Republic Bank (Guyana) Limited

2024 Annual Report

YOU

Invested in YOU

It all comes down to you. We're empowering you with the ease and precision of digital banking platforms. We're leveraging our resources to support sustainable practices, renewable energy and climate change initiatives in business. We're making a difference in the lives of the differently abled, people with aspirations in sport, the arts, education, and those in need, all through our Power to Make a Difference Programme. Where we put our resources, what we focus on, how we spend our energy, it all comes down to you. We're invested in you.

Who we are

Our Vision

Republic Bank,
the **Caribbean Financial Institution of Choice** for our Staff, Customers and Shareholders.
We set the Standard of Excellence in Customer Satisfaction, Employee Engagement, Social Responsibility and Shareholder Value, while building successful societies.

Our Mission

Our mission is to provide **Personalised, Efficient** and **Competitively-priced Financial Services** and to implement **Sound Policies** which will redound to the benefit of our Customers, Staff, Shareholders and the Communities we serve.

Our Core Values

Customer Focus
Integrity
Respect for the Individual
Professionalism
Results Orientation

What's inside

Corporate Information

Board of Directors

Executive Reports

Management

Environmental, Social & Governance

The Financials

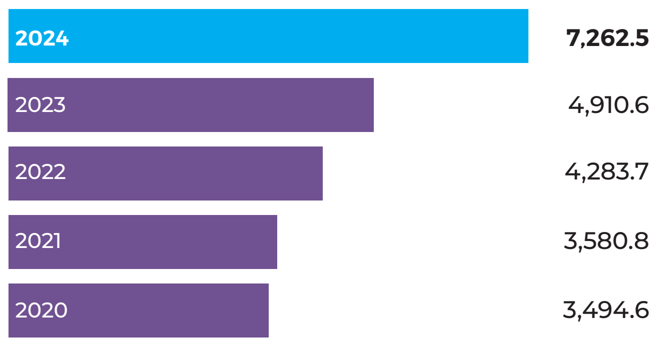
Our Bank

Republic Bank (Guyana) Limited is one of Guyana's largest and longest operating financial institutions, celebrating a history of service to the people of the nation for more than 187 years. As a comprehensive bank, Republic Bank (Guyana) Limited provides its clients customised, efficient, and competitively priced financial products and services across a network that spans 12 branches and 52 Automated Teller Machines (ATMs). In addition to the suite of services already provided, the Bank has placed significant attention on growing its lending portfolio, with particular emphasis on small and medium-sized enterprises. It has also strengthened its focus on corporate social investment driven by a long-ingrained philosophy of sustainable development in Guyana.

How we perform

Total assets $B

Profit after tax $M



Our Declaration of Purpose

We value people,
we serve with heart,
we are deeply committed
to your success...
we care

714 team members

12 branches

52 ATMs

How we perform

Key metrics

$469.
2024 share price

$522.
2023 share price

2.33%
2024 dividend yield

1.34%
2023 dividend yield

$24.21
2024 earnings per share

$16.37
2023 earnings per share

19.37
2024 PE ratio

31.89
2023 PE ratio

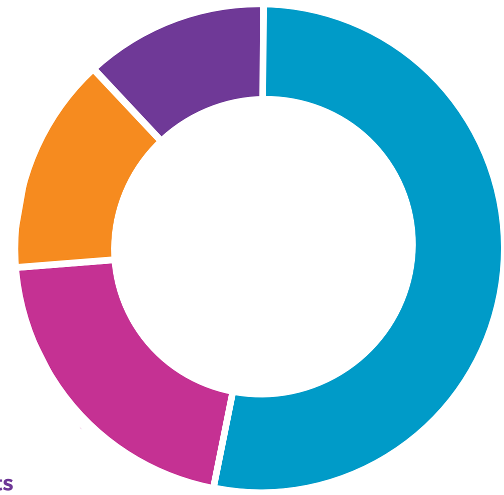
Sources of revenue %

55 loans & advances

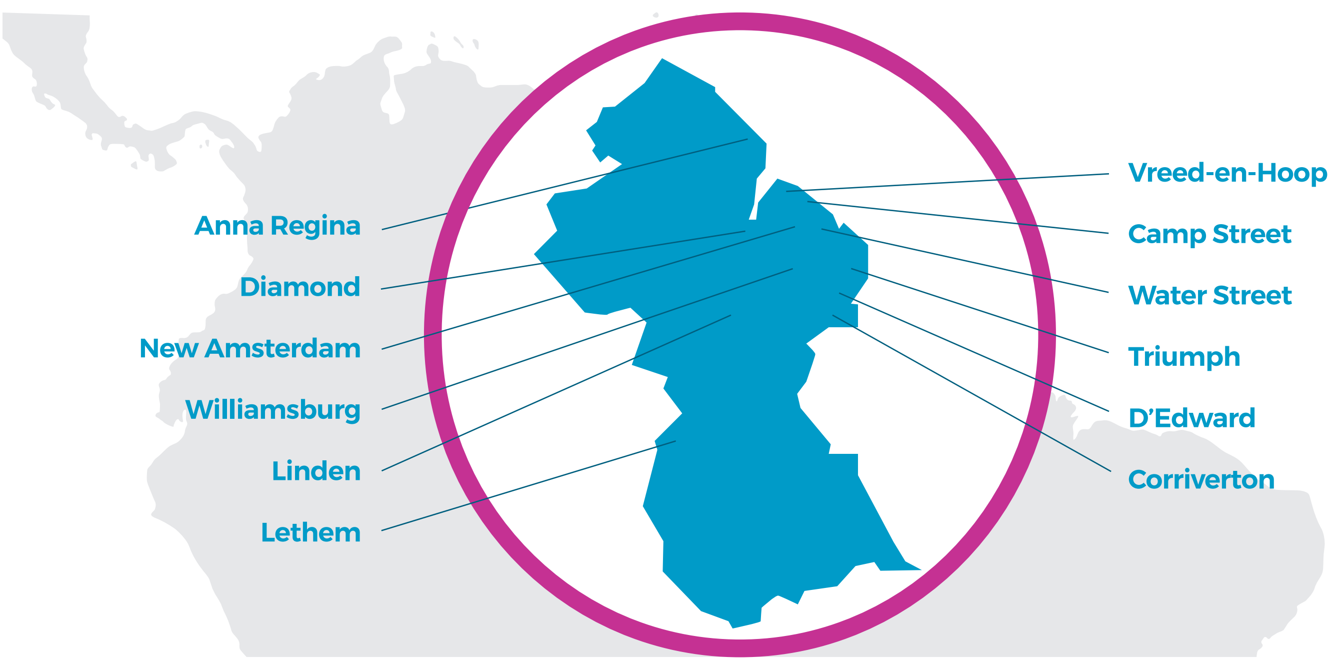
18 foreign business

14 other income

13 investments



Where we operate



Notice of Meeting

NOTICE is hereby given that the Fortieth Annual General Meeting of Republic Bank (Guyana) Limited will be held at the Guyana Marriott Hotel located at Block Alpha Battery Road, Kingston, Georgetown, on Monday, December 09, 2024, at 15:00 hours (3:00 p.m.) for the following purposes:

1. To receive the Report of the Directors and the Auditors and to approve the Audited Accounts for the year ended September 30, 2024.

2. To re-elect three Directors to fill offices vacated by those retiring from the Board by rotation in accordance with the By-laws namely; Richard M. Lewis, Stephen R. Grell and Richard I. Vasconcellos.

3. To appoint the Auditors, EY Accountants.

And the following special business namely:

4. To consider and if thought fit, pass resolutions relating to:
    a. Dividends;
    b. Directors' service agreement providing for their remuneration; and
    c. Remuneration of the auditors.

5. To consider any other business that may be conducted at an Annual General Meeting.

By order of the Board

Christine A. McGowan
Corporate Secretary

October 21, 2024

Registered Office

155-156 New Market Street
North Cummingsburg
Georgetown, Guyana

Notes

- Only stockholders may attend.
- Any member entitled to attend and to vote is entitled to appoint a proxy to attend and vote instead of him/her.
- A proxy need not to be a member of the Company. The instrument appointing a proxy must bear a G$10 revenue stamp and be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
- Any 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 the meeting (By-law 86).

Corporate Information

Directors

Chairman

Nigel M. Baptiste, *BSc (Hons.) (Econ.), MSc (Econ.), ACIB*

Managing Director

Stephen R. Grell, *BA (Econ.), MSc (Fin.)*

Non-Executive Directors

John G. Carpenter, *AA, BSc (Food Sciences)*

Roy E. Cheong, *AA, FCII, FLMI, CLU*

Yolande M. Foo, *AICB*

Richard M. Lewis, *HBA*

P. Vic. Salickram, *FCCA, ACMA, CGMA, CA, CFA, FRM*

Aldrin Ramgoolam, *BSc (Computer Sci.), MBA, Dip. (Bus. Mgmt.)*

Natalia Seepersaud, *LLB, LEC*

Richard I. Vasconcellos

Corporate Management

Corporate Secretary

Christine A. McGowan, *LLB (Dist.), LEC (Hons.), LLM (Merit), MBA, AMLCA, CPAML*

Registered Office

Promenade Court
155-156 New Market Street
North Cummingsburg
Georgetown, Guyana
South America
Tel: (592) 223-7938-49
Fax: (592) 233-5007
Swift: RBGL GYGG
Email: gyemail@rfhl.com
Website: www.republicguyana.com

Attorneys-at-Law

Messrs. Cameron & Shepherd

2 Avenue of the Republic
Robbstown
Georgetown, Guyana
South America

Auditors

Messrs. Ram & McRae

Chartered Accountants
157 'C' Waterloo Street
North Cummingsburg
Georgetown, Guyana
South America

Bank Profile

Senior Management

Managing Director
Stephen R. Grell, *BA (Econ.), MSc (Fin.)*

General Manager, Credit
Carla Roberts, *BSc (Acct.), MBA, PgCert. (Innovation, Enterprise and Circular Econ.)*

General Manager, Operations
Denise Hobbs, *Dip. (Bus. Mgmt.), Cert. (Leadership)*

Managers

Regional Corporate Manager, Corporate Business Centre
Sasenarain Jagnanan, *Dip. (Bkg. and Fin.), AICB*

Regional Manager, Commercial and Retail Banking
Jadoonauth Persaud, *MBA, Dip. (Bkg. and Fin.)*

Assistant Manager Commercial and Retail Banking
Gail Harding, *AICB*

Manager, Head Office
Stanton Grant, *BSc (Econ.), AICB, PgDip. (Bus. Admin.)*

Corporate Manager, Corporate Business Centre
Diane Yhun, *PgCert. (Bank Mgmt. and Tech.), ACCA Affiliate, MCBI*

Credit Manager, Corporate Business Centre
Jason Leitch, *Cert. (Small Bus. Bkg.), CCP, ACCA Affiliate*

Commercial Manager, Corporate Business Centre
Harry Dass Ghaness, *ICB – Letter of Accomplishment, CCP*

Manager, Head Office Risk Management
Indira Gopaul, *CCP, AICB*

Manager, Planning and Financial Control
Vanessa Thompson, *B.Soc.Sc. (Mgmt.), MBA, FCCA*

Manager, Human Resources
Jannis London, *B.Soc.Sc. (Mgmt.), MBA, Dip. (Bkg.), AICB*

Assistant Manager, Human Resources
Ismelia Douglas, *MBA, Dip. (Bkg. and Fin.) AICB*

Manager, Administration and Premises
Babita Ogle, *AICB, CCP*

Manager, Legal Services/ Corporate Secretary
Christine McGowan, *LLB (Dist.), LEC (Hons.), LLM (Merit), MBA, AMLCA, CPAML*

Senior Manager, Head Office
Ndidi Jones, *LLB, LEC, LLM (Merit), Dip. (Sociology), CPAML*

Manager, Marketing and Communications
Jonelle Dummett, *B.Soc.Sc. (Credit) (Comm.), PgDip. (Development Studies)*

Manager, Branch Support Services
Erica Jeffrey, *MBA, ICB - Letter of Accomplishment*

Manager, Information Technology and E-Support
Yonnette Greaves, *Dip. (Mgmt. Info. Systems), LIMIS*

Manager, End User Services
Shaun Ali, *AAS (Operating Systems Mgmt.), BSc (First Class Hons.) (Info. Tech.),*

Manager, Internal Audit
Oral Rose, *B.Soc.Sc. (Dist.) (Mgmt.), Dip. (Mktg.), AMLCA, CIRM*

Manager, Enterprise Risk
Michael Ram, *AICB*

Manager, Centralised Collections Unit
Karen Assanah, *B.Soc.Sc. (Dist.) (Mgmt.), MSc (Fin. Mgmt.), AAT, CCP, AICB*

Branch Network

Anna Regina Branch

Branch Sales Manager

Guitree Ramsamooj, *CAT, CCP*

Camp Street Branch

Branch Sales Manager

Eon Grant, *BComm., CCP, AICB*

Corriverton Branch

Customer Sales/ Service Manager

Seema Brijemal, *Cert. (Small Bus. Bkg.) CCP*

D'Edward Branch

Branch Sales Manager

Sasenarine Bindranath, *MBA, Dip. (Bus. Law) (ICM), Dip. (Agri.), CCP, AICB*

Diamond Branch

Branch Sales Manager

Allison Mc Lean-King, *Cert. (CSI Mortgage), CCP, AICB*

Lethem Branch

Customer Sales/ Service Manager

Nadia Khedaroo, *B.Soc.Sc. (Public Mgmt.), MBA (Oil and Gas Mgmt.), Dip. (Public Mgmt.), CCP, AICB*

Linden Branch

Branch Sales Manager

Karen Cox, *Dip. (Comm.)*

New Amsterdam Branch

Branch Sales Manager

Imran Saccoor, *MBA, Dip. (Mktg.), CCP, Professional Cert. (Blockchain Development Tech.)*

Triumph Branch

Branch Sales Manager

Joel Singh, *AICB*

Vreed-En-Hoop Branch

Branch Sales Manager

Angela Sears, *AICB*

Water Street Branch

Branch Sales Manager

Randulph Sears, *MBA, Dip. (Mktg.), Dip. ABA Stonier Graduate School of Banking, Cert. Wharton Leadership Programme, Business Group Cert. ICM, CCP, MCIM*

Williamsburg Branch

Branch Sales Manager

Satie Cox, *B.Soc.Sc. (Dist.) (Mgmt.), EMBA, CCP, Cert. (Teacher Training)*

Financial Summary

Expressed in thousands of Guyana dollars ($'000), except where otherwise stated

	2024	2023	2022	2021	2020
Cash resources	**51,167,564**	40,833,178	38,349,593	73,924,937	69,550,266
Investment securities	**160,801,416**	129,124,308	114,014,499	63,191,303	43,544,597
Loans and advances	**126,366,361**	110,079,947	97,207,405	88,401,400	81,868,455
Total assets	**350,628,562**	291,563,376	260,553,214	235,348,578	205,336,466
Total deposits	**304,355,208**	250,977,757	223,943,408	203,532,538	175,334,552
Stockholders' equity	**37,755,105**	33,284,710	30,491,222	27,133,329	24,607,213
Net profit after taxation	**7,262,484**	4,910,648	4,283,693	3,580,789	3,494,594
Total comprehensive income	**7,003,284**	4,518,488	4,827,893	3,802,429	3,360,194
Earnings per stock unit ($)	**24.21**	16.37	14.28	11.94	11.65
Return on average assets (%)	**2.20**	1.76	1.74	1.62	1.81
Return on average equity (%)	**20.07**	15.01	14.93	13.80	14.52

Financial Highlights

Expressed in thousands of Guyana dollars ($'000), except where otherwise stated

	2024	2023	Change	% Change
Statement of Income				
Interest and other income	**20,597,671**	17,313,250	3,284,421	19.0
Interest and non-interest expenses	**(8,894,970)**	(8,662,985)	(231,985)	2.7
Net income before taxation	**11,702,701**	8,650,265	3,052,436	35.3
Taxation charge	**(4,440,217)**	(3,739,617)	(700,600)	18.7
Net income after taxation	**7,262,484**	4,910,648	2,351,836	47.9
Statement of Financial Position				
Loans and advances	**126,366,361**	110,079,947	16,286,414	14.8
Total assets	**350,628,562**	291,563,376	59,065,186	20.3
Average assets	**330,381,008**	278,852,521	51,528,487	18.5
Deposits	**304,355,208**	250,977,757	53,337,451	21.3
Equity (capital and reserves)	**37,755,105**	33,284,710	4,470,395	13.4
Average outstanding equity	**36,183,461**	32,723,196	3,460,265	10.6
Common stock				
Earnings in dollars per stock unit	**24.21**	16.37	7.84	47.9
Dividend for the year (in thousands)	**3,276,000**	2,100,000	1,176,000	56.0
Stock units (in thousands)	**300,000**	300,000	–	–
General				
Number of:				
Stockholders	**1,708**	1,644	64	3.9
Common stock outstanding (in thousands)	**300,000**	300,000	–	–
Active savings, chequing and deposit accounts	**207,198**	201,557	5,641	2.8
Employees	**714**	700	14	2.0
Banking offices	**12**	12	–	–

empowering YOU

**Your value is our focus.
Our vision is to use our growth to help you maximise your financial potential.**

Your worth is appreciated here.
Our goal is to empower every member of our team, our customers, our shareholders, and our communities.

Board of Directors

Nigel M. Baptiste

Position

Chairman

Group President and Chief Executive Officer

Credentials

- Bachelor of Science in Economics with Honours, Master of Science in Economics, University of the West Indies
- Graduate, Advanced Management Programme, Harvard Business School
- Diploma with Distinction, ABA Stonier Graduate School of Banking
- Member, Chartered Institute of Bankers

Professional Summary

- Career banker with more than two decades of experience
- Managing Director, Executive Director, Republic Bank Limited
- Past General Manager, Human Resources, Republic Bank Limited
- Past Managing Director, Republic Bank (Guyana) Limited

Internal Appointments

- Chairman, Cayman National Corporation
- Board Member, Republic Financial Holdings Limited, Republic Bank Limited, Republic Bank (Ghana) PLC

Stephen R. Grell

Position

Managing Director

Credentials

- Bachelor of Arts in Economics, Florida International University
- Master of Science in Finance, Chapman School of Business, Florida International University

Professional Summary

- Career banker with a proven record of developing and executing strategies across the financial services landscape, while fostering senior level relationships at private and public sector organisations in the Caribbean, North and South America and the United Kingdom
- Past Vice President, Banking, Capital Markets and Advisory, Citibank (Trinidad and Tobago) Limited
- Past Manager, Investment Banking Division, Republic Bank Limited
- Past Managing Partner/Portfolio Manager, Gracchi Capital Partners LLP
- Past Senior Investment Manager, Hartmann Capital Limited
- Past Investment Manager, Republic Bank (Cayman) Limited

External Appointments

- Chairman, Guyana Association of Bankers Inc.

Board of Directors continued

John G. Carpenter

Position

Chairman, Hand-in-Hand Group of Companies

Credentials

- Associate of Arts in Food Science, Bachelor of Science in Food Science, Cornell University

Professional Summary

- Extensive leadership in the local and regional commercial industry
- Decades of management and directorship of several successful businesses
- Focus on sustainable business development in Guyana

Awards

- Golden Arrow of Achievement for outstanding service in the field of business, especially in food manufacturing and processing 2018

Subcommittees

- Audit
- Enterprise Risk

External Appointments

- Chairman, Hand-in-Hand Fire and Life Insurance Group of Companies
- Director, Wieting and Richter Limited, Industrial Safety Supplies Inc., Cellsmart Inc.

Roy E. Cheong

Position

Retired Senior Insurance Executive,
Guyana and Trinidad Mutual Fire and Life Group of Companies

Credentials

- Fellow, Chartered Insurance Institute
- Fellow, Life Management Institute
- Chartered Insurer
- Chartered Life Underwriter

Professional Summary

- Vast management and financial expertise
- Past President, Insurance Association of the Caribbean
- Past President, Insurance Association of Guyana
- Past Managing Director, GTM Group of Companies, Guyana

Awards

- Recipient, Golden Arrow of Achievement for long, dedicated and outstanding service in the administration of and training in insurance, as well as his active participation in the work of voluntary service organisations at the national and regional levels 1998

Subcommittees

- Audit
- Compensation
- Enterprise Risk

External Appointments

- Board Member, Banks DIH Limited and other companies

Yolande M. Foo

Position

Retired Senior Banking Executive,
Republic Bank (Guyana) Limited

Credentials

- Associate, Chartered Institute of Bankers

Professional Summary

- Retired career banker with 45 years' experience in the fields of banking, human resource management, training and governance
- Past Director. St. Joseph Mercy Hospital
- Past President, Rotary Club of Demerara
- Past subcommittee member, National Tripartite HIV/AIDS – Workplace Education Programme
- Past Trustee, Guyana Girl Guides Association
- Actively involved in a number of humanitarian efforts and charitable ventures

Subcommittees

- Audit
- Compensation
- Governance and Nomination

Richard M. Lewis

Position

Executive Chairman, Label House Group Limited

Credentials

- Bachelor of Arts in Business Administration with Honours, University of Western Ontario Richard Ivey School of Business
- Graduate in OND Electrical Engineering, Newcastle Institute of Technology

Professional Summary

- Executive Chairman, Label House Group Limited, the largest specialist label and packaging printer and the largest supplier of manufactured pouches and in-store merchandising units in the Caribbean
- Founder and business coach at Strategic Coaching and Coaching Global Inc.

Subcommittees

- Audit
- Enterprise Risk
- Compensation
- Governance and Nomination

Internal Appointments

- Director, Republic Bank (Grenada) Limited, Republic Wealth Management Limited

External Appointments

- Chairman, The Beacon Insurance Company Limited

Board of Directors continued

Aldrin Ramgoolam

Position

General Manager,
Information Technology Management,
Republic Bank Limited

Credentials

- Bachelor of Science in Computer Science, University of the West Indies
- Master of Business Administration, Lord Ashcroft Business School, Anglia Ruskin University
- Diploma in Business Administration, Arthur Lok Jack Global School of Business, University of the West Indies

Professional Summary

- 30 years' experience in the field of Information Technology
- Member of the Republic Group for over 32 years
- Member of the Bank's management team for over 20 years
- Extensive range of expertise, having served in key managerial roles in Technical Support, IT Infrastructure and Application Support/Development as well as senior leadership positions in IT Service Delivery, IT Project Management and IT Governance

P. Vic. Salickram

Position

Group Vice President, Republic Financial Holdings Limited
Vice President, Republic Bank Limited

Credentials

- Graduate, Harvard Business School Advanced Management Programme
- Chartered Financial Analyst, Charterholder (CFA)
- Financial Risk Manager, Global Association of Risk Professionals (FRM)
- Fellow, Association of Chartered Certified Accountants (FCCA)
- Member, Chartered Institute of Management Accountants (CIMA)
- Member, Chartered Institute of Global Management Accountants (CGMA)

Professional Summary

- Past Chief Risk Officer, Republic Bank Limited and RFHL
- Leads the Group's strategic planning processes and acquisition opportunities
- Past Chief Financial Officer, RFHL
- Past General Manager, Planning and Financial Control, Republic Bank Limited

Subcommittees

- Audit
- Enterprise Risk

Internal Appointments

- Chairman, Republic Bank (Suriname) N.V.
- Board Member, Republic Bank (Ghana) PLC and Republic Life Insurance Company

Natalia Seepersaud

Position

Attorney-at-Law

Consultant

Credentials

- Bachelor of Laws, University of Guyana
- Legal Education Certificate, Hugh Wooding Law School

Professional Summary

- Past Trade Commissioner, High Commission of Canada in Guyana
- Past Chief Executive Officer, Canada-Guyana Chamber of Commerce
- Past Deputy Chief Executive Officer, Guyana Office for Investment
- Past Deputy Chief Executive Officer and in-house Legal Counsel, National Industrial and Commercial Investments Limited

Subcommittee

- Compensation

Richard I. Vasconcellos

Position

President, A.N.K. Enterprises Inc.

Managing Partner, Carib Hibiscus Development

Professional Summary

- Significant finance expertise including more than 15 years in international banking
- Past senior management positions in the field of banking including Senior Vice President, Commerce Bank, National Association
- Experienced and successful business consultant

Subcommittees

- Audit
- Compensation
- Governance and Nomination

External Appointments

- President, A.N.K. Enterprises Inc.
- Shareholder and Managing Partner, Carib Hibiscus Development, USA
- Board Member, Cellsmart Inc., Santa Fe (Guyana) Limited, Rycron Limited, High Seas Solutions Inc.

Directors' Report

The Directors have pleasure in submitting their Report and Audited Financial Statements for the year ended September 30, 2024.

Principal activities

The Bank provides a comprehensive range of commercial banking services at 12 locations throughout Guyana.

Financial results

(in thousands of Guyana Dollars)

	2024	2023
Net income after taxation	**7,262,484**	4,910,648
Interim dividend paid	**726,000**	525,000
Retained earnings	**6,536,484**	4,385,648
Final dividend proposed	**2,550,000**	1,575,000

Dividends

An interim dividend of $2.42 per stock unit ($726 million) was paid during the year and a final dividend of $8.50 per stock unit ($2,550 million) for the year ended September 30, 2024, is recommended. This, if approved, will bring the total payout for the year to $3,276 million.

Capital and reserves

Capital and reserves other than retained earnings totaled $2,136.3 million as shown in the Statement of changes in equity.

Retained earnings at September 30, 2024 is $35,618.8 million (2023: $31,239.5 million) after a transfer of $91.1 million to the General Banking Risk Reserve and $231.9 million to other reserves, $2,301 million paid as dividends (final 2023: $1,575 million, interim 2024: $726 million), and $7,262.5 million transferred from the Statement of income for 2024.

Donations

In addition to the Bank's Power to Make A Difference investment initiatives (see pages 48 to 53), general donations to charitable or public causes for the year were $7.1 million (2023: $7.6 million), emphasising the Bank's strong social investment policy.

Substantial stockholding (units of stock)

A substantial stockholder for the purposes of the Securities Industry Act Cap. 73:04 is one who controls five percent or more of the voting power at a General Meeting. The following are the substantial stockholders of the Bank:

	Number of stock units		Number of stock units	
	2024	% held	2023	% held
Republic Financial Holdings Limited	**152,898,395**	50.95	**152,898,395**	50.97
Demerara Mutual Life Assurance Society Limited	**16,306,080**	5.44	**16,306,080**	5.44
Guyana and Trinidad Mutual Fire and Life Group of Companies	**15,798,760**	5.27	**15,798,760**	5.27
Trust Company (Guyana) Limited	**20,654,129**	6.89	**20,649,362**	6.88
Hand-in-Hand Mutual Fire and Life Group of Companies	**19,852,495**	6.62	**17,544,237**	5.85

Directors

In accordance with the Bank's By-laws, Richard M. Lewis, Stephen R. Grell and Richard I. Vasconcellos retire from the Board by rotation and being eligible, offer themselves for re-election.

Auditors

Messrs. Ram & McRae will conclude their term as auditors upon the conclusion of the Annual General Meeting and will not continue in office. A resolution proposing the election of EY Accountants and authorising the Directors to fix their remuneration will be submitted to the Annual General Meeting.

Contribution of each activity to operating profit

'Banking operations' is considered as one single business operation which includes lending, investments, foreign exchange trading and deposit taking. The contribution or cost from these activities to operating profit is disclosed in the Statement of income.

Geographic analysis of turnover and contribution to results

The Bank operates only in Guyana but several investments are held overseas for which income of $675.5 million (2023: $276.6 million) was earned during the year. Please refer to Note 24 of the financial statements for further information.

Interest of Directors and Chief Executive and their associates

Of these categories only the following persons held stocks in the company, all of which were held beneficially:

	Number of stock units	
	2024	**2023**
John G. Carpenter *(held jointly with an associate)*	**150,000**	150,000
Roy E. Cheong *(75,000 held jointly with an associate, and 12,000 held by an associate)*	**87,000**	87,000
Yolande M. Foo *(held jointly with associates)*	**315,000**	315,000
Richard I. Vasconcellos	**15,000**	15,000
Richard M. Lewis	**23,654**	23,654

Directors' fees ($)

	2024	**2023**
Nigel M. Baptiste	**3,780,000**	3,780,000
John G. Carpenter	**3,570,000**	3,570,000
Roy E. Cheong	**4,851,000**	4,851,000
Richard I. Vasconcellos	**3,465,000**	3,465,000
Richard M. Lewis	**4,410,000**	4,410,000
Yolande M. Foo	**3,937,500**	3,937,500
Aldrin Ramgoolam	**4,147,500**	4,147,500
Natalia Seepersaud	**2,874,375**	2,874,375
P. Vic. Salickram	**3,228,750**	3,228,750

Directors' Report continued

Directors' service contracts

There are no service contracts with the Directors proposed for election at the forthcoming Annual General Meeting, or with any other Directors, which are not determinable within one year without payment of compensation.

Contracts with directors

Other than normal banking and employment contracts, there were no contracts between the Bank and its Directors or in which the Directors were materially interested.

Contract of significance with stockholder or its subsidiary

The Bank expended the sum of $196.6 million (2023: $164.5 million) under a Technical Services Agreement with Republic Bank Limited for the provision of management, credit analysis, internal audit and other services. Technical service fees are determined with reference to the Bank's net interest and Other income.

future-proofing YOU

Your needs, your convenience, these are our focus, as we anticipate your growth and provide solutions for you.

We strive to make your life easier, creating avenues for greater accessibility through features like mobile wallets, Republic*Online* and Republic*Mobile*.

We're constantly evolving because you are.

The Bank recorded an excellent performance due to Guyana's strong economic growth.

Nigel M. Baptiste

Introduction

Fellow Directors and stockholders, I'm pleased to report on the annual performance of Republic Bank (Guyana) Limited for the year ended September 30, 2024. The Bank recorded an excellent performance due to Guyana's strong economic growth, expanding credit demand by both retail and commercial customer segments and improving, financial environment. Profit after tax of $7,262.5 million representing a 47.89 percent increase over prior year results was recorded. Earnings per stock unit amounted to $24.21, an increase from $16.37 in 2023. Your Directors have therefore recommended a final dividend of $8.50 (per stock unit), which, if approved at the Annual General Meeting, will bring the total dividend for the year to $3,276 million (2023: $2,100 million).

Chairman's economic review

The global economy is showing resilience, with steady growth and inflation returning to target levels across major economies. This positive trend is attributed to improvements in supply chains and decisive monetary policies, which have helped counter fears of global recession and stagflation. Global growth is projected to be 3.2 percent in 2024, consistent with 2023, though still below historical averages due to factors such as the slowdown of the Chinese economy, the Russia-Ukraine conflict, ongoing instability in the Middle East, and a resurgence of trade protectionism and nationalist movements globally. The International Monetary Fund (IMF) anticipates global growth to increase slightly to 3.3 percent in 2025.

The Latin American and Caribbean regions have demonstrated notable resilience, recovering more strongly from the pandemic than expected despite significant interest rate hikes aimed at restoring price stability. Growth in these regions is expected to be moderate from 2.3 percent in 2023 to 2.0 percent in 2024, as most economies are operating near full capacity. Global headline inflation is anticipated to decline from an average of 6.8 percent in 2023 to 5.9 percent in 2024, reaching 4.4 percent in 2025, with advanced economies achieving their inflation targets sooner than developing economies. Inflation in Latin America and the Caribbean is also on a downward trend, supported by proactive measures from regional central banks.

Despite challenges, Guyana's economy remains one of the fastest growing in the world, with real Gross Domestic Product (GDP) and non-oil GDP growth reaching 33 percent and 11.7 percent, respectively, in 2023. The oil and gas sector remains the main driver of this growth, complemented by contributions from construction, manufacturing, services, and agriculture sectors. Guyana's economy continued to accelerate in early 2024, with real oil GDP growth at 49.7 percent and

Guyana's economy remains one of the fastest growing in the world, with real Gross Domestic Product (GDP) and non-oil GDP growth reaching 33 percent and 11.7 percent, respectively in 2023.

$8.50

2024 Final dividend

Chairman's Report continued

non-oil growth at 12.6 percent by mid-year. Oil production rose by 65.3 percent, reaching 113.5 million barrels, driven by new Floating, Production, Storage and Offloading (FPSO) vessels and increased output from existing ones, outperforming projections of 202 million barrels for 2024. This outcome is due to the additional FPSO vessel: *Prosperity* and increased contributions from the from the *Liza Destiny* and the *Unity* FPSO vessels.

In the agriculture sector, rice production saw a substantial increase of 73.3 percent compared to March 2023, due to expanded acreage and innovative technologies. The fishing subsector experienced a 52.4 percent growth in fish catches. However, sugar production and forestry output declined by 46.0 percent and 7.2 percent, respectively, mainly due to prolonged dry weather and a reduction in total logs. Overall, the agriculture, forestry, and fishing sectors are projected to grow by 10.4 percent by the end of 2024.

The mining and quarrying sector saw increased production of oil, sand, and crushed stone compared to March 2023, with sand extraction up by 75.1 percent and crushed stone by 73.2 percent, spurred by new quarries. Diamond, bauxite, and gold outputs contracted by 40.8 percent, 33.9 percent, and 16 percent, respectively. The overall sector is projected to expand by 43.6 percent by the end of 2024.

Construction activities surged in both public and private sectors, driven by infrastructure investments from the Central Government and developments in private housing and hospitality services. The construction sector is expected to grow by 23.4 percent by the end of 2024, fueled by high demand. The services sector also saw improvements in areas such as transport, entertainment, professional services, accommodation, and financial activities, with an anticipated growth of 6.9 percent by year-end.

Non-Performing Loans (NPLs) as a percentage of total loans decreased to 1.9 percent during the review period, down from 2.6 percent in March 2023, due to a 33.3 percent reduction in NPLs alongside a 17.3 percent increase in total loans.

The overall balance of payments showed a surplus of US$12.2 million, a notable recovery from a US$175.5 million deficit in March 2024. This improvement was driven by a higher current account surplus that offset the capital account deficit, largely attributed to increased export receipts and outflows to the Natural Resource Fund and cost recovery in the oil and gas sector. Guyana's Net International Investment Position (NIIP) reached US$13,646.5 million at the end of March 2024, a 0.7 percent improvement from December 2023. As of March 2024, the Urban Consumer Price Index (CPI) had decreased by 0.2 percent year-to-date, mainly due to lower prices for food, furniture, healthcare, and transport.

Foreign exchange market transactions rose by 36.8 percent (US$1,294.9 million), reaching US$4,815.7 million, driven by higher activity from bank and non-bank Cambios and foreign currency accounts. Foreign exchange rates remained stable throughout the period.

Group developments

As of June 30, 2024, total assets reached US$17.7 billion, marking a rise of US$0.6 billion or 3.5 percent compared to June 2023. Excluding one-time losses from the previous period, core Profit after-tax and Non-controlling interest grew by US$19 million, an increase of 9 percent.

The Group made significant progress in advancing its strategic goals and bolstering its market position across all operational sectors. Notably, our digitisation initiatives now include the first fully digital onboarding process for life insurance policies, as well as a fully digital account opening process for the e-Free deposit product, available in our Trinidad and Tobago and British Virgin Islands subsidiaries. Our ongoing efforts continue to focus on enhancing employee engagement, customer satisfaction, and digitisation, with the aim of delivering greater value to all stakeholders.

In the wake of Hurricane Beryl in July 2024, the Group actively supported recovery efforts in affected countries, including Barbados, Saint Lucia, St. Vincent and the Grenadines, and Grenada, particularly in Petit Martinique and Carriacou. We collaborated with Non-governmental Organisations (NGOs), government agencies, and corporate partners to provide essential supplies, such as food, clean water, medical aid, and building materials. Additionally, Disaster Relief accounts were opened across all our operating regions to facilitate contributions from staff and the public. The Group remains dedicated to aiding recovery efforts, standing in solidarity with those affected, and confident in the resilience and strength of the communities we serve.

Future outlook

The Guyanese economy is expected to experience substantial real GDP growth of 34.3 percent, primarily driven by increased oil production due to enhanced operations at the *Prosperity* FPSO vessel. Additionally, Guyana is poised to benefit from revenue generated by the Yellowtail project, which is projected to begin production in 2025 and could yield up to 250,000 barrels per day. Non-oil GDP growth is forecasted at 11.9 percent, supported by continued progress in other key sectors. Inflation is anticipated to rise to 2.5 percent, largely due to growing demand fueled by the expanding oil industry and its broader impact on the economy.

The necessary investments in Guyana's infrastructure present significant potential for economic growth, particularly as opportunities continue to arise from the oil and gas sector and the demand for balanced, sustainable development. Strategic investments in areas such as transportation, energy, urban and rural infrastructure, water and sanitation, and telecommunications will be critical in shaping the nation's growth trajectory.

As we move towards 2025, Guyana's economic landscape remains vibrant and filled with potential. Republic Bank (Guyana) Limited is well-prepared to adapt to future developments, maintaining confidence that our commitment to innovation, technological progress, customer satisfaction, sustainability, and responsible banking will guide us through the evolving environment.

Acknowledgements

I thank my fellow Directors for their support, and on behalf of the Board of Directors, sincerely thank our management and staff for their tremendous commitment. I also thank our stockholders and customers for their continued confidence and loyalty to the organisation.

I also acknowledge the contributions of our former colleague Denys Benjamin, Manager, Administration and Premises who passed away on March 29, 2024. Denys provided exceptional service to the Bank for thirty-five years and will always be remembered for his genuine support, high standards and sterling contributions to the maintenance of the Bank's facilities.

Nigel M. Baptiste
Chairman

We continue demonstrating agility and resilience in seizing opportunities.

Stephen R. Grell

I'm pleased to report that the Bank achieved an exceptional performance, recording growth in its asset base of $59.1 billion and profitability of $2,351.8 million due to favourable economic conditions. All key performance indicators recorded improvement; Return on assets improved from 1.76 percent to 2.20 percent, Return on Equity increased from 15.01 percent to 20.07 percent, Earnings per Stock Unit increased from 16.37 percent to 24.21 percent.

We continue demonstrating agility and resilience in seizing opportunities and navigating challenges to sustain our performance. Our focus remains on improving employee engagement, enhancing customer experience and satisfaction, increasing revenue and managing cost. In addition to delivering on our digitisation plan, we are committed to adding value for our stakeholders.

Customer service

Jay Baer – President of Convince and Convert said, "Customer Service is the new marketing, it's what differentiates one business from another." It is with this in mind, improving the customer experience in all areas of banking continues to be our focus in striving for service excellence.

Our annual customer surveys, facilitated by an independent market research firm, continue to provide insight regarding customers' perception of the services we provide. This helps us to recognise our deficiencies and affords opportunities to develop strategies for improvement. This year, stable performance was shown in Net Promoter Score and Satisfaction Net Score metrics which increased to 28 and 67 respectively compared to 27 and 65 in 2023. Of the customers measured, 49 percent are classified Republic Champions; meaning they provided high advocacy and satisfaction ratings.

During the year we completed preparations for implementation of an electronic system that will enable improved monitoring and efficiency regarding customer feedback and resolution of queries. In addition, training for staff at all levels continues.

We reiterate our commitment to providing superior customer service as we aim to be the financial institution of choice in the banking sector.

2.20%

2024 Return on assets

Our focus remains on improving employee engagement, enhancing customer experience and satisfaction, increasing revenue and managing cost. In addition to delivering on our digitisation plan, we are committed to adding value for our stakeholders.

Managing Director's Discussion and Analysis continued

Human resources

Guyana remains one of the fastest growing economies and this has created high demand for human resources. We remain proactive in the areas of recruitment, training, and recognition, ensuring we attract, develop and retain the right talent.

This year we honoured the employees who excelled in living the Bank's core values and other performance areas at our Annual Employee Awards Ceremony. Also, through our Academic Reward Programme, we recognised employees who achieved various academic qualifications and those who did so through self-sponsorship.

Among our initiatives to develop employees, is the Republic Bank Toastmasters Club. The club commenced its second year with twenty-one members, and is geared toward building leadership competencies through a series of personal and professional goals, while networking with other public and private sector entities.

Additionally, our partnership with organisations in our communities continues, through participation at career fairs for our high schools, and the University of Guyana's Turkeyen and Tain campuses.

The 2024, cohort of Republic Bank Youth Link Apprentices successfully completed their programme, with 16 high school graduates attaining regional accreditation in Banking Operations – Level One. The majority of whom are now fulltime employees of our organisation.

Competency and people skills training was facilitated in the areas of customer service, performance management, leadership, project management, banking applications, tourism, credit, marketing, accounting, compliance and first aid. Our Republic*Online* Academy Portal also affords employees the opportunity to build capacity through E-Learning courses. We continue to foster a culture of learning and development thereby empowering our workforce to adapt to changing dynamics and contribute effectively to the Bank's business plans.

Staff are encouraged to participate in national holiday celebrations, which sees them interacting across the network, showcasing their talent and creativity. This allowed for the promotion of our diversity, equity and inclusion initiatives.

Information technology

Emphasis continues to be placed on promoting our digital and electronic services which have seen increased uptake; particularly Republic*Online* and Republic*Mobile*, indicative of customers' satisfaction with the digital experience.

We are excited to advise on the expansion and upgrade of our Automated Teller Machine (ATM) fleet, with planned installation at three additional locations in the near future, and replacement of existing ATMs with units offering new features, including real-time cash deposits. Increased use of electronic platforms for funds transfer and management via Electronic Funds Transfer (EFT) and Real Time Gross Settlement (RTGS) continue to benefit our commercial and corporate customers. The recent upgrade and ongoing replacement of our Point of Sale (POS) terminals with improved units, which support contactless technology, will redound to customers' and merchants' benefit.

Given ever-present cyber security threats, we remain vigilant and are actively working toward mitigation. Replacement of our VISA International Debit card with the VISA International Debit Chip Card, introduced the contactless feature while providing an additional layer of security.

Moving forward, we are committed to deriving maximum benefit from the Bank's investment in technology and implementing new ways for its effective application to provide reliable, convenient and secure banking for our customers.

$350.6B

2024 Total assets

We honoured the employees who excelled in living the Bank's core values and other performance areas at our Annual Employee Awards Ceremony. We also recognised employees who achieved various academic qualifications and those who did so through self-sponsorship.

$291.6B

2023 Total assets

Administration and premises

Construction of our new banking facility at Williamsburg, Corentyne, Berbice was completed, and opened to the public on January 15, 2024. Construction of new staff facilities was also completed at our head office.

To provide an improved environment for customers and staff, routine maintenance was conducted and renovation undertaken at a few of the Bank's premises across the network, including the sales unit and lobby of the Water Street Branch. Renovation is planned for some aspects of the operations of our Camp Street Branch during the first quarter of the new fiscal.

Empowering communities

The Bank continues to expand its partnerships with governmental and non-governmental organisations in support of key sustainable development goals through the Power to Make A Difference social investment initiatives.

Our commitment to financial literacy and education was represented through our partnership with WizdomCRM, an education and technology company. Together, we launched the Sustainable Stock Market Game, an innovative initiative that provided 500 secondary school students exposure to financial literacy while improving their skills in Mathematics, Economics and personal finance. The Bank also sponsored cash prizes for the top four places in this initial cycle in Guyana, further incentivising participation and excellence.

Our dedication to education extends to the tertiary level, with our continued support for University of Guyana scholarship awardees. Currently, two students – Lakeisha Bobb-Blackman and Nicholas Sagadays – are pursuing Bachelor of Science degrees in Finance and Biology, respectively. This four-year scholarship targets key local sectors including Agriculture, Forestry, Earth and Environmental Sciences, Technology, Natural Sciences, Finance, Entrepreneurship, and Supply Chain Management, aligning our educational support with the country's developmental needs.

We renewed our commitment to the Republic Bank Five for Fun youth cricket programme for a second season. In partnership with Cricket West Indies and the Guyana Cricket Board, 75 primary schools will participate in this five-overs, five-a-side format. Additionally, we continue as title sponsor for the Caribbean Premier League T20 Tournament, further solidifying our support for cricket in Guyana and across the region.

Managing Director's Discussion and Analysis continued

The Bank maintained its partnership with the Ministry of Culture, Youth and Sport, hosting the 16th Annual Republic Bank Mashramani Panorama Steel Band Competition with the core objective of sustaining the cultural art form. Republic Bank's passion for steel pan development in Guyana, has at its core, focus on providing avenues for empowering our nation's youth, while sustaining national art forms and our cultural heritage.

To further support the steelpan art form, we again conducted a workshop through our Republic Bank Rightstart Pan Minors Music Literacy Programme. This collaboration again with the Ministry of Culture, Youth and Sport offered participants the opportunity to read and play simple melodies while gaining insight about effective stage performance techniques.

Continuation of our partnership with Women Across Differences (WAD) for the last nine years, meant more young women benefitted from the Comprehensive Empowerment Programme for Adolescent Mothers. The Programme enables young women to become proud and emboldened advocates for sexual reproductive health, family planning, self-development, and vocational skills building, thus empowering them to positively shape their future.

Our alliance with the Mayor and Councillors of the City of Georgetown entered its twentieth year of facilitating maintenance of the Promenade Gardens which provide a green space for citizens' use.

Our employees have shown remarkable dedication to community service through various volunteerism initiatives. They collaborated with Rotaract District 7030 on a beautification project at the Guyana Zoological Park, restored the library at Friendship Primary School, and partnered with Rose Hall Town Youth and Sports Club for the 16th consecutive year to host a summer camp. This camp focused on managing students' transition to secondary school, combining academic support with essential life skills training.

As we look to the future, we have set our sights on continued youth empowerment, mental health awareness, cultural preservation, and environmental conservation. At Republic Bank, we are not just building a business; we are nurturing the very fabric of our society and investing in our communities, one initiative at a time.

$13.0B

2024 Net interest income

Safeguarding the Bank against the threat of money laundering, terrorist financing and proliferation financing through efficient and creative methods while optimising customers' experience, remains a priority for Republic Bank.

Regulatory compliance

The anticipated report following the fourth round of Mutual Evaluation of Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) in Guyana was issued by the Caribbean Financial Action Task Force, in July 2024. It is apparent the ongoing commitment by financial institutions, to fulfill their role in the fight against money laundering and terrorist financing has borne fruit. This was evidenced in the report which concluded that financial institutions have a good understanding of their money laundering, terrorist financing risks and AML/CFT obligations. Republic Bank (Guyana) Limited will be guided by recommendations made in the Mutual Evaluation as it continues its efforts in the fight against money laundering, terrorism financing and proliferation financing.

During the period under review, the Bank's policies and procedures were reviewed and amendments made to ensure compliance with new requirements and international best practices. Safeguarding the Bank against the threat of money laundering, terrorist financing and proliferation financing through efficient and creative methods while optimising customers' experience, remains a priority for Republic Bank.

We present below a discussion and analysis of the financial position and performance of the Bank for the year ended September 30, 2024 to be read in conjunction with the Directors' report and audited financial statements presented on pages 18 to 20 and pages 62 to 132 respectively.

These statements are published in Guyana dollars. Foreign amounts have been converted to Guyana dollars at the prevailing mid-rate on September 30, for each financial year. The following are the mid-rates for the major currencies as at September 30, 2024:

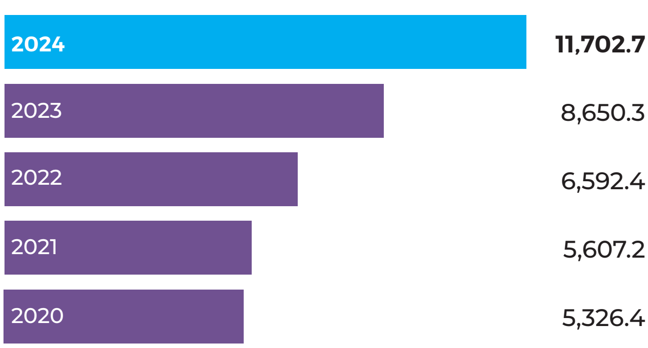
	2024	**2023**
United States dollars	**213.25**	212.75
Pounds Sterling	**273.25**	240.75
Canadian dollars	**170.75**	145.75
Euro	**240.75**	201.50

Statement of income review

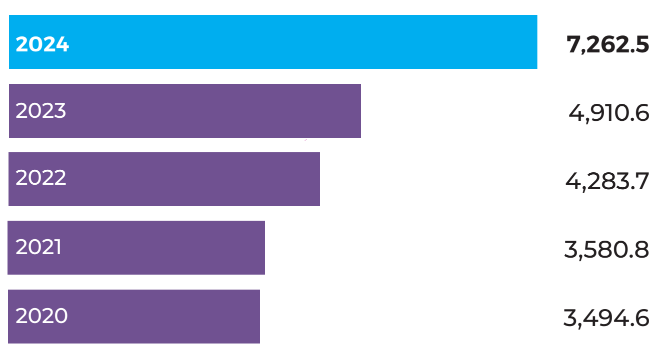
Financial summary

After tax profit of $7,262.5 million represents an increase in profitability of $2,351.8 million or 47.89 percent compared with 2023. This increase in profitability resulted primarily from the increase in Interest income (loans and advances and Treasury Bills), commissions, fees and foreign exchange income. Corporation tax paid amounted to $3,879.2 million compared with $2,789.6 million in 2023. (See undermentioned graph.)

Profit before tax $M



Profit after tax $M



The Bank's return on average assets (2.20 percent) increased year on year, and its return on average stockholders' equity also increased (20.07 percent). Earnings per stock unit moved from $16.37 in 2023 to $24.21 in 2024. (See graphs on the following page).

Return on average assets %

Return on average outstanding equity %

Net interest and other income

Net interest and Other income grew by $3,207.1 million or 19.50 percent to $19,657.1 million in 2024 compared to the $16,450.0 million generated in 2023, which is attributed mainly to the increase in interest on loans and advances, Treasury Bills, commissions, fees and foreign exchange income.

Net interest income increased by $1,972.9 million or 17.87 percent to $13,015.9 million and is attributed primarily to an increase in income from loans and advances and Treasury Bills.

Net Interest Margin

	2024 %	2023 %
Net interest income/Total average interest earning assets	**4.72**	4.80
Net interest income/Total average assets	**3.94**	3.96

Refer to Statement of Financial Position and Note 17

Interest income $M

Interest expense $M

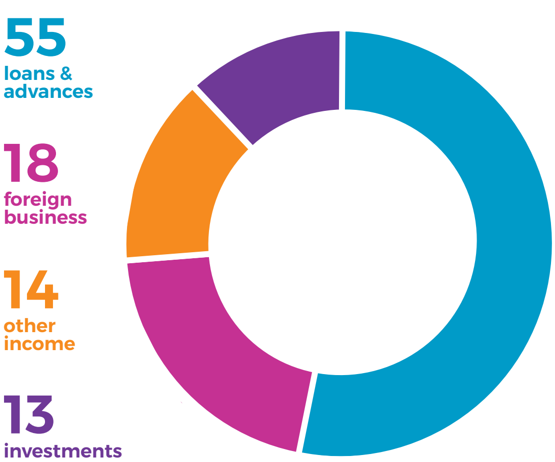
There were no unusual non-operational items.

The ratio of the Bank's average interest earning assets to average customer deposits, increased marginally to 97.18 percent, from 95.93 percent in 2023. This is reflective of the Bank's policy of managing customers' deposits in a challenging environment where investments and lending opportunities are relatively competitive. At September 30, 2024, 46.62 percent of the Bank's interest earning assets consisted of Treasury Bills.

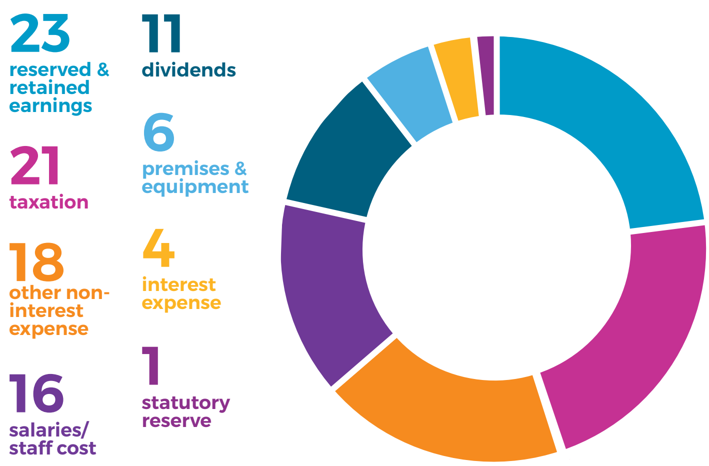
Interest paid on deposits for 2024 at $940.6 million, exceeded that of 2023 ($863.2 million), as the Bank continued to manage its assets and liabilities in an environment of inadequate investment opportunities. It is recognised, however, that customers simultaneously use a range of products and the Bank strives to ensure that rates (deposit and lending) are competitive with the rest of the industry and attractive to existing and potential customers.

Other income, which amounted to $6,641.2 million and contributed 19.15 percent to total income, was above the 2023 amount by $1,234.1 million, or 22.82 percent. With continued emphasis, foreign exchange trading resulted in exchange gains for 2024 of $3,682.8 million, which represented an increase of $603.8 million or 19.61 percent over 2023. Exchange earnings continue to be the major contributor of Other income, contributing 55.45 percent (2023: 56.95 percent) of the total.

Sources of revenue %



Revenue distribution %



Non-interest expense

Non-interest expenditure, which comprises operating expenses and provision for Expected Credit Losses (ECLs), increased by $154.6 million or 1.98 percent over 2023, mainly as a result of staff cost which increased to $3,363.8 million, notwithstanding a decrease in provision for ECLs, which moved to $154.2 million.

The Bank's productivity/efficiency ratio, which is Non-interest expenses to Net interest income and Other income, decreased to 39.68 percent from 43.09 percent in 2023.

In accordance with IFRS 9 – Financial Instruments, which replaces IAS 39, the Bank consistently reviews all loans and other debt financial assets not held at Fair Value through Profit or Loss (FVPL), together with loan commitments and financial guarantee contracts and records an allowance for ECLs. The allowance is based on the ECLs associated with the probability of default in the next 12 months unless there has been a significant increase in credit risk since origination.

The financial statements include ECL provision made on its performing portfolio, of $357.5 million at September 30, 2024.

At September 30, 2024, specific provision on Non-Performing Loans (NPLs) decreased to $125.3 million. Overall in 2024, expenses related to ECL amounted to $154.2 million against an expense of $711.1 million in 2023. The Bank continues to strive to maintain a prudent policy especially on its unsecured consumer lending portfolio. Recoveries on loans which were previously written-off amounted to $654.2 million in 2024 (2023: $294.8 million).

The Bank's ratio of Non-performing to performing loans at September 30, 2024, stood at 1.03 percent, and its ratio of specific provision for loan losses to NPLs, at 9.50 percent.

Statement of financial position review

Cash and cash equivalents

Cash and cash equivalents, which include cash-on-hand, deposits held with correspondent banks, claims on other banks and balances in excess of the statutory deposit increased by $5.5 billion year on year. This increase was mainly due to the increase in our Surplus Funds with Bank of Guyana, which increased by $5.1 billion and our deposits held with correspondent banks, which also increased by $0.4 million, over the same period.

Investment securities

Investment securities, including Government of Guyana Treasury Bills, increased by $26.6 billion or 20.57 percent, during the year. The increase arose mainly in the Bank's investment in Treasury Bills which moved from $118.3 billion in 2023 to $138.4 billion in 2024 or 16.98 percent. Other investments also increased by $11.6 billion, or 107.10 percent, to $22.4 billion. The Bank aggressively competes for the limited investment opportunities even as there is continuous growth in the liquidity of the country's financial houses, relative to those investments.

Advances

Advances grew by $16.3 billion to $126.4 billion, an increase of 14.80 percent. The concentration by sector in the loans and advances portfolio, a function of the Bank's Credit Risk Management process, remained fairly constant during the year.

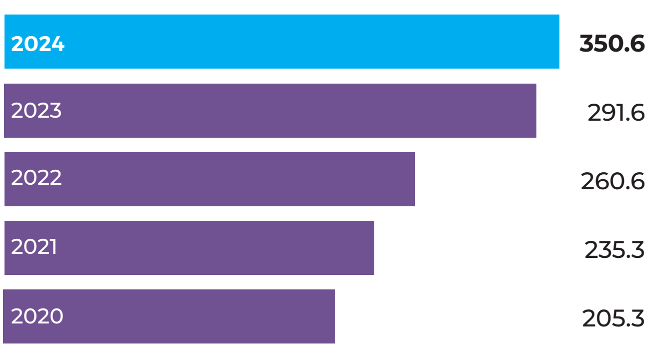
Significantly however, the Demand Loans sub-sector recorded a 10.48 percent increase in value from $57.2 billion to $63.2 billion, while the Retail sub-sector recorded a 14.59 percent increase to $17.2 billion from $15.0 billion and Mortgages sub-sector, a 20.35 percent increase from $41.0 billion to $49.3 billion. The Bank remains poised to aggressively support the Government's home ownership thrust.

As a percentage of total assets, loans and advances accounted for 36.04 percent (2023: 37.76 percent).

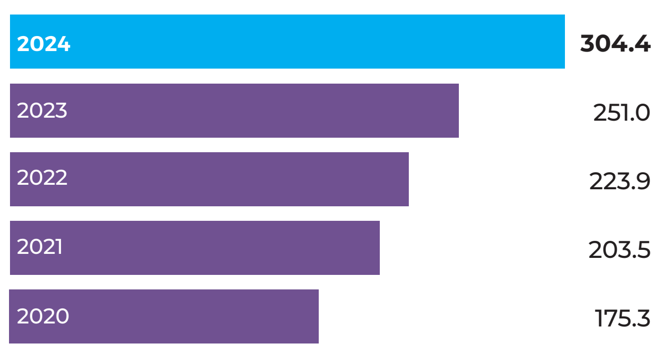
Total assets

The Bank's total assets of $350.6 billion represent an increase of $59.1 billion or 20.26 percent above 2023; attributed mainly to Treasury Bills and loans and advances. Over the past three years, net investment in loans and advances grew by $12.9 billion, $12.9 billion and $16.3 billion, respectively. In a challenging and competitive environment for sound economic projects, the Bank continues to seek and attract new and remunerative investments, even as it honours its obligation of securing depositors' funds. (See graph below.)

Total assets $B



Total deposits $B



Deposits

In 2024, the Bank's deposits increased by $53.4 billion or 21.27 percent, moving to $304.4 billion from $251.0 billion in 2023, as shown in the graph. Our depositors can remain confident in the Bank's continued focus, as it provides quality products and services, at competitive rates. Our demand deposits portfolio increased by $44.5 billion or 27.20 percent, savings deposits by $10.3 billion or 13.25 percent, while our fixed and term deposits decreased by $662.8 million or 7.53 percent.

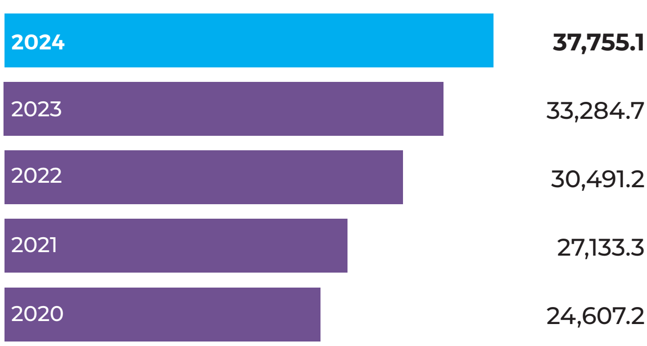
Capital structure and resources

The Bank's policy is to maintain capital adequacy, ensure capital growth and minimise capital impairment. The governing Financial Institutions Act Cap. 85:03 restricts a single or group borrower's loan to defined percentages of the Bank's capital base. From the after tax profits of $7,262.5 million, $3,276 million is being proposed as dividends and $3,986.5 million transferred from the Statement of Income to stockholders' equity. At September 30, 2024, the book value of stockholders' equity amounted to $37.8 billion.

Total dividends paid and proposed for fiscal 2024 amount to $3,276 million and equates to a dividend payout ratio of 45.11 percent (2023: 42.76 percent).

There was a decrease in the price at which the Bank's stock traded on the Guyana Stock Exchange with a spread of 872.22 percent between the highest price of $525 and lowest price of $54 with an average weighted price of $469 per stock unit. In terms of volume, most trades were done at a unit price of $522. Using the Market Weighted Average Price of $469 from the last trade date (September 30, 2024) for the Bank's stock, the price/earnings ratio decreased to 19.37 from 31.89 in 2023. The Net asset value of one unit is $125.9 (2023: $110.9) which, with a price of $469 gives a price/book ratio of 3.73:1 (2023: 4.71:1).

Stockholders' equity $M



Capital adequacy %

Regulatory capital

Capital adequacy is monitored by the Bank on a quarterly basis and computed based on guidelines developed by the Basel Committee on Banking Regulations and Supervisory Practice (the Basel Committee), as implemented by the Bank of Guyana under the Financial Institutions Act Cap. 85:03.

The risk-based capital guidelines require a minimum ratio of capital to risk-weighted assets of 8 percent. The results for this year have further strengthened the Bank, with its capital base growing from $33.3 billion to $37.8 billion year on year. The capital adequacy ratio decreased marginally, moving to 21.87 percent at September 30, 2024, from 22.68 percent at September 30, 2023. This decrease is attributable to an increase in total risk-weighted assets.

Managing Director's Discussion and Analysis continued

Risk management

Overview

Banking is about the management of risks. These are discussed extensively on pages 111 to 124 of this Annual Report.

The importance of Risk management continues to grow across organisations and industries exponentially. The risks that banks face have grown more complex, fuelled by the rapid pace of globalisation. The banking industry continues to face unprecedented challenges, including cyber security threats, the need for rapid technology upgrades and aggressive entry of fintech companies into the financial market. Like most traditional sectors, banks are seeking to keep up with the pace of change, monitor emerging risks, and adjust development strategies.

Within Republic Bank's enterprise risk management strategy, managing risk is a collaborative and cross-functional effort. The Enterprise Risk team works with business unit heads and staff to assist in constantly assessing and collating risk information and presenting it to the Bank's Enterprise Risk Management Committee and Board of Directors.

The Bank's risk management activities, included within the Enterprise Risk management framework comprise improvement in the systems environment and process changes and over the last few years, the Bank implemented wide-ranging modifications intended not only to improve the efficiency with which it executes its mandate, but strengthen the overall internal control environment. The Bank's Enterprise Risk department oversees and conducts training supported by the internal audit function and makes recommendations for enhancement of internal controls. Where appropriate, risk is transferred by placement of adequate insurance coverage.

The Bank is also seeking to connect its risk management initiatives with Environmental, Social and Governance (ESG) programmes. This will advance efforts in prioritising and addressing ESG risks to make the Bank's operations more sustainable and ensuring the Bank acts responsibly and ethically.

21.27%
2024 deposits

Guyana's economy continues to grow at a rapid pace as drilling activity continues in the Stabroek block and oil production increases.

21.87%
2024 capital adequacy

Future outlook

Guyana's economy continues to grow at a rapid pace as drilling activity continues in the Stabroek block and oil production increases.

As at June 2024, the Guyanese economy remained robust, experiencing real oil Gross domestic Product (GDP) growth of 49.7 percent and a non-oil GDP growth of 12.6 percent. Guyana's oil boom has driven real oil growth, while robust performance in the construction, agriculture, and services sectors has bolstered real non-oil growth.

In the first six months of 2024, crude oil production increased by 65.3 percent, reaching 113.5 million barrels, up from 68.7 million barrels compared to June 2023. The average daily production during this period was 625,183 barrels, compared to 380,033 barrels daily in the same timeframe in 2023. This growth was driven by the addition of the *Prosperity*, Floating Production Storage and Offloading (FPSO) vessel, and increased output from the *Liza Destiny* and *Unity* FPSO vessels. All major sectors except sugar, livestock, gold, diamonds and bauxite of the non-oil economy also experienced growth and are expected to continue this trend through end of the year.

Republic Bank (Guyana) Limited is poised to play a key role as Guyana continues to transform. We remain optimistic and confident in our capacity to adapt, innovate, and succeed in this pivotal juncture of Guyana's economic development. We continue to focus on strengthening our core banking operations and exploring new opportunities for growth and community engagement. Our commitment to digital transformation and sustainable financing will enhance customers' experience, making banking more accessible and convenient.

Acknowledgements

I extend appreciation to our Board of Directors and leadership team for their stewardship of the organisation over the past year. The dedication and hard work of our employees enabled us to successfully navigate the competitive environment and achieve these results, and as such I recognise and thank them for their collective efforts.

I take this opportunity as well, to acknowledge the contributions of our former team member, and Manager, Administration and Premises now deceased, Denys Benjamin, for his sterling contributions to our organisation, and former General Manager, Credit, Venus Frith for his dedication and solid support during his tenure with the Bank. Appreciation is also extended to our customers, business partners, and stockholders for their ongoing confidence and support.

Stephen R. Grell
Managing Director


focused on YOU
You have the strength of the Caribbean region's largest indigenous Bank on your side.
What this means is, you can trust us to dedicate our efforts to create a strong, financially stable environment for you, and **to better serve you**.

Senior Management

Denise Hobbs

General Manager, Operations

Dip. (Bus. Mgmt.), Cert. (Leadership)

Joined August 1979

Carla Roberts

General Manager, Credit

BSc (Acct.), MBA, PgCert. (Innovation, Enterprise and Circular Econ.)

Joined September 1988

Management

Shaun Ali
Manager,
End User Services

AAS (Operating Systems Mgmt.)
BSc (First Class Hons.) (Info. Tech.)

Joined August 2022

Karen Assanah
Manager,
Centralised Collections Unit

B.Soc.Sc. (Dist.) (Mgmt.), MSc (Fin. Mgmt.), CCP, AAT, AICB

Joined February 1992

Sasenarine Bindranath
Branch Sales Manager,
D'Edward Branch

MBA, Dip. (Bus. Law) (ICM), Dip. (Agri.), CCP, AICB

Joined April 2003

Karen Cox
Branch Sales Manager,
Linden Branch

Dip. (Comm.)

Joined July 2003

Satie Cox
Branch Sales Manager,
Williamsburg Branch

B.Soc.Sc. (Dist.) (Mgmt.), EMBA, CCP, Cert. (Teacher Training)

Joined April 2003

Harry Dass Ghaness
Commercial Manager,
Corporate Business Centre

ICB – Letter of Accomplishment, CCP

Joined May 1994

Ismelia Douglas
Assistant Manager,
Human Resources

MBA, Dip. (Bkg. and Fin.) AICB

Joined August 1998

Jonelle Dummett
Manager,
Marketing and Communications

B.Soc.Sc. (Credit) (Comm.), PgDip. (Development Studies)

Joined September 2008

Indira Gopaul
Manager,
Head Office Risk Management

CCP, AICB

Joined October 1995

Eon Grant
**Branch Sales Manager,
Camp Street Branch**

BComm., CCP, AICB

Joined January 1989

Stanton Grant
**Manager,
Head Office**

BSc (Econ.), AICB, PgDip. (Bus. Admin.)

Joined October 1999

Yonnette Greaves
**Manager,
Information Technology
and E-Support**

Dip. (Mgmt. Info. Systems), LIMIS

Joined April 2003

Gail Harding
**Assistant Manager,
Commercial and Retail Banking**

AICB

Joined January 1985

Sasenarain Jagnanan
**Regional Corporate Manager,
Corporate Business Centre**

Dip. (Bkg. and Fin.), AICB

Joined March 1985

Erica Jeffrey
**Manager,
Branch Support Services**

MBA, ICB - Letter of Accomplishment

Joined July 1990

Ndidi Jones
**Senior Manager,
Head Office**

LLB, LEC, LLM (Merit), Dip. (Sociology), CPAML

Joined October 2001

Jason Leitch
**Credit Manager,
Corporate Business Centre**

Cert. (Small Bus. Bkg.), CCP, ACCA Affiliate

Joined November 2005

Jannis London
**Manager,
Human Resources**

B.Soc.Sc. (Mgmt.), MBA, Dip. (Bkg.), FCCA

Joined June 1991

Management continued

Christine McGowan

Manager,
Legal Services/Corporate Secretary

LLB (Dist.), LEC (Hons.), LLM (Merit), MBA, AMLCA, CPAML

Joined October 2001

Allison Mc Lean-King

Branch Sales Manager,
Diamond Branch

Cert. (CSI Mortgage), CCP, AICB

Joined October 1989

Babita Ogle

Manager,
Administration and Premises

CCP, AICB

Joined September 1996

Jadoonauth Persaud

Regional Manager,
Commercial and Retail Banking

MBA, Dip. (Bkg. and Fin.)

Joined June 1995

Michael Ram

Manager,
Enterprise Risk

AICB

Joined September 1995

Guitree Ramsamooj

Branch Sales Manager,
Anna Regina Branch

CAT, CCP

Joined August 2001

Oral Rose

Manager,
Internal Audit

B.Soc.Sc. (Dist.) (Mgmt.), Dip. (Mktg.), AMLCA, CIRM

Joined November 2001

Imran Saccoor

Branch Sales Manager,
New Amsterdam Branch

MBA, Dip. (Mktg.), CCP, Cert. (Blockchain Development Tech.)

Joined May 1997

Angela Sears

Branch Sales Manager,
Vreed-En-Hoop Branch

AICB

Joined October 1991

Randulph Sears

Water Street Branch
Branch Sales Manager

MBA, Dip. (Mktg.), Dip. ABA Stonier Graduate School of Banking, Cert. Wharton Leadership Programme, Business Group Cert. ICM, CCP, MCIM

Joined September 1996

Joel Singh

Branch Sales Manager,
Triumph Branch

AICB

Joined August 1997

Vanessa Thompson

Manager,
Planning and Financial Control

B.Soc.Sc. (Mgmt.), MBA, FCCA

Joined May 1997

Diane Yhun

Corporate Manager,
Corporate Business Centre

PgCert. (Bank Mgmt. and Tech.), ACCA Affiliate, MCBI

Joined January 1995


standing by
YOU
Your home is our home.
We're invested in
preserving our planet.
We've committed US$200 million in special financing for activities that reduce the impact of climate change, including the use of clean fuel and renewable energy as well as the deployment of climate resilient technology.
We want to see the Caribbean — your home and ours — prosper.

Statement of Corporate Governance Practices

The need for companies to be directed and controlled in a manner that protects the shareholders and considers the interests of stakeholders has significantly influenced the corporate governance framework that exists today. Corporate governance principles continue to transform the way companies are directed and controlled. The importance of accountability, fairness, adequate oversight by independent parties and greater transparency has been the catalyst that has changed the way many companies operate. As companies commit to greater transparency and disclosures, internal management practices have been adjusted to make the company's commitment to ethical practices more apparent. Adherence to sound corporate governance principles has been instrumental in helping companies manage risk and rewards in a way that advances the business without causing undue concern to shareholders and other stakeholders. One of the primary means of improving the strength and agility of the company is believed to be achieved through an effective corporate governance structure which can then be leveraged to achieve greater financial stability.

The Republic Financial Holdings Group has embraced corporate governance principles as a pillar of its business model. Consequently, Republic Bank (Guyana) Limited and its Board of Directors continue to demonstrate commitment to the highest standards of corporate governance through the various governance structures and strategies embraced. Additionally, Directors continue to explore emerging initiatives and international best practices with a view to further strengthening its corporate governance regime.

The Bank is guided by the *Recommendations for a Code of Corporate Governance* issued by the Guyana Securities Council, and Supervision Guideline No. 8 on Corporate Governance issued by the Bank of Guyana under the authority of the Financial Institutions Act Cap. 85:03. The Bank has adopted the recommendations contained in that Guideline. This statement is made pursuant to the abovementioned Supervision Guideline No. 8. In addition, the Bank is compliant with Supervision Guideline No. 10 on the Public Disclosure of Information.

The Board of Directors comprises ten directors including one executive director. The non-executive directors, six of whom are independent, comprise persons with experience in business, management, law and finance, and provide invaluable input at meetings through their personal values and standards arising from their varied and distinct professional experience. Together the Board members provide entrepreneurial leadership within a framework of prudent and effective controls. In keeping with the Bank's culture of broad disclosure the Executive Director ensures that all pertinent information on the Bank's operations is provided to members of the Board of Directors. Additionally, Directors may request additional information that they believe would enhance their ability to discharge their statutory duty. This allows the Board of Directors to make informed decisions and provide the necessary leadership to promote and protect the interests of all stakeholders.

In keeping with its mandate to lead the Bank, the Board directs the Bank along a path of greater profitability while taking appropriate steps to ensure that the Bank's sound financial position is not compromised and all applicable laws adhered to. Of critical importance to the Board of Directors is the responsibility to approve and review the Bank's Strategic Plan and within this context, to approve annual budgets, including capital expenditure. The Board retains the responsibility for reviewing and approving credit applications above a specified limit. Pursuant to the mandate to ensure that the interests of the various stakeholders are considered the Board of Directors meets, at a minimum, on a quarterly basis while the Executive Subcommittee of the Board, chaired by Mr. Roy E. Cheong, comprising eight Board members, meets for the remaining months.

In accordance with the Bank's By-laws, three Directors retire from the Board annually and may offer themselves for re-election at the Bank's Annual General Meeting.

There are established Board committees which play an important role in helping the Bank maintain the highest standards of Corporate Governance. Each Board Committee has Terms of Reference which clearly define its mandate. These Terms of Reference are reviewed and where necessary, updated as a means of ensuring that the mandate of the Committee remains relevant and supportive of the emerging needs of the Bank. A brief overview of the Board Committees is provided below.

Corporate Governance Practices continued

Audit committee

The members of the Audit Committee are:
Mr. Roy E. Cheong, *Chairman*
Mrs. Yolande M. Foo
Mr. Richard M. Lewis
Mr. P. Vic. Salickram
Mr. Richard I. Vasconcellos
Mr. John G. Carpenter, *Alternate Member*

The Audit Committee of the Board meets at least quarterly to review the Bank's system of internal control, financial reporting process, audit and examination process, and compliance with statutory and regulatory laws. When necessary, the Audit Committee is responsible for reviewing the independence, competence and qualifications of the External Auditors. The External Auditors have full and free access to, and meet, when necessary, with the Audit Committee to discuss their audit and findings as to the integrity of the Bank's financial and accounting reporting and the adequacy of the system of internal controls. The External Auditors receive notice of every meeting of the Audit Committee and may attend as of right. The head of the Bank's Internal Audit Department, reports directly to the Audit Committee. The Internal Audit Department conducts periodic examinations of all aspects of the Bank's operations to ensure that management's controls for the integrity and fairness of the financial statement and accounting systems are adequate and are complied with.

Compensation committee

The members of the Compensation Committee are:
Mr. Aldrin Ramgoolam, *Chairman*
Mr. Roy E. Cheong
Mr. Richard M. Lewis
Mrs. Yolande M. Foo, *Alternate Member*

This Committee, which meets at minimum once per year, is responsible for formalising the Bank's remuneration policy for staff.

Enterprise risk committee

The members of the Enterprise Risk Committee are:
Mr. John G. Carpenter, *Chairman*
Mr. Roy E. Cheong
Mr. Aldrin Ramgoolam
Mr. Richard M. Lewis, *Alternate Member*

This committee, which meets quarterly, is responsible for reviewing policies and procedures and ensuring that all risks arising across the wide spectrum of the Bank's activities are identified and adequate systems have been implemented to mitigate those risks. The Enterprise Risk Committee is also responsible for overseeing the management of the Bank's Anti-Money Laundering and Countering the Financing of Terrorism Programme and ensuring that adequate systems and procedures are implemented to prevent and detect attempts to launder money and/or finance terrorism.

Governance and nomination committee

The members of the Governance and Nomination Committee are:
Mr. Aldrin Ramgoolam, *Chairman*
Mrs. Yolande M. Foo
Mr. Richard M. Lewis
Mr. Richard I. Vasconcellos

This committee meets at least twice annually and is charged with ensuring the Bank's high standard of corporate governance is maintained. It is also responsible for ensuring the professional development of Directors and making recommendations to enhance performance of the Board by establishing formal and transparent process for selection of Directors.

The Board of Directors has approved an organisational structure for the Bank which ensures a reporting structure with prudent and effective controls. The Managing Director and management team are appointed by the Board of Directors. Each Management Officer has a written mandate and is required to execute the stated functions as outlined therein. Key areas of responsibility are outlined and adherence to the Bank's core values is mandatory.

The Managing Director's responsibilities and authorities are documented and approved by the Board of Directors. Limits on credit dispensation, capital and operating expenditure are stated specifically in the Managing Director's authorities. In keeping with good corporate governance principles, the Managing Director is charged with the day to day management of the Bank's business and is ably assisted by a competent and experienced management team. The Bank's two General Managers report directly to the Managing Director. Senior Management, which has combined banking experience of more than one hundred years, has general oversight of the Bank's credit portfolio, branch network and general operations. One member of Senior Management holds a Master of Science degree in Finance, while another holds a Master of Business Administration degree. The third member of Senior Management is qualified in Business Management making the team extremely qualified to offer leadership to the management team.

The Board of Directors recognises the need to attract and retain employees through various initiatives including ensuring that the compensation package for staff is competitive. The package consists of basic salary and performance-based incentives. In determining the basic salary to be paid to officers of the Bank, including Management Officers, the responsibilities attached to the position are assessed. This forms the core basis for the basic salary of each employee.

The performance of each staff member, is evaluated annually based on individual and collective performance criteria. In keeping with the expectation of the Board of Directors the performance of each Management Officer is also assessed against all Key Performance Areas which among other things may include financial targets. The performance of all Management Officers is reviewed by the Board of Directors on an annual basis.

Cognisant of the need to monitor transactions with related parties, the Bank has approved a related party policy which is consistent with the requirements of the Financial Institutions Act Cap 85:03.

The Bank's Related Party policy underscores the need for all transactions done with related parties and affiliates to be done on the same terms and conditions as with a non-related party. Directors are required to disclose their interest in related party transactions and recuse themselves from considering or approving transactions in which they have an interest. All material related party transactions must be approved by the Board of Directors. On an annual basis the Board of Directors reviews a report on related party transactions to ensure compliance with the Bank's Related Party policy.

The Bank regards its business and the banking affairs of its clients as confidential, and has established rules to ensure the highest ethical standards in this regard. These rules pertain to honesty and integrity, integrity of records, client privacy, proprietary bank information, insider information, and non-discrimination among others.

The Bank encourages its stockholders to communicate all issues of concern orally or in writing. All stockholder concerns are addressed in a prompt and efficient manner by management. Additionally, the Bank is responsive to the concerns of stakeholders.

Signed on behalf of the Board,

Nigel M. Baptiste
Chairman

September 30, 2024

People

4,268
female employees

2,007
male employees

Building a workplace culture that values employee engagement and growth is key to achieving our goal of more empowered staff and satisfied customers. To this end, we conducted a culture fitness diagnostic review to gain deeper insights into our staff experience and drive initiatives that enhance motivation, customer satisfaction, and business success.

Empowering our people

A new partnership with WizdomCRM, an educational and technology company, created the perfect opportunity to launch the WizdomCRM Virtual Stock Market Game aimed at enhancing financial literacy and encouraging responsible financial practices among youth in Guyana.

Now in its 15th year, the Republic Bank Rightstart Pan Minors Music Literacy Programme opens its doors to several regional camps in Guyana, welcoming more than 150 young steel pan players, and giving them the opportunity to hone their pan playing skills and enrich their music reading and comprehension techniques in a fun and engaging environment.

In collaboration with the University of Guyana, the Bank pursued its long-standing mission to invest in educational opportunities for young achievers by providing two recipients scholarships to pursue undergraduate degrees at the Turkeyen Campus. Republic Bank's Scholarship Programme is open to students pursuing their tertiary education in the following key local sectors: Agriculture and Forestry, Earth and Environmental Sciences, Technology and Natural Sciences, Finance, Entrepreneurship and Supply Chain Management.

Protecting our planet

As the Bank continued to invest in the local green economy and sustainability initiatives, sponsorship was maintained for the upkeep of the beloved Promenade Gardens.

For close to two decades, this ongoing restoration and maintenance project, in collaboration with the Mayor and Councillors of the City of Georgetown, has remained a staple of the Bank's commitment to, and overall pursuit of, environmental protection; providing the means for the Bank to safeguard and beautify natural spaces in Guyana.

During the period, True Blue staff volunteers displayed their support, leading by example in collaborating with Rotaract District 7030 on a beautification project of the Guyana Zoological Park. Volunteers turned out in their numbers as they worked together to plant flowers and create a mental health mural and a peace path.

We are the first indigenous, financial institution in the Caribbean to set a goal of lending and investing US$200 million in climate financing. We remain focused on unlocking financing to support the attainment of the United Nations Sustainable Development Goals, which ultimately would lead to diversified economies and prosperity for the territories in which we operate.

Progress

250+
projects assisted

We have procured a cutting edge tool to monitor, analyse and manage environmental metrics within our operations. This ESG data management software platform will collect and track emissions data in order to calculate the Bank's carbon footprint. A Group emissions baseline analysis for the Bank's properties has begun with the intention of establishing targets to reduce internal emissions.

Caring about our progress

With the aim of providing greater peace of mind for young mothers and children, the Bank maintained its partnership with Women Across Differences (WAD) in support of programmes that help reduce the risks of unplanned pregnancy for adolescent mothers and provide new mothers with the necessary educational and vocational skill sets to have a better quality of life. The continuation of this mutually beneficial partnership with WAD meant that more young women and girls would be able to benefit from the training.

In so doing, the Bank joined forces with communities across the nation to make strides in the empowerment of young women and girls, by providing access to social and economic resources, as well as the right educational tools on sexual reproductive health, family planning, and professional and personal development.

Our employees, demonstrated their commitment through active volunteerism, particularly in their recent work at the library of Friendship Primary School. The team enthusiastically undertook a complete restoration project, which included reorganising and cleaning bookshelves, general room maintenance, and repainting the entrance door.

Building stronger communities

In pursuit of generating interest and building local and regional cricket capacity, the Bank partnered with Cricket West Indies, the Ministry of Education Unit of Allied Arts, the Ministry of Culture, Youth and Sport, and the Guyana Cricket Board to hold the Five for Fun tournament for a second consecutive year.

Designed to empower primary schoolchildren, the five-overs, five-a-side tournament hosted 75 primary schools in zonal competition in 2024, leading to a well-received grand Five for Fun final.

Ongoing partnership with the Ministry of Culture, Youth and Sport for the Annual Republic Bank Mashramani Panorama Steel Band Competition continued to create the means to recognise, celebrate, and preserve a love for steel pan, particularly within today's young achievers.

The competition, which takes place before in-person audiences and thousands of fans looking on locally and internationally, has remained at the forefront of pan development in Guyana, focusing on providing viable avenues for youth empowerment and creative expression, and on preserving art forms and cultural heritage. In 2024, eight bands vied in various categories, in yet another well-received and successful installment of the programme.

Through our Power to Make A Difference programme, we have built a culture of responsible social investment, staff volunteerism, and partnership with NGOs which facilitate social outreach programmes geared towards improving the quality of life in the communities we serve.

16
societies served

Communities

partnering with YOU

We are passionate about helping others because we believe that a thriving community benefits everyone.

We aim to change lives through volunteerism and partnerships with registered non-governmental and charitable organisations, ensuring that our efforts are sustainable for long-term impact. **We continue to channel our efforts through our Power to Make A Difference programme.**

Fulfilling the Promise of People, Planet, Progress, and Communities

United in purpose with communities in the Caribbean, South America and Ghana, Republic Financial Holdings supports initiatives that advocate youth empowerment through literacy, sport, culture and the arts; spur business and social development; champion healthcare, environmental sustainability, and wider social inclusion; and challenge communities to use their talents for the greater good.

This ongoing commitment, guided by the Group's long-standing Power to Make A Difference social investment programme and sound Environmental, Social and Governance (ESG) policy continues to positively influence the way that Republic Financial Holdings forms powerful alliances with diverse groups in every market it serves.

In its fourth year as a United Nations Principles for Responsible Banking (PRB) signatory, in 2023-2024, the Group stayed the course as it invested significantly in development programmes; with the focus fixed on being a proactive ally in the fight, shouldering the responsibility to work together as we fulfil the promise of our People, Planet, Progress and Communities.

Fulfilling the promise together

As Republic Financial Holdings strives to bring about positive change in every market it serves, the stories and lives of the people changed for the better become a beacon by which the Group continues to chart the course ahead.

In this pursuit of a brighter future for all, the Group will maintain its pledge to work together in the coming year; staying true to the Power to Make A Difference principles and guided by its sound ESG and DEI policies as it continues to improve the places where we live, work and play, and help build stronger, more resilient and successful communities.

This is the promise of our People, Planet, Progress, and Communities.

Our partners and initiatives

- Five for Fun Youth Cricket
- Mayor and Councillors of the City of Georgetown – Promenade Gardens
- Ministry of Culture, Youth and Sport – 16th Annual Republic Bank Mashramani Panorama Steel Band Competition
- Republic Bank RightStart Pan Minors Music Literacy Programme
- Sameir Uniquely Me Inc. – School for Autistic Children
- University of Guyana – Scholarship Programme
- WizdomCRM – Virtual Stock Market Game
- Women Across Differences (WAD) – Comprehensive Empowerment Programme for Adolescent Mothers

growing with YOU

We believe in your tomorrow. We're going the distance to make it better today.

After 187 years, with a presence in 16 countries and an international network of 123 branches, we understand the importance of legacy. Leaving behind something tangible for the next generation is why **we work harder for you, so you can be secure and your future, sure.**

Table of Contents

Financial Reporting Requirements

The Directors of Republic Bank (Guyana) Limited are responsible for the preparation and fair presentation of the financial statements and other financial information contained in this Annual Report. The accompanying financial statements have been prepared in conformity with International Financial Reporting Standards and present a true and fair view of the financial affairs of the company. Where amounts are based on estimates and judgements, these represent the best estimate and judgement of the Directors.

General responsibilities include:

- establishing and maintaining effective internal controls and procedures for financial reporting;
- safeguarding of assets; and
- prevention and detection of fraud and other irregularities.

The financial information appearing throughout this Annual Report is consistent with that in the financial statements. Directors have a responsibility for ensuring that the Bank keeps accounting records which disclose with reasonable accuracy the financial position of the Bank.

The Directors have always recognised the importance of the Bank maintaining and reinforcing the highest possible standards of conduct in all of its actions, including the preparation and dissemination of statements presenting fairly the financial condition of the Bank. In this regard, the Directors have developed and maintained a system of accounting and reporting which provides the necessary internal controls to ensure that transactions are properly authorised and recorded, assets are safeguarded against unauthorised use or disposition and liabilities are recognised. The system is augmented by written policies and procedures, the careful selection and training of qualified staff, the establishment of an organisational structure that provides an appropriate and well-defined division of responsibility, and the communication of policies and guidelines of business conduct throughout the Bank.

The system of internal controls is further supported by a professional staff of Internal Auditors who conduct periodic audits of all aspects of the Bank's operations. External Auditors have full and free access to, and meet periodically with, the Audit Committee to discuss their audit and findings as to the integrity of the Bank's accounting and financial reporting and the adequacy of the system of internal controls.

Signed on behalf of the Board

Stephen R. Grell
Managing Director

Christine A. Mc Gowan
Corporate Secretary

Independent Auditor's Report

Opinion

We have audited the financial statements of Republic Bank (Guyana) Limited ("the Bank"), which comprise the Statement of financial position as at September 30, 2024, and the Statements of income, Comprehensive income, Changes in equity and Cash flows for the year then ended, and Notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at September 30, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS"), the Financial Institutions Act Cap. 85:03 and guidelines issued thereunder, the Companies Act Cap. 89:01 and the Securities Industry Act Cap. 73:04.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with 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 judgement, were of most significance in our audit of the financial statements for the year ended September 30, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters

Credit loss provisions

Advances, net of credit loss provisions, comprise 36 percent of the Bank's total assets – refer to Note 5; while Investment securities, net of credit loss provisions, comprise 6.4 percent of the Bank's total assets – refer to Note 6 (a).

The appropriateness of credit loss provisions is a key area of judgement for management. The identification of impairment and the determination of the recoverable amount are inherently uncertain processes involving various assumptions and factors including the probability of default, the financial condition of the counterparty, expected future cash flows, observable market prices, and expected net selling prices. The use of different modeling techniques and assumptions could produce significantly different estimates of credit loss provisions.

The disclosures relating to these assets and related credit loss provisions are considered important to users of the financial statements given the estimation uncertainty and sensitivity of the valuations.

How our audit addressed the key audit matters

We evaluated and tested the Bank's process and documented policy for credit loss provisions.

For credit loss provisions calculated on an individual basis we tested the factors underlying the impairment identification and quantification including forecasts of future cash flows, valuation of underlying collateral and estimates of recovery on default;

We performed an independent assessment of a sample of commercial loan files to assess accurate and timely assignment of risk ratings and compliance with management's rating policy; and

We also tested the aging of the loan portfolios and considered the completeness of the loan book assessed for impairment.

For credit loss provisions calculated on a collective basis, we performed the following:

- The model used to compute Stages 1 and 2 provisions were reviewed for inconsistencies in data and formulas and checked for accuracy;

Independent Auditor's Report continued

Key audit matters

How our audit addressed the key audit matters

Credit loss provisions

- Customers' risk ratings were reviewed to ensure accuracy of ratings;

The models prepared were reviewed to ensure compliance with the Manual governing the models and IFRS 9;

Information in the model loads and portfolio loads (worksheet in the Expected Credit Loss (ECL) models) were compared for consistency;

Total loans and investment securities as per the models were compared to the management accounts to ensure accuracy; and

Finally, we focused on the adequacy of the Bank's financial statement disclosures regarding advances and investment securities and the related credit loss provisions.

Fair value disclosures for investment securities

Investment securities, related interest receivable, and Government Treasury Bills comprise 45.9 percent of the Bank's total assets - refer to Note 6.

Investment securities are carried at amortized cost while fair values have been disclosed in Note 23. Of these assets, $27,732 million relates to investments for which no published prices in active markets are available and which have been classified as Level 3 in the IFRS fair value hierarchy.

Valuation techniques for these investments can be subjective in nature and involve various assumptions regarding pricing factors. Associated risk management disclosure is complex and dependent on high quality data. A specific area of focus includes the determination of fair value where valuation techniques are applied in which unobservable inputs are used.

For Level 2 assets, these techniques include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis making maximum use of market inputs, such as the market risk free yield curve.

We independently tested the pricing on quoted securities and used valuation specialists to assess the appropriateness of pricing models used by the Bank. This included:

An assessment of the pricing model methodologies and assumptions against industry practice and valuation guidelines;

Testing of the inputs used, including cash flows and other market-based data;

An evaluation of the reasonableness of other assumptions applied such as credit spreads;

The re-performance of valuation calculations on a sample basis of internally priced securities that were classified as higher risk, and estimation;

An assessment of management's impairment analysis; and

Finally, we assessed whether the financial statement disclosures, including sensitivity to key inputs and the IFRS fair value hierarchy, appropriately reflect the Bank's exposure to financial instrument valuation risk.

Key audit matters

Regulatory environment

The Bank operates in a highly regulated environment and non-compliance with laws and regulations, particularly the Anti-Money Laundering and Countering the Financing of Terrorism (AML+CFT) Act Cap. 10:11, could result in serious monetary or other penalties.

The Bank has assigned the responsibility of AML/CFT to officers throughout its network and established various controls to ensure AML/CFT compliance.

The Bank's Internal Audit Department also reviews compliance with the Bank's established policies.

How our audit addressed the key audit matters

We evaluated and tested the Bank's internal controls with a specific emphasis on compliance with AML+CFT policies. This included:

A review of the policies and procedures in place including approval of those policies by those charged with governance;

A review of training completed by Bank personnel including those charged with governance;

Testing of customer documentation and transactions; and

Review of the Bank's compliance with reporting requirements.

A review of the work programme and work done by the Internal Audit Department is carried out including retesting of the audit working papers.

Finally, we reviewed compliance with relevant provisions of other legislation including the Financial Institutions Act Cap. 85:03 and the Securities Industry Act Cap. 73:04.

Key audit matters

Goodwill impairment assessment

The Bank has goodwill of $1,228 million. Goodwill impairment is very subjective as it requires the use of projected financial information and judgemental assumptions.

As required by IAS 36: "Impairment of Assets", management performs an annual impairment assessment on goodwill.

Management also conducted the impairment tests using sensitivity analyses, including a range of growth rates, interest rates, recovery assumptions, macro-economic outlooks and discount rates for each entity in arriving at a probability-weighted expected cashflow projection.

The purpose of the impairment review is to ensure that goodwill is not carried at an amount greater than its recoverable amount. The recoverable amount is compared with the carrying value of the asset to determine if the asset is impaired.

Recoverable amount is defined as the higher of Fair Value Less Costs of Disposal (FVLCD) and Value In Use (VIU); the underlying concept being that an asset should not be carried at more than the amount it could raise, either from selling it now or from using it.

How our audit addressed the key audit matters

We evaluated and tested the Bank's process for goodwill impairment assessment.

The calculations were reassessed by reference to any factor impacting on the discount rate and other performance factors, along with assessing the potential future impact on business.

We also assessed whether appropriate and complete disclosures have been included in the financial statements and are consistent with the requirement of IAS 36.

Independent Auditor's Report continued

Key audit matters	How our audit addressed the key audit matters
Taxation The Bank has been in receipt of Notices of Assessments from the Guyana Revenue Authority (GRA) in respect of disallowed provisions for bad debts and doubtful debts for years of assessments 2011 - 2022. An appeal against these assessments has been made to the High Court challenging those assessments. Notwithstanding the Bank's confidence of a favourable outcome, the financial statements include full provision for all liabilities in dispute.	We are satisfied that a full provision for the taxes in dispute is included in the financial statements.

Other information in the annual report

Management is responsible for the other information included in the Annual Report. The other information comprises all the information disclosed in the Annual Report but does not include the financial statements including the notes thereon and our auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank'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 management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISA 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Bank'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 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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 those charged with governance 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 those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the year ended September 30, 2024 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.

The engagement partner responsible for the audit resulting in this auditor's report is Robert McRae.

Ram & McRae

Ram & McRae
Chartered Accountants
Professional Services Firm
157 'C' Waterloo Street,
Georgetown

October 21, 2024

Statement of Financial Position

As at September 30, 2024. Expressed in thousands of Guyana dollars ($'000).

	Notes	2024	2023
ASSETS			
Cash and cash equivalents		**4,742,257**	4,161,701
Statutory deposit with Bank of Guyana	2 (d)	**35,198,265**	28,851,718
Due from banks	4	**10,416,964**	5,508,670
Treasury Bills	6 (c)	**138,395,612**	118,305,665
Investment interest receivable		**305,967**	67,560
Advances	5	**126,366,361**	110,079,947
Investment securities	6 (a)	**22,405,804**	10,818,643
Premises and equipment	7 (a)	**7,867,701**	7,118,483
Intangible assets	7 (b)	**3,051**	20,195
Right-of-use assets	8 (a)	**1,874**	7,908
Goodwill	9	**1,228,222**	1,228,222
Pension asset	10 (a)	**179,200**	571,000
Deferred tax assets	11 (a)	**312,644**	369,302
Other assets	12	**2,394,562**	2,143,273
Due from related banks	20	**810,078**	2,311,089
TOTAL ASSETS		**350,628,562**	**291,563,376**
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks		**369,504**	614,906
Customers' chequing, savings and deposit accounts	13 (a)	**303,647,905**	250,189,915
Lease liabilities	8 (b)	**2,082**	8,216
Taxation payable		**2,614,603**	2,072,928
Deferred tax liabilities	11 (b)	**423,017**	561,629
Accrued interest payable		**73,780**	70,657
Other liabilities	14	**5,035,263**	3,972,573
Due to related banks	20	**707,303**	787,842
TOTAL LIABILITIES		**312,873,457**	**258,278,666**
EQUITY			
Stated capital	15	**300,000**	300,000
Statutory reserves	16 (a)	**300,000**	300,000
General banking risk reserve	16 (b)	**1,536,346**	1,445,260
Retained earnings		**35,618,759**	31,239,450
TOTAL EQUITY		**37,755,105**	**33,284,710**
TOTAL LIABILITIES AND EQUITY		**350,628,562**	**291,563,376**

The accompanying notes on pages 68 to 132 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on October 21, 2024 and signed on its behalf by:

Stephen R. Grell Managing Director	**Roy E. Cheong** Director, Chairman of Audit Committee	**Christine Mc Gowan** Corporate Secretary

Statement of Income

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

	Notes	2024	2023
Interest income	17 (a)	**13,956,521**	11,906,209
Interest expense	17 (b)	**(940,600)**	(863,235)
Net interest income		**13,015,921**	11,042,974
Other income	17 (c)	**6,641,150**	5,407,041
		19,657,071	16,450,015
Credit loss expense on financial assets	18	**(154,230)**	(711,064)
Operating expenses	17 (d)	**(7,800,140)**	(7,088,686)
Net profit before taxation		**11,702,701**	**8,650,265**
Taxation – Current		**(4,349,370)**	(3,267,807)
Taxation – Prior Years		**–**	(367,066)
Taxation – Deferred		**(90,847)**	(104,744)
Total taxation expense	19	**(4,440,217)**	**(3,739,617)**
Net profit after taxation		**7,262,484**	**4,910,648**
Earnings per stock unit ($)		**24.21**	16.37

The accompanying notes on pages 68 to 132 form an integral part of these financial statements.

Statement of Comprehensive Income

For the Year Ended September 30, 2024. Expressed in thousands of Guyana dollars ($'000).

	2024	2023
Net profit after taxation	**7,262,484**	4,910,648
Items of other comprehensive income that will not be reclassified to the Statement of income in subsequent periods (net of tax):		
Re-measurement loss on defined benefit plans	**(432,000)**	(653,600)
Income tax related to above	**172,800**	261,440
Total items that will not be reclassified to the Statement of income in subsequent periods:	**(259,200)**	**(392,160)**
Other comprehensive loss for the year, net of tax	**(259,200)**	**(392,160)**
Total comprehensive income for the year, net of tax	**7,003,284**	**4,518,488**

The accompanying notes on pages 68 to 132 form an integral part of these financial statements.

Statement of Changes in Equity

For the Year Ended September 30, 2024. Expressed in thousands of Guyana dollars ($'000).

	Stated capital	Statutory reserves	General banking risk reserve	Retained earnings	Total equity
Balance at September 30, 2022	**300,000**	**300,000**	**1,820,821**	**28,070,401**	**30,491,222**
Profit for the year	–	–	–	4,910,648	**4,910,648**
Other comprehensive loss	–	–	–	(392,160)	**(392,160)**
Total comprehensive income for the year	–	–	–	4,518,488	**4,518,488**
Transfer from general banking risk reserve – Note 16 (b)	–	–	(375,561)	375,561	**–**
Dividends	–	–	–	(1,725,000)	**(1,725,000)**
Balance at September 30, 2023	**300,000**	**300,000**	**1,445,260**	**31,239,450**	**33,284,710**
Profit for the year	–	–	–	7,262,484	**7,262,484**
Other comprehensive loss	–	–	–	(259,200)	**(259,200)**
Total comprehensive income for the year	–	–	–	7,003,284	**7,003,284**
Transfer to general banking risk reserve – Note 16 (b)	–	–	91,086	(91,086)	**–**
Dividends	–	–	–	(2,301,000)	**(2,301,000)**
Transfer from other reserves – Note 16 (b)	–	–	–	(231,889)	**(231,889)**
Balance at September 30, 2024	**300,000**	**300,000**	**1,536,346**	**35,618,759**	**37,755,105**

Statement of Cash Flows

For the Year Ended September 30, 2024. Expressed in thousands of Guyana dollars ($'000).

	Notes	2024	2023
Operating activities			
Net profit before taxation		**11,702,701**	8,650,265
Adjustments for:			
Depreciation of premises and equipment and right-of-use assets	7 and 8 (a)	**375,944**	399,720
Credit loss expense on financial assets		**154,230**	711,064
Loss on sale of premises and equipment		**28,099**	6,701
Movement in non-cash items		**(230,962)**	–
Increase in employee benefits		**(40,200)**	(77,100)
Increase in advances		**(16,472,048)**	(13,596,459)
Increase in customers' deposits		**53,457,990**	27,034,349
Increase in statutory deposit with Bank of Guyana		**(6,346,547)**	(3,036,560)
Increase in other assets and investment interest receivable		**(489,696)**	(552,340)
Increase in other liabilities and accrued interest payable		**1,065,814**	129,231
Net cash provided by operating activities before tax		**43,205,325**	19,668,871
Taxes paid		**(3,879,241)**	(2,789,603)
Cash provided by operating activities		**39,326,084**	**16,879,268**
Investing activities			
Purchase of investment securities		**(25,376,750)**	(26,530,310)
Redemption of investment securities		**24,606,953**	30,135,299
Purchase of Treasury Bills		**(135,700,000)**	(104,900,000)
Redemption of Treasury Bills		**104,900,000**	86,222,550
Additions to premises and equipment		**(1,137,680)**	(942,311)
Proceeds from sale of premises and equipment		**7,596**	2,398
Cash used in investing activities		**(32,699,881)**	**(16,012,374)**
Financing activities			
(Decrease)/increase in balances due to other banks		**(325,941)**	325,219
Repayment of principal portion of lease liabilities	8 (b)	**(11,423)**	(20,088)
Dividends paid		**(2,301,000)**	(1,725,000)
Cash used in financing activities		**(2,638,364)**	**(1,419,869)**
Net increase/(decrease) in cash and cash equivalents		**3,987,839**	**(552,975)**
Cash and cash equivalents at beginnning of year		**11,981,460**	**12,534,435**
Cash and cash equivalents at end of the year		**15,969,299**	**11,981,460**

The accompanying notes on pages 68 to 132 form an integral part of these financial statements.

Statement of Cash Flows continued

For the Year Ended September 30, 2024. Expressed in thousands of Guyana dollars ($'000).

	Notes	2024	2023
Cash and cash equivalents at end of year are represented by:			
Cash on hand		**4,742,257**	4,161,701
Due from banks	4	**11,227,042**	7,819,759
		15,969,299	**11,981,460**
Supplemental information:			
Interest received during the year		**13,611,905**	11,968,111
Interest paid during the year		**937,477**	858,403
Dividends received		**561**	408

The accompanying notes on pages 68 to 132 form an integral part of these financial statements.

Notes to the Financial Statements

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

1. Corporate information

The Bank was incorporated in the Co-operative Republic of Guyana on November 20, 1984, as a limited liability company and continued under the Companies Act Cap. 89:01 on May 16, 1997, and is licensed as Bankers under the Financial Institutions Act Cap. 85:03.

The Bank was registered as a reporting issuer under the Securities Industry Act Cap. 73:04 on April 7, 2003. It was designated as an approved mortgage finance company by the Minister of Finance on September 2, 2003, under section 15 of the Income Tax Act Cap. 81:01.

Banking operations began on February 16, 1837 by the British Guiana Bank which had been incorporated on November 11, 1836. On November 17, 1913, operations were sold to the Royal Bank of Canada. Assets and Liabilities of the Guyana operations of the Royal Bank of Canada were acquired by the Government of Guyana on November 29, 1984 and vested in the National Bank of Industry and Commerce Limited on December 1, 1984. In October 1997, the Bank became a subsidiary of Republic Bank Limited of Trinidad and Tobago, now Republic Financial Holdings Limited and subsequently changed its name to Republic Bank (Guyana) Limited on June 5, 2006. As at September 30, 2024, the stockholdings of Republic Financial Holdings Limited in the Bank were 50.97 percent.

On December 16, 2015, by Legal Notice No. 215 of 2015, the business of Republic Bank Limited was transferred and vested into Republic Finance and Merchant Bank Limited (FINCOR) save for the shareholdings in several subsidiaries. FINCOR was renamed Republic Bank Limited and Republic Bank Limited was renamed Republic Financial Holdings Limited.

Republic Financial Holdings Limited, the financial holding company for the Republic Group, is incorporated in the Republic of Trinidad and Tobago and its registered office is located at Republic House, 9-17 Park Street, Port of Spain. Republic Financial Holdings Limited is listed on the Trinidad and Tobago Stock Exchange.

The Republic Group (the 'Group') is a financial services group comprising several subsidiaries and associated companies. The Group is engaged in a wide range of banking, financial and related activities mainly in the Caribbean Community (CARICOM) region, Cayman Islands, Ghana, St. Maarten, Anguilla and the British Virgin Islands. It has most recently launched an insurance subsidiary in Trinidad and Tobago.

2. Material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

a Basis of preparation

The financial statements of the Bank are prepared in accordance with International Financial Reporting Standards (IFRS), the Financial Institutions Act Cap. 85:03 and guidelines issued thereunder, the Companies Act Cap. 89:01 and the Securities Industry Act Cap. 73:04 and are stated in Guyana dollars. These financial statements have been prepared on a historical cost basis, except for the measurement at fair value of investment securities classified as available-for-sale and at Fair Value through Profit or Loss (FVPL) and derivative financial instruments. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions. Actual results could differ from those estimates. Significant accounting judgements and estimates in applying the Bank's accounting policies have been described in Note 3.

b Changes in accounting policies

i New accounting standards/improvements adopted

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended September 30, 2023, except for the adoption of new standards and interpretations below.

2. Material accounting policies continued

b Changes in accounting policies continued

i New accounting standards/improvements adopted continued

Several other amendments and interpretations apply for the first time in 2023, but do not have any impact on the financial statements of the Bank. These are also described in more detail below. The Bank has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 9 – Reclassification

To determine their classification and measurement category, IFRS 9 requires all financial assets to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

As of January 1, 2023, the Bank reassessed its portfolios and has classified a portion of its previous financial assets designated at amortised cost as financial assets designated at fair value through the Statement of income. This reclassification resulted in changes to fair value (realised and unrealised) being now recognised in the Statement of income.

The Bank's classification of its financial assets is explained in Note 2 (f).

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendments to IAS 8 (effective January 1, 2023)

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the International Accounting Standards Board (IASB).

The amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies. Although the amendments are not expected to have a material impact on entities' financial statements, they should provide helpful guidance for entities in determining whether changes are to be treated as changes in estimates, changes in policies, or errors.

These amendments had no impact on the financial statements of the Bank.

IAS 12 Income Taxes – Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective January 1, 2023)

The amendments to IAS 12, narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

2. Material accounting policies continued

b Changes in accounting policies continued

i New accounting standards/improvements adopted continued

IAS 12 Income Taxes – Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective January 1, 2023) continued

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g. if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in the Consolidated statement of income.

An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, it should also recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

These amendments had no impact on the financial statements of the Bank.

IAS 12 Income Taxes – Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules
The amendments to IAS 12, introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

The amendments require an entity to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

An entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective.

The amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

2. Material accounting policies continued

b Changes in accounting policies continued

i New accounting standards/improvements adopted continued

IAS 12 Income Taxes – Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules continued

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon issue of the amendments.

The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after January 1, 2023, but are not required for any interim period ending on or before December 31, 2023.

These amendments had no impact on the financial statements of the Bank.

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 – Amendments to IAS 1 – Disclosure of Accounting Policies (effective January 1, 2023)
The IASB issued amendments to provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

These amendments had no impact on the financial statements of the Bank.

Improvements to International Financial Reporting Standards

The annual improvements process of the International Accounting Standards Board deals with non-urgent but necessary clarifications and amendments to IFRS. There are no amendments applicable to annual periods beginning on or after January 1, 2024.

ii Standards in issue not yet effective

The following is a list of standards and interpretations that are not yet effective up to the date of issuance of the Bank's financial statements. These standards and interpretations will be applicable to the Bank at a future date and will be adopted when they become effective. The Bank is currently assessing the impact of adopting these standards and interpretations.

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 – Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (effective January 1, 2024)
The IASB issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current.

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

2. **Material accounting policies** continued

b **Changes in accounting policies** continued

ii Standards in issue not yet effective continued

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 – Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (effective January 1, 2024) continued

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification

IFRS 16 Leases – Amendments to IFRS 16 (effective January 1, 2024)

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in the consolidated statement of income, any gain or loss relating to the partial or full termination of a lease, as required by IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

A seller-lessee applies the amendment to annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted and that fact must be disclosed.

A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Amendments to IAS 7 and IFRS 7 (effective January 1, 2024)

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

2. Material accounting policies continued

b Changes in accounting policies continued

ii Standards in issue not yet effective continued

IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Amendments to IAS 7 and IFRS 7 (effective January 1, 2024) continued

Characteristics

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

Disclosure requirements

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

IAS 21 The Effects of Changes in Foreign Exchange Rates – Amendments to IAS 21 (effective January 1, 2025)

The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Amendments to IFRS 9 and IFRS 7 (effective January 1, 2026)

The amendments:

- Clarifies that a financial liability is derecognised on the 'settlement date', i.e. when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met
- Clarifies how to assess the contractual cash flow characteristics of financial assets that include Environmental, Social and Governance (ESG)-linked features and other similar contingent features

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

2. **Material accounting policies** continued

b **Changes in accounting policies** continued

ii Standards in issue not yet effective continued

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Amendments to IFRS 9 and IFRS 7 (effective January 1, 2026) continued

- Clarifies the treatment of non-recourse assets and contractually linked instruments
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income

IFRS 18 Presentation and Disclosure in Financial Statements (effective January 1, 2027)

IFRS 18 introduces new categories and subtotals in the Statement of income. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

Statement of income

An entity will be required to classify all income and expenses within its statement of income into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, IFRS 18 requires an entity to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

Main business activities

For the purposes of classifying its income and expenses into the categories required by IFRS 18, an entity will need to assess whether it has a 'main business activity' of investing in assets or providing financing to customers, as specific classification requirements will apply to such entities. Determining whether an entity has such a specified main business activity is a matter of fact and circumstances which requires judgement. An entity may have more than one main business activity.

Management-defined performance measures

IFRS 18 introduces the concept of a Management-defined Performance Measure (MPM) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance of the entity as a whole to users. IFRS 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM, including how the measure is calculated and a reconciliation to the most comparable subtotal specified by IFRS 18 or another IFRS accounting standard.

Location of information, aggregation and disaggregation

IFRS 18 differentiates between 'presenting' information in the primary financial statements and 'disclosing' it in the notes, and introduces a principle for determining the location of information based on identified 'roles' of the primary financial statements and the notes. IFRS 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics. Guidance is also provided for determining meaningful descriptions, or labels, for items that are aggregated in the financial statements.

Consequential amendments to other accounting standards

Narrow-scope amendments have been made to IAS 7 Statement of cash flows, which include changing the starting point for determining cash flows from operations under the indirect method from 'profit or loss' to 'operating profit or loss'. The optionality around classification of cash flows from dividends and interest in the Statement of cash flows has also largely been removed.

2. Material accounting policies continued

b Changes in accounting policies continued

ii Standards in issue not yet effective continued

IFRS 18 Presentation and Disclosure in Financial Statements (effective January 1, 2027) continued

Consequential amendments to other accounting standards continued

IAS 33 Earnings per Share is amended to include additional requirements that permit entities to disclose additional amounts per share, only if the numerator used in the calculation meets specified criteria. The numerator must be:

- An amount attributable to ordinary equity holders of the parent entity; and
- A total or subtotal identified by IFRS 18 or an MPM as defined by IFRS 18.

Some requirements previously included within IAS 1 Presentation of Financial Statements have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which has been renamed IAS 8 Basis of Preparation of Financial Statements. IAS 34 Interim Financial Reporting has been amended to require disclosure of MPMs.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective January 1, 2027)

IFRS 19 Subsidiaries without Public Accountability: Disclosures, allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statement of such compliance.

Eligible entities

An entity may elect to apply IFRS 19 if at the end of the reporting period:

- It is a subsidiary as defined in IFRS 10 Consolidated financial statements;
- It does not have public accountability; and
- It has a parent (either ultimate or intermediate) that prepares Consolidated financial statements, available for public use, which comply with IFRS accounting standards.

Public accountability

An entity has public accountability if:

- Its debt or equity instruments are traded in a public market, or it is in the process of issuing such instruments for trading in a public market; or
- It holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (i.e. not for reasons incidental to its primary business).

Disclosure requirements and references to other IFRS accounting standards

The disclosure requirements in IFRS 19 are organised into subheadings per IFRS accounting standards and where disclosure requirements in other IFRS Accounting Standards remain applicable, these are specified under the subheading of each IFRS accounting standard.

IFRS 19 disclosures exclude IFRS 8 Operating Segments, IFRS 17 Insurance Contracts and IAS 33 Earnings per Share. Therefore, if an entity that applies IFRS 19 is required to apply IFRS 17 or elects to apply IFRS 8 and/or IAS 33, that entity would be required to apply all the relevant disclosure requirements in those standards.

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

2. **Material accounting policies** continued

b **Changes in accounting policies** continued

ii Standards in issue not yet effective continued

IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective January 1, 2027) continued

Expected 'catch-up' amendments

In developing the disclosure requirements in IFRS 19, the Board considered the disclosure requirements in other IFRS accounting standards as at February 28, 2021. Disclosure requirements in IFRS accounting standards that have been added or amended subsequent to this date have been included in IFRS 19 unchanged. Consequently, the Board indicated it will publish an exposure draft setting out whether and how to reduce the disclosure requirements of any amendments and additions made to other IFRS accounting standards post February 28, 2021, for the purpose of updating IFRS 19.

iii Improvements to International Financial Reporting Standards

The annual improvements process of the International Accounting Standards Board deals with non-urgent but necessary clarifications and amendments to IFRS. The following amendments are applicable to annual periods beginning on or after January 1, 2026.

IFRS	**Subject of Amendment**
IFRS 1	First-time Adoption of International Financial Reporting Standards – Hedge accounting by a first-time adopter.
IFRS 7	Financial Instruments: Disclosures – Gain or loss on derecognition
IFRS 7	Financial Instruments: Disclosures – Disclosure of deferred difference between fair value and transaction price
IFRS 7	Financial Instruments: Disclosures – Introduction and credit risk disclosures
IFRS 9	Financial Instruments – Lessee derecognition of lease liabilities
IFRS 9	Financial Instruments – Transaction price
IFRS 10	Consolidated financial statements – Determination of a 'de facto agent'
IAS 7	Statement of cash flows – Cost method

c **Cash and cash equivalents**

For the purpose of presentation in the Statement of cash flows, cash and cash equivalents consist of highly liquid investments, cash on hand, due from banks, Treasury Bills, bills discounted and bankers' acceptances with original maturities of three months or less. Bankers' acceptances and due from banks with maturities greater than three months are classified as investments.

d **Statutory deposit with Bank of Guyana**

Pursuant to the Financial Institutions Act Cap. 85:03, the Bank is required to maintain with the Bank of Guyana a statutory reserve balance in relation to the deposit liabilities of the institution.

e **Financial instruments - initial recognition**

i Date of recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date, i.e. the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred to the customers' accounts. The Bank recognises balances due to customers when funds are transferred to the Bank.

2. **Material accounting policies** continued

e **Financial instruments - initial recognition** continued

iI Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Note 2 (f) (i). Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount.

iii Measurement categories of financial assets and liabilities

The Bank classifies all of its financial assets based on the business model for managing the assets and the assets' contractual terms, measured at either:

- Amortised cost, as explained in Note 2 (f) (i)
- FVPL, as explained in Note 2 (f) (ii)

The Bank classified its financial assets as loans and receivables (amortised cost), FVPL, available-for-sale or held-to-maturity (amortised cost), as explained in Notes 2 (f) (i), 2 (f) (v) and 2 (f) (vi).

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost.

f **Financial assets and liabilities**

i Due from banks, Treasury Bills, Advances and Investment securities

Due from banks, Treasury Bills, Advances to customers and Investment securities included non–derivative financial assets with fixed or determinable payments that were not quoted in an active market, other than those:

- That the Bank intended to sell immediately or in the near term
- That the Bank, upon initial recognition, designated as at FVPL or as available-for-sale
- For which the Bank may not recover substantially all of its initial investment, other than because of credit deterioration, which were designated as available-for-sale.

The Bank only measures Due from banks, Treasury Bills, Advances to customers and Investment securities 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 and
- 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 details of these conditions are outlined below.

The SPPI test

For the first step of its classification process, the Bank assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (e.g. if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

2. **Material accounting policies** continued

f **Financial assets and liabilities** continued

i Due from banks, Treasury Bills, Advances and Investment securities continued

The SPPI test continued

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are SPPI on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL or Fair Value Through Other Comprehensive Income (FVOCI) without recycling.

Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst-case' or 'stress-case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

ii Financial assets at Fair value through profit or loss

Financial assets in this category are those that are designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management may designate an instrument at FVPL upon initial recognition.

The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis.

Financial assets at FVPL are recorded in the statement of financial position at fair value. Interest earned or incurred on instruments designated at FVPL is accrued in interest income, using the Effective Interest Rate (EIR), taking into account any discount/premium and qualifying transaction costs being an integral part of the instrument. Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other income when the right to the payment has been established.

iii Undrawn loan commitments

Undrawn loan commitments and letters of credit are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer. These contracts are in the scope of the Expected Credit Loss (ECL) requirements but no ECL was determined based on historical observation of defaults.

2. Material accounting policies continued

f Financial assets and liabilities continued

iv Debt securities and other fund raising instruments

Financial liabilities issued by the Bank that are designated at FVPL, are classified as liabilities under Debt securities in issue and Other fund raising instruments, where the substance of the contractual arrangement results in the Bank having an obligation to deliver cash to satisfy the obligation. These are initially recognised at fair value net of transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

g Reclassification of financial assets and liabilities

The Bank does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Bank acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

h Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions

The Bank derecognises a financial asset, such as a loan to a customer, to facilitate changes to the original loan agreement or arrangement due to weaknesses in the borrower's financial position and/or non-repayment of the debt as arranged and terms and conditions have been restructured to the extent that, substantially, it becomes a new loan, with the difference recognised as an impairment loss. The newly recognised loans are classified as Stage 2 for ECL measurement purposes.

When assessing whether or not to derecognise a loan to a customer, amongst others, the Bank considers the following factors:

- Change in currency of the loan
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original rate (or credit adjusted effective interest rate for purchased or credit impaired financial assets), the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition other than for substantial modification

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Bank has transferred the financial asset if, and only if, either:

- The Bank has transferred its contractual rights to receive cash flows from the financial asset, or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions whereby the Bank retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Bank has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

2. **Material accounting policies** continued

h **Derecognition of financial assets and liabilities** continued

Derecognition other than for substantial modification continued

Financial assets continued

- The Bank cannot sell or pledge the original asset other than as security to the eventual recipients
- The Bank has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Bank is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Bank has transferred substantially all the risks and rewards of the asset, or
- The Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Bank considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Bank has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Bank's continuing involvement, in which case, the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Bank could be required to pay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

i **Impairment of financial assets**

i Overview of the ECL principles

The Bank records an allowance for ECL for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The Bank uses the general probability of default approach when calculating ECLs. 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) as outlined in Note 21.2.7. The Bank's policies for determining if there has been a significant increase in credit risk are set out in Note 21.2.

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.

2. Material accounting policies continued

i Impairment of financial assets continued

i Overview of the ECL principles continued

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the size and nature of the underlying portfolio of financial instruments. The Bank's policy for grouping financial assets measured on a collective basis is explained in Note 21.2.7.

Where, the financial asset meets the definition of Purchased or Originated Credit Impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset.

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 classifies its loans and investments into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1
When loans and investments are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 loans and investments also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2
When a loan or investment has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 loans and investments also include facilities, where the credit risk has improved and the loan or investment has been reclassified from Stage 3.

Stage 3
Loans and investments considered credit-impaired (as outlined in Note 21.2). The Bank records an allowance for the LTECLs.

POCI
POCI assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

ii The calculation of ECLs

The Bank calculates ECLs based on the historical measure of cash shortfalls, discounted at the instrument's coupon rate. 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.

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

2. Material accounting policies continued

i Impairment of financial assets continued

ii The calculation of ECLs continued

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

PD The Probability of Default is an estimate of the likelihood of default over a given period of time. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PDs is further explained in Note 21.2.5.

EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Bank considers among other factors the risk rating category and aging of the financial asset. Each of these is associated with different PDs, EADs and LGDs. When relevant, it also incorporates how defaulted loans and investments are expected to be recovered, including the value of collateral or the amount that might be received for selling the asset.

With the exception of credit cards and other revolving facilities, for which the treatment is separately set out, the maximum period for which the credit losses are determined is the contractual life of a financial instrument.

Impairment losses and recoveries are accounted for and disclosed separately.

The mechanics of the ECL method are summarised below:

Stage 1

The 12mECL is calculated as 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. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD which are derived as explained under Stage 3 for loans and using Global Credit Loss tables for traded investments and modified with management overlays when not traded.

Stage 2

When a loan or investment has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The LGDs are derived as explained under Stage 3 for loans and using Global Credit Loss tables for traded investments and modified with management overlays when not traded.

Stage 3

For loans and investments considered credit-impaired (as set out in Note 21.2.8), the Bank recognises the lifetime expected credit losses for these loans and investments. The method is similar to that for Stage 2 assets, with the PD set at 100 percent.

2. Material accounting policies continued

i Impairment of financial assets continued

ii The calculation of ECLs continued

POCI

POCI assets are financial assets that are credit impaired on initial recognition. The Bank only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the four scenarios, discounted by the credit adjusted EIR.

In most instances, LGDs are determined on an individual loan or investment basis, including discounting the expected cash flows at the original EIR. Stage 3 LGDs are grouped by similar types to provide percentage averages to be applied for Stage 1 and Stage 2 loans.

In limited circumstances within the Bank, where portfolios were small and the products homogenous with minimal history of defaults, a simplified ECL approach was applied using historical loss rates and staged based on the sovereign rating of the residence of the loan.

iii Revolving facilities

The Bank's product offering includes a variety of corporate and retail overdraft facilities, in which the Bank has the right to cancel and/or reduce the facilities. The Bank limits its exposure to credit losses on overdraft facilities to the outstanding balance.

The ongoing assessment of whether a significant increase in credit risk has occurred for revolving facilities is similar to other lending products. This is based on shifts in the customer's internal credit grade, as explained in Note 21.2.5, but emphasis is also given to qualitative factors such as changes in usage and repayment patterns.

The interest rate used to discount the ECLs for credit cards is based on the interest rate that is expected to be charged over the expected period of exposure to the facilities. This estimation takes into account that many facilities are repaid in full each month and are consequently charged no interest.

iv Treasury Bills, Statutory deposits with Central Banks and Due from banks

Treasury Bills, Statutory deposits with Central Banks and Due from banks are short term funds placed with Central Banks in the countries where the Bank is engaged in the full range of banking and financial activities and correspondent banks and the Bank therefore considers the risk of default to be very low. The ECL on these instruments were determined to be zero.

v Financial guarantees, letters of credit and undrawn loan commitments

The Bank issues financial guarantees, letters of credit and loan commitments.

Financial guarantees, letters of credit and loan commitments are off-balance sheet instruments and have no history of default. As a result, the Bank considers the risk of default to be very low and the ECLs on these instruments were determined to be zero.

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

2. **Material accounting policies** continued

i **Impairment of financial assets** continued

vi Forward looking information

In its ECL models, the Bank considers a broad range of forward looking information as economic inputs, such as:

- Currency rates
- Gross Domestic Product (GDP) growth
- Unemployment rates
- Industry risk
- Real estate price trends
- Commodity price inflation rates.

Statistical correlation between the overall performance of the economies and historic loss trends were established and used to correlate macroeconomic expectations to adjustments within the ECL models.

The Bank however recognised that the inputs and models used for calculating ECLs may not always capture all characteristics and expectations of the market at the date of the financial statements. To reflect this, management adjustments or overlays are made by assessing the macroeconomic factors and applying judgements, when such differences are significantly material.

j **Collateral valuation**

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories and other non-financial assets. The Bank's accounting policy for collateral assigned to it through its lending arrangements under IFRS 9 is the same as it was under IAS 39. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed at inception and re-assessed on a periodic basis.

To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on independent valuations and other data provided by third parties.

k **Collateral repossessed**

The Bank's accounting policy under IFRS 9 remains the same as it was under IAS 39. The Bank's policy is for a repossessed asset to be sold. Assets to be sold are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date, in line with the Bank's policy.

In its normal course of business, should the Bank repossess properties or other assets in its retail portfolio, it sometimes engages external agents to assist in the sale of these assets to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the Statement of financial position.

l **Write-offs**

The Bank's accounting policy under IFRS 9 remains the same as it was under IAS 39. Financial assets are written off either partially or in their entirety only when the Bank has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to other income.

2. Material accounting policies continued

m Leases

The Bank assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Bank as a Lessee

The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Lease liabilities

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the entity and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Bank uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments (e.g. changes to future payments resulting from a change in rate used to determine such lease payments).

The Bank applies the short-term lease recognition exemption to its short-term leases of property (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of IT equipment that is considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

Bank as a Lessor

Leases in which the Bank does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

2. Material accounting policies continued

n Premises and equipment

Premises and equipment are stated at cost less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of income during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the Statement of income.

Leasehold buildings and leased equipment are depreciated over the period of the lease. Depreciation other than on leasehold buildings and leased equipment is computed on the declining balance method at rates expected to apportion the cost of the assets over their estimated useful lives as follows:

Buildings	30 to 75 years
Security equipment	6 to 15 years
Computer equipment	4 to 10 years
Furniture, fixtures and other equipment	4 to 15 years

Land and work-in-progress are not depreciated.

o Intangible assets

The Bank's intangible assets comprise of the value of computer software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Bank.

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation

.

Amortisation is calculated using the reducing balance method over their estimated useful lives of three to five years.

p Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the Bank's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where the Bank's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, this gain is recognised immediately in the Statement of income as a credit to other income.

2. **Material accounting policies** continued

q Employee benefits

i Pension obligations

The Bank operates a defined benefit pension plan for qualifying employees. The Plan is funded and the Bank's contribution is determined by the independent actuaries. Annually, the Bank's independent actuaries conduct a valuation exercise to measure the effect of the employee benefit plan.

The asset recognised in the Statement of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets together with adjustments for unrecognised actuarial gains and losses and past service costs.

The defined benefit obligation is calculated annually by the independent actuaries using the projected unit credit method. Under this method, the cost of providing pensions is charged to the Statement of income so as to spread regular costs over the service lives of employees in accordance with the advice of the actuaries.

The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability. Re-measurements of the net defined benefit asset, which comprise actuarial gains and losses and return on plan assets (excluding interest) are recognised immediately through Other comprehensive income.

The defined benefit plans mainly expose the Bank to risks such as investment risk, interest rate risk and longevity risk.

The above accounting requirement in no way affects the pension plan which continues to be governed by the approved Trust Deed and Rules and remain under the full control of the appointed Trustees

The full results of the valuation exercise are disclosed in Note 10 to these financial statements.

ii Profit share scheme

The Bank operates an employee profit share scheme in accordance with terms outlined in the Human Resource Policy Guidelines. The profit share to be distributed to employees each year is based on a specific formula outlined in these guidelines. Employees are paid profit share in cash. The Bank accounts for the profit share as an expense through the Statement of income.

r Taxation

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Income tax payable on profits, based on the applicable tax law in each jurisdiction, is recognised as an expense in the period in which profits arise. The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

2. **Material accounting policies** continued

s Statutory reserves

In accordance with the Financial Institutions Act Cap. 85:03, a minimum of 15 percent of the current year's net profit must be transferred to the Reserve Fund until the amount in the Fund is equal to the paid up Capital of the Bank. This reserve is non-distributable.

t Earnings per stock unit

Data on earnings per stock unit has been computed by dividing the net profit attributable to ordinary stockholders, by the weighted average number of ordinary stocks in issue during the year. The Bank has no dilutive ordinary stocks.

u Foreign currency translation

The financial statements are presented in Guyana dollars which is the currency of the primary economic environment in which the Bank operates (its functional currency).

Monetary assets and liabilities which are denominated in foreign currencies are expressed in Guyana dollars at rates of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at historic rates. All revenue and expenditure transactions denominated in foreign currencies are translated at mid-exchange rates and the resulting profits and losses on exchange from these trading activities are dealt with in the Statement of income.

v Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Bank has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

The EIR method

Interest income and expense are recorded using the EIR method for all financial instruments measured at amortised cost. 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).

Interest income and expense

The Bank calculates interest income and expense by applying the EIR to the gross carrying amount of financial assets and liabilities other than credit-impaired assets. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.

When a financial asset becomes credit-impaired (as set out in Note 2 (i) (i)) 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 asset cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

2. **Material accounting policies** continued

v **Revenue recognition** continued

Dividends

Dividend income is recognised when the right to receive the payment is established.

w **Fee and commission income**

Unless included in the effective interest calculation, fees and commissions are recognised on an accruals basis as the service is provided. Fees and commissions not integral to effective interest arising from negotiating, or participating in the negotiation of a transaction from a third party are recognised on completion of the underlying transaction.

x **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Bank has determined the Managing Director as its chief operating decision-maker.

Management considers its banking operation to be a single business unit. All business is conducted in Guyana with the exception of certain investment activities.

y **Customers' liability under acceptances, guarantees, indemnities and letters of credit**

These represent the Bank's potential liability, for which there are equal and offsetting claims against its customer in the event of a call on these commitments. These amounts are not recorded on the Bank's Statement of financial position but set out in Note 27 (b) of these financial statements.

z **Assets classified as held-for-sale**

A non-current 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 the carrying amount and fair value less cost to sell.

aa **Comparatives**

Certain changes in presentation have been made in these financial statements. These changes had no effect on the operating results, profit after tax or earnings per stock unit of the Bank for the previous year.

ab **Equity reserves**

The reserves recorded in equity on the Bank's Statement of financial position include:

Stated Capital - Ordinary stated capital is classified within equity and is recognised at the fair value of the consideration received by the Bank at the date received.

General contingency reserves/Other reserves – prior to October 1, 2017, the General Contingency reserve was used as an appropriation of retained earnings for the difference between specific provisions and the non-performing advances. From October 1, 2017, the balance on this reserve represents the difference between IFRS 9 provision and regulatory requirement.

Net unrealised gains – prior to October 1, 2017, net unrealised gains comprised changes in fair value of available-for-sale investments.

Other statutory reserves that qualify for treatment as equity are discussed in Note 2 (s).

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

3. Significant accounting judgements and estimates in applying the Bank's accounting policies

Management has made the following judgements in its application of the Bank's accounting policies which have the most significant effect on the amounts reported in the financial statements:

Impairment losses on financial assets (Policy applicable under IFRS 9)

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement. 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 estimation of the amount and timing of future cash flows and collateral values when determining impairment losses
- The Bank's internal credit grading model, which assigns PDs to the individual grades for corporate facilities
- 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
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of the existence of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- The inclusion of overlay adjustments based on judgement and future expectations

Impairment losses and investment valuation (Policy applicable under IAS 39)

Under IAS 39, financial assets are determined impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

It has been the Bank's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Net pension asset/liability (Note 10)

In conducting valuation exercises to measure the effect of the employee benefit plan, the Bank's independent actuaries use judgement and assumptions in determining discount rates, salary increases, National Insurance Scheme (NIS) ceiling increases, pension increases and the rate of return on the assets of the Plan.

Goodwill (Note 9)

The Bank's financial statements include goodwill arising from acquisitions. In accordance with IFRS 3, goodwill was reviewed for impairment as at September 30, 2023, using the 'value in use' method. This requires the use of estimates for determination of future cash flows expected to arise from each cash-generating unit and an appropriate discount rate to calculate present value.

Deferred taxes (Note 11)

In calculating the provision for deferred taxation, management uses judgement to determine the probability that future taxable profits will be available to facilitate utilisation of temporary tax differences which may arise.

Premises and equipment and Intangible Assets (Note 7)

Management exercises judgement in determining whether costs incurred can accrue sufficient future economic benefits to the Bank to enable the value to be treated as a capital expense. Further judgement is used upon annual review of the residual values and useful lives of all capital items to determine any necessary adjustments to carrying value.

Leases (Note 8)

The Bank determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

3. Significant accounting judgements and estimates in applying the Bank's accounting policies continued

The Bank has several lease contracts that include extension and termination options. The Bank applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Bank reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation of the leased asset).

The Bank cannot readily determine the interest rate implicit in the lease, therefore, it uses its Incremental Borrowing Rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Bank would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Bank 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Bank estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments (such as the subsidiary's stand-alone credit rating, or to reflect the terms and conditions of the lease).

4. Due from banks

	2024	**2023**
Bank of Guyana – excess of statutory deposit	**10,139,281**	5,074,490
Other banks	**277,683**	434,180
	10,416,964	**5,508,670**

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

5. Advances

a Advances

2024	Retail lending	Commercial and corporate lending	Mortgages	Overdrafts	Total
Performing advances	17,024,240	53,266,254	48,427,551	9,663,005	**128,381,050**
Non-performing advances	150,598	298,208	870,128	–	**1,318,934**
	17,174,838	53,564,462	49,297,679	9,663,005	**129,699,984**
Unearned interest	(2,940,459)	–	–	–	**(2,940,459)**
Accrued interest	1,193	308,010	182,792	6,574	**498,569**
	14,235,572	53,872,472	49,480,471	9,669,579	**127,258,094**
Allowance for ECLs – Note 5 (c)	(16,323)	(284,971)	(131,258)	(35,283)	**(467,835)**
	14,219,249	53,587,501	49,349,213	9,634,296	**126,790,259**
Unearned loan origination fees	(276,755)	(40,855)	(106,288)	–	**(423,898)**
Net Advances	**13,942,494**	**53,546,646**	**49,242,925**	**9,634,296**	**126,366,361**

2023	Retail lending	Commercial and corporate lending	Mortgages	Overdrafts	Total
Performing advances	14,522,319	46,781,613	39,801,502	10,076,323	**111,181,757**
Non-performing advances	466,019	372,239	1,160,367	–	**1,998,625**
	14,988,338	47,153,852	40,961,869	10,076,323	**113,180,382**
Unearned interest	(2,418,605)	–	–	–	**(2,418,605)**
Accrued interest	1,968	261,090	124,888	4,414	**392,360**
	12,571,701	47,414,942	41,086,757	10,080,737	**111,154,137**
Allowance for ECLs – Note 5 (c)	(81,528)	(330,805)	(186,416)	(38,780)	**(637,529)**
	12,490,173	47,084,137	40,900,341	10,041,957	**110,516,608**
Unearned loan origination fees	(263,424)	(115,306)	(57,931)	–	**(436,661)**
Net Advances	**12,226,749**	**46,968,831**	**40,842,410**	**10,041,957**	**110,079,947**

5. **Advances** continued

b Loans by remaining term to maturity

	2024	2023
Within three months	**1,379,356**	1,269,869
Between three and six months	**3,031,277**	2,401,780
Between six months and one year	**11,918,519**	12,941,082
Between one to five years	**29,532,460**	20,731,021
More than five years	**80,504,749**	72,736,195
	126,366,361	**110,079,947**

c Impairment allowance for advances to customers

The following table shows the staging of advances and the related ECLs based on the Bank's criteria as explained in Note 21.2.4 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 21.2.6.

2024	Retail lending	Commercial and corporate lending	Mortgages	Overdrafts	Total
Gross loans	14,235,572	53,872,471	49,480,472	9,669,579	**127,258,094**
Stage 1: 12 Month ECL	(12,000)	(238,291)	(48,384)	(35,117)	**(333,792)**
Stage 2: Lifetime ECL	(222)	(3,880)	(4,504)	(166)	**(8,772)**
Stage 3: Credit impaired financial assets – Lifetime ECL	(4,101)	(42,800)	(78,370)	–	**(125,271)**
	14,219,249	**53,587,500**	**49,349,214**	**9,634,296**	**126,790,259**
Stage 1: 12 Month ECL					
ECL allowance as at October 1, 2023	75,840	245,808	59,521	38,739	**419,908**
ECL on new instruments issued during the year	7,777	89,041	12,109	–	**108,927**
Other credit loss movements, repayments etc.	(71,617)	(96,558)	(23,246)	(3,622)	**(195,043)**
At September 30, 2024	**12,000**	**238,291**	**48,384**	**35,117**	**333,792**
Stage 2: Lifetime ECL					
ECL allowance as at October 1, 2023	1,722	16,453	4,699	41	**22,915**
ECL on new instruments issued during the year	107	954	902	125	**2,088**
Other credit loss movements, repayments etc.	(1,607)	(13,527)	(1,097)	–	**(16,231)**
At September 30, 2024	**222**	**3,880**	**4,504**	**166**	**8,772**

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

5. Advances continued

c Impairment allowance for advances to customers continued

2024	Retail lending	Commercial and corporate lending	Mortgages	Overdrafts	Total
Stage 3: Credit impaired financial assets – Lifetime ECL					
ECL allowance as at October 1, 2023	3,966	68,543	122,196	–	**194,705**
Charge-offs and write-offs	(588,999)	(11,664)	245,333	–	**(355,330)**
Credit loss expense	404,156	(454,818)	(317,648)	–	**(368,310)**
Recoveries	184,978	440,739	28,489	–	**654,206**
At September 30, 2024	**4,101**	**42,800**	**78,370**	**–**	**125,271**
Total	**16,323**	**284,971**	**131,258**	**35,283**	**467,835**

Of the Total ECL of $467.8 million, 73.2 percent was on an individual basis and 26.8 percent was on a collective basis.

2023	Retail lending	Commercial and corporate lending	Mortgages	Overdrafts	Total
Gross loans	12,571,700	47,414,942	41,086,758	10,080,737	**111,154,137**
Stage 1: 12 Month ECL	(75,840)	(245,808)	(59,521)	(38,739)	**(419,908)**
Stage 2: Lifetime ECL	(1,722)	(16,453)	(4,699)	(41)	**(22,915)**
Stage 3: Credit impaired financial assets – Lifetime ECL	(3,966)	(68,543)	(122,196)	–	**(194,705)**
	12,490,172	**47,084,138**	**40,900,342**	**10,041,957**	**110,516,609**
Stage 1: 12 Month ECL					
ECL allowance as at October 1, 2022	59,859	220,210	62,826	29,430	**372,325**
ECL on new instruments issued during the year	53,784	149,561	1,754	–	**205,099**
Other credit loss movements, repayments etc.	(37,803)	(123,963)	(5,059)	9,309	**(157,516)**
At September 30, 2023	**75,840**	**245,808**	**59,521**	**38,739**	**419,908**
Stage 2: Lifetime ECL					
ECL allowance as at October 1, 2022	1,711	20,160	8,353	170	**30,394**
ECL on new instruments issued during the year	723	7,471	222	–	**8,416**
Other credit loss movements, repayments etc.	(712)	(11,178)	(3,876)	(129)	**(15,895)**
At September 30, 2023	**1,722**	**16,453**	**4,699**	**41**	**22,915**

5. **Advances** continued

c Impairment allowance for advances to customers continued

2023	Retail lending	Commercial and corporate lending	Mortgages	Overdrafts	Total
Gross loans					
Stage 3: Credit impaired financial assets – Lifetime ECL					
ECL allowance as at October 1, 2022	83,362	5,455	120,210	–	**209,027**
Charge-offs and write-offs	(225,654)	(268,969)	(203,511)	–	**(698,134)**
Credit loss expense	(119,944)	308,078	200,961	–	**389,095**
Recoveries	266,202	23,979	4,536	–	**294,717**
At September 30, 2023	**3,966**	**68,543**	**122,196**	**–**	**194,705**
Total	**81,528**	**330,804**	**186,416**	**38,780**	**637,528**

Of the Total ECL of $637.5 million, 69.5 percent was on an individual basis and 30.5 percent was on a collective basis.

d Provision for loan losses by economic sectors

2024	Gross amount	Non-Performing	Specific Provisions	Expected credit loss	Net advances
Government and government bodies	–	–	–	–	**–**
Financial sector	150,069	–	–	(658)	**149,411**
Energy and mining	137,202	–	–	(602)	**136,600**
Agriculture	3,527,220	49,969	(19,592)	(15,474)	**3,542,123**
Electricity and water	10,111	–	–	(44)	**10,067**
Transport, storage and communication	1,731,907	16,543	–	(7,598)	**1,740,852**
Distribution	8,665,682	97,954	–	(38,017)	**8,725,619**
Real estate mortgages	48,610,343	870,128	(78,370)	(52,888)	**49,349,213**
Manufacturing	1,451,575	2,871	(13,320)	(6,368)	**1,434,758**
Construction	1,433,735	6,617	–	(6,290)	**1,434,062**
Personal	14,084,974	150,598	(4,101)	(12,222)	**14,219,249**
Non-residents	358,468	–	–	(1,573)	**356,895**
Other services	45,777,874	124,254	(9,888)	(200,830)	**45,691,410**
	125,939,160	**1,318,934**	**(125,271)**	**(342,564)**	**126,790,259**

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

5. **Advances** continued

d **Provision for loan losses by economic sectors** continued

2023	Gross amount	Non-Performing	Specific provisions	Expected credit loss	Net advances
Government and government bodies	412	–	–	–	**412**
Financial sector	74,134	–	–	(391)	**73,743**
Energy and mining	235,212	25,163	(11,324)	(1,240)	**247,811**
Agriculture	2,549,785	53,571	(13,174)	(13,437)	**2,576,745**
Transport, storage and communication	1,747,174	18,624	–	(9,208)	**1,756,590**
Distribution	12,346,467	–	–	(65,066)	**12,281,401**
Real estate mortgages	39,926,390	1,160,367	(122,196)	(64,220)	**40,900,341**
Manufacturing	2,966,274	3,171	(15,602)	(15,632)	**2,938,211**
Construction	2,349,084	62,199	–	(12,380)	**2,398,903**
Personal	12,105,682	466,019	(3,966)	(77,562)	**12,490,173**
Non-residents	912,743	–	–	(4,810)	**907,933**
Other services	33,942,155	209,511	(28,443)	(178,877)	**33,944,346**
	109,155,512	**1,998,625**	**(194,705)**	**(442,823)**	**110,516,609**

e **Restructured / Modified Loans**

Within the retail portfolio, management will in the normal course of business modify the terms and conditions of facilities in the case of difficulties being experienced by the borrower. These modifications rarely result in an impairment loss and if they do, it is not material.

The Bank occasionally makes modifications to the original terms of large commercial and corporate loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. These modifications are only made when the Bank believes the borrower is likely to meet the modified terms and conditions. Indicators of financial difficulties include defaults on covenants, overdue payments or significant concerns raised by the Credit Risk Department. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms.

Restructured loans are carefully monitored. Restructured large commercial and corporate loans are classified as Stage 1, 2 and 3. These amounted to $311.9 million as at September 30, 2024 ($313.1 million as at September 30, 2023).

f The undiscounted fair value of collateral that the Bank holds relating to loans individually determined to be impaired at September 30, 2024, amounts to $3,453.0 million (2023: $5,889.7 million). The collateral consists of cash, securities and properties.

g **Collateral realised**

During the year, the Bank realised collateral amounting to $4.2 million (2023: $5.3 million).

h Credit concentration by economic sector (facilities totaling 10% and above of Capital base for any one customer or group of closely related customers).

5. **Advances** continued

h Credit concentration by economic sector (facilities totaling 10 percent and above of Capital base for any one customer or group of closely related customers). continued

	2024	2023
Other services	**25,406,931**	18,557,810
	25,406,931	**18,557,810**

6. Investment securities

a Debt instruments at amortised cost

	2024	2023
Government securities	**5,003,069**	2,504,728
Corporate bonds	**12,284,735**	8,313,915
Fixed deposits	**5,118,000**	–
Total investment securities	**22,405,804**	**10,818,643**

b Investment securities by remaining term to maturity

	2024	2023
Within three months	**1,920,037**	2,330,249
Between three and six months	**5,104,544**	–
Between six months and one year	**5,318,097**	2,508,289
Between one and five years	**8,343,827**	4,105,767
More than five years	**1,719,299**	1,874,338
	22,405,804	**10,818,643**

c Treasury Bills by remaining term to maturity

	2024	2023
Within three months	**74,419,972**	44,574,367
Between three and six months	**35,987,409**	34,540,767
Between six months and one year	**27,988,231**	39,190,531
	138,395,612	**118,305,665**

d Financial investment securities subject to impairment assessment

Debt instruments measured at amortised cost

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.

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

6. **Investment securities** continued

d **Financial investment securities subject to impairment assessment** continued

2024	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Credit-impaired financial assets Lifetime ECL	Purchased or originated credit-impaired (POCI)	Total
Gross exposure	16,630,177	644,836	–	33,366	**17,308,379**
ECL	(7,233)	(7,708)	–	(5,634)	**(20,575)**
Net exposure	**16,622,944**	**637,128**	**–**	**27,732**	**17,287,804**
ECL allowance as at October 1, 2023 under IFRS 9	13,451	30,012	–	8,517	**51,980**
ECL on new instruments issued during the year	(1,090)	-	-	-	**(1,090)**
Other credit loss movements, repayments and maturities	(5,128)	(22,304)	–	(2,883)	**(30,315)**
At September 30, 2024	**7,233**	**7,708**	**–**	**5,634**	**20,575**

2023	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Credit-impaired financial assets Lifetime ECL	Purchased or originated credit-impaired (POCI)	Total
Gross exposure	9,747,300	1,083,983	–	39,340	**10,870,623**
ECL	(13,451)	(30,012)	–	(8,517)	**(51,980)**
Net exposure	**9,733,849**	**1,053,971**	**–**	**30,823**	**10,818,643**
ECL allowance as at October 1, 2022 under IFRS 9	9,910	44,077	–	10,845	**64,832**
ECL on new instruments issued during the year	7,339	-	–	–	**7,339**
Other credit loss movements, repayments and maturities	(3,798)	(14,065)	–	(2,328)	**(20,191)**
At September 30, 2023	**13,451**	**30,012**	**–**	**8,517**	**51,980**

e **Designated at fair value through profit or loss**

For equity securities, cost is determined by the appropriate estimate of fair value since insufficient recent information is available to measure fair value.

7. Premises and equipment

a Premises and equipment

2024	Capital works in progress	Freehold premises	Equipment, furniture and fittings	Total
Cost				
At beginning of year	868,086	6,463,840	4,915,519	**12,247,445**
Additions at cost	456,197	328,248	347,946	**1,132,391**
Disposal of assets	–	(1,920)	(345,795)	**(347,715)**
Transfer of assets	(851,348)	720,750	130,598	–
	472,935	**7,510,918**	**5,048,268**	**13,032,121**
Accumulated depreciation				
At beginning of year	–	1,394,319	3,734,643	**5,128,962**
Charge for the year	–	103,899	254,031	**357,930**
Disposal of assets	–	(553)	(321,919)	**(322,472)**
	–	1,497,665	3,666,755	**5,164,420**
Net book value	**472,935**	**6,013,253**	**1,381,513**	**7,867,701**

2023	Capital works in progress	Freehold premises	Equipment, furniture and fittings	Total
Cost				
At beginning of year	159,897	6,434,613	4,775,482	**11,369,992**
Additions at cost	775,857	23,730	135,126	**934,713**
Disposal of assets	–	–	(57,260)	**(57,260)**
Transfer of assets	(67,668)	5,497	62,171	–
	868,086	**6,463,840**	**4,915,519**	**12,247,445**
Accumulated depreciation				
At beginning of year	–	1,292,662	3,514,240	**4,806,902**
Charge for the year	–	101,657	269,094	**370,751**
Disposal of assets	–	–	(48,691)	**(48,691)**
	-	**1,394,319**	**3,734,643**	**5,128,962**
Net book value	**868,086**	**5,069,521**	**1,180,876**	**7,118,483**

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

7. **Premises and equipment** continued

	2024	2023
b Intangible assets		
Cost		
At beginning of year	**660,820**	660,986
Additions at cost	**–**	–
Disposal	**(638,627)**	(166)
	22,193	**660,820**
Accumulated depreciation		
At beginning of year	**640,625**	632,060
Charge for the year	**6,691**	8,731
Disposal	**(628,174)**	(166)
	19,142	**640,625**
Net book value	**3,051**	**20,195**
c Capital commitments		
Contracts for outstanding capital expenditure not provided for in the financial statements	**8,199**	**722,745**

8. Leases

a Right-of-use assets

	Leasehold premises 2024	Leasehold premises 2023
Cost		
At beginning of year	**85,202**	77,604
Additions at cost	**5,289**	7,598
	90,491	**85,202**
Accumulated depreciation		
At beginning of year	**77,294**	57,056
Charge for the year Note 17 (d)	**11,323**	20,238
	88,617	**77,294**
Net book value	**1,874**	**7,908**

Leasehold premises generally have lease terms between 3 and 50 years.

8. **Leases** continued

b Lease liabilities

	Non current	Current	Total
2024			
At beginning of year	8,216	–	**8,216**
Additions at cost	5,289	–	**5,289**
Accretion of interest expense Note 17 (b)	176	–	**176**
Less: Payments	(11,599)	–	**(11,599)**
	2,082	**-**	**2,082**
2023			
Effect of adoption of IFRS 16	20,706	–	**20,706**
Additions at cost	7,598	–	**7,598**
Accretion of interest expense Note 17 (b)	427	–	**427**
Less: Payments	(20,515)	–	**(20,515)**
	8,216	**-**	**8,216**

The contractual maturity analysis of lease liabilities are disclosed in Note 21.3.1.

Payments	Fixed payments	Variable payments	Total
2024			
Fixed rent	11,599	–	**11,599**
	11,599	**-**	**11,599**
2023			
Fixed rent	20,515	–	**20,515**
	20,515	**-**	**20,515**

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Within five years	More than five years	Total
2024			
Extension options expected not to be exercised	–	–	–
Termination options expected to be exercised	–	–	–
	–	–	–

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

8. Leases continued

b Lease liabilities continued

2023	Within five years	More than five years	Total
Extension options expected not to be exercised	22,877	–	**22,877**
Termination options expected to be exercised	–	–	–
	22,877	**–**	**22,877**

9. Goodwill

	2024	2023
Total unimpaired goodwill on acquisition	**1,228,222**	**1,228,222**

Impairment testing of goodwill

The residual balance of goodwill arising from business combinations was generated from the acquisition of certain assets and liabilities of the Guyana National Cooperative Bank. In accordance with IFRS 3, all assets that gave rise to goodwill were reviewed for impairment at September 30, 2024, using the 'value in use' method. Based on the results of this review, no impairment expense was required.

10. Employee benefits

a The amounts recognised in the Statement of financial position are as follows:

	2024	2023
Present value of defined benefit obligation	**3,165,900**	2,865,500
Fair value of plan assets	**(3,345,100)**	(3,436,500)
Net (asset)/liability recognised in the Statement of financial position	**(179,200)**	**(571,000)**

b Changes in the present value of the defined benefit obligation are as follows:

	2024	2023
Opening defined benefit obligation	**2,865,500**	2,715,400
Current service cost	**99,100**	92,800
Interest cost	**155,300**	146,200
Members' contributions	**40,300**	39,600
Re-measurements		
- Experience adjustments	**88,600**	(10,900)
Benefits paid	**(82,900)**	(117,600)
Closing defined benefit obligation	**3,165,900**	**2,865,500**

10. **Employee benefits** continued

		2024	2023
c	**Changes in the fair value of plan assets are as follows:**		
	Opening fair value of plan assets	**3,436,500**	3,862,900
	Interest income	**190,700**	213,200
	Return on plan assets, excluding interest income	**(343,400)**	(664,500)
	Bank Contributions	**109,600**	108,500
	Members' contributions	**40,300**	39,600
	Benefits paid	**(82,900)**	(117,600)
	Expense allowance	**(5,700)**	(5,600)
	Closing fair value of plan assets	**3,345,100**	3,436,500
	Actual return on plan assets	**(152,700)**	**(451,300)**
d	**The amounts recognised in the Statement of income are as follows:**		
	Current service cost	**99,100**	92,800
	Net interest on net defined benefit liability	**(35,400)**	(67,000)
	Administration expenses	**5,700**	5,600
	Net pension cost	**69,400**	**31,400**
e	**Reconciliation of opening and closing Statement of financial position entries:**		
	Defined benefit obligation at prior year end	**(571,000)**	(1,147,500)
	Unrecognised gain/(loss) charged to retained earnings	–	–
	Opening defined benefit obligation	**(571,000)**	(1,147,500)
	Net pension cost	**69,400**	31,400
	Re-measurements recognised in Other comprehensive income	**432,000**	653,600
	Premiums paid by the Bank	**(109,600)**	(108,500)
	Closing defined benefit (asset)/obligation	**(179,200)**	**(571,000)**
f	**Liability profile**		
	The defined benefit obligation is allocated between the Plan's members as follows:		
	- Active members	**74%**	77%
	- Deferred members	**2%**	2%
	- Pensioners	**24%**	21%
	The weighted duration of the defined benefit obligation at the year end	**19.1 years**	20.1 years

42 percent of the defined benefit obligation for active members is conditional on future salary increases

67 percent of the benefits for active members are vested

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

10. Employee benefits continued

g Re-measurements recognised in Other comprehensive income

	2024	2023
Experience loss	**432,000**	653,600
Total included in Other comprehensive income	**432,000**	653,600

h Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions used. The following table summarises how the defined benefit obligation as at September 30, 2024, would have changed as a result of a change in the assumptions used.

	1% per annum decrease $'000	1% per annum increase $'000
- Discount rate	**658,300**	(505,500)
- Future salary increases	**(315,900)**	389,200

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at September 30, 2024, by $54.8 million.

These sensitivities were calculated by re-calculating the defined benefit obligations using the revised assumptions.

i Summary of principal actuarial assumptions as at September 30

	2024 %	2023 %
Discount rate	**5.50**	5.50
Rate of salary increase	**5.50**	5.50
NIS ceiling rates	**5.00**	5.00

Assumptions regarding future mortality are based on published mortality rates. The life expectancies underlying the value of the defined benefit obligation as at September 30, 2024, are as follows:

	2024	2023
Life expectancy at age 65 for current pensioner in years:		
- Male	**17.6**	17.6
- Female	**21.6**	21.6
Life expectancy at age 65 for current members age 40 in years:		
- Male	**18.7**	18.6
- Female	**22.7**	22.7

10. **Employee benefits** continued

j Plan asset allocation as at September 30

	2024	2023
Local equities	**1,012,700**	1,252,700
Overseas equities	**337,200**	264,500
Cash and cash equivalents	**1,705,100**	1,832,300
Mortgages	**290,100**	87,000
Fair value of scheme assets at end of year	**3,345,100**	**3,436,500**

k Funding

The Bank meets the balance of the cost of funding the defined benefit Pension Scheme and the Bank must pay contributions at least equal to those paid by members, which are fixed. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the Scheme and the assumptions used to determine the funding required may differ from those set out above. The Bank expects to pay $132 million to the Pension Scheme during 2024/2025.

11. Deferred tax assets and liabilities

Components of deferred tax assets and liabilities

a Deferred tax assets

		Credit /(Charge)			
	Opening balance 2023	Impact of IFRS 9	Statement of income	Other comprehensive income	Closing balance 2024
Pension asset	–	–	–	–	–
Fee and commission income	174,664	–	(5,105)	–	**169,559**
Leased assets	123	–	(40)	–	**83**
ECL on loans and investments	194,515	–	(51,513)	–	**143,002**
	369,302	**–**	**(56,658)**	**–**	**312,644**

b Deferred tax liabilities

		Charge /(Credit)			
	Opening balance 2023	Impact of IFRS 9	Statement of income	Other comprehensive income	Closing balance 2024
Pension asset	228,400	–	16,080	(172,800)	**71,680**
Premises and equipment	333,229	–	18,108	–	**351,337**
	561,629	**–**	**34,188**	**(172,800)**	**423,017**

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

12. Other assets

	2024	2023
Accounts receivable and prepayments	**2,394,562**	2,143,273
	2,394,562	**2,143,273**

13. Customers' chequing, savings and deposit accounts

a Concentration of customers' chequing, savings and deposit accounts

	Demand	Savings	Time	Total
2024				
State	54,394,183	2,549,499	698,130	**57,641,812**
Corporate and commercial	73,443,509	2,723,657	486,120	**76,653,286**
Personal	56,433,097	79,944,792	4,925,300	**141,303,189**
Other financial institutions	6,129,150	1,929,409	2,008,671	**10,067,230**
Other	17,173,964	784,945	23,479	**17,982,388**
	207,573,903	**87,932,302**	**8,141,700**	**303,647,905**
2023				
State	39,926,642	2,367,267	435,513	**42,729,422**
Corporate and commercial	52,915,838	2,563,510	1,502,263	**56,981,611**
Personal	51,339,960	70,055,900	4,831,845	**126,227,705**
Other financial institutions	6,877,295	1,861,692	1,993,536	**10,732,523**
Other	12,682,512	794,778	41,364	**13,518,654**
	163,742,247	**77,643,147**	**8,804,521**	**250,189,915**

b Time deposits by remaining term to maturity

	2024	2023
Within three months	**2,152,440**	2,980,503
Between three and six months	**1,277,558**	1,236,519
Between six months and one year	**4,576,494**	4,562,911
More than one year	**135,208**	24,588
	8,141,700	**8,804,521**

14. Other liabilities

	2024	2023
Drafts and settlements	**154,873**	243,375
Accrued expenses	**1,681,036**	1,406,650
Office accounts	**1,093,203**	570,578
Deferred income	**14,859**	5,343
Dividends payable	**21,326**	35,144
Other	**2,069,966**	1,711,483
	5,035,263	**3,972,573**

15. Stated capital

	2024	2023
Authorised		
300 million ordinary stock units of no par value		
Issued and fully paid		
300 million ordinary stock units of no par value	**300,000**	300,000

16. Other reserves

a Statutory reserves

In accordance with the Financial Institutions Act Cap. 85:03, a minimum of 15 percent of the current year's net profit must be transferred to the Reserve Fund until the amount in the Fund is equal to the paid up Capital of the Bank. This reserve is non-distributable.

b General banking risk reserve/ Other reserves

Prior to the adoption of IFRS 9, a General Contingency Reserve was created as a voluntary appropriation of retained earnings, for the difference between the specific provision and non-performing advances. With the adoption of IFRS 9 and the enhanced provisioning levels, the Bank has opted to reduce the level of General Contingency Reserves held, and has included the transfer of a portion of these reserves to retained earnings in the Statement of changes in equity. The remaining balance represents the difference between IFRS 9 provision and regulatory reserve requirement.

17. Operating profit

	2024	2023
a Interest income		
Advances	**11,253,774**	9,940,301
Investment securities	**788,032**	485,935
Liquid assets	**1,914,715**	1,479,973
	13,956,521	**11,906,209**

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

17. **Operating profit** continued

		2024	2023
b	**Interest expense**		
	Customers' chequing, savings and deposit accounts	**940,424**	854,116
	Other interest bearing liabilities	**–**	8,692
	Lease liabilities	**176**	427
		940,600	**863,235**
c	**Other income**		
	Credit and related fees	**619,382**	559,052
	Net exchange trading income	**3,682,831**	3,079,051
	Loan recoveries	**654,206**	294,813
	Dividends	**561**	408
	Deposit and related fees	**1,037,158**	956,895
	Payments and transfers	**523,001**	445,249
	Other operating income	**124,011**	71,573
		6,641,150	**5,407,041**
d	**Operating expenses**		
	Staff costs	**2,569,747**	2,364,419
	Staff profit share	**770,841**	555,542
	General administrative expenses	**1,344,854**	1,475,318
	Lease rental expenses	**57,541**	67,250
	Property related expenses	**793,003**	727,971
	Property tax	**348,687**	277,590
	Loss on sale of premises and equipment	**28,099**	6,701
	Depreciation expense	**364,621**	379,482
	Depreciation expense right-of-use assets – Note 8 (a)	**11,323**	20,238
	Communication	**189,974**	186,482
	Advertising and public relations expenses	**553,884**	494,517
	Directors' fees	**34,619**	34,264
	Auditors' fees	**22,667**	21,528
	Professional fees paid to audit firms	**–**	4,868
	Shared services expense	**710,280**	472,516
		7,800,140	**7,088,686**

18. **Credit loss expense**

	2024	2023
Advances	**185,635**	723,916
Debt instruments measured at amortised cost	**(31,405)**	(12,852)
	154,230	**711,064**

19. Taxation expense

Reconciliation

Income taxes in the Statement of income vary from amounts that would be computed by applying the statutory tax rate for the following reasons:

	2024	2023
Accounting profit	**11,702,701**	8,650,265
Tax at applicable statutory tax rates (40%)	**4,681,080**	3,460,106
Tax effect of items that are adjustable in determining taxable profit:		
Tax exempt income	**(423,359)**	(371,238)
Depreciation	**150,378**	159,890
Donations	**1,249**	1,708
Property and Capital gains tax	**139,475**	111,313
Wear and tear allowance	**(137,995)**	(100,115)
Expected credit loss (Stages 1 and 2)	**(51,513)**	11,832
Loss on sale of premises and equipment	**11,240**	2,680
Defined benefit obligation	**(16,080)**	(30,840)
Deferred fee income	**(5,105)**	22,471
Current tax	**4,349,370**	3,267,807
Prior years tax	–	367,066
Deferred tax	**90,847**	104,744
Total taxation	**4,440,217**	**3,739,617**

20. Related parties

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. These transactions are both secured and unsecured and were carried out on commercial terms and conditions, at market rates.

Outstanding balances

	2024	2023
Loans, investments and other assets		
Fellow subsidiaries	**810,078**	2,311,089
Directors and key management personnel	**60,414**	68,356
Other related parties	**241,284**	182,777
	1,111,776	**2,562,222**

No provisions have been made against amounts due from related parties.

Amounts due from the five parties with the highest exposures totalled $5,534.2 million (2023: $218.7 million) and represents 14.51 percent (2023: 0.65 percent) of the Bank's capital base.

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

20. **Related parties** continued

	2024	2023
Deposits and other liabilities		
Fellow subsidiaries	**707,303**	787,842
Directors and key management personnel	**552,998**	337,359
Other related parties	**3,741,574**	2,172,658
	5,001,875	**3,297,859**
Interest and other income		
Fellow subsidiaries	**99,613**	1,313
Directors and key management personnel	**2,085**	2,577
Other related parties	**14,107**	15,827
	115,805	**19,717**
Interest and other expense (excluding key management compensation)		
Fellow subsidiaries	**714,267**	671,362
Directors and key management personnel	**38,450**	37,461
Other related parties	**3,474**	4,023
	756,191	**712,846**
Proportion of related parties exposure to total customer exposure	**4.38%**	0.24%

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank.

Key management compensation

	2024	2023
Short-term benefits	**122,285**	114,603

Loans

2024	Balance at the beginning of year	Loans during the year	Repayments	Balance at the end of year
Other related parties	73,495	15,369	(21,691)	**67,173**
	73,495	**15,369**	**(21,691)**	**67,173**

20. Related parties continued

Loans continued

2023	Balance at the beginning of year	Loans during the year	Repayments	Balance at the end of year
Other related parties	73,859	9,519	(18,221)	**65,157**
	73,859	**9,519**	**(18,221)**	**65,157**

21. Risk management

21.1 Introduction

The Bank's prudent banking practices are founded on solid risk management. In an effort to keep apace with its dynamic environment, the Bank has established a comprehensive framework for managing risks, which is continually evolving as the Bank's business activities change in response to market, credit, product and other developments.

The basic principles of risk management followed by the Bank include:

- Managing risk within parameters approved by the Board of Directors and Executives;
- Assessing risk initially and then consistently monitoring those risks through their life cycle;
- Abiding by all applicable laws, regulations and governance standards;
- Applying high and consistent ethical standards to our relationships with all customers, employees and other stakeholders; and
- Undertaking activities in accordance with fundamental control standards. These controls include the disciplines of planning, monitoring, segregation, authorisation and approval, recording, safeguarding, reconciliation and valuation.

The Board of Directors has ultimate responsibility for the management of risk within the Bank. Acting with authority delegated by the Board, the Audit, Asset and Liability and Other Risks Committees, review specific risk areas.

The Asset/Liability Committee (ALCO) of the Bank reviews on a monthly basis the non-credit and non-operational risks of the Bank. Asset and Liability management is a vital part of the risk management process of the Bank. The mandate of the Committee is to approve strategies for the management of the non-credit risks of the Bank, including interest rate, foreign exchange, liquidity and market risks.

The Internal Audit function audits Risk Management processes throughout the Bank by examining both the adequacy of the procedures and the Bank's compliance with these procedures. Internal Audit discusses the results of all assessments with Management and reports its findings and recommendations to the Audit Committee.

The Bank's activities are primarily related to the use of financial instruments. The Bank accepts funds from customers and seeks to earn above average interest margins by investing in high quality assets such as government and corporate securities as well as equity investments and seeks to increase these margins by lending for longer periods at higher rates, while maintaining sufficient liquidity to meet all claims that might fall due.

The main risks arising from the Bank's financial instruments are credit risk, interest rate and market risk, liquidity risk, foreign currency risk, operational risk and country risk. The Bank reviews and agrees policies for managing each of these risks as follows:

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

21. Risk management continued

21.2 Credit risk

Credit risk is the potential that a borrower or counterparty will fail to meet its stated obligations in accordance with agreed terms. The objective of the Bank's credit risk management function is to maximise the Bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters. The effective management of credit risk is a key element of a comprehensive approach to risk management and is considered essential to the long-term success of the Bank.

The Bank's credit risk management process operates on the basis of a hierarchy of discretionary authorities. The Board has the final authority on all risk management decisions.

The Risk Management Unit is accountable for the general management and administration of the Bank's credit portfolio, ensuring that lendings are made in accordance with current legislation, sound banking practice and in accordance with the applicable general policy of the Board of Directors. The Risk Management function is kept separate from and independent of the business development aspect of the operations.

The Bank uses a risk rating system which groups commercial/corporate accounts and overdrafts into various risk categories to facilitate the management of risk on both an individual account and portfolio basis. Retail lending, mortgages and retail overdrafts are managed by product type. Preset risk management criteria are in place at all branches to facilitate decision-making for all categories of loans including credit cards. Trend indicators are also used to evaluate risk as improving, static or deteriorating. The evaluation of the risk and trend informs the credit decision and determines the intensity of the monitoring process.

The debt securities within the Bank's investment security portfolio are exposed to credit risk and are managed by investment grading or country exposure with preset exposure limits as approved by the Board of Directors. The credit quality of each individual security is assessed based on the financial strength, reputation and market position of the issuing entity and the ability of that entity to service the debt.

The Bank avoids exposure to undue concentrations of risk by placing limits on the amount of risk accepted from a number of borrowers engaged in similar business activities, or activities in the same geographic region or with similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Such risks are controlled and monitored on a revolving basis and subject to an annual or more frequent review. Limits on the level of credit risk by product, industry sector, client and geography are approved by the Board of Directors.

The Bank's credit control processes emphasise early detection of deterioration and prompt implementation of remedial action and where it is considered that recovery of the outstanding balance may be doubtful or unduly delayed, such accounts are transferred from performing to non-performing status.

21. Risk management continued

21.2 Credit risk continued

21.2.1 Maximum exposure to credit risk without taking account of any collateral and other credit enhancements

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

	2024 Gross maximum exposure	2023 Gross maximum exposure
Statutory deposit with Bank of Guyana	**35,198,265**	28,851,718
Due from banks	**11,227,042**	7,819,759
Treasury Bills	**138,395,612**	118,305,665
Investment interest receivable	**305,967**	67,560
Investment securities	**22,405,804**	10,818,643
Loans and advances to customers	**126,366,361**	110,079,947
Total	**333,899,051**	**275,943,292**
Undrawn commitments	**18,541,317**	19,068,564
Guarantees and indemnities	**3,809,143**	2,913,378
Letters of credit	**232,675**	237,900
Total	**22,583,135**	**22,219,842**
Total credit risk exposure	**356,482,186**	**298,163,134**

Where financial instruments are recorded at fair value the amounts shown above represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

Collateral and other credit enhancements

The Bank maintains credit risk exposure within acceptable parameters through the use of collateral as a risk-mitigation tool. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are cash or securities, charges over real estate properties, inventories and trade receivables and mortgages over residential properties and chattels. The Bank also obtains appropriate guarantees for loans from parent companies, owners/stockholders, directors or other parties.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses.

It is the Bank's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to repay the outstanding claim. In general, the Bank does not occupy repossessed properties for business use. As at September 30, 2024, $14.8 million (2023: $6.7 million) in repossessed properties are still in the process of being disposed of.

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

21. Risk management continued

21.2 Credit risk continued

21.2.2 Risk concentrations of the maximum exposure to credit risk

Concentration of risk is managed by client/counterparty, by geographical region and by industry sector as detailed in the following tables:

a Geographical sectors

The Bank's maximum credit exposure, after taking account of credit loss provisions established but before taking into account any collateral held or other credit enhancements, can be analysed by the following geographical regions based on the country of domicile of our counterparties:

	2024	2023
Guyana	**334,115,341**	272,187,168
Trinidad and Tobago	**6,672,504**	3,001,416
Barbados	**474,342**	465,488
Eastern Caribbean	**6,179**	614
United States	**6,314,800**	15,419,832
Other countries	**8,899,020**	7,088,816
	356,482,186	**298,163,334**

b Industry sectors

The following table breaks down the Bank's maximum credit exposure as categorised by the industry sectors of our counterparties:

	2024	2023
Government and government bodies	**180,577,166**	151,618,824
Financial sector	**23,252,012**	14,335,869
Mining	**1,187,863**	2,544,152
Agriculture	**4,192,272**	2,531,328
Electricity and water	**9,993**	–
Transport, storage and communication	**4,816,312**	5,279,015
Distribution	**10,237,909**	13,917,428
Real estate mortgages	**54,523,216**	36,168,873
Manufacturing	**2,507,837**	2,989,026
Construction	**6,136,702**	4,535,492
Personal	**20,120,632**	17,695,049
Non-residents	**358,468**	912,743
Other services	**48,561,804**	45,635,535
	356,482,186	**298,163,334**

There were no exposure to Public Non-Financial Institutions included above (2023: NIL).

21. **Risk management** continued

21.2 Credit risk continued

21.2.2 Risk concentrations of the maximum exposure to credit risk continued

c Top five concentration (as a % of capital base)

	2024 %	2023 %
Government	**366.56**	355.44
Central Bank	**120.08**	101.93
Counterparty 3	**27.48**	19.54
Counterparty 4	**24.93**	16.81
Counterparty 5	**14.89**	14.24

21.2.3 Impairment Assessment

Financial asset provisions are reviewed quarterly in accordance with established guidelines and recommended provisions arising out of this review are submitted to the Board for approval. Non-performing debts recommended for write-off are also reviewed annually and action taken in accordance with prescribed guidelines. The Bank's impairment assessment and measurement approach is set out below.

21.2.4 Default and cure

The Bank considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a borrower is in default, the Bank also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Bank carefully considers whether the event should result in treating the borrower as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the Bank's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least six consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

21.2.5 The Bank's internal rating and PD estimation process

Commercial and corporate lending and mortgages

The Bank has an independent internal credit risk department. Risk ratings were selected as cohort for PD analysis. A vintage approach was applied looking at the movements of ratings over a period of time. Historical PDs were developed and using statistical correlation between macroeconomic trends and historical default rates, management applied overlays based on expectations. As previously mentioned, LGD percentage estimates were developed based on historical loss trends for non-performing loans which are assessed on an individual level including estimating the present value of future cash flows. EAD equals the loan balance outstanding plus accrued interest.

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

21. Risk management continued

21.2 Credit risk continued

21.2.5 The Bank's internal rating and PD estimation process continued

Retail lending and mortgages

Product types were selected as the cohort for PD analysis for retail lending and retail mortgages. A vintage approach was applied looking at the number of defaults by segment over a period of time. Historical PDs were developed and using correlation between macroeconomic trends, management applied overlays based on expectations. LGD percentage estimates were developed based on historical loss trends for non-performing loans which are assessed on both an individual and collective level. EAD equals the loan balance outstanding plus accrued interest.

Overdrafts

PDs were developed for the Corporate portfolio and were applied to corporate customers to whom overdraft facilities were extended. LGDs for the Corporate portfolio were also utilised for overdrafts. EADs were developed based on historical trends in utilisation of overdraft limits. ECL percentages for the Retail portfolio were utilised for retail overdrafts.

Management judgmentally applied overlays as required as there was no noted correlation between macroeconomic trends and historical default rates.

Investment securities

PDs and LGDs for traded instruments were based on the global credit ratings assigned to the instrument. PDs and LGDs for non traded instruments were based on one notch below the credit rating of the sovereign in which the instrument is issued or on company ratings where they existed. Management applied judgmental overlays based on local debt instruments. EAD equals the amortised security balance plus accrued interest.

Internal rating

The Bank's internal credit ratings are correlated to stages as follows:

Rating	Stage
Superior/Desirable < 30 days	1
Watch list 31 to 90 days	2
Credit impaired/ Non-performing loans > 90 days	3

A description of the internal credit ratings is noted below:

Superior/Desirable:	These counterparties have a good financial position. Facilities are well secured or reasonably well secured and underlying business is performing well.
Watch list:	These counterparties are of average risk with a fair financial position. Business or industry may be subject to more volatility and facilities typically have lower levels of security.
Credit impaired/Non-performing loans:	Past due or individually impaired.

21. **Risk management** continued

21.2 **Credit risk** continued

21.2.6 Significant increase in credit risk

The Bank continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Bank assesses whether there has been a significant increase in credit risk since initial recognition.

The Bank also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a bank with similar assets (as set out in Note 21.2.7), the Bank applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

21.2.7 Grouping financial assets measured on a collective basis

As explained in Note 2 (i) (i) dependent on the factors below, the Bank calculates ECLs either on a collective or an individual basis. Asset classes where the Bank calculates ECL on an individual basis include:

- All Stage 3 assets, regardless of the class of financial assets
- The Commercial and corporate lending and overdraft portfolio
- The Mortgage portfolio
- The Retail lending portfolio

Asset classes where the Bank calculates ECL on a collective basis include:

- The retail overdraft portfolio
- Past due not yet relegated credit facilities

21.2.8 Analysis of Gross carrying amount and corresponding ECLs is as follows:

Advances

	2024 **%**	**2023** **%**
Stage 1	**97.45**	96.93
Stage 2	**1.51**	1.27
Stage 3	**1.04**	1.80

The ECL methodology and definition of default remained consistent with prior periods. Calculation inputs, including forward-looking information, together with the determination of the staging of exposures were however revised.

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

21. Risk management continued

21.2 Credit risk continued

21.2.8 Analysis of Gross carrying amount and corresponding ECLs is as follows: continued

2024	Retail lending	Commercial and corporate lending	Mortgages	Overdrafts	Total
Stage 1					
Gross loans	13,859,124	52,603,759	47,883,063	9,669,579	**124,015,525**
ECL	(12,000)	(238,291)	(48,384)	(35,117)	**(333,792)**
	13,847,124	**52,365,468**	**47,834,679**	**9,634,462**	123,681,733
ECL as a % of Gross loans	0.09	0.45	0.10	0.36	**0.27**
2023					
Stage 1					
Gross loans	11,824,612	46,585,911	39,257,576	10,080,737	**107,748,836**
ECL	(75,840)	(245,808)	(59,521)	(38,739)	**(419,908)**
	11,748,772	**46,340,103**	**39,198,055**	**10,041,998**	**107,328,928**
ECL as a % of Gross loans	0.64	0.53	0.15	0.38	**0.39**

The decrease in ECLs of Stage 1 portfolios was driven by the revision of the LGD.

2024	Retail lending	Commercial and corporate lending	Mortgages	Overdrafts	Total
Stage 2					
Gross loans	225,852	970,505	727,279	–	**1,923,636**
ECL	(222)	(3,880)	(4,504)	(166)	**(8,772)**
	225,630	**966,625**	**722,775**	**(166)**	**1,914,864**
ECL as a % of Gross loans	0.10	0.40	0.62	0.00	**0.46**
2023					
Stage 2					
Gross loans	281,071	456,793	668,813	–	**1,406,677**
ECL	(1,722)	(16,453)	(4,699)	(41)	**(22,915)**
	279,349	**440,340**	**664,114**	**(41)**	**1,383,762**
ECL as a % of Gross loans	0.61	3.60	0.70	0.00	**1.63**

The decrease in ECLs of Stage 1 portfolios was driven by the revision of the LGD.

21. Risk management continued

21.2 Credit risk continued

21.2.8 Analysis of Gross carrying amount and corresponding ECLs is as follows: continued

2024	Retail lending	Commercial and corporate lending	Mortgages	Overdrafts	Total
Stage 3					
Gross loans	150,596	298,207	870,130	–	**1,318,933**
ECL	(4,101)	(42,800)	(78,370)	–	**(125,271)**
	146,495	**255,407**	**791,760**	**–**	**1,193,662**
ECL as a % of Gross loans	2.72	14.35	9.01	0.00	**9.50**
2023					
Stage 3					
Gross loans	466,019	372,239	1,160,368	–	**1,998,626**
ECL	(3,966)	(68,543)	(122,196)	–	**(194,705)**
	462,053	**303,696**	**1,038,172**	**–**	**1,803,921**
ECL as a % of Gross loans	0.85	18.41	10.53	0.00	**9.74**

The decrease in ECLs of Stage 3 portfolios was driven by a 34 percent decrease in the gross size of the portfolio.

Investment securities

	2024 %	2023 %
Stage 1	**96.08**	89.67
Stage 2	**3.73**	9.97
Stage 3	**0.19**	0.36

2024	Stage 1	Stage 2	Stage 3	POCI	Total
Gross balance	16,630,177	644,836	–	33,366	**17,308,379**
ECL	(7,233)	(7,708)	–	(5,634)	**(20,575)**
	16,622,944	**637,128**	**–**	**27,732**	**17,287,804**
ECL as a % of Investment securities	0.04	1.20	0.00	16.89	**0.12**

Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

21. **Risk management** continued

21.2 **Credit risk** continued

21.2.8 Analysis of Gross carrying amount and corresponding ECLs is as follows: continued

Investment securities continued

2023	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Gross balance	9,747,300	1,083,983	–	39,340	**10,870,623**
ECL	(13,451)	(30,012)	–	(8,517)	**(51,980)**
	9,733,849	**1,053,971**	**–**	**30,823**	**10,818,643**
ECL as a % of Investment securities	0.14	2.77	0.00	21.65	**0.48**

The decrease in ECLs was driven by a methodology correction from 2023.

21.3 **Liquidity risk**

Liquidity risk is defined as the risk that the Bank either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access these only at excessive cost.

The Bank's liquidity management policy is formulated by the Board and Management to ensure that funding requirements can be met, including the replacement of existing funds as they mature or are withdrawn, to satisfy the demands of customers for additional borrowings or to meet undrawn commitments. Undrawn commitments are reviewed by the ALCO and are subject to review by Management prior to disbursement. Liquidity management focuses on ensuring that the Bank has sufficient funds to meet all of its obligations.

Periodic stress testing is conducted by the regulator and corrective action taken by the Bank, if deemed necessary.

Two primary sources of funds are used to provide liquidity – retail deposits and excess at central bank. A substantial portion of the Bank is funded with "core deposits". The Bank maintains a core base of retail funds, which can be drawn on to meet ongoing liquidity needs. Facilities are also established with correspondent banks, which can provide additional liquidity as conditions demand.

The ALCO sets targets for daily float, allowable liquid assets and funding diversification in line with system liquidity trends. While the primary asset used for short-term liquidity management is the Treasury Bill, the Bank also holds significant investments in other Government securities, which can be used for liquidity support. The Bank continually balances the need for short-term assets, which have lower yields, with the need for higher asset returns.

21.3.1 Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Bank's financial liabilities based on contractual undiscounted repayment obligations, over the remaining life of those liabilities. These balances include interest to be paid over the remaining life of the liabilities and will therefore be greater than the carrying amounts on the Statement of financial position.

21. **Risk management** continued

21.3 **Liquidity risk** continued

21.3.1 Analysis of financial liabilities by remaining contractual maturities continued

Financial liabilities - on Statement of financial position

2024	**On demand**	**Up to one year**	**1 to 5 years**	**Over 5 years**	**Total**
Customers' chequing, savings and deposit accounts	295,506,205	8,006,492	135,208	–	**303,647,905**
Due to banks	369,504	–	–	–	**369,504**
Lease liabilities	2,082	–	–	–	**2,082**
Other liabilities	5,035,263	–	–	–	**5,035,263**
Total undiscounted financial liabilities	**300,913,054**	**8,006,492**	**135,208**	**–**	**309,054,754**
2023					
Customers' chequing, savings and deposit accounts	241,385,394	8,779,933	24,588	–	**250,189,915**
Due to banks	614,906	–	–	–	**614,906**
Lease liabilities	8,216	–	–	–	**8,216**
Other liabilities	3,972,573	–	–	–	**3,972,573**
Total undiscounted financial liabilities	**245,981,089**	**8,779,933**	**24,588**	**–**	**254,785,610**

Financial liabilities - off Statement of financial position

2024	**On demand**	**Up to one year**	**1 to 5 years**	**Over 5 years**	**Total**
Guarantees and indemnities	–	1,580,050	1,483,250	745,843	**3,809,143**
Letters of credit	–	232,675	–	–	**232,675**
Total	**–**	**1,812,725**	**1,483,250**	**745,843**	**4,041,818**
2023					
Guarantees and indemnities	–	677,781	1,492,204	743,393	**2,913,378**
Letters of credit	–	237,900	–	–	**237,900**
Total	**–**	**915,681**	**1,492,204**	**743,393**	**3,151,278**

The Bank expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments.

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

21. Risk management continued

21.4 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices.

21.4.1 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Interest rate risk management is primarily designed by the Board and Management to ensure competitiveness and maximise returns.

The primary tools currently in use by the Bank are gap analysis, interest rate sensitivity analysis and exposure limits for financial instruments. The limits are defined in terms of amount, term, issuer, depositor and country. The Bank is committed to refining and defining these tools to be in line with international best practice.

21.4.2 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank's exposure to the effects of fluctuations in foreign currency exchange rates arises mainly from its investments. The Bank's policy is to match the initial net foreign currency investment with funding in the same currency. The ALCO and Centralised Payments Unit also monitor the Bank's foreign currency position for both overnight and intra-day transactions based on limits set by the Board.

Changes in foreign exchange rates affect the Bank's earnings and equity through differences on the re-translation of monetary assets and liabilities to Guyana dollars. Such gains or losses are recognised in the Statement of income.

The principal currencies of the Bank's investments are United States and Guyana dollars.

The following tables indicate the currencies to which the Bank had significant exposure at September 30, 2024, on its non-trading monetary assets and liabilities and forecast cash flows. The analysis also calculates the effect of a reasonably possible movement of each currency rate against the Guyana dollar, with all other variables held constant.

2024	GYD	TTD	USD	STG	Other	Total
Financial assets						
Cash	4,694,945	6	45,311	495	1,500	**4,742,257**
Statutory deposit with Bank of Guyana	35,198,265	–	–	–	–	**35,198,265**
Due from banks	10,147,069	2,880	176,347	45,685	44,983	**10,416,964**
Treasury Bills	135,196,862	–	3,198,750	–	–	**138,395,612**
Advances	119,012,389	–	7,353,971	–	–	**126,366,360**
Investment securities	–	–	22,405,804	–	–	**22,405,804**
Interest receivable	–	–	305,967	–	–	**305,967**
Total financial assets	**304,249,530**	**2,886**	**33,486,150**	**46,180**	**46,483**	**337,831,229**

21. **Risk management** continued

21.4 **Market risk** continued

21.4.2 Currency risk continued

2024	**GYD**	**TTD**	**USD**	**STG**	**Other**	**Total**
Financial liabilities						
Due to banks	85,907	–	283,597	–	–	**369,504**
Customers' chequing, savings and deposit accounts	267,029,214	–	36,591,228	24,579	2,884	**303,647,905**
Interest payable	67,702	–	6,664	44	–	**73,780**
Total financial liabilities	**267,182,193**	**–**	**36,881,489**	**24,623**	**2,884**	**304,091,189**
Net currency risk exposure	**37,067,337**	**2,886**	**(3,395,339)**	**21,557**	**43,599**	**33,740,040**
Reasonably possible change in currency rate (%)	**–**	**1**	**1**	**1**	**1**	**–**
Effect on profit before tax	**–**	**29**	**(33,953)**	**216**	**436**	**(33,272)**

2023	**GYD**	**TTD**	**USD**	**STG**	**Other**	**Total**
Financial assets						
Cash	4,137,183	24	22,769	12	1,713	**4,161,701**
Statutory deposit with Bank of Guyana	28,851,718	–	–	–	–	**28,851,718**
Due from banks	7,493,537	1,450	211,116	42,268	71,388	**7,819,759**
Treasury Bills	104,264,165	–	14,041,500	–	–	**118,305,665**
Advances	104,849,303	–	5,230,646	–	–	**110,079,949**
Investment securities	-	–	10,818,643	–	–	**10,818,643**
Interest receivable	-	–	67,560	–	–	**67,560**
Total financial assets	**249,595,906**	**1,474**	**30,392,234**	**42,280**	**73,101**	**280,104,995**

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

21. Risk management continued

21.4 Market risk continued

21.4.2 Currency risk continued

2024	GYD	TTD	USD	STG	Other	Total
Financial liabilities						
Due to banks	195,389	–	419,517	–	–	**614,906**
Customers' chequing, savings and deposit accounts	217,961,929	–	32,204,304	21,540	2,142	**250,189,915**
Interest payable	64,731	–	5,887	39	–	**70,657**
Total financial liabilities	**218,222,049**	**–**	**32,629,708**	**21,579**	**2,142**	**250,875,478**
Net currency risk exposure	**31,373,857**	**1,474**	**(2,237,474)**	**20,701**	**70,959**	**29,229,517**
Reasonably possible change in currency rate (%)	**–**	**1**	**1**	**1**	**1**	**–**
Effect on profit before tax	**–**	**15**	**(22,375)**	**207**	**710**	**(21,443)**

21.5 Operational Risk

The growing sophistication of the banking industry has made the Bank's operational risk profile more complex. Operational risk is inherent to all business activities and is the potential for financial or reputational loss arising from inadequate or failed internal controls, operational processes or the systems that support them. It includes errors, omissions, disasters and deliberate acts such as fraud.

The Bank recognises that such risk can never be entirely eliminated and manages the risk through a combination of systems and procedures to monitor and document transactions. The Bank's Enterprise Risk Management Department oversees the operation of, conducts training on and makes recommendations for the enhancement of internal controls. Where appropriate, risk is transferred by the placement of adequate insurance coverage.

The Bank has developed contingency arrangements and established facilities to support operations in the event of disasters. Independent checks on operational risk issues are also undertaken by the internal audit function.

21.6 Country Risk

Country risk is the risk that an occurrence within a country could have an adverse effect on the Bank directly by impairing the value through an obligor's ability to meet its obligation to the Bank. The parent's risk management unit monitors this risk by using the measures of risk rating and the Board set limits by country for investments.

22 Capital management

The Bank's policy is to diversify its sources of capital, to allocate capital within the Bank efficiently and to maintain a prudent relationship between capital resources and the risk of its underlying business. Equity increased by $4,470.3 million to $37,755.1 million during the year under review.

22. **Capital management** continued

The Bank's dividend policy is to distribute 40 percent to 50 percent of net earnings to stockholders. Similar to the criteria applied in previous years, the distribution was based on core operating performance. Total proposed distribution based on the results for the financial year 2024 of $3,276 million represents 45.11 percent of core operating profit.

Capital adequacy is monitored by the Bank, employing techniques based on the guidelines developed by the Basel Committee on Banking Regulations and Supervisory Practice (the Basel Committee), as implemented by the Bank of Guyana for supervisory purposes. Effective March 2022, Supervision Guideline 14 – Capital Adequacy Framework was implemented, requiring all licensee to maintain at least a Capital Adequacy Ratio (CAR) of at least 8 percent at all times. Further, each licensee must maintain a minimum ratio of eligible Tier 1 capital to total risk-weighted assets of 6 percent. Core capital (Tier 1) comprises mainly stockholders' equity.

The Bank's Tier 1 capital at September 30, 2024, is 21.87 percent (2023 - 22.68 percent). At September 30, 2024, the Bank exceeded the minimum levels required.

The Bank's Regulatory Capital is as follows:

	2024	**2023**
Tier 1		
Stated capital	**300,000**	300,000
Statutory reserves	**1,836,346**	1,745,260
Retained earnings	**33,068,759**	29,664,450
Goodwill	**(1,228,222)**	(1,228,222)
Other deductions	**(423,215)**	(732,097)
Total	**33,553,668**	**29,749,391**

23. Fair value

In accordance with International Financial Reporting Standard No. 7 "Financial Instruments: Disclosures", the Bank calculates the estimated fair value of all financial instruments at the reporting date and separately discloses this information where these fair values are different from net book values.

The Bank's available-for-sale investments are not actively traded in organised financial markets, and fair value is determined using discounted cash flow analysis, which requires considerable judgement in interpreting market data and developing estimates. Accordingly estimates contained herein are not necessarily indicative of the amounts that the Bank could realise in a current market exchange. The use of different assumptions and/or estimation methodologies may have a material effect on the estimated fair values. The fair value information for available-for-sale investments is based on information available to management as at the dates presented. Management is not aware of any factors that would significantly affect the estimated fair value amounts.

Investments classified as "at fair value through profit or loss" are actively traded in organised markets and fair value is determined by reference to the market price at year end or on the last trade date prior to year end.

Financial instruments where carrying value is equal to fair value: owing to their short-term maturity, the carrying value of certain financial instruments is assumed to approximate their fair values. These include cash and cash equivalents, investment interest receivable, customers' deposit accounts, other fund raising instruments, other assets and other liabilities. The Bank is required to maintain with the Bank of Guyana, statutory reserve balances in relation to deposit liabilities and the carrying value of these reserves is assumed to equal fair value.

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

23. Fair value continued

Advances are net of specific and other provisions for impairment. The fair values of advances are based on a current yield curve appropriate for the remaining term to maturity.

The fair values of the floating rate debt securities in issue are based on quoted market prices where available and where not available are based on a current yield curve appropriate for the remaining term to maturity. For balances due to banks, where the maturity period is less than one year, the fair value is assumed to equal carrying value. Where the maturity period is in excess of one year, these are primarily floating rate instruments, the interest rates of which reset with market rates therefore the carrying values are assumed to equal fair values.

The fair value of fixed rate debt securities carried at amortised cost is estimated by comparing market interest rates when they were first recognised with current market rates offered for similar financial instruments. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money market interest rates for facilities with similar credit risk and maturity.

The following table summarises the carrying amounts and the fair values of the Bank's financial assets and liabilities:

2024	Carrying value	Fair value	Unrecognised gain/(loss)
Financial assets			
Cash, due from banks and Treasury Bills	153,554,833	153,554,833	–
Statutory deposit with Bank of Guyana	35,198,265	35,198,265	–
Investment securities	22,405,804	22,636,302	230,498
Advances	126,366,361	127,150,734	784,373
Investment interest receivable	305,967	305,967	–
Financial liabilities			
Due to Banks	369,504	369,504	–
Customers' chequing, savings and deposit accounts	303,647,905	303,623,647	(24,258)
Accrued interest payable	73,780	73,780	–
Total unrecognised change in unrealised fair value			**990,613**

2023	Carrying value	Fair value	Unrecognised gain/(loss)
Financial assets			
Cash, due from banks and Treasury Bills	130,287,125	130,287,125	–
Statutory deposit with Bank of Guyana	28,851,718	28,851,718	–
Investment securities	10,818,643	10,731,626	(87,017)
Advances	110,079,947	110,709,836	629,889
Investment interest receivable	67,560	67,560	–
Financial liabilities			
Due to Banks	614,906	614,906	–
Customers' chequing, savings and deposit accounts	250,977,757	250,911,939	(65,818)
Accrued interest payable	70,657	70,657	–
Total unrecognised change in unrealised fair value			**477,054**

23. **Fair value** continued

23.1 Fair value and fair value hierarchies

23.1.1 Determination of fair value and fair value hierarchies

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1

Included in the Level 1 category are financial assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2

Included in the Level 2 category are financial assets and liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Bank's own models whereby the majority of assumptions are market observable.

Level 3

Included in the Level 3 category are financial assets and liabilities that are not quoted as there are no active markets to determine a price. These financial instruments are held at cost, being the fair value of the consideration paid for the acquisition of the investment, and are regularly assessed for impairment.

The following table shows the fair value measurement hierarchy of the Bank's assets and liabilities as at September 30, 2024.

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investment securities				
2024	15,608,563	7,000,007	27,732	**22,636,302**
2023	5,853,514	1,889,190	2,988,922	**10,731,626**
Financial assets for which fair value is disclosed				
Advances				
2024	–	–	127,150,734	**127,150,734**
2023	–	–	110,709,836	**110,709,836**
Financial liabilities for which fair value is disclosed				
Customers' current, savings and deposit accounts				
2024	–	–	303,623,647	**303,623,647**
2023	–	–	250,911,939	**250,911,939**

The following table shows an analysis of financial instruments recorded at fair value categorised by hierarchy level.

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

23. Fair value continued

23.1 Fair value and fair value hierarchies continued

23.1.1 Determination of fair value and fair value hierarchies continued

2024	Level 1	Level 2	Level 3	Total
Debt Intruments at amortised cost	15,608,563	7,000,007	27,732	**22,636,302**
	15,608,563	**7,000,007**	**27,732**	**22,636,302**
2023				
Debt Intruments at amortised cost	5,853,514	1,889,190	2,988,922	**10,731,626**
	5,853,514	**1,889,190**	**2,988,922**	**10,731,626**

Description of significant unobservable inputs to valuation

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy as at September 30, 2024, are as shown below:

	Valuation technique	Significant unobservable inputs	Range
Advances	Discounted Cash Flow Method	Growth rate for cash flows for subsequent years	3.5% – 15.0%
Customers' chequing, savings and deposit accounts	Discounted Cash Flow Method	Growth rate for cash flows for subsequent years	0.0% – 1.2%

23.1.2 Transfers between Level 1 and 2

For the year ended September 30, 2024, $527.3 million of assets valued were transferred between Level 1 and Level 2.

23.1.3 Reconciliation of movements in Level 3 financial instruments measured at fair value.

	Balance at beginning of year	Additions	Disposals /transfers to level 2	Balance at end of year
Financial assets designated at fair value through profit or loss	2,988,922	–	(2,961,190)	**27,732**
	2,988,922	**–**	**(2,961,190)**	**27,732**

24. Segmental information

24.1 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of the entity. The Bank has determined the Managing Director as its chief operating decision-maker.

Management considers its banking operation to be a single business unit. All business is conducted in Guyana with the exception of certain investment activities.

24.2 Geographical Information

The Bank operates only in Guyana but conducts investment and other correspondent banking business in other countries. The following tables show the distribution of the Bank's revenues, interest expenses, total assets and total liabilities allocated based on the location of the customers and assets respectively:

2024	Guyana	Trinidad and Tobago	Other countries	Total
Interest income	13,280,982	127,105	548,434	**13,956,521**
Interest expense	(940,600)	–	–	**(940,600)**
Net interest income	12,340,382	127,105	548,434	**13,015,921**
Other income	6,641,150	–	–	**6,641,150**
Net interest and other income	18,981,532	127,105	548,434	**19,657,071**
Total assets	320,586,143	11,679,638	18,362,781	**350,628,562**
Total liabilities	312,084,368	683,733	105,356	**312,873,457**
Cash flow/(used in) from operating activities	43,132,066	(3,821,835)	15,853	**39,326,084**
Cash flow from/(used in) investing activities	(31,697,476)	(5,124,737)	4,122,332	**(32,699,881)**
Cash flow (used in) financing activities	(2,528,884)	–	(109,480)	**(2,638,364)**

2023	Guyana	Trinidad and Tobago	Other countries	Total
Interest income	11,629,597	28,721	247,891	**11,906,209**
Interest expense	(863,235)	–	–	**(863,235)**
Net interest income	10,766,362	28,721	247,891	**11,042,974**
Other income	5,407,041	–	–	**5,407,041**
Net interest and other income	16,173,403	28,721	247,891	**16,450,015**
Total assets	265,983,656	2,940,325	22,639,395	**291,563,376**
Total liabilities	257,186,755	891,020	200,891	**258,278,666**
Cash flow from operating activities	14,986,779	(904,093)	2,796,582	**16,879,268**
Cash flow (used in) investing activities	(16,011,368)	(315)	(691)	**(16,012,374)**
Cash flow from/(used in) financing activities	(1,580,780)	–	160,911	**(1,419,869)**

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

24. Segmental information continued

24.3 Major Customers

There were no revenues deriving from transactions with a single external customer or group of customers that amounted to 10 percent or more of the Bank's revenues.

25. Maturity analysis of assets and liabilities

The table below analyses the assets and liabilities of the Bank based on the remaining period at September 30 to the contractual maturity date. See Note 21.3 – 'Liquidity risk' – for an analysis of the financial liabilities based on contractual undiscounted repayment obligations.

2024	Within 12 months	After 12 months	Total
Assets			
Cash	4,742,257	–	**4,742,257**
Statutory deposit with Bank of Guyana	35,198,265	–	**35,198,265**
Due from banks	10,416,964	–	**10,416,964**
Treasury Bills	138,395,612	–	**138,395,612**
Investment interest receivable	305,967	–	**305,967**
Advances	16,329,152	110,037,209	**126,366,361**
Investment securities	12,342,678	10,063,126	**22,405,804**
Premises and equipment	–	7,867,701	**7,867,701**
Right-of-use assets	–	1,874	**1,874**
Intangible assets	–	3,051	**3,051**
Net pension asset	–	179,200	**179,200**
Goodwill	–	1,228,222	**1,228,222**
Deferred tax assets	–	312,644	**312,644**
Other assets	2,394,562	–	**2,394,562**
Due from related banks	810,078	–	**810,078**
	220,935,535	**129,693,027**	**350,628,562**
Liabilities			
Due to banks	369,504	–	**369,504**
Customers' chequing, savings and deposit accounts	303,512,697	135,208	**303,647,905**
Lease liabilities	–	2,082	**2,082**
Taxation payable	2,614,603	–	**2,614,603**
Deferred tax liabilities	–	423,017	**423,017**
Accrued interest payable	73,780	–	**73,780**
Other liabilities	5,035,263	–	**5,035,263**
Due to related banks	707,303	–	**707,303**
	312,313,150	**560,307**	**312,873,457**

25. Maturity analysis of assets and liabilities continued

2023	Within 12 months	After 12 months	Total
Assets			
Cash	4,161,701	–	**4,161,701**
Statutory deposit with Bank of Guyana	28,851,718	–	**28,851,718**
Due from banks	5,508,670	–	**5,508,670**
Treasury Bills	118,305,665	–	**118,305,665**
Investment interest receivable	67,560	–	**67,560**
Advances	16,612,731	93,467,216	**110,079,947**
Investment securities	4,838,537	5,980,106	**10,818,643**
Premises and equipment	–	7,118,483	**7,118,483**
Right-of-use assets	–	7,908	**7,908**
Intangible assets	–	20,195	**20,195**
Net pension asset	–	571,000	**571,000**
Goodwill	–	1,228,222	**1,228,222**
Deferred tax assets	–	369,302	**369,302**
Other assets	2,143,273	–	**2,143,273**
Due from related banks	2,311,089	–	**2,311,089**
	182,800,944	**108,762,432**	**291,563,376**
Liabilities			
Due to banks	614,906	–	**614,906**
Customers' chequing, savings and deposit accounts	250,165,327	24,588	**250,189,915**
Lease liabilities	–	8,216	**8,216**
Taxation payable	2,072,928	–	**2,072,928**
Deferred tax liabilities	–	561,629	**561,629**
Accrued interest payable	70,657	–	**70,657**
Other liabilities	3,972,573	–	**3,972,573**
Due to related banks	787,842	–	**787,842**
	257,684,233	**594,433**	**258,278,666**

26. Dividends paid and proposed

	2024	2023
Declared and paid during the year		
Equity dividends on ordinary stock units:		
Final dividend for 2023: $5.25 (2022: $4.00)	**1,575,000**	1,200,000
First dividend for 2024: $2.42 (2023: $1.75)	**726,000**	525,000
Total dividends paid	**2,301,000**	**1,725,000**
Proposed for approval at Annual General Meeting		
(not recognised as a liability as at September 30)		
Equity dividends on ordinary stock units:		
Final dividend for 2024: $8.50 (2023: $5.25)	**2,550,000**	1,575,000

Notes to the Financial Statements continued

For the Year Ended September 30, 2024.
Expressed in thousands of Guyana dollars ($'000), except where otherwise stated.

27. Contingent liabilities

a Litigation

As at September 30, 2024, there were certain legal proceedings outstanding against the Bank and provision has been made in event any of these matters are not determined in the Bank's favour.

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

	2024	2023
Guarantees and indemnities	**3,809,143**	2,913,378
Letters of credit	**232,675**	237,900
	4,041,818	**3,151,278**

c Sectoral information

	2024	2023
State	**1,931,287**	1,933,986
Corporate and commercial	**2,110,531**	1,217,292
	4,041,818	**3,151,278**

d Pledged assets

Below illustrates the distribution of pledged assets in the Bank's Statement of financial position:

	Carrying amount		Related liability	
	2024	2023	2024	2023
Statutory deposit	**35,198,265**	28,851,718	**304,355,208**	250,977,757

The statutory deposit is provided to the Bank of Guyana as a percentage of deposit liabilities under the Financial Institutions Act, Cap. 85:03.

e Non-cancellable operating lease commitments

	2024	2023
Less than one year	**47,615**	47,668
Between one to five years	**33,044**	16,673
	80,659	**64,341**

28. External Payment Deposit Scheme

2024	2023
47,400	47,400

This represents monies received on behalf of customers and deposited in the External Payment Deposit Scheme with the Bank of Guyana, in accordance with the terms of agreements signed with each customer which specifically exclude the Bank from any liability.

Form of Proxy

Name of company

Republic Bank (Guyana) Limited

This form is for use by stockholders only.

I/We ____
(Block Letters)

of ______________________ in the County of ______________________

being a member/members of the above named company, hereby appoint * ______________________

of ____

or failing him/her ____

of ____

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the company to be held on Monday, December 9, 2024, and at any adjournment thereof.

Dated this ______________ day of ______________ 2024

Name ______________________ Signature ______________________
(Block Letters)

Please indicate with an "X" in the spaces below how you wish your proxy to vote on the Resolutions referred to. If no such indication is given, the proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.

Resolutions	For	Against
IT IS RESOLVED THAT: 1. To receive the Report of the Directors and the Auditors and approve the Audited Accounts for the year ended September 30, 2024. 2. To re-elect three Directors to fill offices vacated by those retiring from the Board by rotation in accordance with the By-laws namely; Richard M. Lewis, Stephen R. Grell and Richard I. Vasconcellos. 3. To appoint auditors and authorise the Directors to fix their remuneration. 4. To declare dividends. 5. To approve Directors' service agreements providing for their remuneration.		

Please give the following information in block capitals:

Full name ____

Address ____

Initials and Surname of any joint stock holder (s) ______________________

Notes

1 Unless otherwise instructed, the proxy will, at his/her discretion, vote as he/she thinks fit or abstain from voting.
2 Votes by Proxy may be given on a poll.

**If desired the Chairman of the meeting may be appointed as proxy.*

AFFIX $10

REVENUE STAMP

republicguyana.com

gyemail@rfhl.com

SCAN TO
BROWSE • DOWNLOAD

As part of our commitment to reduce our carbon foot-print, this Annual Report is available on our website, **republicguyana.com/investor-relations**