

INTERIM REPORT AS AT JUNE 30, 2015

Dear Shareholders,

The Board is pleased to present the report on the financial performance of the Bank for the first six (6) months of the financial year ended June 30, 2015. These statements were approved by the Board on July 15, 2015.

Global growth is picking up but the momentum has not been as strong as was expected, as production has been weaker and investment has been fairly subdued.

With the turmoil in Greece as well as the slowdown of the Chinese economy, global economic recovery is expected to be further slowed.

Regionally, signs of recovery are evident with progress in major economies of Jamaica and Barbados.

We have just come out of an election period which has resulted in a change of government after twenty three (23) years. Prior to this, with the proroguing of parliament, no budget for 2015 could have been presented. This naturally has led to a period of reduced economic activity which has had its impact on the Banking Sector.

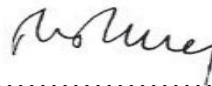
The new government has moved with commendable alacrity to pass the amendment to the AML/CFT Bill.

The recent report of a significant oil find in Guyana's waters gives hope that over the medium term Guyana should join the group of oil producing countries. This has the potential for raising the level of GDP and creating new industries that should bring benefits to all.

The new government has huge challenges on its hands to resuscitate the Sugar Industry to reduce its drain on tax payers. It also needs to pay close attention to the Rice & Mining Sectors which are both faced with high production cost and low world market prices at this time.

Our Bank is paying keen attention to these events and endeavours to anticipate directions so as to take advantage of opportunities as well as to avoid setbacks.

In the circumstances, we have done well having met our budgeted profit target-though year on year we have done 4.5% or \$50M less. We are therefore pleased to declare an interim dividend of \$6 per share.



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ROBIN M. S. STOBY, S.C.
CHAIRMAN

July 16, 2015



Your Friend, Your Bank.

FINANCIAL STATEMENT

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

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

	Unaudited Three Mths Ended <u>30-Jun-2015</u>	Unaudited Three Mths Ended <u>30-Jun-2014</u>	Unaudited Six Mths Ended <u>30-Jun-2015</u>	Unaudited Six Mths Ended <u>30-Jun-2014</u>	Audited <u>Year Ended</u> <u>31-Dec-2014</u>
Interest Income	1,563,080	1,397,122	2,837,606	2,754,684	5,388,527
Interest Expense	<u>(233,696)</u>	<u>(211,868)</u>	<u>(438,353)</u>	<u>(445,966)</u>	<u>(895,113)</u>
Net Interest Income	1,329,384	1,185,254	2,399,253	2,308,718	4,493,414
Other Income	<u>360,701</u>	<u>240,466</u>	<u>581,519</u>	<u>581,198</u>	<u>1,311,283</u>
Net Interest and Other Income	1,690,085	1,425,720	2,980,772	2,889,916	5,804,697
Operating Expenses	<u>(705,565)</u>	<u>(646,881)</u>	<u>(1,386,141)</u>	<u>(1,287,842)</u>	<u>(2,630,168)</u>
Loan Provisioning net of Recoveries	<u>(51,737)</u>	<u>(25,959)</u>	<u>(104,036)</u>	<u>(20,601)</u>	<u>(176,677)</u>
Associate Company: Share of Profit	<u>(4,824)</u>	<u>682</u>	<u>(6,891)</u>	<u>682</u>	<u>(1,405)</u>
Profit before Taxation	927,959	753,562	1,483,704	1,582,155	2,996,447
Taxation	<u>(292,522)</u>	<u>(226,242)</u>	<u>(430,879)</u>	<u>(478,951)</u>	<u>(875,314)</u>
Net Profit After Tax	<u>635,437</u>	<u>527,320</u>	<u>1,052,825</u>	<u>1,103,204</u>	<u>2,121,133</u>
Earnings Per Share	<u>15.89</u>	<u>13.18</u>	<u>26.32</u>	<u>27.58</u>	<u>53.03</u>

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

(All Amounts stated in thousands of Guyana Dollars)

	Unaudited Three Mths Ended <u>30-Jun-2015</u>	Unaudited Three Mths Ended <u>30-Jun-2014</u>	Unaudited Six Mths Ended <u>30-Jun-2015</u>	Unaudited Six Mths Ended <u>30-Jun-2014</u>	Audited <u>Year Ended 31-Dec-2014</u>
	\$G 000	\$G 000	\$G 000	\$G 000	\$G 000
Profit for the Year	635,437	527,320	1,052,825	1,103,204	2,121,133
Other Comprehensive Income					
Items that will not be re-classified subsequently to profit and loss statement					
Remeasurement of Defined Benefit Obligation	0	0	0	0	713
	-	-			713
Items that will not be re-classified subsequently to profit and loss statement					
Gain/(loss) arising on Revaluation of:-					
Available for Sale Financial Assets	154,768	159,522	323,196	327,950	385,569
Share of Comprehensive Income/(loss) of Associate	-	-			5,693
	154,768	159,522	323,196	327,950	391,262
Other Comprehensive Income Net of Tax	154,768	159,522	323,196	327,950	391,975
Total Comprehensive Income for the Year	790,205	686,842	1,376,021	1,431,154	2,513,108


UNAUDITED STATEMENT OF FINANCIAL POSITION

(All Amounts stated in thousands of Guyana Dollars)

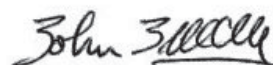
	Unaudited 30-Jun-2015 \$'000	Unaudited 30-Jun-2014 \$'000	Audited 31-Dec-2014 \$'000
ASSETS			
Cash Resources	27,401,354	20,023,409	20,408,148
Investments	18,026,551	20,053,331	21,619,780
Loans and Advances	44,040,218	42,520,139	44,676,409
Property and Equipment	7,664,302	7,027,142	7,693,130
Other	1,251,398	1,116,101	1,253,821
TOTAL ASSETS	98,383,823	90,740,122	95,651,288
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Deposits	84,616,115	78,744,739	80,525,310
Other Liabilities	864,897	870,548	3,159,188
TOTAL LIABILITIES	85,481,012	79,615,287	83,684,498
SHAREHOLDERS' EQUITY			
Share Capital	800,000	800,000	800,000
Retained Earnings	10,887,152	9,509,908	10,274,327
Statutory Reserve	800,000	800,000	800,000
Revaluation & Other Reserves	415,659	14,927	92,463
TOTAL SHAREHOLDERS' EQUITY	12,902,811	11,124,835	11,966,790
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	98,383,823	90,740,122	95,651,288

The Directors approved these financial statements for publication on July 15, 2015.

On behalf of the Board:



Mr. Robin Stoby, S.C., Chairman



Mr. John Tracey, Chief Executive Officer

Directors' Interests in the Ordinary Shares of the Bank

The following are the interests of Directors holding office at June 30, 2015:

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

STATEMENT OF CHANGES IN EQUITY

(All Amounts stated in thousands of Guyana Dollars)

	<u>Share</u> <u>Capital</u> G\$ 000	<u>Retained</u> <u>Earnings</u> G\$ 000	<u>Other</u> <u>Reserve</u> G\$ 000	<u>Statutory</u> <u>Reserve</u> G\$ 000	<u>Revaluation</u> <u>Reserve</u> G\$ 000	<u>General Banking</u> <u>Risk Reserve</u> G\$ 000	<u>Total</u> G\$ 000
Unaudited Six Months ended June 30 2015							
Balance at beginning of Period	800,000	10,274,327	30,821	800,000	18,963	42,679	11,966,790
Profit for the Period		1,052,825					1,052,825
Other comprehensive income for the Period	-		323,196	-	-	-	323,196
Payment of Dividends	-	(440,000)	-	-	-	-	(440,000)
Transfer to/ (from) Reserve	-	-	-	-	-	-	-
Balance at end of Period	800,000	10,887,152	354,017	800,000	18,963	42,679	12,902,811
Unaudited Six Months ended June 30 2014							
Balance at beginning of Period	800,000	8,886,704	(361,154)	800,000	18,963	29,168	10,173,681
Profit for the Period		1,103,204					1,103,204
Other comprehensive income for the Period	-		327,950	-	-	-	327,950
Payment of Dividends	-	(480,000)	-	-	-	-	(480,000)
Transfer to/ (from) Reserve	-	-	-	-	-	-	-
Balance at end of Period	800,000	9,509,908	(33,204)	800,000	18,963	29,168	11,124,835
Audited Year Ended December 31 2014							
Balance at beginning of Period	800,000	8,886,704	(361,154)	800,000	18,963	29,168	10,173,681
Profit for the Period		2,121,133					2,121,133
Other comprehensive income for the Period	-	-	391,975	-	-	-	391,975
Payment of Dividends	-	(720,000)	-	-	-	-	(720,000)
Transfer to/ (from) Reserve	-	(13,511)	-	-	-	13,511	-
Balance at end of Period	800,000	10,274,327	30,821	800,000	18,963	42,679	11,966,790

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED JUNE 30, 2015

	Unaudited Six Mths Ended <u>30-Jun-2015</u> G\$ 000	Unaudited Six Mths Ended <u>30-Jun-2014</u> G\$ 000	Audited <u>Twelve Mths Ended</u> <u>31-Dec-2014</u> G\$ 000
Operating activities			
Profit before taxation	1,483,704	753,564	2,996,447
Adjustments for:			
Share of (profit)/loss of associate company	6,891	(682)	1,405
Depreciation	193,494	175,046	353,773
Loss on sale of fixed assets	36,253	21,445	275,607
Net (increase)/ decrease in customers' loans	636,191	305,590	(1,850,680)
Net increase/ (decrease) in customers' deposits	4,090,805	(4,803,260)	(3,022,689)
(Increase)/Decrease in other assets	2,423	319,105	(190,263)
(Decrease)/increase in other liabilities	(2,294,291)	(795,679)	1,645,002
Increase in defined benefit asset	-	-	(4,118)
Increase in defined benefit liability	-	-	(642)
(Increase)/Decrease in required reserve with Bank of Guyana	(605,444)	998,763	384,164
Cash provided by operating activities	3,550,026	(3,026,109)	588,006
Taxation			
Taxes paid/adjusted	(546,277)	(687,906)	(1,065,920)
Net cash provided by operating activities	3,003,749	(3,714,015)	(477,914)
Investing activities			
(Increase)/ Decrease in Investments	4,024,931	7,428,650	4,886,576
Additions to Fixed assets	(200,918)	(249,182)	(933,069)
Proceeds from disposal of fixed assets	-	-	-
Net cash provided by/(used in) investing activities	3,824,013	7,179,468	3,953,507
Financing activities			
Dividends paid	(440,000)	(480,000)	(720,000)
Net cash used in financing activities	(440,000)	(480,000)	(720,000)
Net increase in cash and cash equivalents	6,387,762	2,985,453	2,755,593
Cash and short term funds at beginning of period	11,179,135	8,423,542	8,423,542
Cash and short term funds at end of period	17,566,897	11,408,995	11,179,135