lisa Fraser-Phang	1,008,330
9	Mr Glenn Parmassar	1,008,330
	Total	**12,829,512**

GEOGRAPHICAL ANALYSIS OF REVENUE AND CONTRIBUTION TO RESULTS

The bank's operations are based in Guyana but investments are maintained overseas from which income of $1,196M (2018: $770M) was earned during the year.

CAPITALISED INTEREST

The amount of interest capitalized by the bank for the year was $43M.

CAPITAL EXPENDITURE

The bank incurred a total of $576M on capital expenditure in 2019 in areas including branch expansion and equipment and software upgrades.

DIRECTORS' REPORT

FINANCIAL HIGHLIGHTS

Summary of Assets and Liabilities

	2019 $000	**2018 $000**
Total Assets	115,995,341	107,491,745
Liabilities	99,007,428	91,425,485
Shareholders' Equity	16,987,913	16,066,260
	115,995,341	107,491,745
Summary of Income and Expenditure		
Net Interest Income	4,063,896	3,845,128
Other Income	1,681,892	1,914,154
	5,745,788	**5,759,282**
Loan Impairment Expenses	19,243	(116,024)
Operating Expense	(4,046,016)	(4,035,605)
Share of Associate Profit/ (Loss)	(9,735)	(19,624)
Net Profit Before Taxes	**1,709,280**	**1,588,029**
Taxation	(222,485)	(139,707)
Net Profit After Taxes	**1,486,795**	**1,448,322**
Interim Dividend Paid	(160,000)	(160,000)
Retained Earnings	**1,326,795**	**1,288,322**
Proposed Final Dividend	400,000	400,000

Substantial Shareholders

	2019 Amount	**2019 %**	**2018 Amount**	**2018 %**
Secure International Finance Company Incorporated	24,450,205	61	24,400,000	61

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

PENSION SCHEME

The valuation of the company's Defined Benefit Pension Plan was completed as at December 31, 2019 in accordance with Section 111,(1) (2) and (3) of the Insurance Act of 1998. The status of the plan revealed that the valuation of the scheme's assets exceeded the value of its liabilities by $67.2M (2018: $78.5M surplus). The bank conducts annual actuarial valuations of the pension plan. IAS 19 disclosures

DIRECTORS' REPORT

AUDITORS

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

PRINCIPAL ACTIVITY OF OUR SUBSIDIARY COMPANIES

The bank owns 100% of the issued share capital of GBTI Property Holdings Inc. The principal activity of this subsidiary is real estate management and gold trading. GBTI Property Holdings Inc. Operating Loss for the year 2019 was $17M.

The GBTI Mutual Funds returned an operated profit of $75M

PRINCIPAL ACTIVITY OF OUR ASSOCIATE COMPANY

The bank owns 40% of the issued share capital of Guyana Americas Merchant Bank Inc. The principal activity of this associate company is the provision of investment management and advisory services. The Guyana Americas Merchant Bank Inc. Operating loss for the year 2019 was $24.3M

SERVICE CONTRACTS

The bank as a retainer contract with the law firm; Sievewright Stoby and Co; headed by Mr. R.Stoby S.C. All other contracts between the bank and its directors or affiliated companies are disclosed in Note 26 of the Audited Financial Statements that forms part of the bank's Annual Report.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions with the parent company are addressed in Note 26 of the financial statements.

The bank leases space in its corporate head office building to Guyana Americas Merchant bank, an associate company. The bank leases space in a few of its branches to Nalico/Nafico.

CONTROLLING SHAREHOLDER CONTRACT

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

BY ORDER OF THE BOARD

……………………………………

NADIA SAGAR (MS.)
SECRETARY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
GUYANA BANK FOR TRADE AND INDUSTRY LIMITED AND SUBSIDIARIES
(SUBSIDIARY OF SECURE INTERNATIONAL FINANCE COMPANY INCORPORATED)
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of the Guyana Bank for Trade and Industry Limited and Subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 26 to 81.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Guyana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Loans and advances
G$000 (Refer to note 13)

The Bank's loans and advances of G$39,649,569 are recorded net of provision. Provision is computed under two methods, one based on the requirement of the Financial Institutions Act 1995 (FIA) and the other based on the requirements of the International Financial Reporting Standards. Under the requirements of the Financial Institutions Act 1995, provisioning is made based on the classification of loans and advances as per the Bank of Guyana's Supervisory Guideline number 5. In relation to the latter, provision is computed based on an expected credit loss basis. Where there are differences between the two computations, the excess provision under the FIA is transferred to the General Banking Risk Reserve from Retained Earnings. Differences arise because there are two separate basis used in computing provisions.

Both computations are significant to our audit and the judgments used by management are rechecked for completeness.

How our audit addressed the Key Audit Matter

Our audit tests were carried out on samples for both provisions computed as at 31 December 2019 to ensure that they comply with the requirements of both the Bank of Guyana's Supervisory Guideline and the International Financial Reporting Standards.

For loans and advances, our audit checks were not limited to but focused on the following procedures:

- Verifying the approval systems.
- Verifying that all loans and advances are secured, active and are monitored in accordance with the Supervisory guidelines numbers 5 and 13 and evaluating management's compliance with these guidelines. We also verified whether these loans and advances were classified based on the criteria outlined in these guidelines.
- Assessing the control environment for the processing and monitoring of loans and advances.
- Certain loans and advances were also selected for direct confirmation.
- Reviewing provisioning models for inconsistencies in data and checking accuracy of calculations.
- Reviewing models for compliance with FIA and IFRS 9 requirements.

Investments
G$000 (Refer to note 12)

At 31 December 2019 the Bank and Group's investments amounted to G$43,379,849 and G$43,268,130 respectively. The Group's investments consist of structured financial instruments valued at amortised cost and Fair value through profit/loss (FVPL) investments valued based on quoted prices in active markets. At 31 December 2019, there is significant measurement uncertainty involved in these valuations. As a result, the valuation of these investments was significant to our audit.

How our audit addressed the Key Audit Matter

Our procedures include the following:

- Ensuring valuation methodologies are consistent with the accounting policies;
- Ensuring fair value classification, measurement and disclosures are in accordance with International Financial Reporting Standards;
- Ensuring internal valuation model used by the Directors is complete;
- Ensuring additions and disposals were approved;
- Obtaining market prices;
- Obtaining an understanding of the methodology and assumptions used by management's expert in calculating expected credit losses.
- Reviewing and performing tests on the source data used by management's expert to ascertain its completeness and accuracy.

Property and equipment
G$000 (Refer to note 14(a)

Property and equipment is stated at a net book value of G$7,034,066 and G$7,044,261 for the company and group respectively. No revaluation of property and equipment was done during the year.

Property and equipment is considered a key audit matter as significant management judgment was used to select depreciation rates for item of property and equipment. In addition, an annual impairment review of all property and equipment was done which involved significant management judgment. We found that the assumptions used by management in relation to the carrying value of all property and equipment were in line with our expectations.

How our audit addressed the Key Audit Matter

- Testing depreciation rates for all property and equipment to ensure consistency with accounting standards;
- Assessing the methodology used by the Directors to carry out their impairment review;
- Verifying assets physically in current and prior years on a sample basis for existence;
- Verifying approval system by the Directors and management on acquisition, disposal and management.

Adoption of IFRS 16
(Refer to notes 2,14(a) & 18)

The Group adopted IFRS 16 Leases with effect from 1 January 2019, which resulted in changes to its accounting policies for lease contracts. The Group elected to apply the standard using the modified retrospective approach using the incremental borrowing rate ("IBR") method. This change in accounting policy results in right-of-use assets and lease liabilities being recognised in the statement of financial position. Because of the number of judgements which have been applied and the significance of estimates made in determining the impact of IFRS 16, this is considered a key audit matter.

How our audit addressed the Key Audit Matter

In responding to this key audit area, our audit procedures included, but were not limited to, the following:

- obtaining an understanding of the Group's adoption of IFRS 16 and identifying the internal controls including adopted by the Group for the accounting, processes and systems under the new accounting standard;

- assessing the appropriateness of the discount rates applied in determining lease liabilities;

- verifying the accuracy of the underlying lease data by agreeing a representative sample of leases to original contracts or other supporting information and checking the integrity and mechanical accuracy of the IFRS 16 calculations for each lease sampled through recalculation of the expected IFRS 16 adjustment;

- we considered the completeness of the lease data by testing the reconciliation of the Group's lease liability to operating lease commitments disclosed in the 2018 consolidated financial statements and by considering if we had knowledge of any other contracts which may contain a lease; and

- assessing the disclosures in the consolidated financial statements pertaining to leases, including whether disclosures relating to the transition to IFRS 16, were in compliance with IFRSs.

Other Information in the Annual Report

Management is responsible for the other information. The other information comprises all the information disclosed in the 2019 annual report but does not include the consolidated financial statements, notes to the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information; we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Those Charged with Governance for the Consolidated Financial Statements

The Directors/Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the Directors in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

– Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Cont'd)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the year ended 31 December, 2019 and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Financial Institutions Act 1995 and the Companies Act 1991.
The engagement partner responsible for the audit resulting in this independent auditor's report is Saeed Rahaman FCCA.

TSD Lal & Co.

TSD LAL & CO
CHARTERED ACCOUNTANTS

Date: April 29, 2020

77 Brickdam,
Stabroek, Georgetown
Guyana

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

		COMPANY		GROUP	
	Notes	2019 G$ 000	2018 G$ 000	2019 G$ 000	2018 G$ 000
Interest income	4	4,778,430	4,609,276	4,827,076	4,611,957
Interest expense	5	(763,180)	(766,829)	(763,180)	(766,829)
Net interest income		4,015,250	3,842,447	4,063,896	3,845,128
Other income	6	1,674,795	1,278,357	1,681,892	1,914,154
Net interest and other income		5,690,045	5,120,804	5,745,788	5,759,282
Operating expenses	7	(4,018,573)	(3,405,843)	(4,046,016)	(4,035,605)
Loan provisioning net of recoveries		19,243	(116,024)	19,243	(116,024)
Associate company: share of loss	12	(9,735)	(19,624)	(9,735)	(19,624)
Profit before taxation		1,680,980	1,579,313	1,709,280	1,588,029
Taxation	10(a)	(197,542)	(133,400)	(222,485)	(139,707)
Profit after taxation		**1,483,438**	**1,445,913**	**1,486,795**	**1,448,322**
Attributable to:					
Equity holders of the parent		1,483,438	1,445,913	1,486,795	1,448,322
Basic earnings per share in dollars	9	37.09	36.15	37.17	36.21

"The accompanying notes form an integral part of these financial statements".

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2019

		COMPANY		GROUP	
	Notes	2019 G$ 000	2018 G$ 000	2019 G$ 000	2018 G$ 000
Profit for the year		**1,483,438**	**1,445,913**	**1,486,795**	**1,448,322**
Other Comprehensive Income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit asset	10(b)	(3,319)	10,834	(3,319)	10,834
		(3,319)	10,834	(3,319)	10,834
Items that may be reclassified subsequently to profit or loss					
Share of comprehensive loss of associate company	10(b)	(1,823)	(9,519)	(1,823)	(9,519)
		(1,823)	(9,519)	(1,823)	(9,519)
Other comprehensive income/(loss) net of tax		(5,142)	1,315	(5,142)	1,315
Total comprehensive income for the year		**1,478,296**	**1,447,228**	**1,481,653**	**1,449,637**
Attributable to: Equity holders of the parent		1,478,296	1,447,228	1,481,653	1,449,637

"The accompanying notes form an integral part of these financial statements".

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

COMPANY

	Notes	Share Capital G$ 000	Retained Earnings G$ 000	Other Reserve G$ 000
Balance at 1 January 2018		**800,000**	**13,114,537**	**(1,087)**
Changes in equity 2018				
Dividends	28	-	(560,000)	-
Total comprehensive income for the year		-	1,445,913	1,315
Transfer to/(from) reserve	20(d)	-	(59,156)	-
Balance at 31 December 2018		**800,000**	**13,941,294**	**228**
Changes in equity 2019				
Dividends	28	-	(560,000)	-
Total comprehensive income for the year		-	1,483,438	(5,142)
Balance at 31 December 2019		**800,000**	**14,864,732**	**(4,914)**

GROUP

	Notes	Share Capital G$ 000	Retained Earnings G$ 000	Other Reserve G$ 000
Balance at 1 January 2018		**800,000**	**13,006,480**	**(1,087)**
Changes in equity 2018				
Dividends	28	-	(560,000)	-
Total comprehensive income for the year		-	1,448,322	1,315
Transfer to/(from) reserve	20(d)	-	(59,156)	-
Balance at 31 December 2018		**800,000**	**13,835,646**	**228**
Changes in equity 2019		-		
Dividends	28	-	(560,000)	-
Total comprehensive income for the year		-	1,486,795	(5,142)
Balance at 31 December 2019		**800,000**	**14,762,441**	**(4,914)**

"The accompanying notes form an integral part of these financial statements".

COMPANY

	Statutory Reserve G$ 000	Revaluation Reserve G$ 000	General Banking Risk Reserve G$ 000	Total G$ 000
	800,000	**18,963**	**552,267**	**15,284,680**
	-	-	-	(560,000)
	-	-	-	1,447,228
	-	-	59,156	-
	800,000	**18,963**	**611,423**	**16,171,908**
	-	-	-	(560,000)
	-	-	-	1,478,296
	800,000	**18,963**	**611,423**	**17,090,204**

GROUP

	Statutory Reserve G$ 000	Revaluation Reserve G$ 000	General Banking Risk Reserve G$ 000	Total G$ 000
	800,000	**18,963**	**552,267**	**15,176,623**
	-	-	-	(560,000)
	-	-	-	1,449,637
	-	-	59,156	-
	800,000	**18,963**	**611,423**	**16,066,260**
	-	-	-	(560,000)
	-	-	-	1,481,653
	800,000	**18,963**	**611,423**	**16,987,913**

"The accompanying notes form an integral part of these financial statements".

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	COMPANY 2019 G$ 000	COMPANY 2018 G$ 000	GROUP 2019 G$ 000	GROUP 2018 G$ 000
ASSETS					
Cash resources	11	23,430,210	21,335,514	23,430,210	21,356,922
Investments	12	43,379,849	33,619,126	43,268,130	33,623,200
Loans and advances	13	39,649,569	43,346,722	39,111,657	42,799,376
Property and equipment	14(a)	7,034,066	6,870,192	7,044,261	6,886,162
Investment property	14(b)	-	-	379,158	384,729
Deferred tax	10	346,565	393,249	346,565	393,249
Defined benefit asset	24	67,207	78,561	67,207	78,561
Other assets	15	2,295,852	1,901,402	2,348,153	1,969,546
TOTAL ASSETS		**116,203,318**	**107,544,766**	**115,995,341**	**107,491,745**
LIABILITIES AND SHAREHOLDERS' EQUITY					
LIABILITIES					
Deposits	17	97,188,441	89,285,993	97,011,107	89,285,118
Other liabilities	18	1,924,673	2,086,865	1,996,321	2,140,367
TOTAL LIABILITIES		**99,113,114**	**91,372,858**	**99,007,428**	**91,425,485**
SHAREHOLDERS' EQUITY					
Equity attributable to equity holders of the parent company					
Share capital	19	800,000	800,000	800,000	800,000
Retained earnings		14,864,732	13,941,294	14,762,441	13,835,646
Other reserve	20(a)	(4,914)	228	(4,914)	228
Statutory reserve	20(b)	800,000	800,000	800,000	800,000
Revaluation reserve	20(c)	18,963	18,963	18,963	18,963
General banking risk reserve	20(d)	611,423	611,423	611,423	611,423
TOTAL SHAREHOLDERS' EQUITY		**17,090,204**	**16,171,908**	**16,987,913**	**16,066,260**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**116,203,318**	**107,544,766**	**115,995,341**	**107,491,745**

The Directors approved these financial statements for publication on April 22, 2020.

On behalf of the Board:

Mr. Robin Stoby, S.C.
Chairman

Mr. Suresh E. Beharry
Director

"The accompanying notes form an integral part of these financial statements".

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	COMPANY		GROUP	
	2019 G$ 000	2018 G$ 000	2019 G$ 000	2018 G$ 000
Operating activities				
Profit before taxation	1,680,980	1,579,313	1,709,280	1,588,029
Adjustments for:				
IFRS 9 re-measurements	175,612	(190,953)	175,612	(191,813)
Share of loss of Associate Company	9,735	19,624	9,735	19,624
Depreciation: Property and Equipment	394,355	365,116	400,130	369,614
Investment Property	-	-	6,266	6,121
Gain on sale of property and equipment	(3,464)	(2,484)	(3,464)	(2,420)
Net decrease in customers' loans	3,697,153	1,365,184	3,687,719	1,261,136
Net increase in customers' deposits	7,902,448	7,587,014	7,725,989	7,586,139
Increase in other assets	(394,450)	(380,903)	(378,607)	(274,395)
Increase/(decrease) in other liabilities	(162,192)	571,070	(144,046)	624,630
Decrease/(increase) in defined benefit asset	11,354	(12,424)	11,354	(12,424)
Increase in required reserve with Bank of Guyana	(1,007,885)	(1,208,106)	(1,007,885)	(1,208,106)
Cash provided by operating activities	**12,303,646**	**9,692,451**	**12,192,083**	**9,766,135**
Taxation				
Taxes paid/adjusted	(323,651)	(333,021)	(348,594)	(351,810)
Net cash provided by operating activities	**11,979,995**	**9,359,430**	**11,843,489**	**9,414,325**
Investing activities				
Proceeds from sale of property and equipment	3,500	16,704	3,500	16,704
Investments(net)	(9,760,723)	(10,788,696)	(9,644,930)	(10,792,786)
Additions to property and equipment	(575,961)	(360,250)	(575,961)	(372,895)
Additions to investment properties	-	-	(695)	(16,870)
Net cash used in investing activities	**(10,333,184)**	**(11,132,242)**	**(10,218,086)**	**(11,165,847)**
Financing activities				
Dividends paid	(560,000)	(560,000)	(560,000)	(560,000)
Net cash used in financing activities	**(560,000)**	**(560,000)**	**(560,000)**	**(560,000)**
Net increase/(decrease) in cash and cash equivalents	1,086,811	(2,332,812)	1,065,403	(2,311,522)
Cash and short term funds at beginning of year	10,817,789	13,150,601	10,839,197	13,150,719
Cash and short term funds at end of year (Note 11)	11,904,600	10,817,789	11,904,600	10,839,197

"The accompanying notes form an integral part of these financial statements".

NOTES TO THE FINANCIAL STATEMENTS

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 a banker 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	
IFRS 16 Leases	1 January 2019
Amendments to IFRS 9, 'Financial instruments' – Prepayment features with negative compensation	1 January 2019
Amendments to IAS 28, 'Investments in associates' Long term interests in associates and joint ventures	1 January 2019
Amendments to IAS 19, 'Employee benefits' – Plan amendment, curtailment or settlement	1 January 2019
Annual improvements 2015-2017	1 January 2019
New and revised interpretations	
IFRIC 23, 'Uncertainty over income tax'	1 January 2019

The following are relevant to the Group:

IFRS 16

Effective January 1 2019, the Group has adopted IFRS 16 (as issued by the IASB in January 2016) which specifies how to recognize, measure, present and disclose lease contracts. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all major leases.

In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in Note 3.1(z).

The date of initial application (DOIA) of IFRS 16 for the Group is 1 January 2019. The Group has applied IFRS 16 using the modified retrospective approach and accordingly the information presented for 2018 has not been restated and continues to be reported under IAS 17 and related interpretations.

The Group has used the following practical expedients when applying the modified retrospective approach to leases previously classified as operating lease:

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS (CONT'D)

IFRS 16 (CONT'D

- The Group has applied the definition of a lease in accordance with IAS 17 and IFRIC 4 to those leases entered or changed before 1 January 2019.
- The Group recorded right-of-use assets and lease liabilities in the consolidated statement of financial position at DOIA at the present value of the remaining lease payments.
- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has elected not to recognise right-of-use assets and lease liabilities for leases for which the lease term ends within 12 months of the DOIA and leases for low value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

The impact of adoption of IFRS 16 on the Group's consolidated financial statements at the DOIA is described below:

	G$000
Operating lease commitments at December 31, 2018	192,597
Discounted using the incremental borrowing rate at December 31, 2018	35,558
Recognition exemption for short-term leases	(-)
Lease obligations recognized at January 1, 2019	**157,039**
Less: current portion	**(36,981)**
Non-current portion as at January 1, 2019	**120,058**

The weighted average incremental borrowing rate applied to lease liabilities recognised in the consolidated statement of financial position on 1 January 2019 is 4%.

Amendments to IFRS 9, 'Financial instruments' – Prepayment features with negative compensation

The IASB issued a narrow-scope amendment to IFRS 9 to enable companies to measure at amortised cost some prepayable financial assets with negative compensation. The assets affected, that include some loans and debt securities, would otherwise have been measured at fair value through profit or loss (FVTPL).

Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than upaid amounts of principal and interest. However, to qualify for amortised cost measurement, the negative compensation must be reasonable compensation for early termination of the contract.

In addition, to qualify for amortised cost measurement, the asset must be held within a 'held to collect' business model.

Amendments to IAS 28, 'Investments in associates' – Long term interests in associates and joint ventures

The IASB issued a narrow scope amendment to IAS 28 that clarified that these long-term interests in an associate or joint venture to which the equity method is not applied should be accounted for using IFRS 9. This includes the impairment requirements in IFRS 9. An illustrative example is also provided.

Amendments to IAS 19, 'Employee benefits' – Plan amendment, curtailment or settlement

This amendment requires an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS (CONT'D)

IFRIC 23 Uncertainty over income tax

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

- Whether tax treatment should be considered collectively;
- Assumptions for taxation authorities examinations;
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates;
- The effect of changes in facts and circumstances.

Refer to note 10 (c) for new disclosures in relation to the Group's uncertain tax treatments.

Pronouncements effective in future period for early adoption

New and Amended Standards	Effective for annual periods beginning on or after
Amendments to IFRS 3, 'Business combinations' – Definition of a business	1 January 2020
Amendments to IAS 1 and IAS 8 – Definition of material	1 January 2020
Amendments to the Conceptual framework	1 January 2020
IFRS 17, 'Insurance contracts'	1 January 2021

The Group has not opted for early adoption.

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

Amendments to IFRS 3, 'Business combinations' – Definition of a business

To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present (including for early stage companies that have not generated outputs). To be a business without outputs, there will now need to be an organized workforce.

Amendments to IAS 1 and IAS 8 – Definition of material

The amendments clarify the definition of material and make IFRSs more consistent, but are not expected to have a significant impact on the preparation of financial statements.

Amendments to the Conceptual framework

The IASB has revised its Conceptual Framework. This will not result in any immediate changes to IFRS however, the revised framework will be used in future standard setting decisions. It is therefore helpful for stakeholders to understand the concepts in the framework and the potential ways in which they may impact future guidance. Preparers might also use the framework to develop accounting policy where an issue is not addressed by an IFRS.

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 certain investments, property and equipment, and conform with International Financial Reporting Standards. The principal accounting policies are set out below.

(b) Interest income and the effective interest rate method

Under both IFRS 9 and IAS 39, interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Interest income and the effective interest rate method (Cont'd)

The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Bank recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

The Bank calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Bank calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVPL is recognised using the contractual interest rate in net trading income and net gains/(losses) on financial assets at fair value through profit or loss, respectively.

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, Telephone Banking – transaction cost.

<u>Rental income</u>

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Loan impairment

The Bank records the allowance for expected credit losses for all loans, loan commitments and financial guarantee contracts. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Bank groups its loans into Stage 1, Stage 2, and Stage 3 as described below:

- **Stage 1:** When loans are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- **Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- **Stage 3:** Loans considered credit-impaired. The bank records an allowance for the LTECLs.

The calculation of ECLs
The Bank calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

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

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.

NOTES TO THE FINANCIAL STATEMENTS

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Loan impairment (Cont'd)

Classification (Cont'd)

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.

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
(iv) The unsecured portion of an overdraft when:-
    (1) The approved limit has been exceeded for six months or more,
    or
    (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.

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Loan impairment (Cont'd)

Loan losses (Cont'd)
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 writeoff, 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.

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, rolledover, 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.

NOTES TO THE FINANCIAL STATEMENTS

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Loan impairment (Cont'd)

Loan losses (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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 in note 25 of 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.

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$89,429,000 (2018 - G$82,277,000).

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 (2018-1) 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 reserve. This reserve is not distributable.

(m) Other reserve

The Bank's share of reserve of its associate company and re-measurements of the defined benefit asset are credited to this reserve. 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 counterparties 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.

Other receivables
Other receivables are measured at amortised cost. Appropriate allowances for estimated unrecoverable amounts are recognized on an expected credit loss basis.

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.

NOTES TO THE FINANCIAL STATEMENTS

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Financial investments

Financial assets at amortised cost
The Group only measures loans and advances and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives.

Financial assets and financial liabilities at fair value through profit or loss
Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit or loss with the exception of movements in fair value of liabilities designated at FVPL due to changes in the Group's own credit risk which are recorded through OCI and do not get recycled to the profit or loss. Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other operating income when the right to the payment has been established.

Reclassification of financial assets and liabilities
The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line.

Financial liabilities are never reclassified. The Bank did not reclassify any of its financial assets or liabilities in 2019.

(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.

(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 recoverable amount of an individual asset, the Bank estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Impairment of tangible assets (Cont'd)

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.

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 outstanding during the period.

(x) Intangible asset

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

<u>Software</u>
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.

NOTES TO THE FINANCIAL STATEMENTS

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 statements 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.

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 of as at 31 December 2019 and 30 September 2019 respectively of the following :

Name of Company	Country of registration	% shareholding	Main business
GBTI Property Holdings Inc.	Guyana	100	Real estate management and gold trading
GBTI Mutual Funds	Guyana	99.45	Investment

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

Statement of Financial Position

	2019 G$	2018 G$
Total assets	438,043,906	461,755,509
Total liabilities	578,731,004	584,993,444
Equity	16,000	16,000
Accumulated loss	(140,687,098)	(123,253,935)

The financial statement of GBTI Mutual Funds in summary form as at 30 September is presented below:

Statement of Financial Position

	2019 G$	2018 G$
Total assets	1,370,112,519	1,284,456,129
Total liabilities	30,295,462	15,851,409
Unitholders capital	1,301,061,430	1,251,000,000
Retained earnings	38,755,627	17,604,720

(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 properties and leases

Investment properties
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.

Leases
From 1 January 2019, the Group assesses whether a contract is or contains a lease, at inception of the contract. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the lessee's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments less any lease incentives receivable;

- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

- Amounts payable by the lessee under residual value guarantees;

- Value of purchase options if the lessee is reasonably certain to exercise the options; and termination options, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Prior to 1 January 2019, leases were classified as finance leases whenever the terms of the lease transferred substantially all the risks and rewards of ownership to the lessee. All other leases were classified as operating leases.

Assets held under finance leases were recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, determined at the inception of the lease. The corresponding liability was included in the statement of financial position as a finance lease obligation.

Rentals payable under operating leases were charged to income on a straight-line basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

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

<u>Critical accounting estimates and judgements in applying accounting policies</u>

(i) 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.

(ii) 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.

(iii) Impairment of financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Bank's internal credit grading model, which assigns probabilities of default (PDs) to the individual grades
- The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, exposure at default and loss given default.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

NOTES TO THE FINANCIAL STATEMENTS

	COMPANY		GROUP	
	2019	**2018**	**2019**	**2018**
	G$ 000	**G$ 000**	**G$ 000**	**G$ 000**
4. INTEREST INCOME				
Loans and advances	3,191,771	3,311,706	3,110,039	3,277,544
Investment securities:-				
-Amortised Cost	1,279,553	1,013,046	1,279,553	1,013,046
-FVPL	-	-	130,378	36,843
Other	307,106	284,524	307,106	284,524
	4,778,430	**4,609,276**	**4,827,076**	**4,611,957**
5. INTEREST EXPENSE				
Savings deposits	467,574	467,367	467,574	467,367
Term deposits	265,200	266,844	265,200	266,844
Other	30,406	32,618	30,406	32,618
	763,180	**766,829**	**763,180**	**766,829**
6. OTHER INCOME				
Commissions	575,336	474,139	575,220	474,029
Exchange trading and revaluation gains	902,880	762,609	902,880	762,609
Rental and other income	20,967	10,116	28,180	646,023
Expected credit gain	175,612	31,493	175,612	31,493
	1,674,795	**1,278,357**	**1,681,892**	**1,914,154**
7. OPERATING EXPENSES				
Staff costs (Note 8)	1,674,135	1,532,905	1,684,905	1,544,517
Depreciation	355,837	365,116	367,878	375,734
General administrative expenses	791,925	693,536	791,925	696,869
Marketing and public relations	94,997	106,443	94,997	106,443
Auditor remuneration	21,466	20,054	22,670	20,780
Director's fees	10,812	10,812	10,812	10,812
Other operating expenses	567,105	577,753	561,079	1,172,182
Property taxes	122,172	99,224	131,626	108,268
Bond losses	380,124	-	380,124	-
	4,018,573	**3,405,843**	**4,046,016**	**4,035,605**
8. STAFF COSTS				
Salaries and wages	1,015,032	933,184	1,025,802	941,061
Other staff costs	563,849	511,812	563,849	515,547
Pension	95,254	87,909	95,254	87,909
	1,674,135	**1,532,905**	**1,684,905**	**1,544,517**

NOTES TO THE FINANCIAL STATEMENTS

		COMPANY		GROUP	
		2019 G$ 000	2018 G$ 000	2019 G$ 000	2018 G$ 000
9.	**BASIC EARNINGS PER SHARE**				
	Calculated as follows:				
	Profit after taxation	1,483,438	1,445,913	1,486,795	1,448,322
	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	**37.09**	**36.15**	**37.17**	**36.21**
10 (a).	**TAXATION**				
	Current:- Corporation tax	148,646	270,440	173,589	276,747
	Adjustment	-	(3,074)	-	(3,074)
	Deferred Tax	48,896	(133,966)	48,896	(133,966)
		197,542	**133,400**	**222,485**	**139,707**
	Reconciliation of Tax Expense and Accounting Profit				
	Accounting profit	1,680,980	1,579,313	1,709,280	1,588,029
	Share of Associate Company's loss/(profit)	9,735	19,624	9,735	19,624
		1,690,715	1,598,937	1,719,015	1,607,653
	Corporation tax at 40%/25%	676,286	639,575	702,450	646,935
	Add:				
	Tax effect of expenses not deductible in determining Taxable Profits				
	Depreciation for Accounting Purposes	142,334	146,046	142,334	146,046
	Other	87,412	(10,739)	87,412	(10,739)
	Property tax	48,869	39,690	52,651	43,308
		954,901	814,572	984,847	825,550
	Deduct:				
	Tax effect of depreciation for tax purposes	179,100	81,984	179,100	81,984
	Other	-	-	2,506	3,973
	Tax Exempt Income	627,155	462,148	629,652	462,148
	Corporation Tax	148,646	270,440	173,589	276,747
	Prior year adjustment	-	(3,074)	-	(3,074)
	Deferred Tax	48,896	(133,966)	48,896	(133,966)
		197,542	**133,400**	**222,485**	**139,707**
	Components of deferred tax asset				
	Property and equipment	378,459	431,896	378,459	431,896
	Defined benefit asset	(31,894)	(38,647)	(31,894)	(38,647)
		346,565	**393,249**	**346,565**	**393,249**

10 (a). TAXATION (CONT'D)

Movement in temporary differences

	COMPANY AND GROUP		
	Defined benefit assets/(liabilities) G$ 000	**Property and equipment G$ 000**	**Total G$ 000**
At 1 January 2018	(40,176)	306,682	266,506
Movement during the year:-			
Statement of profit or loss	8,752	125,214	133,966
Statement of other comprehensive income	(7,223)		(7,223)
At 31 December 2018	(38,647)	431,896	393,249
Movement during the year:-			
Statement of profit or loss	4,541	(53,437)	(48,896)
Statement of other comprehensive income	2,212	-	2,212
At 31 December 2019	**(31,894)**	**378,459**	**346,565**

10 (b). DISCLOSURE OF TAX EFFECTS RELATING TO EACH COMPONENT OF OTHER COMPREHENSIVE INCOME AND STATEMENT OF CHANGES IN EQUITY

	2019 COMPANY AND GROUP			2018 COMPANY AND GROUP		
	Before tax amount G$ 000	**Tax(expense)/ benefit G$ 000**	**Net of tax amount G$ 000**	**Before tax amount G$ 000**	**Tax(expense)/ benefit G$ 000**	**Net of tax amount G$ 000**
Remeasurement of defined benefit pension plan	(5,531)	2,212	(3,319)	18,057	(7,223)	10,834
Loss arising on available for sale financial asset	-	-	-	-	-	-
Share of other comprehensive profit/ (loss) of associate company	(1,823)	-	(1,823)	(9,519)	-	(9,519)
	(7,354)	**2,212**	**(5,142)**	**8,538**	**(7,223)**	**1,315**

10 (c). TAX ASSESSMENTS

On August 20, 2019, the Company received Notices of Assessment ("Assessments") from the Guyana Revenue Authority claiming additional corporation taxes of GY$318,096,059 as a result of the disallowance of the Company's claim for deduction for impairment losses on financial assets in relation to the years of income ended December 31, 2012, 2014, 2015 and 2016. The accounting policy on impairment losses on financial assets, as described in Note 3.1 (d) to these financial statements, recognizes the Company's obligation to comply with provisioning requirements contained in the International Financial Reporting Standards (IFRS) and in the Supervision Guidelines issued by the Bank of Guyana. For purposes of its corporation tax computations, the Company's impairment losses on financial assets as determined under IFRS, were claimed as deductions in accordance with sections 16(I)(e) of the Income Tax Act, which provides for the deduction of provisions for bad and doubtful debts incurred in a trade or business.

Accordingly, the Company on August 31, 2019 filed Notices of Objection to these assessments under the provisions of the Income Tax Act.The Guyana Revenue Authority acknowledged the objection and the tax in dispute is being held in abey-ance as per the Income Tax Act Chapter 81:01. The objection remains undetermined to the present. The Company has been advised by its attorneys that its objection is based on valid grounds

NOTES TO THE FINANCIAL STATEMENTS

	COMPANY		GROUP	
	2019 G$ 000	2018 G$ 000	2019 G$ 000	2018 G$ 000
11. CASH RESOURCES				
Cash in hand	2,226,889	2,389,389	2,226,889	2,410,797
Balance with Bank of Guyana in excess of required reserves	2,463,529	928,756	2,463,529	928,756
Balances with other banks	6,823,212	6,497,659	6,823,212	6,497,659
Cheques and other items in transit	390,970	1,001,985	390,970	1,001,985
Total Cash and Short Term Funds	11,904,600	10,817,789	11,904,600	10,839,197
Reserve requirement with Bank of Guyana	11,525,610	10,517,725	11,525,610	10,517,725
Total Cash Resources	**23,430,210**	**21,335,514**	**23,430,210**	**21,356,922**
12. INVESTMENTS				
Amortised cost	41,863,017	32,144,592	41,863,017	32,144,592
FVPL	-	-	1,193,148	1,255,086
	41,863,017	**32,144,592**	**43,056,165**	**33,399,678**
Investment in Subsidiary's shares	**1,304,867**	**1,251,012**	-	-
Investment in Associate Company				
Non Current Asset - Associate Company (i)	**211,965**	**223,522**	**211,965**	**223,522**

The Bank holds 40% (2018-40%) of the share capital of the Guyana Americas Merchant Bank Inc.

(i) **Associate company**				
At 1 January	223,522	252,665	223,522	252,665
Share of loss of associate company	(9,734)	(19,624)	(9,734)	(19,624)
	213,788	233,041	213,788	233,041
Share of investment reserve of associate company	(1,823)	(9,519)	(1,823)	(9,519)
At 31 December	211,965	223,522	211,965	223,522
Total Investments	**43,379,849**	**33,619,126**	**43,268,130**	**33,623,200**

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	**2019** **G$ 000**	**2018** **G$ 000**
Income	93,991	80,079
Profit after taxation	(24,337)	873
Statement of Financial Position		
Total assets	664,499	626,875
Tax liability	6,966	6,210
Equity and liabilities		
Capital and reserves	634,471	617,959
Liabilities	30,028	8,916
Total equity and liabilities	664,499	626,875

NOTES TO THE FINANCIAL STATEMENTS

13 (a). LOANS AND ADVANCES

	COMPANY			
	Agriculture & Other G$ 000	**Personal & Services G$ 000**	**Real Estate G$ 000**	**Total G$ 000**
2019				
Gross Loans and advances	10,869,807	21,850,898	10,532,606	43,253,311
Stage 1: 12 Month ECL	(334,442)	(222,146)	(44,733)	(601,321)
Stage 2: Lifetime ECL	(32,573)	(7,618)	(10,108)	(50,299)
Stage 3: Credit impaired financial assets - Lifetime ECL	(1,640,786)	(1,036,989)	(274,347)	(2,952,122)
Net loans and advances	**8,862,006**	**20,584,145**	**10,203,418**	**39,649,569**
2018				
Gross Loans and advances	11,252,411	27,566,044	8,286,859	47,105,314
Stage 1: 12 Month ECL	(603,623)	(94,271)	(25,267)	(723,161)
Stage 2: Lifetime ECL	(62,328)	(13,949)	(5,529)	(81,806)
Stage 3: Credit Impaired financial assets - Lifetime ECL	(1,305,513)	(1,583,996)	(64,116)	(2,953,625)
Net loans and advances	**9,280,947**	**25,873,828**	**8,191,947**	**43,346,722**

	GROUP			
	Agriculture & Other G$ 000	**Personal & Services G$ 000**	**Real Estate G$ 000**	**Total G$ 000**
2019				
Gross Loans and advances	10,869,807	21,312,986	10,532,606	42,715,399
Stage 1: 12 Month ECL	(334,442)	(222,146)	(44,733)	(601,321)
Stage 2: Lifetime ECL	(32,573)	(7,618)	(10,108)	(50,299)
Stage 3: Credit impaired financial assets - Lifetime ECL	(1,640,786)	(1,036,989)	(274,347)	(2,952,122)
Net loans and advances	**8,862,006**	**20,046,233**	**10,203,418**	**39,111,657**
2018				
Gross Loans and advances	11,252,411	27,018,698	8,286,859	46,557,968
Stage 1: 12 Month ECL	(603,623)	(94,271)	(25,267)	(723,161)
Stage 2: Lifetime ECL	(62,328)	(13,949)	(5,529)	(81,806)
Stage 3: Credit Impaired financial assets - Lifetime ECL	(1,305,513)	(1,583,996)	(64,116)	(2,953,625)
Net loans and advances	**9,280,947**	**25,326,482**	**8,191,947**	**42,799,376**

NOTES TO THE FINANCIAL STATEMENTS

13 (b). PROVISION FOR LOAN LOSSES BY ECONOMIC SECTORS

	Gross Performing G$ 000	Gross Non-Performing G$ 000	Expected Credit Loss G$ 000	Net amount G$ 000
2019				
Agriculture & Other	5,766,096	5,103,711	(2,007,801)	8,862,006
Personal & Services	15,878,882	5,972,016	(1,266,753)	20,584,145
Real Estate	7,840,298	2,692,308	(329,188)	10,203,418
	29,485,276	**13,768,035**	**(3,603,742)**	**39,649,569**
2018				
Agriculture & Other	7,041,622	4,210,789	(1,971,464)	9,280,947
Personal & Services	20,318,568	7,247,476	(1,692,216)	25,873,828
Real Estate	7,321,281	965,578	(94,912)	8,191,947
	34,681,471	**12,423,843**	**(3,758,592)**	**43,346,722**

14 (a). PROPERTY AND EQUIPMENT

	COMPANY				
	Land and buildings G$ 000	Right-of-use assets G$ 000	Equipment G$ 000	Capital work-in-progress G$ 000	Total G$ 000
Cost/Valuation					
At 1 January 2018	7,160,501	-	2,810,161	123,889	10,094,551
Additions	-	-	6,629	353,621	360,250
Disposals	-	-	(28,129)	(14,159)	(42,288)
Transfers	2,576	-	135,834	(138,410)	-
At 31 December 2018	7,163,077	-	2,924,495	324,941	10,412,513
Additions	-	192,597	-	383,364	575,961
Disposals	-	-	(44,892)	(17,695)	(62,587)
Transfers	3,107	-	203,168	(206,275)	-
At 31 December 2019	**7,166,184**	**192,597**	**3,082,771**	**484,335**	**10,925,887**
Comprising:					
Cost	7,166,184	192,597	3,082,771	484,335	10,925,887
	7,166,184	**192,597**	**3,082,771**	**484,335**	**10,925,887**
Accumulated Depreciation					
At 1 January 2018	1,213,213	-	1,992,060	-	3,205,273
Charge for the year	137,686	-	227,430	-	365,116
Writeback on disposals	-	-	(28,068)	-	(28,068)
At 31 December 2018	1,350,899	-	2,191,422	-	3,542,321
Charge for the year	127,860	38,519	227,976	-	394,355
Write back on disposals	-	-	(44,855)	-	(44,855)
At 31 December 2019	**1,478,759**	**38,519**	**2,374,543**	**-**	**3,891,821**
Net book values:					
At 31 December 2018	**5,812,178**	**-**	**733,073**	**324,941**	**6,870,192**
At 31 December 2019	**5,687,425**	**154,078**	**708,228**	**484,335**	**7,034,066**

14 (a). PROPERTY AND EQUIPMENT (CON'TD)

	GROUP				
	Land and buildings G$ 000	Right-of-use assets G$ 000	Equipment G$ 000	Capital work-in-progress G$ 000	Total G$ 000
Cost/Valuation					
At 1 January 2018	7,160,640	-	2,825,086	125,235	10,110,961
Additions	-	-	19,274	353,621	372,895
Disposals	-	-	(28,272)	(14,159)	(42,431)
Transfers	2,576	-	135,834	(138,410)	-
At 31 December 2018	7,163,216	-	2,951,922	326,287	10,441,425
Additions	-	192,597	-	383,364	575,961
Disposals	-	-	(44,892)	(17,695)	(62,587)
Transfers	3,107	-	203,168	(206,275)	-
At 31 December 2019	**7,166,323**	**192,597**	**3,110,198**	**485,681**	**10,954,799**
Comprising:					
Cost	7,166,323	192,597	3,110,198	485,681	10,954,799
	7,166,323	**192,597**	**3,110,198**	**485,681**	**10,954,799**
Accumulated Depreciation					
At 1 January 2018	1,213,213	-	2,000,583	-	3,213,796
Charge for the year	137,686	-	231,928	-	369,614
Write back on disposals	-	-	(28,147)	-	(28,147)
At 31 December 2018	1,350,899	-	2,204,364	-	3,555,263
Charge for the year	127,860	38,519	233,751	-	400,130
Write back on disposals	-	-	(44,855)	-	(44,855)
At 31 December 2019	**1,478,759**	**38,519**	**2,393,260**	**-**	**3,910,538**
Net book values:					
At 31 December 2018	**5,812,317**	**-**	**747,558**	**326,287**	**6,886,162**
At 31 December 2019	**5,687,564**	**154,078**	**716,938**	**485,681**	**7,044,261**

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

	COMPANY AND GROUP	
	2019 G$ 000	2018 G$ 000
Intangible assets		
Net Book Value of acquired software (included in equipment)	350,839	389,580

NOTES TO THE FINANCIAL STATEMENTS

14 (b). INVESTMENT PROPERTY

	GROUP	
2019	**Premises G$ 000**	**Total G$ 000**
COST		
At 1 January 2018	390,805	390,805
Additions	16,870	16,870
At 31 December 2018	407,675	407,675
Additions	695	695
At 31 December 2019	**408,370**	**408,370**
ACCUMULATED DEPRECIATION		
At 1 January 2018	16,825	16,825
Charge for the year	6,121	6,121
At 31 December 2018	22,946	22,946
Charge for the year	6,266	6,266
At 31 December 2019	**29,212**	**29,212**
NET BOOK VALUES		
At 31 December 2018	**384,729**	**384,729**
At 31 December 2019	**379,158**	**379,158**

15. OTHER ASSETS

	COMPANY		GROUP	
	2019 G$ 000	**2018 G$ 000**	**2019 G$ 000**	**2018 G$ 000**
Interest and commissions accrued	473,754	600,285	473,754	600,285
Prepaid expenses	331,621	125,139	331,621	125,139
Prepaid stationery/inventory	43,630	41,414	43,630	65,396
Sundry receivables	216,743	70,773	219,755	74,063
Agriculture diversification fund	22,576	22,576	22,576	22,576
Assets classified as held for sale (See note 16)	201,579	249,454	201,579	249,454
Taxes recoverable	659,613	537,819	696,382	568,407
Other	346,336	253,942	358,856	264,226
	2,295,852	**1,901,402**	**2,348,153**	**1,969,546**

16 ASSETS CLASSIFIED AS HELD FOR SALE

Properties on hand

At 1 January	249,454	189,405	249,454	189,405
Additions	74,795	78,727	74,795	78,727
Disposals	(122,670)	(18,678)	(122,670)	(18,678)
At 31 December	**201,579**	**249,454**	**201,579**	**249,454**

17. DEPOSITS

	COMPANY		GROUP	
	2019 G$ 000	2018 G$ 000	2019 G$ 000	2018 G$ 000
Demand	25,471,867	23,544,593	25,294,533	23,544,028
Savings	54,137,786	48,100,986	54,137,786	48,100,986
Term	17,578,788	17,640,414	17,578,788	17,640,104
	97,188,441	**89,285,993**	**97,011,107**	**89,285,118**

18. OTHER LIABILITIES

	COMPANY 2019 G$ 000	COMPANY 2018 G$ 000	GROUP 2019 G$ 000	GROUP 2018 G$ 000
Agriculture diversification fund (a)	180,863	180,791	180,863	180,791
Due to banks	29	16	29	16
Accrued interest on deposits	206,813	158,528	206,813	158,528
Unpresented drafts	19,269	19,497	19,269	19,497
Accrued expenses	297,544	1,048,295	337,421	1,072,541
Lease liability (b)	157,039	-	157,039	-
Others	1,063,116	679,738	1,094,887	708,994
	1,924,673	**2,086,865**	**1,996,321**	**2,140,367**

(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) Lease liabilities analysed as:

	COMPANY		GROUP	
	2019 G$ 000	2018 G$ 000	2019 G$ 000	2018 G$ 000
Current	36,981	-	36,981	-
Non-current	120,058	-	120,058	-
	157,039	-	157,039	-

19. SHARE CAPITAL

	COMPANY AND GROUP	
	2019	**2018**
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.

NOTES TO THE FINANCIAL STATEMENTS

20. RESERVES

	COMPANY AND GROUP	
	2019	2018
(a) Other Reserve		
(i) Available for sale investments (IAS 39):-		
At 1 January	-	(71,943)
Movement	-	-
Writeback on ad option of IFRS 9	-	71,943
At 31 December	-	-
(ii) Re-measurement of defined benefit asset:-		
At 1 January	48,432	37,598
Movement	(3,319)	10,834
At 31 December	45,113	48,432
(iii) Share of reserve of associate company:-		
At 1 January	(48,204)	(38,685)
Share of comprehensive loss	(1,823)	(9,519)
At 31 December	(50,027)	(48,204)
Total	**(4,914)**	**228**
(b) Statutory Reserve		
At 1 January and 31 December	**800,000**	**800,000**

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

	2019	2018
(c) Revaluation Reserve		
At 1 January and 31 December	**18,963**	**18,963**

This represents revaluation increase of land, buildings and equipment

	2019	2018
(d) General Banking Risk Reserve		
At 1 January	611,423	24,746
Remeasurement of excess provision on adoption of IFRS 9	-	527,521
Movement for the year	-	59,156
At 31 December	**611,423**	**611,423**

NOTES TO THE FINANCIAL STATEMENTS

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 2018.

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 30.85% as at 31 December, 2019.

Total Tier 1 and Tier 11 Capital was 31.16% of risk-adjusted assets at 31 December, 2019 compared to 25.42% 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		GROUP	
	2019 G$ 000	2018 G$ 000	2019 G$ 000	2018 G$ 000
Debt (i)	97,188,441	89,285,993	97,011,107	89,285,118
Cash and cash equivalents	(23,430,210)	(21,335,514)	(23,430,210)	(21,356,922)
Net debt	73,758,231	67,950,479	73,580,897	67,928,196
Equity (ii)	17,090,204	16,171,908	16,987,913	16,066,260
Net debt to equity ratio	4.32:1	4.06:1	4.34:1	4.09:1

(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 following 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.

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	**2019 Increase/ (Decrease) G' 000**	**2018 Increase/ (Decrease) G' 000**
Local Currency	+/-50	118,123	101,523
Foreign Currency	+/-50	81,880	65,886

NOTES TO THE FINANCIAL STATEMENTS

22. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (Cont'd)

(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 2019				
	Interest rate	Within 1 year G$ 000	1 to 5 years G$ 000	Over 5 years G$ 000	Non-interest bearing G$ 000	Total G$ 000
Assets						
Cash resources	0.00 to 2.00	4,187,121	676,800	-	18,566,289	23,430,210
Investments	2.80 to 8.00	26,567,410	5,894,234	10,594,523	223,521	43,268,130
Loans and advances (net)	0.00 to 27.00	16,435,555	8,175,377	14,500,725	-	39,111,657
Other assets	-	-	-	-	2,226,359	2,348,153
		47,190,086	**14,746,411**	**25,095,248**	**21,016,169**	**108,158,150**
Liabilities						
Deposits	0.75 to 1.20	73,467,079	-	-	23,544,028	97,011,107
Other liabilities		-	-	-	1,996,321	1,996,321
		73,467,079	**-**	**-**	**25,540,349**	**99,007,428**
Interest sensitivity gap		**(26,276,993)**	**14,746,411**	**25,095,248**		

		GROUP Maturing 2018				
	Average Interest rate %	Within 1 year G$ 000	1 to 5 years G$ 000	Over 5 years G$ 000	Non-interest bearing G$ 000	Total G$ 000
Assets						
Cash resources	0.00 to 2.00	3,819,702	83,800	-	17,453,420	21,356,922
Investments	2.80 to 8.00	14,837,117	9,004,725	9,355,993	425,365	33,623,200
Loans and advances (net)	0.00 to 27.00	19,084,043	5,701,755	18,013,578	-	42,799,376
Other assets	-	-	-	-	1,969,546	1,969,546
		37,740,862	**14,790,280**	**27,369,571**	**19,848,331**	**99,749,044**
Liabilities						
Deposits	0.75 to 1.20	65,741,090	-	-	23,544,028	89,285,118
Other liabilities		-	-	-	2,140,367	2,140,364
		65,741,090	**-**	**-**	**25,684,395**	**91,425,482**
Interest sensitivity gap		**(28,000,228)**	**14,790,280**	**27,369,571**		

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 € G$ 000	**US $ G$ 000**	**GBP £ G$ 000**	**Cdn $ G$ 000**	**Others G$ 000**	**Total G$ 000**
31 December 2019						
Assets	47,863	24,525,478	90,483	9,338	1,479	24,674,641
Liabilities	37,033	6,066,228	74,627	206	-	6,178,094
31 December 2018						
Assets	54,835	23,869,447	145,984	24,769	22,925	24,117,960
Liabilities	19,695	6,884,714	74,459	208	-	6,979,076

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**	
	2019 $M	**2018 $M**	**2019 $M**	**2018 $M**	**2019 $M**	**2018 $M**	**2019 $M**	**2018 $M**
Profit or (loss)	0.27	461.48	461.48	0.40	0.40	0.23	2.28	0.37

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 2019					
	Within 1 year					
	On Demand G$ 000	Due in three months G$ 000	Due within 3 to 12 months G$ 000	1 to 5 years G$ 000	Over 5 years G$ 000	Total G$ 000
Cash resources	18,660,649	3,035,525	1,057,236	676,800	-	23,430,210
Investments	223,521	2,688,927	23,878,483	5,894,234	10,594,523	43,268,130
Loans & advances (net)	6,850,300	3,579,893	6,005,362	8,175,377	14,500,725	39,111,657
Other assets	2,186,578	36,769	3,012	-	-	2,226,359
	27,921,048	**9,341,114**	**30,944,093**	**14,746,411**	**25,095,248**	**108,036,356**
Liabilities						
Deposits	79,441,229	4,795,827	12,774,051	-	-	97,011,107
Other liabilities	1,944,885	942.00	50,494	-	-	1,996,321
	81,386,114	**4,796,769**	**12,824,545**	**-**	**-**	**99,007,428**
Net assets/(liabilities)	**(53,465,066)**	**4,544,345**	**18,119,548**	**14,746,411**	**25,095,248**	

	GROUP Maturing 2018					
	Within 1 year					
	On Demand G$ 000	Due in three months G$ 000	Due within 3 to 12 months G$ 000	1 to 5 years G$ 000	Over 5 years G$ 000	Total G$ 000
Assets						
Cash resources	17,453,420	2,468,731	1,350,971	83,800	-	21,356,922
Investments	425,365	561,143	14,275,974	9,004,725	9,355,993	33,623,200
Loans & advances (net)	7,435,511	6,012,757	5,635,775	5,701,755	18,013,578	42,799,376
Other assets	1,935,668	30,588	3,290	-	-	1,969,546
	27,249,964	**9,073,219**	**21,266,010**	**14,790,280**	**27,369,571**	**99,749,044**
Liabilities						
Deposits	71,644,704	5,475,936	12,164,478	-	-	89,285,118
Other liabilities	2,093,175	13,402	33,790	-	-	2,140,367
	73,737,879	**5,489,338**	**12,198,268**	**-**	**-**	**91,425,485**
Net assets/(liabilities)	**(46,487,915)**	**3,583,881**	**9,067,742**	**14,790,280**	**27,369,571**	

22. FINANCIAL RISK MANAGEMENT (CONT'D)

(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.

<u>Credit risk management</u>
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.

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.

<u>Risk limit control and mitigation policy</u>
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 segments. 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 utilizes 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.

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.

22. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Credit risk (Cont'd)

Risk limit control and mitigation policy (Cont'd)

(b) Industry exposure limits (Cont'd)

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 themselves 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.

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 fnancial 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.

NOTES TO THE FINANCIAL STATEMENTS

22. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Credit risk (Cont'd)

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

	COMPANY		GROUP	
	2019 Maximum Exposure G$ 000	**2018 Maximum Exposure G$ 000**	**2019 Maximum Exposure G$ 000**	**2018 Maximum Exposure G$ 000**
Cash and short term funds	11,904,600	10,817,789	11,904,600	10,839,197
Deposit with Bank of Guyana	11,525,610	10,517,725	11,525,610	10,517,725
Investments:				
FVTPL	-	-	1,193,148	1,255,086
Amortised cost	41,863,017	32,144,592	42,074,982	32,144,592
Loans and advances	39,649,569	43,346,722	39,111,657	42,799,376
Total	**104,942,796**	**96,826,828**	**105,809,997**	**97,555,976**
Customer liability under acceptances, guarantees and letters of credit	**2,734,397**	**3,804,772**	**2,734,397**	**3,804,772**
Total credit risk exposure	**107,677,193**	**100,631,600**	**108,544,394**	**101,360,748**

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

Credit quality loans & advances

	COMPANY		GROUP	
	2019 G$ 000	**2018 G$ 000**	**2019 G$ 000**	**2018 G$ 000**
Neither past due nor impaired	26,115,165	29,499,681	25,577,253	28,952,333
Past due but not impaired	3,340,612	5,181,790	3,340,612	5,181,790
Impaired	13,797,534	12,423,843	13,797,534	12,423,843
	43,253,311	**47,105,314**	**42,715,397**	**46,557,966**

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

The undiscounted fair value of collateral that the Bank held relating to loans individually determined to be impaired at 31 December 2019 amounted to G$36,726,667,548. (2018-G$34,529,754,851)

During the year, the Bank realised collateral amounting to G$16,872,250 (2018-G$105,964,312)

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's credit rating system, aging and year-end stage classification.

22. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Credit risk (Cont'd)

Loans & advances

	COMPANY			
	Stage 1 (12 Month ECL) G$ 000	**Stage 2 (Lifetime ECL) G$ 000**	**Stage 3 Credit Impaired Financial Assets (Lifetime ECL) G$ 000**	**Total G$ 000**
2019				
Gross exposure	24,386,535	6,847,402	12,019,374	43,253,311
ECL	(601,321)	(50,299)	(2,952,122)	(3,603,742)
Net Exposure	**23,785,214**	**6,797,103**	**9,067,252**	**39,649,569**
2018				
Gross exposure	27,537,879	7,156,234	12,411,201	47,105,314
ECL	(723,158)	(81,807)	(2,953,627)	(3,758,592)
Net exposure	**26,814,721**	**7,074,427**	**9,457,574**	**43,346,722**

Investments- amortised cost

	Stage 1	Stage 2	Stage 3	Total
2019				
Gross exposure	10,340,693	5,285,796	-	15,626,489
ECL	(9,303)	(51,334)	-	(60,637)
Net Exposure	**10,331,390**	**5,234,462**	**-**	**15,565,852**
2018				
Gross exposure	9,177,956	5,325,045	2,400,057	16,903,058
ECL	(9,464)	(21,949)	(69,608)	(101,021)
Net exposure	**9,168,492**	**5,303,096**	**2,330,449**	**16,802,037**

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 credit worthiness 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.

		2019 G$ 000	2018 G$ 000
Grade 1 -	Satisfactory risk	26,115,166	29,499,683
Grade 2 -	Monitor list		
	Past Due up to 29 days	2,615,772	4,020,388
	Past Due up 30-59 days	404,292	632,620
	Past Due 60-89 days	320,549	528,782
		3,340,613	5,181,790

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.

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.

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

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

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22. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Impaired loans and advances (Cont'd)

		COMPANY AND GROUP	
		2019 G$ 000	2018 G$ 000
Grade 3	- Sub-standard		
	- Past due 90 - 179 days	91,658	614,594
Grade 4	- Doubtful and loss		
	- Past due 180 - 359 days	2,133,109	1,654,868
	- Past due 360 days and over	11,572,767	10,154,381
		13,705,876	11,809,249
Total impaired loans and advances		**13,797,534**	**12,423,843**

Impaired loans and advances by product type

(includes corporate facilities)

	2019 G$ 000	2018 G$ 000
Quality lifestyle loans	318,220	399,374
Commercial loans and advances (includes corporate facilities)	13,479,314	12,024,469
	13,797,534	**12,423,843**

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

	GROUP					
	Guyana G$ 000	Caricom G$ 000	North America G$ 000	Europe G$ 000	Others G$ 000	Total G$ 000
As at December 2019						
On Statement of Financial Position						
Cash resources	16,606,995	3,165,016	3,396,488	261,711	-	23,430,210
Investments	27,702,280	12,268,936	2,520,678	-	776,236	43,268,130
Loans and advances (net)	38,096,986	1,014,671	-	-	-	39,111,657
	82,406,261	16,448,623	5,917,166	261,711	776,236	105,809,997
Off Statement of Financial Position						
Acceptances, guarantees and letters of credit	2,734,397	-	-	-	-	2,734,397
	2,734,397	**-**	**-**	**-**	**-**	**2,734,397**
Total	**85,140,658**	**16,448,623**	**5,917,166**	**261,711**	**776,236**	**108,544,394**
As at December 2018						
On Statement of Financial Position						
Cash resources	14,859,264	2,434,373	1,881,360	2,181,925	-	21,356,922
Investments	17,546,531	12,472,234	800,784	-	2,580,129	33,399,678
Loans and advances (net)	41,044,322	1,755,054	-	-	-	42,799,376
	73,450,117	**16,661,661**	**2,682,144**	**2,181,925**	**2,580,129**	**97,555,976**
Off Statement of Financial Position						
Acceptances, guarantees and letters of credit	3,804,772	-	-	-	-	3,804,772
	3,804,772	-	-	-	-	3,804,772
Total	**77,254,889**	**16,661,661**	**2,682,144**	**2,181,925**	**2,580,129**	**101,360,748**

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 2019	**Treasury Bills G$ 000**	**Other Securities G$ 000**	**Total G$ 000**
A- to AAA	-	2,732,158	2,732,158
BBB- to BBB+	-	969,786	969,786
Lower than BBB-	-	6,727,276	6,727,276
Unrated	25,446,071	7,392,839	32,838,910
	25,446,071	17,822,059	43,268,130
31 December 2018	**Treasury Bills G$ 000**	**Other Securities G$ 000**	**Total G$ 000**
A- to AAA	-	4,003,524	4,003,524
BBB- to BBB+	-	586,847	586,847
Lower than BBB-	-	6,999,579	6,999,579
Unrated	20,005,072	2,028,178	22,033,250
	20,005,072	13,618,128	33,623,200

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

	COMPANY AND GROUP	
	2019 G$ 000	**2018 G$ 000**
Renegotiated loans/overdrafts	6,985,288	6,732,960

<u>Commitment fees</u>

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

(f) Diversification of exposure

The Bank 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 Bank’s maximum exposure to credit risk for such loans.

22. FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Diversification of exposure (Cont'd)

Loan and Advances

	COMPANY	
	2019 G$ 000	**2018 G$ 000**
Agriculture	6,616,402	5,699,600
Services and distribution	20,336,550	22,873,931
Manufacturing	2,986,516	3,739,276
Household	12,046,955	12,978,972
Mining and quarrying	1,266,888	1,813,535
	43,253,311	47,105,314
Impairment allowances	(3,603,742)	(3,758,592)
Net loans and advances	**39,649,569**	**43,346,722**

Concentration of deposits

Deposits

	2019 G$ 000	2018 G$ 000
State entities	13,931,808	13,988,685
Commercial sector	24,337,998	19,760,218
Personal sector	56,378,154	50,488,123
Other enterprises	1,940,598	3,841,850
Non residents	599,883	1,207,117
	97,188,441	**89,285,993**

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 2019				COMPANY AND GROUP 2018			
	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	1,049,034	925,821	564,238	2,539,093	2,136,598	1,154,117	469,913	3,760,628
Personal sector	141,302	46,955	7,021	195,278	-	29,948	14,170	44,118
	1,190,336	**972,776**	**571,285**	**2,734,397**	**2,136,598**	**1,184,065**	**484,109**	**3,804,772**

24. DEFINED BENEFIT 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, 2019 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	
	2019	**2018**
	G$ 000	**G$ 000**
(a) Amounts in the statement of financial position:		
Defined benefit obligation	954,685	833,412
Fair value of plan assets	(1,021,892)	(911,973)
Surplus	(67,207)	(78,561)
Effect on asset ceiling	-	-
Defined benefit asset	**(67,207)**	**(78,561)**
(b) Changes in the present value of the defined benefit obligation		
Defined benefit obligation at the start of the year	833,412	751,313
Current service cost	100,777	92,717
Interest cost	37,331	33,654
Past service cost/(credit)	-	-
Remeasurements		
- Experience adjustments	(20,046)	(37,293)
Members' contribution	-	-
Benefit Improvements	-	-
Actuarial gain	10,980	-
Benefits paid	(7,769)	(6,979)
Defined benefit obligation at the end of the year	**954,685**	**833,412**
(c) Changes in the fair value of the plan assets		
Plan assets at start of year	911,973	817,450
Interest income	42,856	38,461
Return on plan assets, excluding interest income	(14,597)	(19,236)
Bank contributions	89,429	82,277
Benefits paid	(7,769)	(6,979)
Plan assets at the end of the year	**1,021,892**	**911,973**
(d) Asset allocation		
Deposit administration contract	952,885	848,276
Annuity policies	69,007	63,697
Fair value of plan asset at the end of the year	**1,021,892**	**911,973**

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.

(e) Expense recognised in profit or loss		
Current service cost	100,777	92,717
Net interest on net defined benefit asset	(5,525)	(4,807)
Past service cost	-	-
Net pension cost	**95,252**	**87,910**

24. DEFINED BENEFIT ASSET (CONT'D)

	COMPANY AND GROUP	
	2019	**2018**
	G$ 000	**G$ 000**
(f) Re-measurements recognised in other comprehensive income		
Experience (gains)/losses	5,531	(18,057)
Effect of asset ceiling	-	-
Total amount recognised in other comprehensive income	5,531	(18,057)
(g) Reconciliation of opening and closing balance sheet entries		
Opening defined benefit asset	(78,561)	(66,137)
Net pension cost	95,252	87,910
Re-measurements recognised in other comprehensive income	5,531	(18,057)
Bank's contributions paid	(89,429)	(82,277)
Closing defined benefit asset	(67,207)	(78,561)

(h) Summary of principal assumptions as at 31 December	**2019 Per annum**	**2018 Per annum**
	%	%
Discount rate	4.5	4.5
Average individual salary increases	N/A	N/A
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:

	2019	**2018**
Life expectancy for current pensioner in years		
- Male (aged 60)	21.7	18
- Female (aged 55)	30.8	26.9
Life expectancy for current members age 40 in years		
- Male (aged 60)	22.6	18
- Female (aged 55)	31.8	26.9

(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$86M to the pension plan during 2019.

(k) Experience history

	2015 G$ 000	**2016 G$ 000**	**2017 G$ 000**	**2018 G$ 000**	**2019 G$ 000**
Defined benefit obligation	603,633	691,361	751,313	833,412	954,685
Fair value of plan assets	(635,034)	(721,824)	(817,450)	(911,973)	(1,021,892)
Surplus	**(31,401)**	**(30,463)**	**(66,137)**	**(78,561)**	**(67,207)**

	COMPANY AND GROUP	
	2019 G$ 000	2018 G$ 000
25. BALANCES EXCLUDED FROM THE ACCOUNTS	9,379	9,379

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.

	GROUP	
(a) **Group companies**	2019 G$ 000	2018 G$ 000
(i) Loans and advances		
Balances at end of year	3,445,363	2,906,334
Interest income	256,543	211,227
(ii) Deposits		
Balance at end of year	4,081,393	3,843,506
Interest expense	34,161	40,092
(iii) Commissions	2,672	1,010
(iv) Insurance coverage	6,562,603	7,410,394
(v) Insurance premiums paid	25,701	56,956
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	7,385	25,376
Interest expense	-	42

NOTES TO THE FINANCIAL STATEMENTS

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

	GROUP	
	2019 G$ 000	2018 G$ 000
(c) Associate Company		
(i) Deposits		
Balance at end of year	55,535	53,091
(ii) Investments		
Investments effected through associate company (fair value)	1,360,220	1,038,090
(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	537,912	547,346
(ii) Rental paid	9,000	9,000

(e) Key management personnel

(i) Compensation

The Group's 71 (2018 -56) key management personnel comprise its Directors, its Executive Director and Managers. The remuneration paid to key management for the year was as follows:

	GROUP	
	2019 G$ 000	2018 G$ 000
Short-term employee benefits	426,032	371,086
Post-employment benefits	27,611	23,916
	453,643	395,002
(ii) Directors emoluments		
Amounts represents fees paid to individuals in respect of their services as Directors (included in key management compensation)		
Chairman	3,553	3,552
Executive Director	1,210	1,210
Non- Executive Director	8,066	6,050
	12,829	10,812
(iii) Loans and advances	345,263	281,809
Balance at end of year		
Interest income	16,319	12,787
(iv) Deposits	130,709	124,985
Balance at end of year		
Interest expense	1,224	419

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	
(e) Key management personnel (Cont'd)	**2019 G$ 000**	**2018 G$ 000**
(v) Sievewright Stoby & Co.		
Fees	2,180	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.

	COMPANY AND GROUP	
	2019 G$ 000	**2018 G$ 000**
27. CAPITAL COMMITMENTS		
Authorized and not contracted for	845,766	789,191
Authorized and contracted for	383,527	335,106
Capital commitments not provided for in the financial statements	1,229,293	1,124,297
28. DIVIDENDS		
Amounts recognised as distributions to shareholders in the year:		
Final dividend for year ended 31 December 2018 G$10.00 per share (2017- G$10.00)	400,000	400,000
Interim dividend of G$4.00 per share (2018 - G$4.00)	160,000	160,000
	560,000	560,000
Proposed final dividend of G$10.00 per share (2019 - G$10.00)	400,000	400,000

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 not carried at fair value. However, fair values have been stated for disclosure puposes

	2019 GROUP			2018 GROUP		
	IFRS 13 Level	Carrying amount G$ 000	Fair value G$ 000	Carrying IFRS 13 Level	amount G$ 000	Fair value G$ 000
ASSETS						
Investment property	2	379,158	379,158	2	384,729	384,729
Cash resources	1	23,430,210	23,430,210	1	21,356,922	21,356,922
Investments - amortised cost	2	41,863,017	41,863,017	2	32,144,592	32,144,592
Loans and advances	2	39,111,657	39,111,657	2	42,799,376	42,799,376
Other assets	2	2,348,153	2,348,153	2	1,969,546	1,969,546
		107,132,195	**107,132,195**		**98,733,726**	**98,733,726**
LIABILITIES						
Deposits	2	97,011,107	97,011,107	2	89,285,118	89,285,118
Other liabilities	2	1,996,321	1,996,321	2	2,140,367	2,140,367
		99,007,428	**99,007,428**		**91,425,485**	**91,425,485**

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 erections 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.

During the year, a revaluation of the Bank’s properties was done by Mr. Peter R. Green, a qualified valuer. The revalued amount approximated the carrying value in the financial statements.

29. FAIR VALUE ESTIMATION (CONT'D)

Property and equipment (Cont'd)

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 at 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.

Investments

	GROUP	
	2019 G$ 000	2018 G$ 000
FVPL/Available for sale		
Level 1	1,193,148	1,255,086
Level 2	-	-
	1,193,148	1,255,086

30. SEGMENT INFORMATION

The accounting policies of the operating segments are the same as those described 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).

The table below shows segment information by class of business

30. SEGMENT INFORMATION (CONT'D)

	GROUP 2019			
	Retail and Commercial Banking G$ 000	Treasury G$ 000	Gold Trading G$ 000	Total G$ 000
Interest income	3,110,039	1,717,037	-	4,827,076
Interest expense	(763,180)	-	-	(763,180)
Net interest income	2,346,859	1,717,037	-	4,063,896
Loan impairment expense net of recoveries	19,243	-	-	19,243
	2,366,102	1,717,037	-	4,083,139
Other income	1,681,892	-	-	1,681,892
Share of loss of associate company	(9,735)	-	-	(9,735)
Operating expenses	(4,024,607)	(12,931)	(8,478)	(4,046,016)
Profit/(loss) before taxation	**13,652**	**1,704,106**	**(8,478)**	**1,709,280**
Segment assets				
Cash resources	23,430,210	-	-	23,430,210
Investments:-				
FVPL	-	1,193,148	-	1,193,148
Amortised cost	-	41,863,017	-	41,863,017
Non current assets-associate company		211,965	-	211,965
Loans and advances	39,111,657	-	-	39,111,657
Property and equipment	7,034,066	-	10,195	7,044,261
Investment property	-	-	379,158	379,158
Deferred tax assets	346,565	-	-	346,565
Other assets	-	2,348,153	-	2,348,153
Defined benefit asset	67,207	-	-	67,207
Total segment assets	**69,989,705**	**45,616,283**	**389,353**	**115,995,341**
Segment liabilities				
Deposits:-				
Demand	25,294,533	-	-	25,294,533
Savings	54,137,786	-	-	54,137,786
Term	17,578,788	-	-	17,578,788
Due to banks	29	-	-	29
Other	1,386,732	30,829	578,731	1,996,292
Total segment liabilities	**98,397,868**	**30,829**	**578,731**	**99,007,428**

30. SEGMENT INFORMATION (CONT'D)

	GROUP 2018			
	Retail and Commercial Banking G$ 000	Treasury G$ 000	Gold Trading G$ 000	Total G$ 000
Interest income	3,277,544	1,334,413	-	4,611,957
Interest expense	(766,829)	-	-	(766,829)
Net interest income	2,510,715	1,334,413	-	3,845,128
Loan impairment expense net of recoveries	(116,024)	-	-	(116,024)
	2,394,691	1,334,413	-	3,729,104
Other income	1,269,247	-	644,907	1,914,154
Share of profit of associate company	(19,624)	-	-	(19,624)
Operating expenses	(3,362,571)	(12,931)	(660,103)	(4,035,605)
Profit before taxation	**281,743**	**1,321,482**	**(15,196)**	**1,588,029**
Segment assets				
Cash resources	21,334,639	19,086	3,197	21,356,922
Investments:-				
Available for sale	-	1,255,086	-	1,255,086
Held to maturity	-	32,144,592	-	32,144,592
Non current assets-associate company		223,522	-	223,522
Loans and advances	42,799,376	-	-	42,799,376
Property and equipment	6,870,192	-	15,970	6,886,162
Investment property	-	-	384,729	384,729
Deferred tax assets	393,249	-	-	393,249
Other assets	-	1,969,546	-	1,969,546
Defined benefit asset	78,561	-	-	78,561
Total segment assets	**71,476,017**	**35,611,832**	**403,896**	**107,491,745**
Segment liabilities				
Deposits:-				
Demand	23,544,028	-	-	23,544,028
Savings	48,100,986	-	-	48,100,986
Term	17,640,104	-	-	17,640,104
Due to banks	16	-	-	16
Other	1,539,506	15,851	584,994	2,140,351
Total segment liabilities	**90,824,640**	**15,851**	**584,994**	**91,425,485**

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

	Additions to non current assets			
	COMPANY		GROUP	
	2019 G$ 000	2018 G$ 000	2019 G$ 000	2018 G$ 000
Retail and commercial lending	575,961	360,250	575,961	372,895
Other	-	-	(575,961)	(372,895)
	575,961	**360,250**	-	-

NOTES TO THE FINANCIAL STATEMENTS

30. SEGMENT INFORMATION (CONT'D)

(b) Revenue from major services

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

	GROUP	
	2019 G$ 000	2018 G$ 000
Retail and commercial lending	3,110,039	3,277,544
Treasury	1,717,037	1,334,413
	4,827,076	**4,611,957**

(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	
	2019 G$ 000	2018 G$ 000	2019 G$ 000	2018 G$ 000
Treasury(corporate office)	4,791,931	4,546,791	-	-
Retail and commercial banking (other branches)	1,717,037	1,334,413	7,044,261	6,886,162
Other- gold trading and rental	-	644,907	379,158	384,729
	6,508,968	**6,526,111**	**7,423,419**	**7,270,891**

Revenue by geographic location

	Guyana G$ 000	Caricom G$ 000	Others G$ 000	Total G$ 000
2019				
Interest income	4,827,076	-	-	4,827,076
Other income	1,681,892	-	-	1,681,892
Total revenue				
	6,508,968	**-**	**-**	**6,508,968**

	Guyana G$ 000	Caricom G$ 000	Others G$ 000	Total G$ 000
2018				
Interest income	4,611,957	-	-	4,611,957
Other income	1,914,154	-	-	1,914,154
Total revenue				
	6,526,111	**-**	**-**	**6,526,111**

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		
	Financial Assets and Liabilities at amortised Cost G$ 000	Total G$ 000	2018 Total G$ 000
ASSETS			
2019			
Cash resources	23,430,210	23,430,210	21,335,514
Investments	41,863,017	41,863,017	32,144,592
Loans & advances (net)	39,649,569	39,649,569	43,346,722
Other assets	2,295,852	2,295,852	1,901,402
Total assets	**107,238,648**	**107,238,648**	**98,728,230**
2018	**98,728,230**	**98,728,230**	
LIABILITIES			
2019			
Deposits	97,188,441	97,188,441	89,285,993
Other liabilities	1,924,673	1,924,673	2,086,865
Total liabilities	**99,113,114**	**99,113,114**	**91,372,858**
2018	**91,372,858**	**91,372,858**	

	GROUP			
	FVPL G$ 000	Financial Assets and Liabilities at amortised Cost G$ 000	Total G$ 000	2018 Total G$ 000
ASSETS				
2019				
Cash resources	-	23,430,210	23,430,210	21,356,922
Investments	1,193,148	41,863,017	43,056,165	33,399,678
Loans & advances (net)	-	39,111,657	39,111,657	42,799,376
Other	-	2,348,153	2,348,153	1,969,546
Total Assets	**1,193,148**	**106,753,037**	**107,946,185**	**99,525,522**
2018	**1,255,086**	**98,270,436**	**99,525,522**	
LIABILITIES				
2019				
Deposits	-	97,011,107	97,011,107	89,285,118
Other	-	1,996,321	1,996,321	2,140,364
Total liabilities	**-**	**99,007,428**	**99,007,428**	**91,425,482**
2018	**-**	**91,425,482**	**91,425,482**	

NOTES TO THE FINANCIAL STATEMENTS

32. PENDING LITIGATIONS

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. RECLASSIFICATION

Certain prior year amounts were reclassified to conform with current year presentation under new and revised accounting standards.

34. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for issue on April 22, 2020.

SERVICES

We see GUYANA through your eyes

PASSBOOK SAVINGS ACCOUNT

- Minimum opening balance of $5,000
- Transactions recorded in a passbook for easy reference
- Interest is calculated quarterly and paid semi-annually
- Transact business at any branch

STATEMENT SAVINGS ACCOUNT

- Minimum opening balance of $5,000
- Interest is calculated quarterly and paid semi-annually
- ATM, POS and Utility bills payment facilities
- Withdrawals at ATM up to $100,000 per day
- Transact business at any branch

EARLY SAVERS CLUB ACCOUNT

- From birth to 17 years
- Minimum opening balance of $1,000
- Interest is calculated quarterly and paid semi-annually
- Access to ATM facilities
- Withdrawals at ATM per day:
    - $10,000 – 12-14 years
    - $15,000 – 15-17 years
- Attractive prizes won annually
- National Grade Six Assessment Bursary Award

EDUCATION SAVINGS PLAN

- From birth to 13 years
- Minimum Plan amount – G$2M; Maximum Plan Amount – G$15M
- Premium Interest Rate – payable upon maturity of the Plan
- Investment Calculate available to guide parents – monthly/quarterly deposits
- Plan matures on the 18th birthday
- National Grade Six Assessment Bursary Award
- Discounts at participating stores

PRIMELIFE CLUB SAVINGS ACCOUNT

- Available to persons 55 years and over
- Minimum opening balance of $5,000
- Interest is calculated quarterly and paid semi-annually
- Higher exchange rates for foreign currency deposits
- Free access to ATM/POS services

TERM DEPOSIT ACCOUNT

- Minimum opening balance of $250,000
- Available for periods of 3, 6 and 12 months
- Roll-over options available
- Competitive interest rates

SPECIAL INVESTMENT ACCOUNTS

- Monthly and quarterly terms
- Periodic statement
- No notice of withdrawal
- Easy access to funds
- Competitive interest rates

PERSONAL CHEQUING ACCOUNTS
- No minimum balance
- Personalised cheque books
- Flexible statement period at no cost
- Transact business at any branch

BUSINESS CHEQUING ACCOUNTS
- No minimum opening balance
- Customised cheque books
- Overdraft facilities available
- Flexible statement period at no cost
- Transact business at any branch

ELECTRONIC BANKING
- Account balance enquiry
- Place stop payments
- Secure Email Messaging
- Pay utility bills
- View Loan Accounts status
- View Term Deposit Balance
- View Cheque Status
- Mobile Banking Application

LOANS AND ADVANCES

PERSONAL FINANCING – QUALITY LIFESTYLE LOAN PLANS
- Low Income Housing Loan
- Residential Mortgage Loan
- Automobile Loan
- Consumer Care Loan
- Personal Loan
- Technology Loan
- Kickstart Education Loan Plan

BUSINESS FINANCING – COMMERCIAL LOAN PLANS
- Corporate Loan
- Manufacturing Loan
- Agriculture Loan
- Rice Farming Loan
- Trading & Services Loan
- Green Loan
- Women Of Worth Loan
- POWER Loan
- Express Loan
- Overdrafts
- US$ Loans
- Small Business Bureau Loans

OTHER FACILITIES
- Bonds and Guarantees

OTHER BENEFITS
- Competitive rates
- Fast approval
- Flexible repayment schedules

CREDIT CARDS
- GBTI Classic up to $500,000
- GBTI Gold up to $1,000,000
- Visa Classic up to US$5,000
- Visa Gold up to US$10,000

PREPAID CARD
- GBTI Visa Travel Classic up to US$5,000

OTHER BENEFITS
- Secure alternative to cash
- Shop anywhere, anytime
- Flexible repayment schedules

AUTOMATED TELLER MACHINES
- Easy access to funds 24 hours a day
- Available at our branches and other convenient locations
- Withdrawal at ATM up to $100,000 per day
- Available for Early Savers, Primelife, Statement Savings and Personal Chequing Accounts
- Allows balance enquiries, deposits and transfer of funds between accounts
- Easy payment of utility bills

POINT OF SALE TERMINALS
- Eliminates the need to carry cash
- Convenient payment of purchases at over 100 locations countrywide

FOREIGN TRADE
- Bills for Collection
- Letters of Credit
- Shipping Guarantees
- Export Trade Financing/Discounting Facilities

FOREIGN EXCHANGE
- Competitive currency exchange rates
- Issue US, CAN
- Negotiation of CAN drafts
- SWIFT Transfers – US, CAN, STG and EURO
- Fund Transfers
- Foreign currency accounts

SAFE DEPOSIT BOXES
- Available in three sizes
- Foolproof security system

NIGHT DEPOSITORY
- Security bags: Canvas and Disposable bags
- Secure fireproof chute
- Eliminates waiting for cash to be counted
- Available at all branches

PAYMENT OF UTILITY BILLS
- Over-the-counter facilities for the payment of G.P.L and G.W.I Bills
- GRA Road License

PAYROLL PROCESSING
- Eliminates preparation of pay cheques and pay envelopes.
- Electronic Funds Transfer:
  - Transfer between bank Accounts
  - A versatile way of processing money
  - An efficient, green and cost-effective method of payment
  - Eliminates the risk of cheque fraud

OUR CORRESPONDENT BANKS

(USD) US DOLLARS

BANK OF NEW YORK MELLON
101 Barclay Street, 19W
New York, NY 10286
United States of America
SWIFT CODE: IRVTUS3N
ABA: 021000018

CROWN AGENTS BANK LIMITED
St Nicholas House, St Nicholas Road
Sutton, Surrey SM1 1EL
United Kingdom
A/C NO. 33222101
SWIFT CODE: CRASGB2L
IBAN#: GB61CRAS60836833222101

Intermediary Bank:
101 Barclay Street, 19W
New York, NY 10286
United States of America
SWIFT CODE: IRVTUS3N

BANK OF MONTREAL – USD A/C
Global Payments Services
129 Rue Saint – Jacques, 10th Floor
Montreal
PQ Canada H2Y 1L6
USD A/C NO. 3144-4605-838
SWIFT CODE: BOFMCAM2

RBTT BANK LTD
55 Independence Square
Port of Spain, Trinidad
USD A/C NO. 18110523886
SWIFT CODE: RBTTTTPX

FIRST CARIBBEAN INTERNATIONAL BANK
Broad Street, Bridgetown
Barbados
A/C NO. 1739111
SWIFT CODE: FC1BBBBB

FIRST CARIBBEAN INTERNATIONAL BANK (FORMERLY BARCLAYS BANK PLC)
Basseterre, P.O Box 42, St. Kitts
A/C NO. 1121132
SWIFT CODE: FCIBKNSK

(CAN) CANADIAN DOLLARS

CROWN AGENTS BANK LIMITED
St Nicholas House, St Nicholas Road
Sutton, Surrey SM1 1EL
United Kingdom
A/C NO. 33222901
SWIFT: CRASGB2L
IBAN#: GB92CRAS60836833222901

Intermediary Bank:
Bank of Montreal
Toronto, Ontario
Canada
SWIFT: BOFMCAT2

BANK OF MONTREAL
International Banking
Toronto, Ontario Canada
A/C NO. 3144 1005 626
SWIFT CODE: BOFMCAT2

STERLING POUNDS

CROWN AGENTS BANK LIMITED
St Nicholas House, St Nicholas Road
Sutton, Surrey SM1 1EL
United Kingdom
A/C NO. 33222001
IBAN#: GB45CRAS60836833222001

EURO

CROWN AGENTS BANK LIMITED
St Nicholas House, St Nicholas Road, Sutton, Surrey SM1 1EL
United Kingdom
A/C NO. 33222401
IBAN#: GB12CRAS60836833222401

FOR A/C OF:
GUYANA BANK FOR TRADE AND INDUSTRY LIMITED
High and Young Streets
Kingston
Georgetown
Guyana
SWIFT CODE: GUTIGYGE

MEMBER OF THE CARIBBEAN ASSOCIATION OF BANKS

COMMUNITY ACTIVITIES

NGSA Bursary recipients from our Early Savers Account Club

Our Anna Regina branch donated kites to the children of Reliance Nursery School

Winners of the GBTI Port Kaituma Spelling Bee Competition

GBTI sponsors Children's Dramatic poetry competition - Finals

GBTI sponsors Children's Dramatic poetry competition - Regional Competition

GBTI sponsors Children's Dramatic poetry competition - Regional

Unveiling of the "I love Guyana" sign co-sponsored by GBTI

Staff members strike a pose "I love Guyana"

GBTI contributes to Bahamas Hurricane Relief Fund

SHAREHOLDERS' NOTES

PROXY FORM

I/We ....

of ....

being a member/members of Guyana Bank for Trade & Industry Limited,

hereby appoint ....

of ....

or failing him / her

....

of ....

as my/our proxy to attend and act on my/our behalf at the 32nd Annual General Meeting of the said Company to be held on Friday, August 28, 2020, and at any adjournment thereof.

Dated this .... day of 2020

Signature of Member ....

inner
back
cover

GUYANA BANK FOR TRADE & INDUSTRY
HIGH & YOUNG STREETS, KINGSTON, GEORGETOWN, GUYANA
SOUTH AMERICA

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