



# Annual Report 2021

**Empowering People**



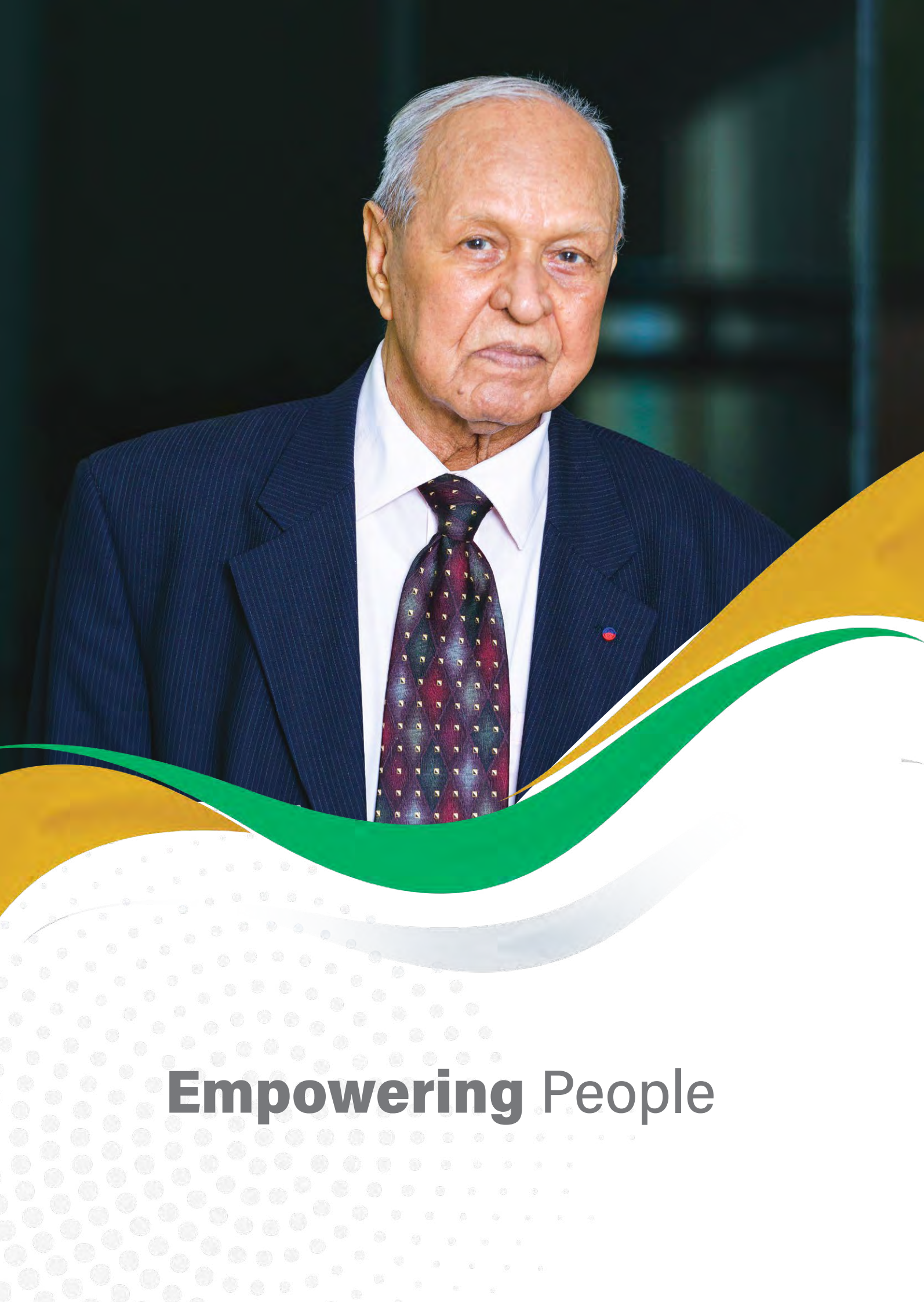
This page represents the inside front cover



# Annual Report

## 2021





**Empowering People**



# Contents

Notice of Meeting	4
Incorporation and Our Logo	5
Corporate Objectives & Mission	6
Corporate Information	7
Performance Snapshot 2021	8
Financial Summary	9
Board of Directors	10
Report of the Directors	12
Chairman's Report	14
Chief Executive Officer's Report	20
Management Team	28
Independent Auditors' Report	32
Statement of Financial Position	38
Statement of Profit & Loss and Other Comprehensive Income	39
Statement of Changes in Equity	41
Statement of Cash Flows	42
Notes to the Financial Statements	43
Congratulations	79
Corporate Social Responsibility	80
Our Cultural and Other Activities	82
Branch Information	83
Our Services	84
Correspondent Bank	86
Proxy Form	87



# Notice of Meeting

Notice is hereby given that the Twenty Seventh Annual General Meeting of Demerara Bank Limited will be held on Tuesday, December 21, 2021, at 16:30 hours at the Head Office and Corporate Banking Branch, Lot 214 Camp Street, North Cummingsburg, Georgetown where the following business will be transacted:

1. To receive and to consider the Report of the Directors and the Audited Accounts for the year ended September 30, 2021.
2. To approve the declaration of a dividend.
3. To elect Directors in the place of those retiring by rotation.
4. To fix the remuneration of the Directors.
5. To appoint Auditors and authorise the Directors to fix their remuneration.
6. To transact any other business of an Annual General Meeting.

In light of the restrictions on public gatherings and to comply with all or any public health requirements on account of the Coronavirus (COVID-19) pandemic that may be in force at the time of the holding of the AGM, the Bank has applied to the High Court seeking an order to hold its meeting virtually and once approved, the said meeting will be held in the manner as directed under the Order of Court. Details of the meeting proceedings will be communicated to all shareholders at a later date.

## BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Chandra Gajraj', written over a dotted line.

Chandra Gajraj (Mrs.)  
Corporate Secretary

## REGISTERED OFFICE

214 Camp Street, North Cummingsburg  
Georgetown, Guyana  
November 05, 2021

## PLEASE NOTE

- Attendance of shareholders and or their duly appointed proxies will be subject to COVID-19 restrictions imposed on by the Government of Guyana.
- Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her.
- A proxy need not be a member of the Bank. The Form of Proxy must be deposited at the Registered Office of the Bank not less than 48 hours before the time for holding the meeting.
- A proxy form is attached for use.
- Any Corporation which is a shareholder of the Bank 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.

## Incorporation

Demerara Bank Limited was incorporated on January 20, 1992 as a private limited liability company under the provisions of the Companies Act, Chapter 89:01 and was licensed to carry on the business of banking on October 31, 1994. The Bank obtained its Certificate of Continuance on April 2, 1997 in accordance with the Companies Act, 1991. The Bank offers a complete range of banking and financial services and operates under the provisions of the Financial Institutions Act, 1995.

## Our Logo



The elements of the Demerara Bank Limited logo design are drawn from the very source of the inspiration that created such an enterprise.

The relentless force of the mighty Demerara River, which gives the Bank its name, is depicted in the six golden streams that flow from a stylish spring in an upward motion.

The six streams, or six people, symbolise the diverse races and cultures that move together towards a common Guyanese destiny.

The colours gold and green have been chosen for their affinity to the Guyanese landscape and the riches of the abundant natural resources for which the country is famous. The Demerara Bank Limited stands proud and secure, reflecting its commitment to Guyana and confidence in the future.





## Corporate Objectives

1

To help build a stronger, healthier, more diverse business sector through prudent investment, attractive deposit plans and innovative lending policies.

2

To provide the financial support that will demonstrate the Bank's commitment to business development and to a better Guyana.

3

To provide a diversified range of quality financial services through its worldwide network of major Correspondent Banks.

4

To provide employees with excellent opportunities for personal growth and development.

5

To provide investors with an attractive rate of return on their investment.

6

To be a responsible corporate citizen.

## Mission

To excel in providing **innovative** and **superior** banking services through **well-trained, dedicated** and **courteous** staff in the interest of our customers and shareholders and to fulfill our social responsibilities to society through **meaningful involvement** in community development.





# Corporate Information

## REGISTERED OFFICE

214 Camp Street, North Cummingsburg,  
Georgetown, Guyana  
Tel: +592-226-0601  
Fax: +592-225-0619  
E-mail: [banking@demerarabank.com](mailto:banking@demerarabank.com)  
Website: [www.demerarabank.com](http://www.demerarabank.com)

## DIRECTORS

1. Dr. Yesu Persaud (Chairman)
2. Mr. Pravinchandra Dave (Chief Executive Officer)
3. Mrs. Chandra Gajraj
4. Mr. Komal Samaroo
5. Dr. Leslie Chin
6. Mr. Hemraj Kissoon
7. Mr. Harryram Parmesar
8. Mr. Garfield Wiltshire
9. Mr. Beasraj Singh Roy

## CORPORATE SECRETARY

Mrs. Chandra Gajraj

## AUDITORS

Nizam Ali & Company Chartered Accountants  
215 'C' Camp Street,  
North Cummingsburg  
Georgetown, Guyana

## ATTORNEYS AT LAW

1. Mr Arun Gajraj  
Attorney-at-Law  
Lot 5 Croal Street, Stabroek,  
Georgetown, Guyana
2. Persaud & Associates  
217 South Road,  
Georgetown, Guyana
3. Luckhoo & Luckhoo  
Lot 1 Croal Street,  
Georgetown, Guyana
4. Mr Nirvan Singh  
Attorney-at-Law  
(Ramgopal Building)  
Lot 156 Charlotte Street  
Lacytown, Georgetown, Guyana

## REGISTRAR AND TRANSFER OFFICE

Trust Company (Guyana) Limited  
Lot 11 Lamaha Street, Queenstown  
Georgetown, Guyana

# Performance Snapshot 2021

**8**



**BRANCHES**

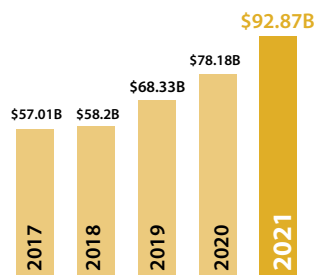
**259**



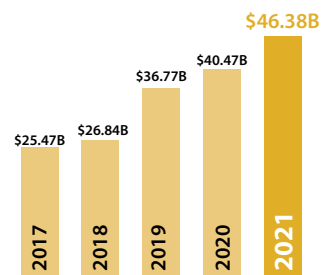
**EMPLOYEES**



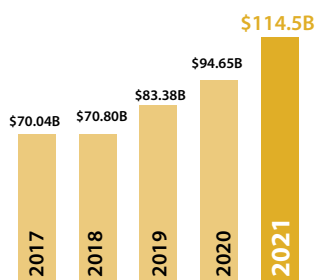
**DEPOSITS**



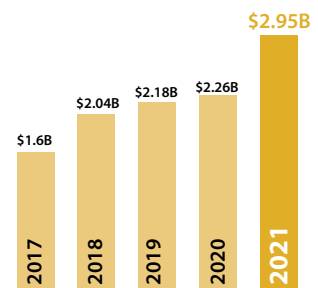
**ADVANCES**



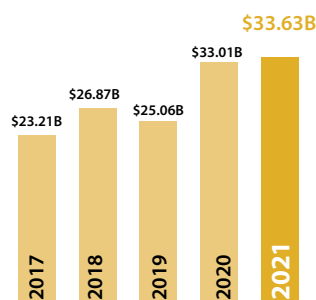
**ASSETS**



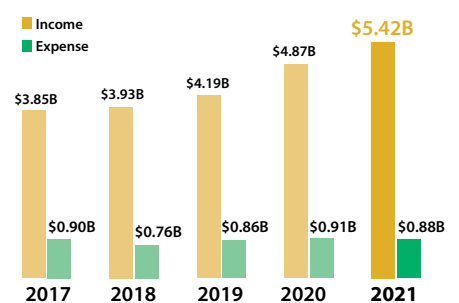
**PROFITS AFTER TAX**



**INVESTMENTS**



**INTEREST INCOME &  
EXPENSE**





# Financial Summary

Expressed in thousands of Guyana Dollars (\$'000)

	2021	2020	2019	2018	2017
<b>INCOME STATEMENT</b>					
Interest Income	5,419,471	4,870,418	4,193,964	3,931,679	3,851,240
Interest Expense	(876,816)	(907,998)	(856,453)	(766,030)	(897,006)
<b>Gross Income</b>	<b>4,542,655</b>	<b>3,962,420</b>	<b>3,337,511</b>	<b>3,165,649</b>	<b>2,954,234</b>
Net Credit Impairment	65,000	(25,000)	299,292	125,000	(434,092)
Other Income	2,007,914	1,037,472	1,124,346	1,087,204	987,825
Non-Interest Expense	(1,717,515)	(1,466,673)	(1,349,111)	(1,251,168)	(1,111,577)
<b>Income Before Taxation</b>	<b>4,898,054</b>	<b>3,508,219</b>	<b>3,412,038</b>	<b>3,126,685</b>	<b>2,396,390</b>
Taxation	(1,943,948)	(1,245,051)	(1,234,697)	(1,085,963)	(796,752)
<b>Profit after Taxation</b>	<b>2,954,106</b>	<b>2,263,168</b>	<b>2,177,341</b>	<b>2,040,722</b>	<b>1,599,638</b>
<b>FINANCIAL POSITION</b>					
<b>Total Assets</b>	<b>114,504,683</b>	<b>94,653,869</b>	<b>83,383,462</b>	<b>70,798,189</b>	<b>70,037,279</b>
Investment Securities	33,628,192	33,012,614	25,062,363	26,869,566	23,207,183
Loans & Advances	46,383,479	40,468,447	36,765,509	26,835,687	25,465,859
Cash & Equivalents	31,704,307	18,186,610	11,547,913	14,267,597	19,206,465
<b>Total Liabilities</b>	<b>96,297,722</b>	<b>79,203,549</b>	<b>69,323,017</b>	<b>58,966,816</b>	<b>59,007,219</b>
Deposits	92,875,562	78,178,294	68,326,399	58,199,765	57,012,447
<b>Total Equity &amp; Reserves</b>	<b>18,206,961</b>	<b>15,450,320</b>	<b>14,060,445</b>	<b>11,831,373</b>	<b>11,030,060</b>
Retained Earnings	17,118,611	14,884,996	13,206,445	11,695,176	10,171,954
<b>KEY RATIOS</b>					
Earnings per share	\$6.56	\$5.03	\$4.84	\$4.53	\$3.55
Dividends paid	\$1.65	\$1.30	\$1.35	\$1.15	\$1.00
Closing Share Price	\$199.00	\$91.00	\$68.00	\$58.00	\$35.60
Price Earning Ratio	30.31	18.09	14.05	12.79	10.01
Return on Average Assets	2.82%	2.54%	2.82%	2.90%	2.39%
Return on Equity (Tier-1)	16.39%	14.34%	15.43%	16.20%	14.45%
Gross NPA to Total Advances	2.24%	3.39%	3.66%	5.78%	7.18%
Loans to Deposits Ratio	49.94%	51.76%	53.81%	46.11%	44.67%
Asset Growth (YoY)	21%	14%	18%	1%	9%
Deposit Growth (YoY)	19%	14%	17%	2%	7%
Net Profit Growth (YoY)	31%	4%	7%	28%	21%



## Board of Directors



**Dr. Yesu Persaud**  
CHAIRMAN

Dr. Yesu Persaud is a Chartered Accountant, an experienced finance professional, a national business icon and an outstanding entrepreneur. He is a former long-serving Chairman of the DDL Group of Companies and founding Chairman of Demerara Bank Limited.



**Mr. Pravinchandra Dave**  
CHIEF EXECUTIVE OFFICER

Mr. Pravinchandra Dave is a highly-qualified and experienced banking professional with over 35 years as a Senior Banking Executive in Guyana and abroad. As the CEO of Demerara Bank Limited, he has overseen rapid growth and expansion of the Bank during his tenure.



**Mrs. Chandra Gajraj**  
DIRECTOR

Mrs. Chandra Gajraj is a long-serving Director and Company Secretary of Demerara Bank Limited. She has over 45 years of experience as a financial professional and currently serves as the Managing Director of Trust Company (Guyana) Limited.



**Mr. Komal Samaroo**  
DIRECTOR

Mr. Komal Samaroo is a Chartered Accountant and a long-serving Director of Demerara Bank Limited. He is the current Chairman of the DDL Group of Companies and Chairman of Diamond Fire & General Insurance Co.





## Board of Directors



**Mr. Hemraj Kissoon**  
DIRECTOR

Mr. Hemraj Kissoon is a long-serving Director of Demerara Bank Limited. He is the CEO of the A H & L Kissoon Group of Companies, a well-recognised and successful furniture manufacturing group. He is also a former President of the Guyana Manufacturing & Services Association.



**Dr. Leslie Chin**  
DIRECTOR

Dr. Leslie Chin is an experienced Private and Public Sector Manager. He is the former Chairman of Sterling Products Limited and a long-serving Director of Demerara Bank Limited.



**Mr. Harryram Parmesar**  
DIRECTOR

Mr. Harryram Parmesar is a Chartered Accountant and the Senior Partner in the accounting firm of Parmesar & Associates. He served as President of the Institute of Chartered Accountants of Guyana and the Institute of Chartered Accountants of the Caribbean.



**Mr. Garfield Wiltshire**  
DIRECTOR

Mr. Garfield Wiltshire is a Chartered Accountant who holds a Masters Degree in Sports Organisational Management. He is currently the Accountant of Bounty Farm Ltd, J.P. Santos and Co. Ltd. and JPS Trading Inc. He is a former Chief Accountant of Guyana Stores Limited and is a long-standing member of the Guyana Olympic Association and the Guyana Squash Association.



**Mr. Beasraj Singh Roy**  
DIRECTOR

Mr. B. S. Roy, an Attorney-at-Law, was called to the Bar in 1979. He remained at the practicing Bar for over 12 years and later served in the Judiciary for about 25 years in various capacities including Head of the Commercial Division of The High Court of Justice. He has since retired as an Appellate Judge.



# Report of the Directors

The Directors have pleasure in submitting this Report and Audited Financial Statements for the year ended September 30, 2021.

## PRINCIPAL ACTIVITIES:

The Bank provides a comprehensive range of banking services through our Head Office & Corporate Banking Branch at 214 Camp Street, North Cummingsburg, Georgetown, our Main Branch at 230 Camp & South Streets, Lacytown, Georgetown and Branches in Rose Hall and Corriverton (Berbice), Henrietta (Essequibo), Diamond (East Bank Demerara), Le Ressouvenir and Mahaica (East Coast Demerara).

## FINANCIAL RESULTS: (In Thousands of Guyana Dollars)

The results for the year ended September 30, 2021 are as follows:

	2021	2020
Profit Before Tax	4,898,054	3,508,219
Taxation	(1,943,948)	(1,245,051)
Profit After Tax	2,954,106	2,263,168
Dividends Paid	742,500	585,000
Retained Earnings	2,211,606	1,678,168

## DIVIDEND:

The Directors recommend a dividend of \$2.00 per share, including \$0.40 interim paid in May, 2021.

## RESERVES AND RETAINED EARNINGS:

The Bank has reached its statutory reserve limit and no further provision is required. The balance of \$2,211,606 is placed in Retained Earnings which now stands at \$17,118,611. The proposed dividend of \$720M will be paid out of Retained Earnings.

## DIRECTORS:

**Dr. Yesu Persaud - Chairman**

**Mr. Pravinchandra Dave - CEO**

**Mrs. Chandra Gajraj - Corporate Secretary**

**Mr. Hemraj Kissoon**

**Mr. Komal Ram Samaroo**

**Dr. Leslie Chin**

**Mr. Harryram Parmesar**

**Mr. Garfield Wiltshire**

**Mr. Beasraj Singh Roy**

In accordance with Article 97 of the Bank's Articles of Association, the Directors retiring for the time being are Dr. Yesu Persaud, Mr. Pravinchandra Dave, Mr. Hemraj Kissoon, Dr. Leslie Chin and Mr. Garfield Wiltshire.

## AUDITORS:

The auditors Nizam Ali & Company, being eligible, offers themselves for re-appointment.

## DIRECTORS' EMOLUMENTS:

Dr. Yesu Persaud	\$2,800,000	Mrs. Chandra Gajraj	\$1,500,000
Mr. Hemraj Kissoon	\$1,500,000	Mr. Pravinchandra Dave	\$1,500,000
Mr. K. R. Samaroo	\$1,500,000	Mr. Harryram Parmesar	\$1,500,000
Mrs. Sheila George	\$1,125,000	Mr. Garfield Wiltshire	\$1,500,000
Dr. Leslie Chin	\$1,500,000	Mr. Beasraj Singh Roy	\$750,000

## DIRECTORS' INTERESTS:

	Beneficial Interest	Associate's Interest
Dr. Yesu Persaud	5,410,000	Nil
Mr. Hemraj Kissoon	Nil	1,000,500
Mr. K. R. Samaroo	Nil	22,410,000
Mr. Harryram Parmesar	361,346	Nil
Dr. Leslie Chin (held jointly with associate)	260,000	390,157
Mrs. Chandra Gajraj (Corporate Secretary/Director)	1,000,000	Nil
Mr. Pravinchandra Dave (CEO/Director)	400,000	Nil
Mr. Garfield Wiltshire	125,000	3,000

## SERVICE CONTRACTS:

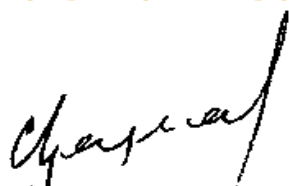
There are no service contracts between the Bank and any of its Directors.

## SUBSTANTIAL SHAREHOLDING:

Trust Company (Guyana) Limited 85,006,617 – 18.89%

The Bank is a reporting issuer under the Securities Industry Act. We recognize the importance of transparency and disclosure of material information in our operations and are in compliance with all pertinent regulations including the provision of information on Related Party transactions, Loans and Advances and remuneration paid to key employees of the Bank.

## BY ORDER OF THE BOARD



**CHANDRA GAJRAJ (Mrs.)**  
**CORPORATE SECRETARY**



# Chairman's Report

Dr. Yesu Persaud



Dear valued shareholders,

**O**n behalf of the Board of Directors, I am pleased to present our Annual Report for the year ended September 30, 2021. I extend greetings to all shareholders and stakeholders and pray that you remain safe and healthy as the pandemic continues.

There is no doubt that the livelihood of many have been deeply affected by the combined health and economic challenges of COVID-19. I express my earnest gratitude to the health care workers and those who are serving on the front lines, including the staff of the Bank, who provided essential services despite the significant challenges. As a Bank, we have a critical role to play in the recovery by providing services to those we serve in order to help our economy grow and our communities to thrive.

### **The Global Economy**

The World Health Organization warned that the COVID-19 pandemic will persist longer than expected as a result of vaccine inequity and hesitancy of the population to accept the vaccine, which means that the pandemic could easily prolong deep into 2022. Though the number of deaths and active cases have subsided there are still hotspots of COVID-19 cases globally. The rapid spread of the COVID-19 Delta variant and the threat of new variants have increased uncertainty about how quickly the pandemic can be overcome.

According to the World Economic Outlook as at October 2021, the global economy is projected to grow 5.9 percent in 2021 and 4.9 percent in 2022, 0.1 percentage point lower for 2021 than in the July forecast. The revision for 2021 reflects a downgrade for advanced economies, in part due to supply disruptions, and for low-income developing countries, largely due to worsening pandemic dynamics. This is partially offset by stronger near-term prospects among some commodity exporting emerging markets and developing economies.

Supply and logistic disruptions are posing unprecedented challenges to the global recovery coupled with rising cost of energy and other commodities. The COVID-19 pandemic outbreak and weather disruptions have resulted in shortages of key inputs and dragged manufacturing activities lower

in several countries. Food prices have increased the most in low-income countries where food insecurity is most acute, bringing with it additional burdens to the poorer households and raising the risk of social unrest in these countries.

In the United States, real GDP is projected to grow by 6.9 percent in 2021 and 3.6 percent in 2022. Substantial additional fiscal stimulus and rapid vaccination campaigns have given a boost to the economic recovery. Rising wages, combined with government transfers and accumulated household savings will propel consumption and will give rise to core price inflation.

The UK economy was one of the hardest hit amongst the major economies by the COVID-19 pandemic in 2020, with annual GDP declining by 9.8 percent compared to 2019. However, due to rapid vaccination programmes, the UK economy is now projected to grow 6.8 percent in 2021 and 5.3 percent in 2022. The update from the World Economic Outlook states that the Advanced European Economies are forecast to expand by 5.2 percent and Emerging European Economies by 6 percent in 2021, 0.3 and 1.1 percentage points respectively, higher than in the July 2021 report.

The International Monetary Fund downgraded its 2021 economic growth forecast for Asia after the highly infectious COVID-19 Delta variant caused

a spike in positive cases in varying parts of the region. The IMF expects Asia's economy to grow by 6.5 percent in 2021, as compared to its April forecast of 7.6 percent expansion. While Asian countries were relatively successful in containing the effects of COVID-19 last year, some countries including India, Malaysia and Vietnam had to fight fresh waves of infections as a result of the slow vaccination rollouts.

The Chinese economy has also lost momentum in recent months, prompting a recalibration of policy settings to support activity. The country sustained robust growth during much of the COVID-19 pandemic, but headwinds have recently emerged on numerous fronts, challenging the baseline forecast that China's economy will grow by 8 percent this year and 5.6 percent in 2022.

### Regional / Emerging Markets

The Economic Commission for Latin America and the Caribbean (ECLAC) raised its average growth estimate for the region in 2021 to 5.2 percent, a figure that reflects a rebound from the deep contraction of 6.8 percent registered in 2020 as a consequence of the adverse effects of the COVID-19 pandemic. As of June 30, 2021 the region had a death toll of more than 1.26 million due to COVID-19, representing 32 percent of the global COVID-19 deaths, despite the fact that the region's population represents just 8 percent of the world's population of which Brazil and Mexico are two main hotspots in the region. The percentage of fully vaccinated persons out of the total population amounts to just 13.6 percent, while in the European Union it is at 34.9 percent and 46.3 percent in North America.

The most recent World Economic Outlook forecasts by the International Monetary Fund (IMF) suggests that it may take a number of years for countries in the Caribbean to return to pre-pandemic levels of GDP per capita. Countries in the region certainly cannot be expected to recover to pre-crisis levels until at least 2022, with the notable exception of Guyana, which is experiencing an oil boom.

The economic growth prospects for Trinidad and Tobago remain weak. The International Monetary Fund (IMF) World Economic Outlook reported that real GDP contracted by 7.8 percent in 2020. Economic growth is likely to remain subdued in the short term given falling energy output and COVID-19 restrictions. Recent statistics from the Ministry of Energy show that production of crude oil, natural gas and liquefied natural gas decreased by 2.9 percent, 26 percent, and 44 percent, respectively (year-over-year) in April 2021.

### The Guyana Economy

The Guyanese economy has been an exception to the global trends. As highlighted in the Bank of Guyana's mid-year report, June 2021, the Guyanese economy recorded positive growth during the first half of 2021 from heightened activities in almost all of the major sectors. Real oil GDP grew by 14.5 percent while non-oil GDP grew by 4.8 percent. Improved performances were recorded in the construction, petroleum & gas and support services, manufacturing and the service sectors, while the agriculture sector recorded reduced output due to unprecedented flooding in May and June.

In October 2021, ExxonMobil and partners announced another oil discovery which brings the total discoveries within the Stabroek block to twenty one (21). The updated estimate of 10 billion oil-equivalent barrels including that from the new find at the Cataback-1 well makes this development one of the world's most important oil and gas blocks in the last decade.

The Bank of Guyana's mid-year report indicates a growth of 32.3 percent for the petroleum & gas and support services sector and recorded crude production of 20.2 million barrels, an increase of 65.4 percent from the corresponding period. The average daily output on the higher end amounts to 124,941 barrels per day, surpassing the 120,000 daily target.

## Sugar

The sugar industry is a major employer of Guyanese, providing essential support to families, communities and the country at large. Sugar output declined by 22.4 percent for the period ended June 2021. Production of sugar amounted to 29,651 tonnes compared with 37,015 tonnes for the first half of 2020. This outcome was a direct consequence of the inclement weather conditions which started in March, 2021.

## Rice

The rice industry's output grew by 7.8 percent during the review period. Production reached 353,289 tonnes, 95.1 percent of the production target for the first crop and 1.5 percent higher than the corresponding period in 2020. Cultivation and rice milling operations have tremendous growth potential since the rice milling business has remained very profitable for millers. However, the Government should consider providing subsidy for fuel and fertilizers to farmers.

## Performance of the Bank

The idea of a bank was conceived by me in the 1990's and after a lot of struggle I was able to obtain a license. The bank has successfully recorded increased profits and paid increased dividends for the last 20 years despite numerous challenges. In terms of efficiency, management of NPL's, growth of advances and deposits we have been highly successful.

The net worth of the bank will be highest barring one bank in Guyana, additionally we have paid taxes of G\$2.087 billion for the financial year (including property tax). We have focused on our social responsibility, catering for the needs of all clients by providing loans & advances to support the productive sectors such as agriculture, advance and develop the Green Initiative and providing concessional financing to the poor classes of society.

All stakeholders have benefitted from the creation of Demerara Bank Limited; customers, employees, government and shareholders.

---

*The bank has successfully recorded increased profits and paid increased dividends for last 20 years despite numerous challenges. In terms of efficiency, management of NPL's, growth of advances and deposits we have been highly successful.*

---

Over the last 27 years, the business model of Demerara Bank Limited has continuously proven its strength, even in the face of global uncertainty and significant economic headwinds. In a year marked by continued challenges, we achieved excellent results with Profit Before Taxation of \$4.898 billion, an increase of 40 percent over the previous year and an After Tax Profit of \$2.954 billion, an increase of 31 percent for the period ended September, 2021.

Achievement of these results were mainly on account of very efficient management of its assets and liabilities, wise investment decisions and prudent lending strategies. The Shareholders' Fund increased by 18 percent to \$18.207 billion. The Bank has maintained exceptionally high Returns on Shareholders' Funds over the years, recording a return of 16.2 percent in 2021. Total Deposits of the Bank increased from \$78.2 billion to \$92.9 billion; an increase of 19 percent over the previous year. Loans and Advances moved from \$40.5 billion to \$46.4 billion, an increase of 15 percent over the corresponding period. Investments of the Bank stood at \$33.6 billion for the year ended September, 2021.

The Bank has paid an interim dividend of \$0.40 per share during 2021. The Board of Directors is happy to recommend a final dividend of \$1.60 per share. The payment of the final dividend will be subject to an approval of the shareholders at the Annual General Meeting. The total dividend payout comes to \$2.00 (200 percent) per share during the year which is the highest dividend paid to date by this Bank.

The last share price of the Bank was recorded at G\$199.00 for one dollar share. Our Bank has become a major wealth creator for all shareholders.

### **Core Business Strategies**

The Bank is strategically diversifying and expanding its products and services to meet the growing needs of the private sector, retail sector, new oil & gas support services and new & emerging businesses and industries.

The Bank has solidified a strategic partnership with the IDB Invest - the Private Sector Investment arm of the Inter-American Development Bank Group. This partnership supports the Bank in diversifying its network of partners to offer trade finance products (imports and exports), which include loans and guarantees to clients for both small and medium enterprises in Guyana. During the year, facilities totaling US\$7 million was disbursed for export financing under the IDB Invest fund which coincidentally were made available at an opportune time and to those sectors mostly affected by flooding. Our plan is to expand this facility during the upcoming year to further assist the productive sectors of our economy.

The Bank is also embarking on branch expansion for the new year and will commence construction of a new location on the West Coast of Demerara. This new branch will be our ninth (9<sup>th</sup>) branch and will provide competitive banking services to the general public.

The branch will be equipped with all modern amenities and facilities that are available throughout our network of branches to ensure the convenience, comfort and safety of our customers. The Bank remains a pioneer in the Green Energy initiative in Guyana and plans to install a solar energy system on this new building which will self-generate electricity and improve the returns on investment. Presently, four of our locations; Corporate Office, Diamond Branch, Essequibo Branch and Mahaica Branch are fully powered by solar energy.

---

***The bank is also embarking on branch expansion for the new year and will commence construction of a new location on the West Coast of Demerara. This will be our ninth branch and will provide competitive banking services to the general public.***

---

Over the year, the Bank has increased its issuance of Visa debit and credit cards which provides customers with the convenience of shopping locally, online or abroad, wherever Visa is accepted. Our Visa debit cards allow Chip (EMV) and Contactless (tap to pay) processing, increasing customer security and convenience. In the coming year, we aim to increase awareness on the benefits of using Visa cards for all purchasing and therefore, reduce dependence on cash transactions which will benefit our society as a whole.

### **Information Technology**

The Bank continues to leverage on new technology to improve our services and experiences of our customers. Implementation of new technology will enable the Bank to explore the digital economy and ensure that we meet the requirements in our customers daily life, delivering all products and services through E2E digital channels.

The Bank during the past year completed the development and testing of our Corporate Internet Banking Platform. This platform is an enhanced version of the current ebanking interface and it offers additional functionalities which allow for easy access to safe and secure banking services by our corporate clients. The platform allows a corporate entity to monitor and conduct any transaction or make requests to the Bank from the comfort of their office or home.

We are also finalizing development of our Retail Ebanking Platforms to offer an enhanced line



of services to our customers. The platform will incorporate the latest technology with the primary objective of creating comfort, accessibility and security for our customers.

### **Management and Staff**

Our management and staff remained resilient whilst providing essential banking services to the public during these unprecedented times. COVID-19 indeed has taken a mental and physical toll on all of our employees. Notwithstanding this, the Bank continues to foster a safe and secure environment and has achieved 100% vaccination of its employees. The well-being of our staff and their families is of paramount importance to the Bank and we will continue to lend support wherever needed.

On behalf of the Board of Directors, I sincerely thank all members of staff and management for their application and commitment in the performance of their duties and for the many times they had to go the extra mile to ensure that superior banking services are given to our customers. We will remain customer-centric and a highly technologically driven Guyanese Bank.

### **Board of Directors**

The Bank is guided by a group of highly capable and experienced Board of Directors all having extensive knowledge and experience in different types of industries in Guyana. Their ability to identify business potentials, areas of growth and the linkage with other business organizations have allowed the Bank to have an efficient and quick-decision making process. The Directors have made valuable

contributions through their active participation in monthly board meetings. I thank them for their invaluable support, trust and guidance over the years and look forward to working with them in the coming years.

I would also like to congratulate Mrs. Sheila George on her retirement and place on record my profound gratitude and appreciation for her sterling contribution on the Board of Demerara Bank Limited since its inception.

### **Prospects**

We have great expectation for Guyana's transformation in the coming years and our people will benefit from the vast resources anticipated, especially from the opportunities of the oil & gas sector. Guyanese must expand their knowledge and technical skills to benefit from the ever changing opportunities that Guyana will have to offer, while still focusing on our already established productive sectors.

It has always been my vision that we build this country for all Guyanese, where we live as one people and we all benefit from our wealth of natural resources.

### **Acknowledgement**

During the year, we have received valuable support and patronage from customers, shareholders and well-wishers in Guyana and abroad. We are thankful to all of them and also grateful for the continued support from corresponding agencies, other financial institutions and the general public.

**Please practice and follow the COVID-19 guidelines issued by the Ministry of Health.  
I urge all Guyanese to take the vaccines to ensure the safety of our nation.**

# Chief Executive Officer's Report

Mr. Pravinchandra Dave



I extend my greetings and best wishes to all our shareholders and other stakeholders.

**D**rawing on our 27 years history of reliably serving our clients, we responded to the COVID-19 pandemic by living our purpose – to help make our clients' ambitions a reality – while delivering a resilient financial performance and advancing our long-term growth strategy in 2021. Our clients are at the centre of everything we do. Over the last two years, more than any other in my time as CEO, our clients needed us the most – and I am very proud of how our team delivered. Thanks to the tremendous efforts of our team of more than 250 employees countrywide, we are well positioned to not only succeed amidst a changing environment in the years ahead but also contribute to a more inclusive, sustainable future.

### Global Outlooks

The global economic recovery is projected to continue but remains uneven. Vaccination campaigns are proceeding at different rates around the world, and the scale of macroeconomic policy support and the ability to reopen contact-intensive activities differ considerably across economies. Some targeted restrictions on cross-border mobility continue to be needed, and the Delta variant has led to domestic containment measures being re-imposed in many countries with relatively low vaccination rates. This will affect the prospects for a full recovery in all countries.

In view of this, the IMF World Economic Outlook projects global growth at 5.9 percent for 2021 and a more cautious projection of 4.9 percent in 2022 due to uncertainty and uneven recovery. Aggregate output for the advanced economy group is expected to regain its pre-pandemic trend path in 2022 and exceed it by 0.9 percent in 2024.

The projections are further supported by the WHO weekly reports which confirm that globally, the number of weekly COVID-19 cases and deaths have stabilized and showed a 4 percent and 2 percent decrease in cases and deaths respectively over the last four weeks (October 2021). The progress was supported by rapid vaccination programs and the reintroduction of strict health protocols.

Inflation has risen sharply in the United States partly due to monetary policies and all indications support continued rise due to increases in commodity prices, energy and key raw materials. The Democrats are reported to have narrowed differences on President Biden's Infrastructure Bill which, among other factors, have caused the IMF to project US GDP growth at 6.9 percent for 2021 and 3.6 percent in 2022.

The UK's economic recovery from the COVID-19 pandemic has so far proven rapid but incomplete, and remains contorted by sectoral and regional imbalances. Brexit compounds this challenge; early evidence points to the beginning of a period of acute structural change within UK trade. Inflation is also set to increase sharply in the second half of 2021, with annual CPI forecast to peak at 4.6 percent in April 2022 and GDP projected at 6.8 percent for 2021.

A surprisingly strong rebound in the first half of this year boosted economic activity in emerging and developing countries in the Europe and Central Asia region, with the regional economy now projected to expand by a better-than-expected 5.5 percent in 2021. The rebound was largely driven by a strong recovery in exports during the first half of this year, as activity in the Euro area bounced back and commodity prices rose sharply, as well as strengthening domestic demand due to vaccinations and government support.

The International Monetary Fund (IMF) has retained its projection for India's economic growth in the current financial year at 9.5 percent, even as it has moderately scaled down its forecast for the world economy during 2021 by 10 basis points to 5.9 percent in view of worsening Covid dynamics and supply disruptions. Meanwhile, the IMF has cut its China GDP growth projections for 2021 and 2022 by 10 basis points each to 8 and 5.6 percent, respectively.

An unprecedented combination of factors is roiling world energy markets, rekindling the memories of the 1970s energy crisis and complicating an already uncertain outlook for inflation and the global economy. Spot prices for natural gas have more than quadrupled to record levels in Europe and Asia while Brent crude oil prices, the global benchmark, recently reached a seven-year high above \$85 per barrel, as more buyers sought alternatives for heating and power generation amid already tight supplies. Supply disruptions and price pressures are posing unprecedented challenges for a world already grappling with an uneven pandemic recovery.

### Caribbean Economy

The economic recovery in the Caribbean is subject to considerable uncertainty related to the evolution of the COVID-19 pandemic. The number of COVID-19 cases in the Caribbean was initially well-contained, but the situation deteriorated following a reopening of borders, with an uptick in cases in 2021 leading some countries to reinstate lockdowns. The pace of COVID-19 vaccinations so far in the region has been mixed, with a few countries seeing low levels of coverage (Haiti, Jamaica) and others reaching coverage rates like in advanced economies (Anguilla, Aruba, St. Kitts and Nevis) while vaccine hesitancy is becoming a major challenge. There is also uncertainty related to the return of tourists from North America and Europe, the main tourist markets for the Caribbean.

The economic recovery in the region has been sluggish, especially for tourism-dependent

economies where tourists have been slow to return and there is the possibility of significant and persistent economic damage. Over the medium term, GDP is projected to be 5.2 percent lower than its pre-pandemic projection for these economies, suggesting that the burden of debt service and corporate vulnerabilities would act as a drag on growth during the recovery.

Tourism in the region is projected to grow slowly, remaining at just 60 percent of pre-COVID-19 levels in 2021 due to renewed local outbreaks, lockdowns, suspension of flights, and increased costs for travelers from COVID-19 testing and quarantine requirements for arrival and departure. Correspondingly, after a 9.5 percent contraction in the tourism-dependent countries' GDP in 2020, growth this year will be only 2.3 percent before accelerating to 4 percent in 2022 and 3 percent in 2023.

Inflation in the region is also expected to increase in 2021 due to higher imported inflation, including energy prices. Haiti and Suriname's higher-than-average inflation rates are driven by monetary financing of the fiscal deficit and a significant depreciation of the local currency, respectively.

### Guyana's Economy

The IMF Regional Economic Outlook indicates that Guyana (among the commodity exporters) will continue to grow at double-digit rates driven by a large expansion of oil production and higher international oil prices together with a rebound in the non-oil economy in 2021. The Bank of Guyana mid-year report concludes that the Guyanese Economy grew by 14.5 percent (Real Oil GDP) while non-oil GDP grew by 4.8 percent. The Urban Consumer Price Index (CPI) recorded an inflation rate of 5.6 percent, reflective of upward movements in the prices of food on account of supply shortfall from flooding, miscellaneous goods & services and transport & communication due to higher oil prices.





Agricultural sector declined at a slower rate of 2.4 percent relative to a 4.1 percent contraction in the corresponding period. Sugar output decreased by 22.4 percent due to inclement weather in the first half of the year while the livestock and rice sectors grew 10.6 percent and 7.8 percent, respectively. Total gold declaration declined by 20.9 percent to 240,318 ounces partly due to flooding and momentary halting of production by the Guyana Goldfields Inc. for a production review.

The petroleum & gas and support services industry expanded by 32.3 percent. The industry recorded crude oil production of 20.2 million barrels, with an average output per day ranging between 84,026 and 124,941 barrels. This performance averaged 4.1 percent higher than the 120,000 barrels per day target, during the first quarter, but was 30.0 percent lower in the second quarter (due to a malfunction of the gas compressor).

ExxonMobil has boosted their 2025 forecast for Guyana's crude production to up to 800,000 b/d with plans for a fourth project in the deepwater Stabroek block. The Yellowtail project will be able to deliver up to 250,000 b/d, making it the biggest in the South American country, following the Liza-1, Liza-2 and Payara projects in the Stabroek block. The Government is even more bullish, with a projection of 1mn b/d by 2027.

The spinoff effects from the oil & gas business is expected to produce critical support for the development of the Guyanese economy. Over the coming years, we expect drastic improvement and additions to infrastructure, social services such as health & education, improvement in salary structures, improved retention of talent and general improvement of the standard of living for all Guyanese.

### Banking Scenario

Residents' deposits with the commercial banks comprising of the private and public sectors as well as the non-bank financial institutions, showed an increase of 17 percent to \$535 billion for period ended August, 2021. Of this increase, individual customers deposits increased by 7.3 percent or \$18.3 billion to \$267.8 billion, which accounts for 68 percent of the total private sector deposits.

Total liquid assets of the commercial banks expanded by 36 percent for the period ended August, 2021 while interest rates remained stable over the period. Ninety-one (91) days domestic Treasury yield was 1.54 percent while the 182-days domestic Treasury yield was 0.89 percent. In addition to that, the excess reserve maintained by commercial banks remained in the vicinity of \$83 billion which reflects the excess liquidity in the system. The exchange rate for wire transfers was stable during 2021 and Guyana may show marginal appreciation in 2022 & 2023.

## Performance of the Bank

Notwithstanding the challenges of the banking environment, and the effects of COVID-19, Demerara Bank continued to excel in many areas and due to prudent management and continued strategic focus we are proud to announce results that historically supersedes all preceding years. Performances recorded during the year were as follows: -

- Net Profit of the Bank increased by 31 percent to \$2.954 billion in comparison to \$2.263 billion in 2020.
- Gross Profit of the Bank during 2021 was recorded at \$4.898 billion compared to \$3.508 billion during last year; registering a rise of 40 percent over the previous year.
- Total Deposits increased from \$78.2 billion to \$92.9 billion; increasing by 19 percent over the previous year.
- Total Advances of the Bank increased from \$40.5 billion to \$46.4 billion in 2021; showing a rise of 15 percent over the corresponding 2020 period.
- Investments of the Bank as at September 30, 2021 amounts to \$33.6 billion.
- Gross Non-Performing Assets (GNPA) reduced by 24 percent to \$1.044 billion as at September 30, 2021. Despite COVID-19 we have achieved good progress in our recovery and there was no new classification during the financial year.
- Earnings Per Share increased from \$5.03 to \$6.56 per share as at September 30, 2021.
- Return on Average Assets as at September 30, 2021 was 2.8 percent.
- Shareholders' Funds have gone up from \$15.450 billion to \$18.207 billion; showing a rise of 18 percent over the previous year.
- Return on Shareholders' Funds has been substantial over the year and recorded a return of 16.2 percent for the year ended September 30, 2021.
- The Book Value of the shares has gone up from \$34.33 per share in 2020 to \$40.46 per share in 2021; showing a rise of 18 percent over the previous year.

## Income and Expenses

The Gross Profit of the Bank increased by 40 percent to \$4.898 billion during the year. Concurrently, Net Profit increased by 31 percent to \$2.954 billion over the previous year. This was mainly on account of an increase in interest income and other income. Other Income increased from \$1.037 billion to \$2.008 billion during the year, showing a rise of 94 percent due to diversification of our assets. Interest Income on Loans and Advances increased from \$3.135 billion to \$3.461 billion; a rise of 10.4 percent over the previous year. Total Interest Income rose by 11.3 percent to \$5.419 billion.

Interest Expenses reduced by \$31 million or 3.4 percent while Non-Interest Expenses have moved from \$1.467 billion to \$1.718 billion; showing a rise of 17 percent over the previous year. The main contributors to Non-Interest Expenses were mainly

an increase in staff costs, property taxes, Visa expenses, deposit insurance and depreciation. Management of the Bank actively strives to achieve the best cost / income ratio in comparison with other banks by constantly creating and researching ideas to reduce cost in all areas.

## Deposit Mobilization

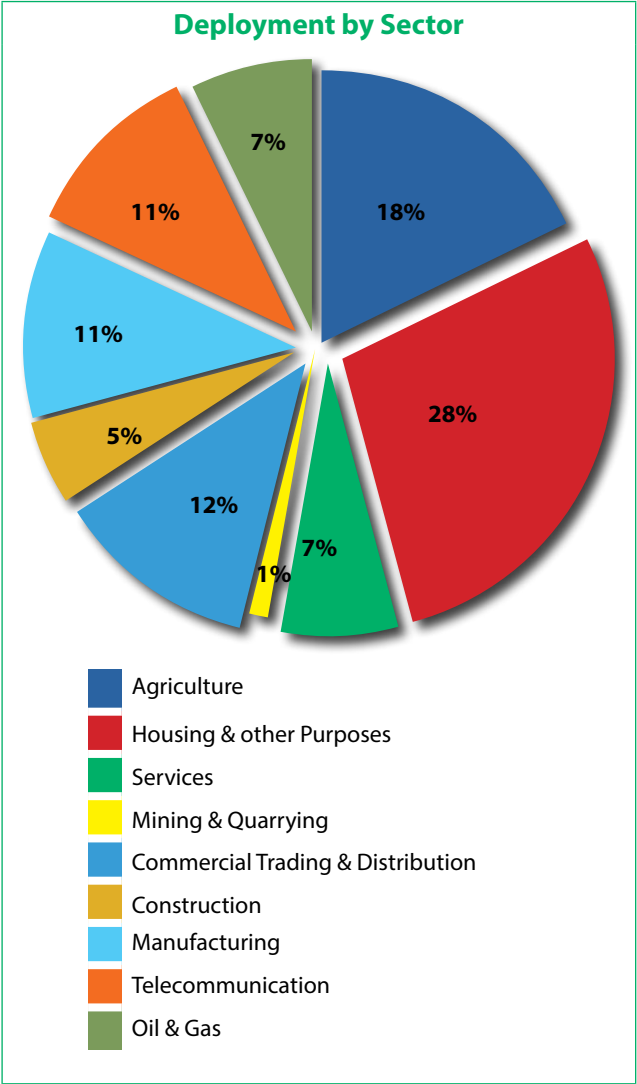
Total Deposits have increased to \$92.8 billion during the year reflecting a growth of 19 percent. The increase in Total Deposits by the Bank was attributable to the growth in all deposit mix; Term Deposit increased by 12.7 percent and Demand Deposits increased by 21 percent. Saving Deposits, which makes up 48 percent of the Bank's total deposit portfolio, increased by \$8.38 billion or 23.1 percent. Good marketing efforts by our branches in Berbice, Demerara, and Essequibo have contributed to the excellent growth in deposits of the Bank. The Bank will continue to provide

superior banking services as it seeks to expand its network of branches countrywide.

### Loans & Advances

Net Loans and Advances during the year increased from \$40.5 billion to \$46.4 billion, showing a rise of 15 percent over the previous year. This was as a result of an increase in lending to the services, housing and other commercial and consumer sectors. Despite the challenges of COVID-19, the Bank was able to prudently market its advances to both the productive and consumer sectors of the economy. Banking Sector Loans and Advances to the Private Sector for the period ended August, 2021, recorded an increase of 5.4 percent when compared with December, 2020.

We have a diversified portfolio which is evident from the following chart:



### Non-Performing Advances and Loan Provisions

Total Non-Performing Advances (NPAs) decreased to \$1.044 billion as at September 30, 2021, and we project good recovery in 2021 - 2022. The majority of our NPAs remains in the rice sector and even though our NPAs are well collateralized, every effort is made to ensure maximum recoverability. We have provisions of \$547 million against our Non-Performing Loans which is more than 50 percent of the NPAs. Our Action Plan for 2021 – 2022 is to continue our focus and efforts on the Non-Performing Accounts with a goal of reducing same to less than \$500 million during the next financial year. We will continue to pay our undivided attention on improving the quality of our appraisals and to keep strong controls on all facilities, thereby maintaining the quality and health of our portfolio. Our recovery efforts were stalled by restrictions imposed by the legal system on public auctions of foreclosed assets.

### Investments

The Investments of the Bank as at September 30, 2021 amounts to \$33.6 billion. Investment opportunities across the globe were affected during the year by COVID-19. Our Investment income for 2021 was \$1.959 billion.

### Capital Adequacy and Risk Management

Our Capital Adequacy Ratio over the years remained well above the prudential 8.0 percent benchmark set by the Central Bank. The Bank Tier I Capital Adequacy Ratio stood at 27.10 percent in 2021. The Bank of Guyana has finalized the process for the implementation of Basel II / III Framework that factors and quantify market and operational risks in the calculation of this ratio, which is in line with international adaptation of this standard. This will affect the overall ratio and the standard is effective for implementation during the new financial year 2021 - 2022.

The Board and Management have overall responsibility for the risk management function of the Bank. The Board has formed various sub-committees

to specifically review and evaluate different risks to the Bank in addition to consistently updating our Risk Management Policy and strengthening our internal control functions in order to remain successful. Management regularly monitors Liquidity risks, Interest Rate risks and Default risks and will continue to identify risks in the areas of Advances, Investments, Foreign Exchange and Operations and take corrective action to minimize any future losses.

### Revision of Supervision Guideline # 5

During the financial year, the Bank of Guyana engaged the Banker's Association for the revision and implementation of the Supervision Guideline #5 which deals with classification and provisioning of financial assets.

The revision caters for the changing environment and adjustments necessary since the implementation of corresponding accounting standard, IFRS 9. The standard was officially revised and implemented in July, 2021 and our statutory provisioning model is prepared according to the revision.

### Regulatory Compliance

Demerara Bank Limited continues to be guided by the relevant legislations, supervisory guidelines and circulars issued by the Bank of Guyana; this is in support to strengthen the regime for combatting money laundering, terrorist financing and proliferation financing.

We played an active role as a participating organization with the National Co-ordination Committee in the recently concluded National Risk Assessment (NRA): these inputs will be used to develop a national action plan which includes recommendations on effective mechanisms to enable the competent authorities in Guyana to co-ordinate with each other concerning the development and implementation of policies and activities to combat money laundering, terrorist financing and proliferation financing.

We endeavor, as a reporting entity, to continue to support the various reporting mechanisms and to fulfill our obligations under the Foreign Account Tax Compliance Act (FATCA).

### Upholding Values and Social Work

As one of our core values, we are an equal opportunity employer. Our policies remain non-discriminatory as we continue to strive to offer the best services to all of our customers, irrespective of ethnicity, cultural backgrounds, and religion or belief. The Bank continues to play its role as a corporate citizen and during the year activities by the Bank were centered around providing relief to vulnerable communities and entities during the pandemic. These include:

- Sponsorship of the Parbhu Saharan Orphanage under the Office of the First Lady's Adopt an Orphanage Initiative
- Distribution of hampers to the less fortunate on the Essequibo Coast.
- Donation of sewing machines to the Humanitarian Mission Guyana Inc. in support of its continuous efforts to improve the skills of Guyanese.
- Sponsorship of a core home for a visually impaired applicant under the Central Housing and Planning Authority's Adequate Housing and Urban Accessibility Programme.

The Bank has continued to promote its 'GO GREEN' initiative by offering Green Loans for Commercial and Residential applicants. We have also installed solar systems at five branches of the bank which contributes to substantial saving of more than \$20 million yearly while reducing our carbon footprint.

The Bank is also in the process of expanding its branch network on the West Coast of Demerara. This branch is integral to bridge the banking needs for residents which will improve convenience and security. We will also equip this branch with all the services that are available in Georgetown and will be conducting pre-marketing exercises in the area to make the banking experience easier for the residents.

The partnership fostered between Demerara Bank Limited and the Inter American Development Bank - Invest during 2019 continues to create strategic benefits for our clients. During the financial year 2021, the Bank disbursed US\$7 million for trade financing purposes and we plan to expand this facility during this new year which will be deployed in the productive sectors of our country.

### **Future Plans**

Our strategy for this new year is to continue promoting a green and sustainable environment. Our intent is to encourage more 'Green' financing to the retail sector, create a fund for special environmental/recycling projects and leveraging technology to transform our operations to a paperless environment.

We have completed the development and testing of an advanced Corporate Internet Banking Platform which will drastically improve the convenience and services to our corporate customers. The platform allows for real time account monitoring, access to electronic images of cheques, SWIFT payment and Electronic Funds Transfer (EFT) requests, dual authorization for added security, payroll automation services and many other features to benefit our customers.

On the retail side, we are enhancing our Retail Ebanking Platforms to improve the accessibility of our services. The platform will incorporate the latest technology with the primary objective of creating comfort, convenience and security to our customers.

This innovation is imminent and can transform the financial services industry from the traditional 'brick and mortar' institution to a digital platform which can create payment mechanisms and access throughout the length and breadth of Guyana; thus ensuring all Guyanese have access to banking services and creates a transition to "cash less" payments.

### **Acknowledgement**

Our clients have been our greatest source of inspiration and support. We are highly grateful to our customers who have shown incredible loyalty and support during the last 27 years of the Bank's existence. Our Board of Directors has been the backbone of our successes and achievements. They have played an integral role by their active participation in the monthly board meetings and have also provided valuable guidance and support during the year. My sincere thanks and appreciation to every member of the Board.

In a competitive and rapidly-changing banking environment, the Bank can only achieve success with a highly committed, dedicated, motivated and competent workforce. Our Bank is fortunate to have a very talented and committed pool of Human Resources. I express my profound gratitude to all staff members at all levels.

To our Chairman, Dr. Yesu Persaud, I thank him profusely for his trust and support during the year. The progress of the Bank would not have been possible without his guidance and motivation.

**I encourage all Guyanese to get vaccinated and follow the COVID-19 health guidelines issued by the Ministry of Health.**





## Management Team



**Mr. Dowlat Parbhu**  
General Manager



**Mr. John Lee**  
Chief Manager  
Management  
Information Systems



**Ms. Deborah Sugrim**  
Chief Manager  
Operations



**Ms. Pravini Ramotar**  
Chief Manager  
Human Resources  
and Administration



**Mr. Jerrett Morgan**  
Senior Manager  
VISA Operations



**Mrs. Amrita Henriques**  
Senior Manager  
Branch Coordination,  
Research & Development

# Management Team



**Mr. David Ramdehol**  
Manager  
Credit



**Mr. Imran Badruddin**  
Manager  
Investment & Business  
Development



**Ms. Deborah Shim-Foo**  
Manager  
Credit



**Ms. Christina Correia**  
Manager  
Marketing, Public Relations  
& New Products



**Mr. Ramnarine Autar**  
Manager  
Investment



**Mr. Khemraj Narine**  
Manager  
Information System  
Administrator



**Ms. Shaleeza Shaw**  
Manager  
Main Branch



**Mrs. Kenesha  
Collins-Phillips**  
Manager  
Corporate Banking  
& Operations

# Management Team



**Ms. Nekeisha Persaud**  
Legal Officer



**Mr. Deyon D'Oliveira**  
Management



**Mr. Mandrekar Khemraj**  
Branch Manager  
Rose Hall



**Ms. Farahnaz Hosain**  
Branch Manager  
Essequibo



**Ms. Anna Abraham**  
Branch Manager  
Corriverton



**Ms. Patrina Sahib-Roshan**  
Branch Manager (ag)  
Le Ressouvenir



**Mr. Shridat Singh**  
Branch Manager  
Mahaica



**Ms. Bibi Bacchus**  
Branch Manager  
Diamond



# Management Team



**Mrs. Rosemaria Appanah**  
Foreign Trade Department



**Ms. Monica Serrao**  
VISA Department



**Mrs. La Donna Delon**  
Chief Internal Auditor (ag.)



**Ms. Sunita Persaud**  
Audit Department



**Mrs. Neishelle  
Mc Kenzie-Simpson**  
Management





## Independent **Auditor's** Report



**Nizam Ali & Company**  
**Chartered Accountants**

**215 'C' Camp Street**  
**North Cummingsburg**  
**Georgetown**  
**Guyana**

**Tel: (592) 227-8825**  
**Tele/Fax: (592) 225-7085**  
**Email: [admin@nizamali.net](mailto:admin@nizamali.net)**

## **INDEPENDENT AUDITORS' REPORT**

To the Shareholders of Demerara Bank Limited

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Demerara Bank Limited, which comprise the statement of financial position as at September 30, 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of 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, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### **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 Auditors' 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) together with the ethical requirements that are relevant to our audit of the financial statements in Guyana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended September 30, 2021. 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

How our audit addressed the key audit matter

**Investments**

The Bank invests a significant portion of its funds in financial instruments that are classified at fair value through other comprehensive income and fair value through profit or loss. These instruments comprise equity shares and fixed income securities and are valued based on quoted prices in active markets. As at the year end, there is significant measurement uncertainty involved in these valuations.

In auditing these financial instruments, we reviewed and verified the processes and key controls applied in the valuation of these investments. Additionally, we performed independent price verification of all investments from recognised active financial markets and considered whether disclosures are in compliance with the requirements of relevant International Financial Reporting Standards.

**Impairment of property, plant and equipment**

Significant judgment is exercised in determining the useful life of items of property, plant and equipment. In this regard, based on management's evaluation and assessment, appropriate depreciation rates are allocated to property, plant and equipment. An annual impairment review is also carried out for all property, plant and equipment which entails a high degree of management's judgment.

In addressing judgment in determining the useful life of property, plant and equipment, procedures included reviewing the Bank's policy for property, plant and equipment, ensuring that depreciation rates used are consistent with these policies and appropriate rates are applied to respective categories of property, plant and equipment. Further, we assessed the impairment review carried out by management, by comparing the carrying value of these assets against their estimated remaining useful life.

**Credit impairment losses**

IFRS 9 requires the Bank to recognise expected credit losses (ECL) on financial assets. The determination of ECL is highly subjective and requires management to make significant judgment and assumptions. The most significant judgments and assumptions are:

- Assumptions used in the expected credit loss model to assess the credit risk related to the exposure and the expected future cash flows of the customer.
- Timely identification of exposures with significant increase in credit risk and credit impaired exposures.
- Valuation of collateral and assumptions of future cash flows on assessed credit-impaired exposures.

Our procedures in this area included:

- Assessing the trends in the local credit environment, considering their likely impact on the Bank's exposures and using this information to focus our testing on the key risk areas.
- Assessing and testing the design and operating effectiveness of the controls over the Bank's loan impairment provision.
- Testing key controls over assumptions used in the expected credit loss models to assess the credit risk related to the exposure and the expected future cash flows of the customer.

## Key Audit Matters, continued

Key Audit Matters	How our audit addressed the key audit matters
<b><i>Credit impairment losses, continued</i></b>	
<p>These estimates involve increased judgment as a result of the economic impact of COVID-19 on the Bank's financial assets. Management considered the following:</p> <ul style="list-style-type: none"><li>- Qualitative factors that create COVID-19 related changes to the significant increase in credit risk.</li><li>- Increased uncertainty about potential future economic scenarios and their impact on credit losses.</li></ul> <p>The Bank is also required to compute loan provision in accordance with the Bank of Guyana Supervision Guideline number 5. There is the risk of inappropriate classification of loans and advances in accordance with the Supervision Guideline number 5 that results in inaccurate loan impairment computations.</p> <p>Where the required provision under IFRS 9 differs from the provision under the Supervision Guideline number 5, at minimum the Bank recognises the impairment required under the provisions of IFRS 9. However, when the application of Supervision Guideline number 5 gives rise to a more prudent provision, then the impairment computed using Supervision Guideline number 5 is recognised.</p>	<ul style="list-style-type: none"><li>• Assessing and substantively validating the impairment models by re-performing calculations and agreeing sample of data inputs to source documentation. We also assessed whether the data used in the models is complete and accurate through testing a sample of relevant data fields and their aggregate amounts against data in the source system.</li><li>• Obtaining and substantively testing evidence to support the assumptions used in the expected credit loss models applied in stage allocation, assumptions applied to derive lifetime possibility of default and methods applied to derive loss given default.</li><li>• Verifying that all loans and advances are secured, active and are monitored in accordance with the Supervision Guideline numbers 5 and 13 and evaluating management's compliance with these guidelines. We also verified whether these loans and advances were classified based on the criteria outlined in these guidelines.</li><li>• Assessing whether the disclosures in the financial statements appropriately reflect the Bank's exposure to credit risk.</li></ul>

## Going Concern

The Bank's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Bank's financial statements is appropriate. Management has not identified a material uncertainty that may cast significant doubt on the Bank's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the Bank's ability to continue as a going concern.



## **Other Information**

Management is responsible for the other information. The other information comprises all the information included in the Bank's 2021 annual report but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the 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 in 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 IFRSs, and for such internal control 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.

## **Auditors' 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 auditors' 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they can 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 ISAs, we exercise professional judgment and maintain professional skepticism 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.



## Auditors' Responsibilities for the Audit of the Financial Statements, continued

- 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 auditors' 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 auditors' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Bank's audit. We remain solely responsible for our audit opinion.

We are required to 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.

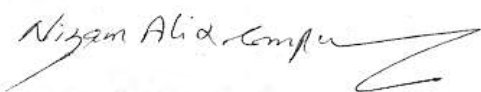
We are also required to provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Financial Institutions Act 1995, the Companies Act 1991 and the Securities Industry Act 1998.

The engagement partner responsible for the audit resulting in this independent auditors' report is Mr. Dave Singh, FCCA.



Chartered Accountants  
Georgetown, Guyana


October 28, 2021

**DEMERARA BANK LIMITED****Statement of Financial Position****As at September 30, 2021****With comparative figures for September 30, 2020****(Expressed in Guyana Dollars)**

	Notes	2021 \$'000	2020 \$'000
<b>ASSETS</b>			
Cash		726,436	571,062
Due from banks		10,953,630	3,306,564
Deposit with Central Bank other than statutory deposit		10,544,050	6,415,431
Statutory deposit with Central Bank	7	9,480,191	7,893,553
Investment securities	8	33,628,192	33,012,614
Loans and advances	9	46,383,479	40,468,447
Property, plant and equipment	11	2,635,808	2,551,910
Taxation recoverable		6,087	6,087
Deferred Tax	21	69,383	329,218
Other	12	77,427	98,983
		<u>114,504,683</u>	<u>94,653,869</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Deposits	10	92,875,562	78,178,294
Taxation payable		1,048,265	404,750
Other liabilities	13	2,373,895	620,505
		<u>96,297,722</u>	<u>79,203,549</u>
<b>Shareholders' Equity</b>			
Share capital	14	450,000	450,000
Statutory reserve	15 (i)	450,000	450,000
Investment revaluation reserve	15 (ii)	146,422	(398,613)
Other reserve	15(iii)	41,928	63,937
Retained earnings		<u>17,118,611</u>	<u>14,884,996</u>
		<u>18,206,961</u>	<u>15,450,320</u>
		<u>114,504,683</u>	<u>94,653,869</u>

The financial statements have been approved by the Board of Directors on October 28, 2021 and signed on its behalf by:

  
**Mr. P.S. Dave**  
 Chief Executive Officer  
 Director

  
**Dr. Yesu Persaud**  
 Chairman

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

# DEMERARA BANK LIMITED

## Statement of Profit or Loss and Other Comprehensive Income For the year ended September 30, 2021 With comparative figures for September 30, 2020 (Expressed in Guyana Dollars)

	Notes	2021 \$'000	2020 \$'000
<b>Interest income</b>			
Loans and advances		3,460,515	3,135,351
Investments	16	1,958,956	1,735,067
		<u>5,419,471</u>	<u>4,870,418</u>
<b>Interest expense</b>			
Savings deposits		298,455	333,637
Term deposits		572,188	568,876
Others		6,173	5,485
		<u>876,816</u>	<u>907,998</u>
<b>Net interest income</b>		4,542,655	3,962,420
Net credit impairment		<u>65,000</u>	<u>(25,000)</u>
Income net of credit impairment		4,607,655	3,937,420
Other income	22	<u>2,007,914</u>	<u>1,037,472</u>
<b>Net interest and other income</b>		<u>6,615,569</u>	<u>4,974,892</u>
<b>Non-interest expenses</b>	18	<u>1,717,515</u>	<u>1,466,673</u>
Income before taxation		4,898,054	3,508,219
Taxation	20	1,943,948	1,245,051
<b>Net income for the year</b>	17	<u>2,954,106</u>	<u>2,263,168</u>
<b>Earnings per share in dollars</b>	23	<u>6.56</u>	<u>5.03</u>

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



## DEMERARA BANK LIMITED

### Statement of Profit or Loss and Other Comprehensive Income

For the year ended September 30, 2021

With comparative figures for September 30, 2020

(Expressed in Guyana Dollars)

	Notes	2021 <u>\$'000</u>	2020 <u>\$'000</u>
Net income for the year		<u>2,954,106</u>	<u>2,263,168</u>
<b>Other Comprehensive Income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net gain (loss) on investments in debt instruments measured at FVOCI		691,735	(723,346)
Net gain on investments in debt instruments measured at FVOCI reclassified to profit or loss on disposal		216,656	154,117
Tax on components of other comprehensive income		<u>(363,356)</u>	<u>227,690</u>
Total other comprehensive income for the year		<u>545,035</u>	<u>(341,539)</u>
Total comprehensive income for the year		<u><u>3,499,141</u></u>	<u><u>1,921,629</u></u>

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

# DEMERARA BANK LIMITED

## Statement of Changes in Equity For the year ended September 30, 2021 With comparative figures for September 30, 2020 (Expressed in Guyana Dollars)

	Share capital	Retained earnings	Statutory reserve	Investment revaluation reserve	Other reserve	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Balance at October 1, 2019</b>	450,000	13,206,828	450,000	(57,073)	10,690	14,060,445
Profit for the year September 30, 2020	-	2,263,168	-	-	-	2,263,168
Dividend (note 24)	-	(585,000)	-	-	-	(585,000)
Other comprehensive income	-	-	-	(341,540)	-	(341,540)
Transfer	-	-	-	-	53,247	53,247
<b>Balance at September 30, 2020</b>	450,000	14,884,996	450,000	(398,613)	63,937	15,450,320
Profit for the year September 30, 2021	-	2,954,106	-	-	-	2,954,106
Dividend (note 24)	-	(742,500)	-	-	-	(742,500)
Other comprehensive income	-	-	-	545,035	-	545,035
Transfer	-	22,009	-	-	(22,009)	-
<b>Balance at September 30, 2021</b>	450,000	17,118,611	450,000	146,422	41,928	18,206,961

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

# DEMERARA BANK LIMITED

## Statement of Cash Flows

For the year ended September 30, 2021

With comparative figures for September 30, 2020

(Expressed in Guyana Dollars)

	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>		
Net income before taxation	4,898,054	3,508,219
Interest income	(5,419,471)	(4,870,418)
Interest expense	876,816	907,998
Adjustments for:		
Depreciation	167,290	156,164
Loss on disposal of plant and equipment	25,972	12,983
Interest received	5,543,746	4,590,156
Interest paid	(889,121)	(919,171)
(Increase) decrease in statutory deposit with Central Bank	(1,586,638)	539,981
Decrease (increase) in other assets	21,556	(22,236)
Increase in deposits	14,709,572	9,863,067
Increase in other liabilities	1,753,390	48,055
Taxes paid	(1,403,953)	(1,351,691)
<b>Net cash from operating activities</b>	<b>18,697,213</b>	<b>12,463,107</b>
<b>Cash flows from investing activities</b>		
Decrease (increase) in investments	275,980	(8,370,933)
Increase in loans and advances	(6,022,475)	(3,517,976)
Acquisition of property, plant and equipment	(277,159)	(400,620)
Proceeds from sale of plant and equipment	-	100
<b>Net cash used in investing activities</b>	<b>(6,023,654)</b>	<b>(12,289,429)</b>
<b>Cash flows from financing activities</b>		
Dividends	(742,500)	(585,000)
<b>Net cash used in financing activities</b>	<b>(742,500)</b>	<b>(585,000)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>11,931,059</b>	<b>(411,322)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>10,293,057</b>	<b>10,704,379</b>
<b>Cash and cash equivalents, end of year</b>	<b>22,224,116</b>	<b>10,293,057</b>
<b>Cash and cash equivalent comprises of the following statement of financial position items:</b>		
Cash	726,436	571,062
Deposit with Central Bank other than statutory deposit	10,544,050	6,415,431
Due from banks	10,953,630	3,306,564
	<b>22,224,116</b>	<b>10,293,057</b>

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

## DEMERARA BANK LIMITED

### Notes to Financial Statements

September 30, 2021

(Expressed in Guyana Dollars)

---

#### 1. Incorporation and business activities

Demerara Bank Limited was incorporated on January 20, 1992 as a private limited liability company under the provisions of the Companies Act, Chapter 89:01 and was licensed to carry on the business of Banking on October 31, 1994. The Bank obtained Certificate of Continuance on April 2, 1997 in accordance with the Companies Act 1991.

The Bank offers a complete range of banking and financial services and operates under the provisions of the Financial Institutions Act (Act 1 of 1995).

The Bank was registered as a reporting issuer under the Securities Industries Act 1998 on September 2, 2003.

On September 2, 2003 the Bank was designated an approved mortgage finance company by the Minister of Finance in accordance with section 15 of the Income Tax Act. The income earned from mortgages granted by an approved mortgage finance company is exempt from the payment of corporation taxes, provided that these mortgages comply with the stipulated regulations.

#### 2. Changes in accounting policies and disclosures

##### 2.1 *New standards, amendments and interpretations adopted*

##### **IFRS 3 - Business combination**

On January 1, 2020 *Definition of a Business (Amendments to IFRS 3)* became effective to make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments:

- confirmed that a business must include inputs and a process, and clarified that:
- the process must be substantive; and the inputs and process must together significantly contribute to creating outputs.
- narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

This had no impact on adoption.

##### **IFRS 7 Financial Instruments - Disclosures**

##### **IAS 39 Financial Instruments- Recognition and Measurement**

##### **IFRS 9 Financial Instruments**

The amendments became effective on January 1, 2020, and are designed to support the provision of useful financial information by companies during the period of uncertainty arising from the phasing out of interest-rate benchmarks such as IBORs. They (i) modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform; and (ii) require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. This is not applicable to the Bank and thus had no impact.

##### **IFRS 16 Leases**

The changes in *Covid-19-Related Rent Concessions (Amendment to IFRS 16)* became effective on June 1, 2020, and amend IFRS 16 to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification; require lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications; require lessees that apply the exemption to disclose that fact; and require lessees to apply the exemption retrospectively in accordance with IAS 8, but not require them to restate prior period figures. This had no impact on adoption.

##### **Amendments to the Conceptual Framework**

The revised framework became effective on January 1, 2020 and covers all aspects of standard setting including the objective of financial reporting. The main change relates to how and when assets and liabilities are recognised and de-recognised in the financial statements. This had no impact on adoption.



2. Changes in accounting policies and disclosures, continued

2.2 New standards, amendments and interpretations not yet adopted

Effective date

**IAS 1 Amendments to IAS 1 - Presentation of Financial Statements**

1-Jan-23

IAS 1 has been revised to (i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

**Amendments to IFRS 9 - Financial Instruments**

1-Jan-22

The amendment, part of the *Annual Improvements to IFRS Standards 2018 to 2020*, clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

**Amendments to IAS 16 - Property, Plant and Equipment**

1-Jan-22

The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

**Amendments to IAS 37 - Provision, contingent liabilities and contingent assets**

1-Jan-22

The amendments clarify that, for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

**Amendments to IAS 41 - Agriculture**

1-Jan-22

The amendment, part of the *Annual Improvements to IFRS Standards 2018 to 2020*, removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

**Amendments to IFRS 1 - First time adoption of International Financial Reporting Standards**

1-Jan-22

The amendment, part of the *Annual Improvements to IFRS Standards 2018 to 2020*, permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

**IFRS 17 - Insurance contracts**

1-Jan-23

The new Standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4, Insurance Contracts. The Standard outlines a General Model, which is modified for insurance contracts with direct participation features, described as the Variable Fee Approach. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach.

**Amendments to IFRS 17 - Insurance contracts**

1-Jan-23

The amendments simplify and revise some requirements for contracts to which the Standard applies, provide additional transitional reliefs and defer the effective date of the Standard from January 1, 2021, to January 1, 2023.

2. Changes in accounting policies and disclosures, continued

2.2 *New standards, amendments and interpretations not yet adopted, continued*

Effective date

**Amendment to IFRS 3 - Business combination**

1-Jan-22

The amendments updated the reference to the Conceptual Framework. They also added to IFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The Board added this exception to avoid an unintended consequence of updating the reference. Without the exception, an entity would have recognized some liabilities on the acquisition of a business that it would not recognize in other circumstances. Immediately after the acquisition, the entity would have had to derecognise such liabilities and recognize a gain that did not depict an economic gain.

**Amendment to IFRS 16 - Leases**

1-Jan-22

The amendments to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. This is part of the *Annual Improvements to IFRS Standards 2018 to 2020*.

**Amendments to IFRS - 9 *Financial Instruments*, IAS - 39 *Financial Instruments: Recognition and Measurement*, IFRS - 7 *Financial Instruments: Disclosures*, IFRS - 4 *Insurance Contracts* and IFRS - 16 *Leases***

1-Jan-21

The amendments, collectively called *Interest Rate Benchmark Reform — Phase 2*, complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform.

**Amendments to IFRS - 10, *Consolidated financial statements* and IAS - 28 *Investments in associates and joint ventures***

Deferred indefinitely

The amendments clarify the recognition of gains or losses in the Parent's financial statements for the sale or contribution of assets between an investor and its associate or joint venture.

The Bank is assessing the impact that these amendments will have on its financial statements.

### 3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the previous year.

#### 3.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board and are presented in Guyana dollars, which is the functional currency, rounded to the nearest thousand. The financial statements are prepared on the historical cost basis, modified for the measurement at fair value, of investment securities classified as fair value through profit or loss (FVPL) and fair value through other comprehensive income (FVOCI).

The preparation of these financial statements in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, contingent assets and contingent liabilities at the date of the financial statements and income and expenses during the period. Actual results could differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 6.

The financial statements were authorised for issue by the Board of Directors on October 28, 2021.

#### 3.2 Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange ruling at the transaction date. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the statement of financial position date, except as otherwise stated. Foreign exchange positions are valued daily at prevailing rates. Resulting translation differences and profits and losses from trading activities are included in the statement of profit or loss and other comprehensive income.

#### 3.3 Property, plant and equipment

Property, plant and equipment are stated generally at historical cost, except for those measured at fair value, when they are tested for impairment. Historical cost includes expenditure directly attributable to the acquisition of the items.

Property, plant and equipment is tested for impairment whenever there is objective evidence that the carrying amount of the asset may exceed its recoverable amount. Any resulting impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income.

Subsequent costs are included in the asset's carrying value 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. The carrying amounts of replaced parts are derecognised. All repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation of property, plant and equipment excluding land, is provided for, over the estimated useful lives of the respective assets using the straight-line method.

The following annual depreciation rates are applicable for the respective asset categories:

Freehold building	2%
Furniture and equipment	10% - 20%
Motor vehicles	20%

Property, plant and equipment acquired under finance lease or leasehold improvements are depreciated over the shorter of the useful life of the asset and the lease term. Land and construction work in progress are not depreciated.

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

### 3. Summary of significant accounting policies, continued

#### 3.4 Financial assets

##### 3.4.1 Classification and subsequent measurement

The Bank classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL)
- Fair value through other comprehensive income (FVOCI) or
- Amortised cost

The classification requirement for debt and equity instruments are described below.

##### ***Debt Instruments***

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Bank's business model for managing the asset and
- (ii) the cash flow characteristics of the asset.

*Business model*: the business model reflects how the Bank manages the assets in order to generate cash flows, that is, whether the Bank's objective is solely to collect the contractual cash flow from the assets, that is to collect both the contractual cash flow and cash flow arising from the sale of assets.

Factors considered by the Bank in determining the business model for a group of assets include past experience on how the cash flow for these assets are collected, how the asset performance is calculated and reported to key management and how risks are assessed and managed.

*Cash flow characteristics*: where the business model is to hold assets to collect contractual cash flow or to collect contractual cash flow and sell, the Bank assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the SSPI test). In making this assessment, the Bank considers whether the contractual cash flow are consistent with a basic lending arrangement, that is interest includes only consideration for the time value of money, credit risk, other basic lending arrangement risk and a profit margin consistent with a basic lending.

Based on these factors, the Bank classifies its debt instruments into one of the following three measurement categories:

- *Amortised Cost*: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI) and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance. Interest income from these financial assets is included in interest income using the effective interest rate method.
- *Fair value through other comprehensive income (FVOCI)*: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movement in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instruments amortised cost, which are recognised in the profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income. Interest income from these financial assets is included in 'Interest Income' using the effective interest rate method.

### 3. Summary of significant accounting policies, continued

#### 3.4 Financial assets, continued

##### 3.4.1 Classification and subsequent measurement, continued

###### *Debt Instruments, continued*

• *Fair value through profit or loss (FVPL)*: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the profit or loss statement in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading in which case they are presented separately in investment income. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

###### *Equity instruments*

Equity instruments are instruments that meet the definition of equity from the inner perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the inner net assets. The Bank subsequently measures all equity investments at fair value through profit or loss, except when management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Bank's policy is to designate equity investment at fair value through other comprehensive income when these investments are held for the purpose other than to generate investment returns. When this election is used, fair value gains and losses, are recognised in OCI and are not subsequently reclassified through profit or loss, including on disposal. Impairment (and reversal of impairment loss) are not reported separately from other changes in fair value. Dividend, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Bank's right to receive payments is established. Gains and loss on equity investments at FVPL are included in net income in the statement of profit or loss.

##### 3.4.2 Impairment

###### *Expected credit loss (ECL)*

IFRS 9 outlines a three stage model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit impaired on initial recognition is classified in 'stage 1' and has its credit risk continuously monitored by the Bank.
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to 'stage 2' but is not yet to be credit impaired.
- If the financial instrument is credit impaired, the financial instrument moves to 'stage 3'.

Financial instruments in 'stage 1' have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward looking information.

The Bank assesses on a forward looking basis the ECL associated with its debt instruments assets at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognises a loss allowance for such loss at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes.
- The time value of money, and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

Purchased or originated credit impaired financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (stage 3).



### 3. Summary of significant accounting policies, continued

#### 3.4 Financial assets, continued

##### 3.4.2 Impairment, continued

##### *Expected credit loss (ECL), continued*

The following table summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

Stage 1	Stage 2	Stage 3
Initial Recognition	Significant increase in credit risk since initial recognition	(Credit Impaired assets)
12-Month Expected Credit Loss.	Lifetime Expected Credit Loss.	Lifetime Expected Credit Loss.

##### *Loan portfolio review in accordance with the requirements of the Financial Institutions Act*

The Bank also carries out a detailed review of its loan portfolio twice yearly in accordance with the requirements of the Financial Institutions Act (FIA) 1995.

Specific provisions are established as a result of these detailed reviews of individual loans and advances and reflect an amount which in management's judgment, provides adequately for estimated losses. Factors considered in such analyses include:

- (i) The customer's ability to generate sufficient cash flow to service debt obligations
- (ii) Breach of loan covenants or conditions
- (iii) Initiation of bankruptcy proceedings
- (iv) The realizable value of security (or other credit mitigants) and likelihood of successful repossession.

#### 3.5 Financial liabilities

In both the current and prior periods, financial liabilities are classified as subsequently measured at amortised cost except for financial guarantee contracts and loan commitments.

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expired).

#### 3.6 Loans and advances

Loans and advances to customers comprise of loans and advances originated by the Bank and are classified as financial assets at amortised cost net of allowances to reflect the estimated recoverable amount.

All loans and advances are recognised when cash is advanced to borrowers and are derecognised when borrowers repay their obligation or when the loan is written off. Loans are written off after all necessary legal procedures have been completed and the amount of the loss is finally determined.

A loan is classified as non-accrual when principal or interest is past due or when, in the opinion of management, there is reasonable doubt as to the ultimate collectability of principal or interest.

Upon classification of a loan to non-accrual status, interest ceases to accrue and all previously accrued and unpaid interest is reversed in the current period. Interest is only recognised in subsequent periods, to the extent that payments of such interest are received.

Loans and advances are generally returned to accrual status when the timely collection of both principal and interest is reasonably assured and all delinquent principal and interest payments are brought current.

### 3. Summary of significant accounting policies, continued

#### 3.6 Loans and advances, continued

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Bank assesses whether or not the new terms are substantially different to the original terms. The Bank does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Insertion of collateral, other security or credit enhancements that significantly affects the credit risk associated with the loan.

If the terms are substantially different, the Bank derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Bank also assesses whether the new financial assets recognised is deemed to be credit-impaired at initial recognition, especially in the circumstances where the renegotiation was driven by the borrower being unable to make the originally agreed payments.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss.

#### 3.7 Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

#### 3.8 Dividend on ordinary shares

Dividends that are proposed and declared during the period are accounted for as an appropriation of retained earnings in the statement of changes in equity.

Dividends that are proposed and declared after the statement of financial position date are not shown as a liability on the statement of financial position but are disclosed in note 24 to the financial statements.

#### 3.9 Revenue recognition

##### *Interest income*

Interest income is accounted for on the accrual basis for investments and for all loans other than non-accrual loans using the effective interest rate method. When a loan is classified as non-accrual, any previously accrued but unpaid interest thereon is reversed against income of the current period. Thereafter, interest income is recognised only after the loan reverts to performing status.

##### *Fees and commission income*

These fees are recognised in income when a binding obligation has been established. Where such obligations are continuing, fees and commission income which are significant are recognised over the duration of the facility.

#### 3.10 Pension

The Bank participates in a multi-employer plan with certain other companies, the assets of which are held in trustee-administered funds which are separate from the Bank's finances. The plan is generally funded by payments from participating companies taking account of recommendations of independent qualified actuaries.

#### 3.11 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and short term highly liquid investments that are both readily convertible into known amounts of cash and so near to maturity that they present insignificant risk of changes in value due to changing interest rates.

### 3. Summary of significant accounting policies, continued

#### 3.12 Acceptances, guarantees and letters of credit

The Bank's commitments under acceptance guarantees and letters of credit have been excluded from these financial statements because they do not meet the criteria for recognition. These commitments as at September 30, 2021 amounted to \$5,209,609,307 (2020 - \$2,137,892,471) see note 26 (ii). In the event of a call on these commitments, the Bank has equal and offsetting claims against its customers.

#### 3.13 Taxation

Tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case the tax is also recognised in equity.

##### *Current tax*

The current income tax is calculated on the basis of the tax laws enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

##### *Deferred tax*

Deferred tax is provided using the balance sheet method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes, except differences relating to the initial recognition of assets or liabilities which affect neither accounting nor taxable income (loss). Net deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is calculated on the basis of the tax rate that is expected to apply to the period when the asset is realised or the liability is settled. The effect on deferred tax of any changes in the tax rate is charged to the statement of profit or loss and other comprehensive income, except to the extent that it relates to items previously charged or credited directly to equity.

#### 3.14 Leases

The Bank assesses whether a contract is or contains a lease, at inception of a contract. The Bank recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee except for short-term leases with a lease term of 12 months or less and leases of low value assets. For these leases, the Bank recognises the lease payments as an expense on a straight line basis in the statement of comprehensive income over the term of the lease.

For all other leases, at lease commencement date, the Bank recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Bank, and any lease payments made in advance of the lease commencement date. The Bank measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or average lending rate. Lease payments included in the measurement of the lease liability are made up of fixed payments and payments arising from options reasonably certain to be exercised.

The Bank depreciates right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Bank also assesses the right-of-use asset for impairment when such indicators exist.

#### 3.15 Segment reporting

A business segment is a component of an entity that is engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

#### 3.16 Comparatives

Certain 2020 figures have been reclassified to conform with the financial statements presentation adopted in 2021.

Notes to Financial Statements

September 30, 2021

(Expressed in Guyana Dollars)

---

**4. Financial risk management**

The Bank's activities expose it to a variety of financial risks: market risk (including price risk, interest rate risk and currency risk), liquidity risk and credit risk. The Bank's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Bank's performance.

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies and principles.

The Bank's management monitors and manages the financial risks relating to the operations of the Bank through internal risk reports which analyse exposures by degree and magnitude of risks.

The Bank's risks are measured using methods which reflect the expected loss likely to arise in normal circumstances.

Monitoring and controlling risks is primarily performed based on limits established by the Bank. These limits reflect the business strategy and market environment of the Bank as well as the level of risk that the Bank is willing to accept.

The Bank actively uses collateral to rescue its credit risks.

(a) *Market risk*

The Bank's activities expose it to financial risks of changes in foreign currency exchange rates and interest rates. The Bank uses gap analysis, interest rate sensitivity and exposure limits to financial instruments to manage its exposure to interest rate and foreign currency risks.

(i) *Price risk*

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security of its issuer or factors affecting all securities traded in the market. Management continually identifies the risk and diversifies the portfolio to minimise the risk.

(ii) *Interest rate risk*

The Bank is exposed to interest rate risk but the Bank's sensitivity to interest rate fluctuation is immaterial as its financial instruments are substantially at fixed rates. The Bank's interest bearing financial assets and financial liabilities are disclosed on page 53.



**DEMERARA BANK LIMITED**

**Notes to Financial Statements**

**September 30, 2021**

(Expressed in Guyana Dollars)

**4. Financial risk management, continued**

**(a) (ii) Interest rate risk, continued**

	Average Interest rate	Maturing 2021				Total
		Within 1 year	1-5 years	Over 5 years	Non- interest bearing	
		<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Assets</b>						
Cash resources	0.95	2,704,344	-	-	28,999,963	31,704,307
Net loans to customers	8.20	15,422,958	2,461,779	27,454,332	1,044,410	46,383,479
Investments	8.05	2,838,503	371,235	30,418,454	-	33,628,192
Others		-	-	-	2,788,705	2,788,705
		20,965,805	2,833,014	57,872,786	32,833,078	114,504,683
<b>Liabilities and shareholders' equity</b>						
Customers' deposits	0.94	69,345,145	23,530,417	-	-	92,875,562
Other liabilities		-	-	-	3,422,160	3,422,160
Shareholders' equity		-	-	-	18,206,961	18,206,961
		69,345,145	23,530,417	-	21,629,121	114,504,683
<b>Interest sensitivity gap</b>		(48,379,340)	(20,697,403)	57,872,786	11,203,957	-

	Average Interest rate	2020				Total
		Within 1 year	1-5 years	Over 5 years	Non- interest bearing	
		<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Assets</b>						
Cash resources	0.70	1,051,475	-	-	17,135,135	18,186,610
Net loans to customers	8.22	12,428,932	3,197,933	23,460,302	1,381,280	40,468,447
Investments	6.09	2,102,850	1,827,591	29,082,173	-	33,012,614
Others		-	-	-	2,986,198	2,986,198
		15,583,257	5,025,524	52,542,475	21,502,613	94,653,869
<b>Liabilities and shareholders' equity</b>						
Customers' deposits	1.19	58,271,867	19,906,427	-	-	78,178,294
Other liabilities		-	-	-	1,025,255	1,025,255
Shareholders' equity		-	-	-	15,450,320	15,450,320
		58,271,867	19,906,427	-	16,475,575	94,653,869
<b>Interest sensitivity gap</b>		(42,688,610)	(14,880,903)	52,542,475	5,027,038	-

# DEMERARA BANK LIMITED

## Notes to Financial Statements

September 30, 2021

(Expressed in Guyana Dollars)

### 4. Financial risk management, continued

#### (a) (iii) Currency risk

The Bank has assets and liabilities that are denominated in various currencies other than the reporting currency. Management does not believe that the net exposure to foreign currency risk can result in material loss to the Bank.

The aggregate Guyana dollars equivalent amount of assets and liabilities denominated in currencies other than the reporting currency are as follows:

	2021					
	US Dollar	Pound Sterling	Euro	CDN Dollar	Others	Total
<b>Assets</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>
Cash resources	11,576,305	22,828	143,953	273,048	10,436	12,026,570
Investments	33,395,358	-	27,132	4,428	11,798	33,438,716
Loans and advances	1,511,383	-	-	-	-	1,511,383
	46,483,046	22,828	171,085	277,476	22,234	46,976,669
<b>Liabilities</b>						
Deposits	10,407,287	856	12,962	6,952	-	10,428,057
Other liabilities	1,505,001	-	-	-	-	1,505,001
	11,912,288	856	12,962	6,952	-	11,933,058
<b>Net</b>	<b>34,570,758</b>	<b>21,972</b>	<b>158,123</b>	<b>270,524</b>	<b>22,234</b>	<b>35,043,611</b>

	2020					
	US Dollar	Pound Sterling	Euro	CDN Dollar	Others	Total
<b>Assets</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>
Cash resources	3,743,254	289,036	31,043	62,244	818	4,126,395
Investments	32,590,511	-	57,412	135,358	68,790	32,852,071
Loans and advances	138,856	-	-	-	-	138,856
	36,472,621	289,036	88,455	197,602	69,608	37,117,322
<b>Liabilities</b>						
Deposits	8,154,560	510,175	35,154	6,943	-	8,706,832
	8,154,560	510,175	35,154	6,943	-	8,706,832
<b>Net</b>	<b>28,318,061</b>	<b>(221,139)</b>	<b>53,301</b>	<b>190,659</b>	<b>-</b>	<b>28,410,490</b>

# DEMERARA BANK LIMITED

## Notes to Financial Statements

September 30, 2021

(Expressed in Guyana Dollars)

### 4. Financial risk management, continued

#### (a) (iii) Currency risk, continued

The following table demonstrates the sensitivity movements of select currencies against the Guyana Dollar to which the Bank has significant exposure in respect of its financial assets and liabilities holding all other variable constant:

	Change in exchange rates %	Effect on profit before tax \$'000	Effect on other components of equity \$'000
<b>Year ended September 30, 2021</b>			
Revaluation in exchange rates			
USD	2%	691,415	2,929
GBP	2%	439	-
EURO	2%	3,162	-
CAD	2%	5,410	-
OTHERS	2%	445	-
		<u>700,871</u>	<u>2,929</u>
Devaluation in exchange rates			
USD	2%	(691,415)	(2,929)
GBP	2%	(439)	-
EURO	2%	(3,162)	-
CAD	2%	(5,410)	-
OTHERS	2%	(445)	-
		<u>(700,871)</u>	<u>(2,929)</u>
<b>Year ended September 30, 2020</b>			
Revaluation in exchange rates			
USD	2%	566,361	7,972
GBP	2%	(4,423)	-
EURO	2%	1,066	-
CAD	2%	3,813	-
OTHERS	2%	1,392	-
		<u>568,209</u>	<u>7,972</u>
Devaluation in exchange rates			
USD	2%	(566,361)	(7,972)
GBP	2%	4,423	-
EURO	2%	(1,066)	-
CAD	2%	(3,813)	-
OTHERS	2%	(1,392)	-
		<u>(568,209)</u>	<u>(7,972)</u>

# DEMERARA BANK LIMITED

Notes to Financial Statements  
September 30, 2021  
(Expressed in Guyana Dollars)

## 4. Financial risk management, continued

### (b) Liquidity risk

Liquidity risk arises from fluctuations in cash flows. The liquidity risk management process ensures the Bank is able to honour all of its financial commitments as they fall due. The Bank's liquidity strategy includes measuring and forecasting cash commitments, building a large and stable base of core deposits for retail and commercial customers, ensuring sufficient cash and marketable instruments such as treasury bills and government securities are available to meet short-term requirements, diversifying funding sources and maintaining the ability to securitise bank assets. Fallback techniques include access to local interbank and institutional markets and stand-by lines of credit with external parties.

The table below shows the maturities of financial instruments:

		Maturing 2021 Within 1 year					
	Average Interest rate %	On Demand \$'000	Due in 3 mths \$'000	Due 3-12 mths \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
<b>Assets</b>							
Cash resources	0.95	31,704,307	-	-	-	-	31,704,307
Loans to customers	8.20	11,021,003	138,300	4,263,655	2,461,779	28,498,742	46,383,479
Investments	8.05	2,838,504	-	-	371,235	30,418,453	33,628,192
Others		2,788,705	-	-	-	-	2,788,705
		48,352,519	138,300	4,263,655	2,833,014	58,917,195	114,504,683
<b>Liabilities</b>							
Customers' deposits	0.94	59,059,930	6,856,110	3,429,105	23,530,417	-	92,875,562
Other liabilities		3,422,160	-	-	-	-	3,422,160
		62,482,090	6,856,110	3,429,105	23,530,417	-	96,297,722
<b>Net gap</b>		(14,129,571)	(6,717,810)	834,550	(20,697,403)	58,917,195	18,206,961



DEMERARA BANK LIMITED

Notes to Financial Statements

September 30, 2021

(Expressed in Guyana Dollars)

4. Financial risk management, continued

(b) Liquidity risk, continued

		2020					
		Within 1 year					
	Average Interest rate %	On Demand \$'000	Due in 3 mths \$'000	Due 3-12 mths \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
<b>Assets</b>							
Cash resources	0.70	18,186,610	-	-	-	-	18,186,610
Loans to customers	8.22	11,560,871	153,807	713,854	3,197,933	24,841,982	40,468,447
Investments	6.09	2,006,734	-	96,116	1,827,591	29,082,173	33,012,614
Other assets		2,986,198	-	-	-	-	2,986,198
		34,740,413	153,807	809,970	5,025,524	53,924,155	94,653,869
<b>Liabilities</b>							
Customers' deposits	1.19	48,197,278	4,621,298	25,359,463	255	-	78,178,294
Other liabilities		1,025,255	-	-	-	-	1,025,255
		49,222,533	4,621,298	25,359,463	255	-	79,203,549
<b>Net gap</b>		(14,482,120)	(4,467,491)	(24,549,493)	5,025,269	53,924,155	15,450,320

#### 4. Financial risk management, continued

##### (c) Credit risk

Credit risk is the risk that the Bank will incur a loss because its customers, clients or counterparties failed to discharge their contractual obligations. The Bank manages and controls credit risk by setting limits on the amounts or risk it is willing to accept for individual counterparties and for geographical and industry concentrations and by monitoring exposures in relation to such limits.

The Bank structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or group of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on level of credit risk by product is approved by the Board of Directors.

##### *Collateral*

The Bank employs a range of policies and practices to mitigate credit risks. The most traditional of these is the taking of security for funds advanced. The Bank implements guidelines on the acceptability of specific class of collateral or credit risk mitigation. The principal collateral types for loans and advances to customers are:

- Mortgages over residential properties;
- Charges over business assets such as premises, inventory and accounts receivable;
- Charges over financial instruments such as debt securities and equities.

Debt securities and treasury bills are generally unsecured.

Management monitors the market value of collateral and requests additional collateral in accordance with the underlying agreement.

The Bank's policies regarding obtaining collateral have not changed during the reporting period and there has been no significant change in the overall quality of collateral held by the Bank since the prior period.

The Bank closely monitors collateral held for financial assets considered to be credit impaired, as it becomes more likely that the Bank will take possession of collateral to mitigate potential credit losses.

##### *Impairment and provisioning*

Expected Credit Loss (ECL) is measured in either 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit impaired.

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposures varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimation as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Bank measures credit risk using probability of default (PD), exposure at default (EAD) and loss given default (LGD).

- The PD represents the likelihood of borrower's defaulting on their financial obligations, either over the next 12 months (12M PD) or over the remaining lifetime of the obligation.
- EAD is based on the amounts the Bank expects to be owed at the time of default, over the next 12 months or over the lifetime.
- LGD represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty and availability of collateral or other credit support.

For additional information on impairment refer to note 3.4.2.

#### 4. Financial risk management, continued

##### (c) Credit risk, continued

The Bank defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

###### *Quantitative criteria*

The borrower is more than 90 days past its contractual payments.

###### *Qualitative criteria*

There are indications that the borrower is in significant financial difficulty. The following are considered indications:

- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant
- An active market for the financial asset has disappeared because of the financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulties
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses

###### *Impact of COVID 19*

Since March 2020, the World Health Organisation has declared COVID-19 a Global pandemic. This has affected Banks globally.

Measures taken by our risk management committee include:

- 1) Identification of sectors that are mostly affected and keenly monitoring these sectors such as airport, hotels, transportation and restaurants – The Bank does not have significant exposure to those business sectors that were most critically affected. Measures taken by the Bank include deferral of payments, granting reduced interest rate on certain loans and reduction of charges. These measures did not have a significant impact on the Bank's profitability.
- 2) Evaluation of each project with COVID-19 factored on a medium term risk – based on our evaluation and having regard to the substantial growth anticipated as a result of Oil and Gas development, overall credit risk has not deteriorated.
- 3) Monitoring of investments - The risk management committee monitors on a daily basis its investment portfolio to determine the need to take appropriate decision to mitigate against losses.
- 4) Expected Credit Losses

###### (i) Credit rating and collateral

Generally, the Bank does not consider that there are significant increase in credit risk where investments have not been significantly down graded and where special concessions were granted to borrowers as a result of measures which were put in place directly in response to the COVID-19 Pandemic. Further, the Bank believes that any impairment in the value of collateral held for credit facilities as a result of the pandemic would have been offset by the economic outlook resulting from the Oil and Gas Development.

###### (ii) Probability of default

Based on our credit risk management team's assessment, the Bank does not believe that the probability of default would have been significantly impacted from the pandemic as moratorium granted in response to the pandemic is not considered a default criteria and all the economic indicators for the next twelve months are positive.

**DEMERARA BANK LIMITED****Notes to Financial Statements****September 30, 2021**

(Expressed in Guyana Dollars)

**4. Financial risk management, continued****(c) Credit risk, continued**

The following table breaks down the Bank's main credit exposure of their carrying amounts, as categorised by industry sectors:

	<b>2021</b>	<b>2020</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>Loans and advances</b>		
Agriculture and fisheries	10,005,543	7,383,664
Housing	11,941,638	9,870,432
Services	15,515,806	15,957,027
Others	9,247,225	7,541,778
	<u>46,710,212</u>	<u>40,752,901</u>

***Credit quality of financial assets***

The Bank's maximum exposure to credit risk, before collateral held or credit enhancement, is detailed below:

	<b>2021</b>	<b>2020</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<u>Credit risk recognised on the statement of financial position</u>		
Deposit with Central Bank	20,024,241	14,308,984
Due from banks	10,953,630	3,306,564
Investment securities	33,628,192	33,012,614
Loans and advances	46,383,479	40,468,447
<u>Credit risk not recognised on the statement of financial position</u>		
Acceptances, guarantees and letters of credit	5,206,609	2,137,892
Total credit risk exposure	<u>116,196,151</u>	<u>93,234,501</u>



**DEMERARA BANK LIMITED**

Notes to Financial Statements  
September 30, 2021  
(Expressed in Guyana Dollars)

**4. Financial risk management, continued**
**(c) Credit risk, continued**
***Credit quality of financial assets, continued***

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

		<b>2021</b>	<b>2020</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Investment securities</b>			
<b>Counterparties with credit ratings</b>			
<b>Credit rating</b>	<b>Rating agency</b>		
BBB	Standard & Poor's & Fitch	754,941	1,157,550
BBB-	Standard & Poor's	4,116,618	5,765,077
BB+	Standard & Poor's	1,115,815	787,729
BB	Standard & Poor's	3,126,039	3,987,392
BB-	Standard & Poor's	9,351,286	5,044,226
B+	Standard & Poor's	2,132,228	5,005,015
B	Standard & Poors	-	184,986
B-	Standard & Poors Moody's	1,491,643	1,630,925
Aaa	Moody's	190,891	-
Aa1	Moody's	96,273	-
Aa3	Moody's	260,487	-
A1	Moody's	753,438	166,940
A2	Moody's	215,917	278,463
A3	Moody's	228,373	255,630
Aa1	Moody's	-	182,678
Aa2	Moody's	-	254,589
Aa3	Moody's	-	117,366
Aaa	Moody's	-	192,979
B1	Moody's	468,900	-
B2	Moody's	3,379,617	-
Ba1	Moody's	592,211	1,244,295
Ba2	Moody's	62,144	5,708
Ba3	Moody's	581,102	-
Baa1	Moody's	376,457	29,017
Baa2	Moody's	152,645	274,221
Baa3	Moody's	3,037,656	1,691,599
B2		-	3,736,891
<b>Counterparties without credit ratings</b>			
Group 2		608,612	467,605
		<u>33,093,293</u>	<u>32,460,881</u>

**Loans and advances**

<b>2021</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Group 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Commercial	11,074,567	20,287,211	32,240	31,394,018
Mortgages	842,422	9,119,485	100	9,962,007
Others	119,313	3,576,060	171	3,695,544
	<u>12,036,302</u>	<u>32,982,756</u>	<u>32,511</u>	<u>45,051,569</u>

<b>2020</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Group 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Commercial	3,887,556	24,803,033	32,123	28,722,712
Mortgages	127,900	9,163,004	20,289	9,311,193
Others	53,700	1,284,035	-	1,337,735
	<u>4,069,156</u>	<u>35,250,072</u>	<u>52,412</u>	<u>39,371,640</u>

		<b>2021</b>	<b>2020</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Due from banks and short term deposits</b>	<b>Group 2</b>	<u>10,953,630</u>	<u>3,306,564</u>
<b>Deposit with Central Bank</b>	<b>Group 2</b>	<u>20,024,241</u>	<u>14,308,984</u>

Group 1 - New customers/bankers - less than six months.

Group 2 - Existing customers/bankers more than six months with no defaults in the past.

Group 3 - Existing customers/bankers with some details in the past. All defaults were fully recovered.

# DEMERARA BANK LIMITED

## Notes to Financial Statements

September 30, 2021

(Expressed in Guyana Dollars)

### 4. Financial risk management, continued

#### (c) Credit risk, continued

##### *Credit quality of financial assets, continued*

##### Credit quality by class of financial assets

As at September 30, 2021

	Neither past due nor impaired \$'000	Past due but not impaired \$'000	Impaired \$'000	Total \$'000
<b>Due from banks and short term investments</b>	10,953,630	-	-	10,953,630
<b>Deposit with Central Bank other than statutory deposit</b>	10,544,050	-	-	10,544,050
<b>Deposit with Central Bank</b>	9,480,191	-	-	9,480,191
<b>Investment securities</b>				
<i>Available for sale:</i>				
Government	7,744,904	-	-	7,744,904
Corporate	25,649,931	-	-	25,649,931
Others	233,357	-	-	233,357
	64,606,062	-	-	64,606,062
<b>Loans to customers</b>				
Commercial	28,177,722	249,435	3,651,737	32,078,894
Mortgages	10,596,011	-	3,069	10,599,080
Others	3,703,328	1,087	1,088	3,705,503
	42,477,061	250,522	3,655,894	46,383,477
<b>Total</b>	107,083,123	250,522	3,655,894	110,989,539

As at September 30, 2020

	Neither past due nor impaired \$'000	Past due but not impaired \$'000	Impaired \$'000	Total \$'000
<b>Due from banks and short term investments</b>	3,306,564	-	-	3,306,564
<b>Deposit with Central Bank other than statutory deposit</b>	6,415,431	-	-	6,415,431
<b>Deposit with Central Bank</b>	7,893,553	-	-	7,893,553
<b>Investment securities</b>				
<i>Available for sale:</i>				
Government	4,394,735	-	-	4,394,735
Corporate	28,331,821	-	-	28,331,821
Others	286,058	-	-	286,058
	50,628,163	-	-	50,628,163
<b>Loans to customers</b>				
Commercial	20,180,376	200,000	1,362,349	21,742,725
Mortgages	9,311,193	-	18,690	9,329,883
Others	9,395,476	122	344	9,395,942
	38,887,045	200,122	1,381,383	40,468,550
<b>Total</b>	89,515,208	200,122	1,381,383	91,096,713

## DEMERARA BANK LIMITED

### Notes to Financial Statements

September 30, 2021

(Expressed in Guyana Dollars)

#### 4. Financial risk management, continued

##### (d) Capital management

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position are:

- To comply with the capital requirement set by the regulators.
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and other benefits for stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee on Banking Supervision as implemented by the Bank of Guyana. The required information is filed with the authorities on a monthly basis.

The Table below summarises the composition of regulatory capital and the ratios of the Bank for the years ended September 30, 2021 and 2020. During those two years the Bank complied with the externally imposed capital requirements to which they are subject.

	<b>2021</b> <b>\$'000</b>	<b>2020</b> <b>\$'000</b>
<b>Tier I Capital</b>		
Share capital	450,000	450,000
Statutory reserve	450,000	450,000
Retained earnings	17,118,611	14,884,996
	<u>18,018,611</u>	<u>15,784,996</u>
<b>Tier II Capital</b>		
Securities revaluation reserves	146,422	(398,613)
Total regulatory capital	<u>18,165,032</u>	<u>15,386,383</u>
Risk weighted assets:		
On-balance sheet	55,248,857	47,400,035
Off-balance sheet	3,613,067	1,068,946
Total risk weighted assets	<u>58,861,924</u>	<u>48,468,981</u>
Total regulatory capital to risk weighted assets %	<u>30.86</u>	<u>31.74</u>

## DEMERARA BANK LIMITED

### Notes to Financial Statements

September 30, 2021

(Expressed in Guyana Dollars)

#### 5. Fair value of financial assets and liabilities

The fair value of financial instruments that are recognised on the statement of financial position and the fair value of financial instruments that are not recognised on the statement of financial position are based on the valuation method and assumptions set out in the significant accounting policies note 3.4.

Fair value represents the amount at which a financial instrument could be exchanged in an arm's length transaction between willing parties under no compulsion to act and is best evidenced by a quoted market price. If no quoted market prices are available, the fair values are estimated using present value or other valuation techniques and may not be indicative of net realisable value.

The Bank measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1 - Quoted market price (adjusted) in an active market for an identical instrument.
- Level 2 - Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 - Valuation techniques that include inputs for financial assets and liabilities that are not based on observable market data. This category includes financial instruments held at cost, being the fair value of the consideration paid for the acquisition of the investment, and are regularly assessed for impairment.

Due to judgment used in applying a wide range of acceptable valuation techniques and estimations in the calculation of fair value amounts, fair values are not necessarily comparable among financial institutions. The calculation of estimated fair values is based upon market conditions at a specific point in time and may not be reflective of future fair values.

The following table summarises the carrying amount and fair values of the Bank's financial assets and liabilities:

	<b>2021</b>		
	<b>Carrying value \$'000</b>	<b>Fair Value \$'000</b>	<b>Fair value measurement hierarchy</b>
<b>Financial assets</b>			
Cash on hand	726,436	726,436	Level 1
Due from banks	10,953,630	10,953,630	Level 1
Deposit with Central Bank other than statutory deposit	10,544,050	10,544,050	Level 1
Statutory deposit with Central Bank	9,480,191	9,480,191	Level 1
Net loans to customers	46,383,479	46,383,479	Level 3
Other financial asset	77,427	77,427	Level 3
<i>Investment securities</i>			
Fair value through other comprehensive income (Quoted)	31,200,733	31,444,777	Level 1
Fair value through profit and loss (Quoted)	2,283,026	1,950,058	Level 1
Amortised cost (Unquoted)	233,357	233,357	Level 3
<b>Total financial assets</b>	<b>111,882,328</b>	<b>111,793,405</b>	
<b>Financial liabilities</b>			
Deposits	92,875,562	92,875,562	Level 3
Other financial liabilities	3,422,160	3,422,160	Level 3
<b>Total financial liabilities</b>	<b>96,297,722</b>	<b>96,297,722</b>	

# DEMERARA BANK LIMITED

## Notes to Financial Statements

September 30, 2021

(Expressed in Guyana Dollars)

### 5. Fair value of financial assets and liabilities, continued

		<u>2020</u>	
Financial assets	Carrying value \$'000	Fair Value \$'000	Fair value measurement hierarchy
Cash on hand	571,062	571,062	Level 1
Due from banks	3,306,564	3,306,564	Level 1
Deposit with Central Bank other than statutory deposit	6,415,431	6,415,431	Level 1
Statutory deposit with Central Bank	7,893,553	7,893,553	Level 1
Net loans to customers	40,468,447	40,468,447	Level 3
Other financial asset	98,983	98,983	Level 3
<i>Investment securities</i>			
Fair value through other comprehensive income (Quoted)	31,432,116	30,767,769	Level 1
Fair value through profit and loss (Quoted)	2,021,543	1,958,787	Level 1
Amortised cost (Unquoted)	286,058	286,058	Level 3
<b>Total financial assets</b>	<b>92,493,757</b>	<b>91,766,654</b>	
<b>Financial liabilities</b>			
Deposits	78,178,294	78,178,294	Level 3
Other financial liabilities	1,025,255	1,025,255	Level 3
<b>Total financial liabilities</b>	<b>79,203,549</b>	<b>79,203,549</b>	

#### Transfers between Level 1 and 2

For the year ended September 30, 2021, no asset was transferred between Level 1 and Level 2.

#### Reconciliation of movements in Level 3 financial instruments measured at fair value

For the year ended September 30, 2021, there were no Level 3 financial instruments measured at fair value.



Notes to Financial Statements

September 30, 2021

(Expressed in Guyana Dollars)

6. Critical accounting estimates and judgments in applying accounting policies

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Measurement of expected credit loss allowance*

The measurement of expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (eg. likelihood of customers defaulting and the resulting losses). Explanations of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 3.4.2.

A number of significant judgments are also required in applying the accounting requirements for measuring ECL such as:

- (i) Determining criteria for significant increase in credit risk;
- (ii) Choosing appropriate models and assumptions for the measurement of ECL;
- (iii) Establishing the number and relative weighting of forward-looking scenarios for each type of product/market and the associated ECL; and
- (iv) Establishing groups of similar financial assets for the purpose of measuring ECL.

(b) *Determining fair values*

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in note 5. For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(c) *Financial asset and liability classification*

The Bank's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances.

In classifying financial assets or liabilities as "fair value through profit or loss", the Bank has determined that it meets the description of trading assets and liabilities set out in accounting policy 3.4.1.

(d) *Useful life of property, plant and equipment*

Property, plant and equipment is amortised over the estimated useful life of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of depreciation recorded during the year and the carrying value of property, plant and equipment.

7. Deposits with the Central Bank

In accordance with the Financial Institutions Act, 1995 the Bank is required to hold and maintain, as a non-interest bearing deposit with Central Bank of Guyana, a cash reserve balance equivalent to 10% (2020 - 10%) of total prescribed liabilities.

	<b>2021</b>	<b>2020</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Primary	9,480,191	7,893,553
Total	<u>9,480,191</u>	<u>7,893,553</u>

# DEMERARA BANK LIMITED

## Notes to Financial Statements

September 30, 2021

(Expressed in Guyana Dollars)

### 8. Investments

<u>2021</u>	<u>Stage 1</u> <u>\$'000</u>	<u>Stage 2</u> <u>\$'000</u>	<u>Stage 3</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
<b>Gross</b>				
Shares	2,019,712	-	-	2,019,712
Corporate bonds	30,338,976	734,605	-	31,073,581
Accrued interest	505,738	39,646	-	545,384
	32,864,426	774,251	-	33,638,677
<b>ECL</b>	(4,363)	(6,121)	-	(10,485)
<b>Net</b>	<b>32,860,063</b>	<b>768,130</b>	<b>-</b>	<b>33,628,192</b>

<u>2020</u>	<u>Stage 1</u> <u>\$'000</u>	<u>Stage 2</u> <u>\$'000</u>	<u>Stage 3</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
<b>Gross</b>				
Shares	2,016,801	-	-	2,016,801
Corporate bonds	29,153,137	1,290,943	-	30,444,080
Accrued interest	536,652	25,565	-	562,217
	31,706,590	1,316,508	-	33,023,098
<b>ECL</b>	(4,363)	(6,121)	-	(10,484)
<b>Net</b>	<b>31,702,227</b>	<b>1,310,387</b>	<b>-</b>	<b>33,012,614</b>

# DEMERARA BANK LIMITED

## Notes to Financial Statements

September 30, 2021

(Expressed in Guyana Dollars)

### 9. Loans and advances

<u>2021</u>	<u>Stage 1</u> <u>\$'000</u>	<u>Stage 2</u> <u>\$'000</u>	<u>Stage 3</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
<b>Gross loans</b>				
Agriculture and fisheries	9,453,749	-	551,794	10,005,543
Housing	10,361,482	529,624	1,050,532	11,941,638
Services	14,735,955	-	779,851	15,515,806
Others	7,973,298	210	1,273,717	9,247,225
	42,524,484	529,834	3,655,894	46,710,212
<b>ECLs</b>				
Agriculture and fisheries	6,807	-	21,037	27,844
Housing	121,061	147,236	4,411	125,620
Services	22,638	-	10,382	33,021
Others	360,759	25	-	360,784
Total ECL provision	511,266	172	35,830	547,268
Accrued interest	192,542	17,023	10,970	220,535
<b>Net loans</b>	42,205,760	546,685	3,631,034	46,383,479
<u>2020</u>	<u>Stage 1</u> <u>\$'000</u>	<u>Stage 2</u> <u>\$'000</u>	<u>Stage 3</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
<b>Gross loans</b>				
Agriculture and fisheries	6,907,322	76,193	400,149	7,383,664
Housing	8,839,071	531,994	499,367	9,870,432
Services	14,878,370	604,722	473,935	15,957,027
Others	6,273,992	1,259,854	7,932	7,541,778
	36,898,755	2,472,763	1,381,383	40,752,901
<b>ECLs</b>				
Agriculture and fisheries	21,685	295	-	21,980
Housing	197,745	-	70,170	267,915
Services	229,565	14,831	-	244,396
Others	62,491	15,354	295	78,140
Total ECL provision	511,486	30,480	70,465	612,431
Accrued interest	255,590	72,386	-	327,976
<b>Net loans</b>	36,642,859	2,514,669	1,310,918	40,468,447

**DEMERARA BANK LIMITED**

**Notes to Financial Statements**  
**September 30, 2021**  
 (Expressed in Guyana Dollars)

**10. Deposits**

	<b>2021</b> <b><u>\$'000</u></b>	<b>2020</b> <b><u>\$'000</u></b>
<i>Demand</i>	<u>14,244,300</u>	<u>11,777,914</u>
<i>Savings</i>		
Principal	44,557,145	36,148,574
Accrued interest	<u>63,604</u>	<u>88,655</u>
	<u>44,620,749</u>	<u>36,237,229</u>
<i>Term</i>		
Principal	33,815,632	29,981,016
Accrued interest	<u>194,881</u>	<u>182,135</u>
	<u>34,010,513</u>	<u>30,163,151</u>
	<u><u>92,875,562</u></u>	<u><u>78,178,294</u></u>

**DEMERARA BANK LIMITED**
**Notes to Financial Statements**
**September 30, 2021**

(Expressed in Guyana Dollars)

**11. Property, plant and equipment**

<u>2021</u>	<b>Freehold land and building \$'000</b>	<b>Leasehold premises <sup>1</sup> \$'000</b>	<b>Construction work in progress \$'000</b>	<b>Furniture and equipment \$'000</b>	<b>Motor vehicles \$'000</b>	<b>Total \$'000</b>
<b>Cost</b>						
At October 1, 2020	1,750,246	65,207	442,601	1,179,966	60,517	3,498,537
Additions	-	26,884	250,275	-	-	277,159
Disposals	-	(6,070)	-	(89,597)	(45,559)	(141,226)
Transfers	477,838	-	(676,370)	141,553	41,870	(15,109)
At September 30, 2021	2,228,084	86,021	16,506	1,231,922	56,828	3,619,361
<b>Accumulated depreciation</b>						
At October 1, 2020	233,000	17,613	-	637,495	58,519	946,627
Charge for the year	33,139	16,596	-	108,859	8,696	167,290
Write back on disposal	-	(80)	-	(84,725)	(45,559)	(130,364)
At September 30, 2021	266,139	34,129	-	661,629	21,656	983,553
<b>Net Book Values</b>						
At September 30, 2021	1,961,945	51,892	16,506	570,293	35,172	2,635,808

<sup>1</sup> Cost at the end of the year includes the cost of right of use assets of \$66,131,535. Accumulated depreciation as at the end of the year includes amortisation on right of use asset of \$16,595,549.

<u>2020</u>	<b>Freehold land and building \$'000</b>	<b>Leasehold premises <sup>1</sup> \$'000</b>	<b>Construction work in progress \$'000</b>	<b>Furniture and equipment \$'000</b>	<b>Motor vehicles \$'000</b>	<b>Total \$'000</b>
<b>Cost</b>						
At October 1, 2019	1,602,006	13,051	399,503	1,045,365	60,517	3,120,442
Recognition of right of use asset on initial application of IFRS 16	-	23,051	-	-	-	23,051
Additions	-	29,105	348,464	-	-	377,569
Disposals	-	-	-	(12,709)	-	(12,709)
Transfers	148,240	-	(305,366)	147,310	-	(9,816)
At September 30, 2020	1,750,246	65,207	442,601	1,179,966	60,517	3,498,537
<b>Accumulated depreciation</b>						
At October 1, 2019	202,210	4,705	-	540,339	52,651	799,905
Charge for the year	30,790	12,908	-	106,598	5,868	156,164
Write back on disposal	-	-	-	(9,442)	-	(9,442)
At September 30, 2020	233,000	17,613	-	637,495	58,519	946,627
<b>Net Book Values</b>						
At September 30, 2020	1,517,246	47,594	442,601	542,471	1,998	2,551,910

<sup>1</sup> Cost at the end of the year include the cost of right of use assets of \$52,155,992. Accumulated depreciation as at the end of the year includes amortisation on right of use asset of \$12,908,281.



## DEMERARA BANK LIMITED

### Notes to Financial Statements

September 30, 2021

(Expressed in Guyana Dollars)

#### 12. Other assets

	2021	2020
	<u>\$'000</u>	<u>\$'000</u>
Prepaid expenses	70,172	90,813
Others	7,255	8,170
	<u>77,427</u>	<u>98,983</u>

#### 13. Other liabilities

	2021	2020
	<u>\$'000</u>	<u>\$'000</u>
Cash margin on credit, guarantees & indemnities	273,294	136,173
Property tax	145,365	118,363
Non-compliant customers accounts	174,569	176,276
Lease obligation	50,819	40,064
Inter-American Development Bank ( <i>note i</i> )	1,505,001	-
Others	224,847	149,629
	<u>2,373,895</u>	<u>620,505</u>

#### Note i

This amount represents a loan for seven million United States Dollars which commenced on July 21, 2021 and matures on December 20, 2021. Interest is charged on the outstanding amount at the rate of 3.551750%.

#### 14. Share Capital

	2021	2020
	<u>\$'000</u>	<u>\$'000</u>
Authorised		
450,000,000 ordinary shares of no par value		
Issued and fully paid		
450,000,000 ordinary shares stated value	<u>450,000</u>	<u>450,000</u>

#### 15. (i) Statutory reserve

This fund is maintained in accordance with the provisions of Section 20 (1) of the Financial Institutions Act 1995, which requires that a minimum of 15% of net profit as defined by the Act, be transferred to the Reserve Fund until the amount of the Fund is equal to the paid up capital of the Bank.

#### (ii) Investment revaluation reserve

This amount represents the net movement between the fair value and the carrying amount of financial assets classified as fair value through other comprehensive income at September 30.

#### (iii) Other reserve

The Bank carries out a detailed review of its loan portfolio twice yearly in accordance with the requirements of the Financial Institutions Act (FIA) 1995. Other reserve is created as an appropriation of retained earnings for the difference between the specific provision as required by Supervision Guideline # 5 and the accounting provision in line with IFRS requirements.

#### 16. Interest income - investments

	2021	2020
	<u>\$'000</u>	<u>\$'000</u>
Interest income from quoted investments	1,948,189	1,720,445
Interest income from unquoted investments	10,768	14,623
	<u>1,958,956</u>	<u>1,735,067</u>

## DEMERARA BANK LIMITED

### Notes to Financial Statements

September 30, 2021

(Expressed in Guyana Dollars)

#### 17. Net income

	<b>2021</b> <b>\$'000</b>	<b>2020</b> <b>\$'000</b>
<b>Net income after taxation:</b>	<b>2,954,106</b>	<b>2,263,168</b>
After charging		
· Auditors' fees and expenses	7,548	6,406
· Directors' remuneration (note i)	17,350	17,200
· Depreciation	167,290	156,164

(i) Directors annual emoluments are as follows: each director is entitled to a fee of \$1,500,000, and the chairman a fee of \$2,800,000. Additionally, the corporate secretary receives an annual remuneration of \$2,400,000. (2020 - Directors annual emoluments were as follows: each director was entitled to a fee of \$1,500,000, the chairman a fee of \$2,800,000 and the corporate secretary, an annual remuneration of \$2,400,000).

#### 18. Non- interest expenses

	<b>2021</b> <b>\$'000</b>	<b>2020</b> <b>\$'000</b>
Staff costs <sup>1</sup>	972,081	808,427
Directors' remuneration	17,350	17,200
Subscription and donations	35,813	22,744
Property and equipment expenses	36,617	26,626
Amortisation of right of use asset	16,596	12,908
Rentals	2,504	5,529
Depreciation	150,627	143,257
Stationery	13,486	10,276
Electricity	23,228	23,283
Property tax	144,537	118,139
Licence	9,429	6,835
Advertising	5,951	17,895
Computer expense	49,688	49,297
Visa International expenses	56,679	52,338
Visa credit card expenses	22,634	14,525
Visa debit card expenses	14,267	6,524
Foreign bank charges	32,086	22,282
Deposit insurance contribution	98,096	44,418
Others <sup>2</sup>	15,846	64,170
	<b>1,717,515</b>	<b>1,466,673</b>

<sup>1</sup> The average number of employees during 2021 was 259 (2020 - 245).

<sup>2</sup> Includes interest on right of use asset of \$3,933,906 (2020 - \$3,041,128) for the year.

#### 19. Pension plan

The pension plan which the Bank participates in is a multi employee contributory plan and is a final salary defined benefit plan.

The plan is valued by independent actuaries every three years using the projected unit credit method. The last actuarial valuation which was done as at December 31, 2017 revealed a past service surplus of \$1,145,000,000. The next actuarial valuation was statutorily due on December 31, 2020 and is currently in progress.

The last actuarial valuation did not present sufficient information relating to each participating company in the plan to enable a determination of the portion of the Bank's share of the surplus, defined benefit obligation, plan assets and cost associated with the plan.

The Bank's total contribution to the pension scheme for the year amounted to \$45,316,172 (2020 - \$40,787,150). This amount was recognised in the statement of profit or loss and other comprehensive income.

# DEMERARA BANK LIMITED

## Notes to Financial Statements

September 30, 2021

(Expressed in Guyana Dollars)

### 20. Taxation

	2021 \$'000	2020 \$'000
Corporation tax - Current	2,047,470	1,332,273
- Deferred	(103,522)	(87,222)
	<u>1,943,948</u>	<u>1,245,051</u>

#### Reconciliation of effective tax rate

For the years ended September 30, 2021 and 2020, the effective taxation rates were as follows:

	2021 \$'000	2020 \$'000
Profit	4,898,054	3,508,219
Taxation	2,047,470	1,332,273
Effective Taxation rate <sup>1</sup>	<u>41.8</u>	<u>38.0</u>

<sup>1</sup> The average effective tax rate equals the net amount of taxation expense divided by income before taxation, as these line items are reported in the statement of profit or loss and other comprehensive income.

	2021 %	2021 \$'000	2020 %	2020 \$'000
Statutory tax rate	40.0	1,959,222	40.0	1,403,287
Income exempted from tax	(1.9)	(92,179)	(3.9)	(138,553)
Expenses not deductible for tax purposes	3.6	177,358	1.6	55,359
Accounting depreciation	1.2	60,251	1.6	57,303
Tax depreciation	(1.2)	(57,182)	(1.3)	(45,123)
Effective tax rate	41.8	2,047,470	38.0	1,332,273

### 21. Deferred taxation

	2021 \$'000	2020 \$'000
Balance at beginning of year	329,218	14,306
Movement in the year	(259,835)	314,912
Balance at end of year	<u>69,383</u>	<u>329,218</u>

#### Components of deferred tax

Accelerated depreciation	58,916	63,480
Fair value adjustment	10,467	265,738
	<u>69,383</u>	<u>329,218</u>

### 22. Other income

	2021 \$'000	2020 \$'000
Exchange gain	344,820	553,557
Commissions received	283,542	177,956
Visa income	39,241	20,765
Dividend income (unquoted)	3,871	5,618
Gain on disposal of quoted investments (debt instruments)	615,066	111,070
Gain on disposal of quoted investments (equity instruments)	915,655	184,906
Unrealised loss on equity instruments	(270,211)	(62,756)
Others	75,930	46,356
	<u>2,007,914</u>	<u>1,037,472</u>

## DEMERARA BANK LIMITED

### Notes to Financial Statements

September 30, 2021

(Expressed in Guyana Dollars)

#### 23. Earnings per share

	2021 \$'000	2020 \$'000
Calculated as follows:		
Net income after tax \$'000	2,954,106	2,263,168
Number of shares '000 (see note 14)	450,000	450,000
Earnings per share in dollars	6.56	5.03

#### 24. Dividends

Dividends accounted for as an appropriation of retained earnings:

	2021 \$'000	2020 \$'000
Final dividend for 2020 \$1.25 per share (2019 - \$1.05)	562,500	472,500
Interim dividend for 2021 \$0.40 per share (2020 - \$0.25)	180,000	112,500
	742,500	585,000

The financial statements do not reflect a final dividend of \$1.60 per share proposed by the Directors. This amount will be accounted for as an appropriation of retained earnings in the subsequent year.

#### 25. Related parties

##### (a) Identity of related parties

A party is related to the Bank if:

- (i) Directly or indirectly the party
  - controls, is controlled or is under common control of the Bank;
  - has an interest in the Bank that gives it significant influence over the Bank; or
  - has joint control over the Bank.
- (ii) The party is a member of the key management personnel of the Bank.
- (iii) The party is a close member of the family of any individual referred to in (i) or (ii) above.
- (iv) The party is a post-employment benefit plan for the benefits of employees of the Bank or any company that is a related party of the Bank.

## DEMERARA BANK LIMITED

### Notes to Financial Statements

September 30, 2021

(Expressed in Guyana Dollars)

#### 25. Related parties, continued

A number of banking transactions have been entered into with related parties in the normal course of business. These transactions were conducted at market rates, on commercial terms and conditions, except for certain loans made available to directors and key management personnel.

##### Outstanding balances

Loans, investments and other assets	2021 \$'000	2020 \$'000
Held by enterprises with which directors are affiliated	2,655,909	3,710,709
Directors and key management personnel	254,218	162,518
	<u>2,910,127</u>	<u>3,873,227</u>
Provision for amounts due from related parties	<u>-</u>	<u>-</u>
Deposits and other liabilities		
Held by enterprises with which directors are affiliated	5,855,394	4,470,220
Directors and key management personnel	169,053	116,845
	<u>6,024,447</u>	<u>4,587,065</u>
Interest expense		
Held by enterprises with which directors are affiliated	53,690	60,446
Directors and key management personnel	2,561	1,031
	<u>56,251</u>	<u>61,477</u>
Interest income		
Held by enterprises with which directors are affiliated	251,605	234,601
Directors and key management personnel	6,847	4,227
	<u>258,452</u>	<u>238,828</u>

##### Key management personnel

Key management comprises individuals responsible for planning, directing and controlling the activities of the Bank.

Twenty six (2020 - twenty) individuals are considered as key management personnel. The remuneration paid to key management personnel for the year was as follows:

	2021 \$'000	2020 \$'000
Short-term employee benefits	<u>439,983</u>	<u>238,475</u>



# DEMERARA BANK LIMITED

## Notes to Financial Statements

September 30, 2021

(Expressed in Guyana Dollars)

### 26. Commitments and contingent liability

	2021 <u>\$'000</u>	2020 <u>\$'000</u>
(i) <i>Operating lease commitments</i>		
Due within one year	9,511	20,247
Due within two to five years	40,025	23,882
More than five years	-	8,556

### (ii) *Customers liabilities under Acceptances, Guarantees and Letters of Credit*

	<u>2021</u>				
	Under 3 mths <u>\$'000</u>	3 to 12 months <u>\$'000</u>	Over 12 months <u>\$'000</u>	Total <u>\$'000</u>	Under 3 mths <u>\$'000</u>
Commercial sector	1,600,286	2,768,640	839,053	5,207,979	1,119,234
Personal sector	-	1,000	630	1,630	47,926

(iii) As at September 30, 2021, loans and advances totalling \$2,667,738,000 were approved but not disbursed.

### (iii) *Litigation*

In the ordinary course of business the Bank has brought legal proceedings against defaulting customers. The Bank is also defendant that the outcome of these proceedings will have material adverse effect on the Bank's result of operations and accordingly no provision for contingencies is necessary.

## DEMERARA BANK LIMITED

### Notes to Financial Statements

September 30, 2021

(Expressed in Guyana Dollars)

#### 27. Segment information

The operations of the Bank are concentrated within Guyana. The Bank's operations are managed by strategic business units which offer market segments. The management function of the various business units review internal reports at least monthly.

The following summary describes the operations of each of the Bank's reportable segments:

- Corporate and commercial - Includes the provision of loans and other financial services to business and individuals.
- Investment - Local and foreign investment
- Deposit business - Demand, savings and time deposits
- Other - Foreign trade and other non-core business.

The results of the various operating segments are set out below. Performance is measured based on segment profits before tax as included senior management. Segment profitability is used by management to assess product, pricing, productivity and hence, the allocation of resources to the various operating segments.

		<u>2021</u>			
	Corporate & Commercial Banking \$'000	Investment Local \$'000	Foreign \$'000	Deposit \$'000	Other \$'000
Interest income	3,460,515	10,768	1,948,188	-	-
Interest expense	-	-	-	(876,816)	-
Other income	-	3,871	1,261,124	-	-
Credit impairment losses	65,000	-	-	-	-
Operating expense	-	-	-	-	-
	3,525,515	14,639	3,209,312	(876,816)	-
	46,383,479	233,357	33,394,835	-	-
	-	-	-	92,875,562	-

## DEMERARA BANK LIMITED

### Notes to Financial Statements

September 30, 2021

(Expressed in Guyana Dollars)

#### 27. Segment information, continued

				2020			
	Corporate & Commercial Banking	Local	Investment Foreign	Deposit	Other	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	3,135,351	7,049	1,728,018	-	-	-	4,870,418
Interest expense	-	-	-	(907,998)	-	-	(907,998)
Other income	-	-	-	-	-	1,037,472	1,037,472
Credit impairment losses	(25,000)	-	-	-	-	-	(25,000)
Operating expense	-	-	-	-	-	(1,466,673)	(1,466,673)
Profit before tax	3,110,351	7,049	1,728,018	(907,998)	-	(429,201)	3,508,219
Segment assets	40,468,447	286,058	32,726,556	-	-	21,172,808	94,653,869
Segment liabilities	-	-	-	78,178,294	-	1,025,255	79,203,549

#### 28. Subsequent events

There are no events occurring after the statement of financial position date and before the date of approval of these statements by the Board of Directors that require adjustment to or disclosure in these financial statements.



# Congratulations

## **Hazel Shaun Jules**

Bachelor of Arts with Honours,  
Second Class, Upper Division in Business Administration,  
University of Bedfordshire

## **Liloutie Punu**

Bachelor of Arts with Honours,  
Second Class, Upper Division in Business Administration,  
University of Bedfordshire

## **Shazaad Mohamed**

Bachelors of Science (BSc) in Finance,  
University of Guyana

## **Devica Uditram**

Bachelors of Science (BSc) in Finance,  
University of Guyana

## **Nanda Persaud**

Bachelor's Degree in Finance,  
Anglia Ruskin University

## **Karishma Haridat**

Diploma in Banking and Finance,  
University of Guyana -  
Best Graduating Student - Year 2020

# Corporate Social Responsibility



Demerara Bank Limited sponsored the Parbhu Saharan Orphanage under the Office of the First Lady's Adopt an Orphanage Initiative



Demerara Bank Limited donated a quantity of food, hygiene and cleaning supplies to the Civil Defence Commission (CDC), aimed at providing relief to the flood affected areas across the country.



Staff of the Essequibo Branch distributed hampers to the less fortunate in neighboring communities.



Five sewing machines were donated by the Rose Hall Branch to the Humanitarian Mission, Guyana Inc. in support of their continuous efforts to improve the skills of Guyanese.



An applicant under the Central Housing and Planning Authority's Adequate Housing and Urban Accessibility Programme was able to realize her dream of home ownership through a donation from the Bank.



# Corporate Social Responsibility



Demerara Bank Limited - Mahaica Branch supported the "Mahaica Softball Cup" tournament through the donation of trophies that were presented to participants of the cricketing match.



LED Lights were donated by the Mahaica Branch to the Bushlot Mandir.



Staff of the Corriverton Branch distributed hampers to the less fortunate in neighboring communities.



# Our Cultural and Other Activities



Emancipation



Youman Nabi



Independence Day



Easter



Diwali



## Branch Information

### HEAD OFFICE & CORPORATE BANKING BRANCH

Lot 214 Camp Street, North Cummingsburg,  
Georgetown

Tel: +592-226-0601/5/9/29/32

Fax: +592-225-0619

Email: [banking@demerarabank.com](mailto:banking@demerarabank.com)

Foreign Exchange: [forex@demerarabank.com](mailto:forex@demerarabank.com)

Loans: [credit@demerarabank.com](mailto:credit@demerarabank.com)

Website: [www.demerarabank.com](http://www.demerarabank.com)

### BRANCH NETWORK

#### MAIN BRANCH

230 Camp Street & South Road, Lacytown  
Georgetown

Tel: +592-225-0610-8

Fax: +592-225-0601

Email: [banking@demerarabank.com](mailto:banking@demerarabank.com)

Foreign Exchange: [forex@demerarabank.com](mailto:forex@demerarabank.com)

Loans: [credit@demerarabank.com](mailto:credit@demerarabank.com)

#### CORRIVERTON BRANCH

K & L #78 Springlands,  
Corriverton, Berbice

Tel: +592-335-3551/3589

Fax: +592-335-3406

Email: [corriverton@demerarabank.com](mailto:corriverton@demerarabank.com)

#### DIAMOND BRANCH

Plantation Great Diamond  
East Bank Demerara

Tel: +592-265-5706-8

Fax: +592-265-5709

Email: [diamond@demerarabank.com](mailto:diamond@demerarabank.com)

#### ROSE HALL BRANCH

71 Public Road, Rose Hall,  
Corentyne, Berbice

Tel: +592-337-4441/4452

Fax: +592-337-4439

Email: [rosehall@demerarabank.com](mailto:rosehall@demerarabank.com)

#### ESSEQUIBO BRANCH

W ½ Lot 7 Henrietta,  
Essequibo Coast

Tel: +592-771-5402-3

Fax: +592-771-5404

Email: [annaregina@demerarabank.com](mailto:annaregina@demerarabank.com)

#### LE RESSOUVENIR BRANCH

E ½ Lot 3 Public Road,  
Le Ressouvenir,

East Coast Demerara

Tel: +592-220-6460/6483

Fax: +592-220-6498

Email: [leressouvenir@demerarabank.com](mailto:leressouvenir@demerarabank.com)

#### MAHAICA BRANCH

Sublot Lettered 'A' Helena No. 1 Mahaica,  
East Coast Demerara

Tel: +592 228-5663/5674/5665

E-mail: [mahaica@demerarabank.com](mailto:mahaica@demerarabank.com)





## Our Services

### AUTOMATED TELLER MACHINE

- 24-hour banking
- Withdrawals
- Convenience at its best
- Deposits
- Balance enquiries

### VISA DEBIT CARD

- Accepted globally, wherever the VISA logo is displayed
- Convenience and security
- Immediate, direct access to the total balance on your account

### PAYMENT OF UTILITY BILLS

- GTT/GPL bills accepted
- Customers' convenience

### E-BANKING

- View balances
- View activity up to the last 512 days
- Pay GTT, Digicel, GPL and other merchants
- Request bank drafts
- Inter-Account transfers
- Request certified statements
- Order cheque leaves
- Make Stop Payment requests

### SAFETY DEPOSIT BOXES

- In four sizes, dual key locking mechanism located in high-security vault

### NIGHT DEPOSITS

- Security bags for deposits
- Tamper-proof deposit chute
- Highly secured & conveniently located

### MONEY MARKET ACCOUNT

- Competitive rates
- Interest paid monthly
- Minimum balance G\$1,000,000.00

### PREMIUM MONEY MARKET ACCOUNT

- Competitive rates
- Interest accrued monthly and paid quarterly
- Minimum balance G\$1,000,000.00

### PASSBOOK SAVINGS ACCOUNT

- Transaction recorded in a convenient pocket-sized passbook
- Minimum balance G\$5,000.00
- Cash on demand/No service charge

### STATEMENT SAVINGS ACCOUNT

- Statements available periodically or on request
- Minimum balance G\$2,000.00
- ATM ready
- Cash on demand

## FOREIGN TRADE

- Foreign currency transactions and accounts
- Telex transfers
- Bills for collection
- Letters of credit
- Negotiation drafts
- Trade financing
- Competitive cambio

## DEPOSITS ACCOUNTS/TERM DEPOSITS

- Available for 3, 6 and 12 months
- Renewed automatically or funds disposed at your request
- Highly competitive interest rates
- Minimum balance G\$100,000.00

## PERSONAL CHEQUING ACCOUNT

- Personalised cheque books
- Statements available periodically or on request
- Easy access to funds with your VISA Debit Card

## CORPORATE CHEQUING

- Overdraft facility
- Night deposit facility
- Statements available periodically or on request
- First Facts

## LOANS AND ADVANCES

- Short and medium term financing
- Consumer credit
- Working capital requirements
- Flexible repayment plans
- Low-income mortgage financing

## DEMERARA BANK VISA CREDIT CARDS

- Visa Signature
- Visa Gold
- Visa Classic

## ELECTRONIC FUNDS TRANSFER (EFT) SERVICES

- Faster processing
- Cost effective
- Highly secured transmission channels
- Reduced organisational cost/simplified bookkeeping

## IDEAL FOREX

- Quick and efficient transfer of funds in 134 currencies
- Exchange loss avoided
- Competitive exchange rates
- Highly secured remittance channel

## CORPORATE EBANKING PLATFORM FEATURES

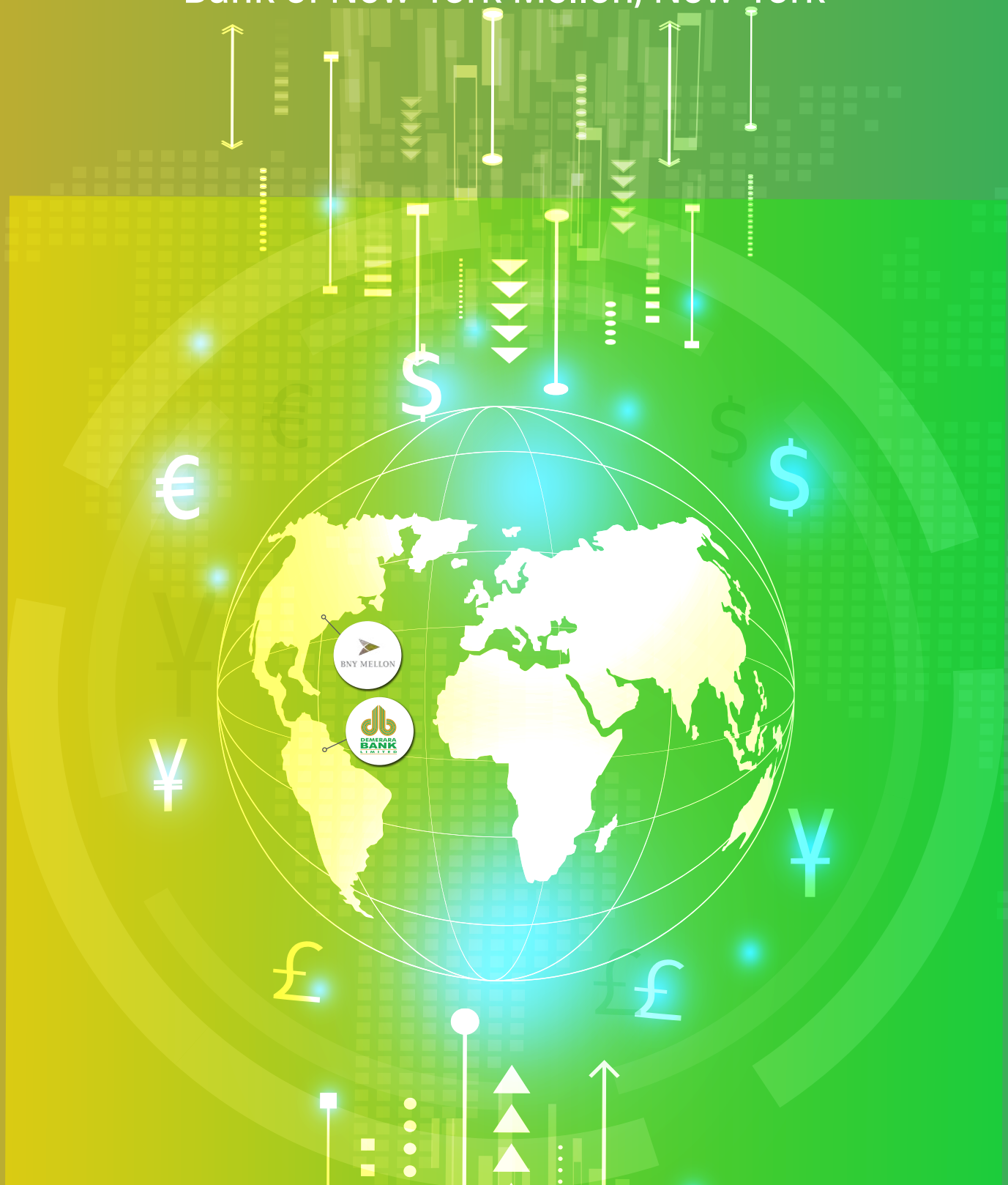
- View transaction history on your accounts
- View and print statements on all your DBL accounts
- Transfer funds between your accounts
- Transfer funds to third party accounts
- Transfer funds to other local banks
- Initiate international wire transfers
- Schedule payments and transfers
- Make credit card payments (including third party credit cards)
- Place stop payment on cheques
- Pay bills
- Upload documents
- Create Corporate group, add accounts & access permissions and set account limits

## REAL TIME GROSS SETTLEMENT (RTGS)

- Large value payments settled in real-time
- Reduces cash handling costs
- Highly secured transmission channels

# Correspondent Bank

Bank of New York Mellon, New York





# PROXY FORM



Demerara Bank Limited  
Lot 214 Camp Street North Cummingsburg,  
Georgetown  
Guyana

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member/members of DEMERARA BANK LIMITED,

hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him/her \_\_\_\_\_

of \_\_\_\_\_

as my/our Proxy to vote in my/our name(s) and on my/our behalf upon any matter at the Twenty-Seventh Annual General Meeting of the Bank to be held on Tuesday, December 21, 2021 or any adjournment thereof in such a manner as such Proxy may think proper.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Signed by the said \_\_\_\_\_

(Name of Member/s) \_\_\_\_\_

(Signature of Member/s) \_\_\_\_\_

**NOTE** To be valid, this form must be completed and deposited with the Secretary at least 48 hours before the time appointed for the meeting or adjourned meeting.

## Notes

This page represents the inside back cover



Demerara Bank Limited

Lot 214 Camp Street, North Cummingsburg,

Georgetown, Guyana

T: +592.226.0632

Email: [banking@demerarabank.com](mailto:banking@demerarabank.com)

Foreign Exchange: [forex@demerarabank.com](mailto:forex@demerarabank.com)

Web: [www.demerarabank.com](http://www.demerarabank.com)