Freshness
IS DOMESTIC

BANKS DIH

ANNUAL REPORT 2023

Mission

We are committed to building on our traditions of Excellence by providing Quality Products and Services, Financial Results and Management Performance that meet the interests of our Shareholders, Employees, Customers, Suppliers and the Communities in which we operate.

Contents

The Taste of Home

"The Purpose of Industry is obvious. It is to supply man with things which are necessary, useful or beautiful and thus bring life to body or spirit."- *Richard H. Rawney*

Recorded history tells us that Beer is one of the oldest drinks humans have produced. The first chemically confirmed Barley Beer dates back to 5 BC in what is now modern Iran and was recorded in the written history of ancient Egypt and Mesopotamia and spread throughout the world. A 3900-year-old Sumerian Poem honouring the patron goddess of brewing contains the oldest surviving Beer recipe describing the production of Beer from Barley Bread, and in China, pottery fragments dating from around 5 BC show Beer was brewed using barley and other grains.

For clarity and our appreciation, the Merriam-Webster Dictionary provides the following definition:
"Brewing" as "to prepare (beer, ale, etc.) by steeping, boiling and fermentation or by infusion and fermentation".
Historians have argued that the inventions of bread and beer are responsible for humans' ability to develop technology and build civilisation. Historical records as far back as 5000 years ago, indicate that Beer may have been known in Europe and was mainly brewed on a domestic scale. Beer produced before the Industrial Revolution continued to be produced and sold on a domestic scale although by the 7th Century AD, Beer was also being produced and sold by monasteries in Europe.

The Taste of Quality

During the Industrial Revolution, the production of Beer moved from artisanal to industrial manufacture and the development of the hydrometer and thermometer changed the brewing process by allowing more control of the process and greater knowledge of the results.

As almost any cereal containing certain sugars can undergo spontaneous fermentation due to wild yeasts present in the air, it is possible that Beer-like drinks were independently developed throughout the world with the domestication of cereal grains. Chemical testing performed on ancient pottery jars revealed that Beer was produced about 3500 BC in what is today the country of Iran and was one of the first known biological engineering processes where fermentation was used.

The earliest confirmed Barley Beer to date was discovered in the central mountains of Iran where fragments of jug from between 5000 - 5400 years ago were found to be coated with a by-product of the brewing process. Archaeological findings also show that villagers in China were brewing fermented alcoholic drinks as far back as 7000 BC on a domestic scale with production processes and methods similar to that of ancient Egypt and Mesopotamia. It continues to be debated as to the process by which Beer manufacturing was discovered. It was the author Thomas Sinclair who wrote in his book “Beer, bread and the seeds of change: Agriculture’s imprint on world history”, that the discovery of Beer may have been accidental. What existed before the beverage Beer was discovered, came from the soaking of grains in water and making a slurry as grain was hard to digest alone.

Ancient people would heat the mixture and leave it for days until the slurry was a sort of homogeneous blend of water and grain. Perhaps without recognising it, our ancestors were creating a formulation or recipe for Beer. Heating the slurry would sterilise the water and the temperature required to denature the grain protein would also denature the disease-causing microbes. By allowing the slurry to rest overtime, fermentation would occur.

Wild yeast would settle on the mixture and rapidly consume the oxygen in the mixture. The yeast would then digest sugars by a process called anaerobic respiration which in turn causes the release of ethanol or alcohol and carbon dioxide. From this process, our ancestors unwittingly created the beverage we now call Beer. As rudimentary as the manufacturing process was at the time, it needs to be recognised that it was pretty much a domestic event.

The Taste of Satisfaction

The understanding of and appreciation for the concept and value of freshness, is also integral to the operations of our Food Division which incorporates the manufacture and production of Cookies and Crackers; Baked Goods which include assorted Breads, Rolls, Cakes and Pastries; Biscuits; Ice-Cream; Novelty Ices and other Dairy Products, marketed and sold under the brand names Trisco, Golden Harvest and Demico.

Additionally, our Demico Restaurants, trading under the names: Qik Serv, Idiho and OMG! produce and sell a variety of fresh, local foods which include Demico Fried Chicken, which is the specialty item of our Qik Serv Restaurants.

The theme for our Annual Report "Freshness is Domestic" is validated by images on the cover of our Banks Beer, GT Beer Lager and Classic Beers and supported by images of our food products which can truly lay claim to the fact that "Freshness is Domestic".

Chairman's Report

My fellow Shareholders, it is my pleasure to present to you my Report which provides a comprehensive overview of the performance of the Banks DIH Group for the Financial Year which concluded on September 30, 2023.

Clifford Barrington Reis, C.C.H.,
Chairman / Managing Director

Revenue and Profits

The overall performance of the Group improved by recording a Profit before Tax of $14.509 billion compared to $13.398 billion in 2022, an increase of $1.111 billion or 8.29%.

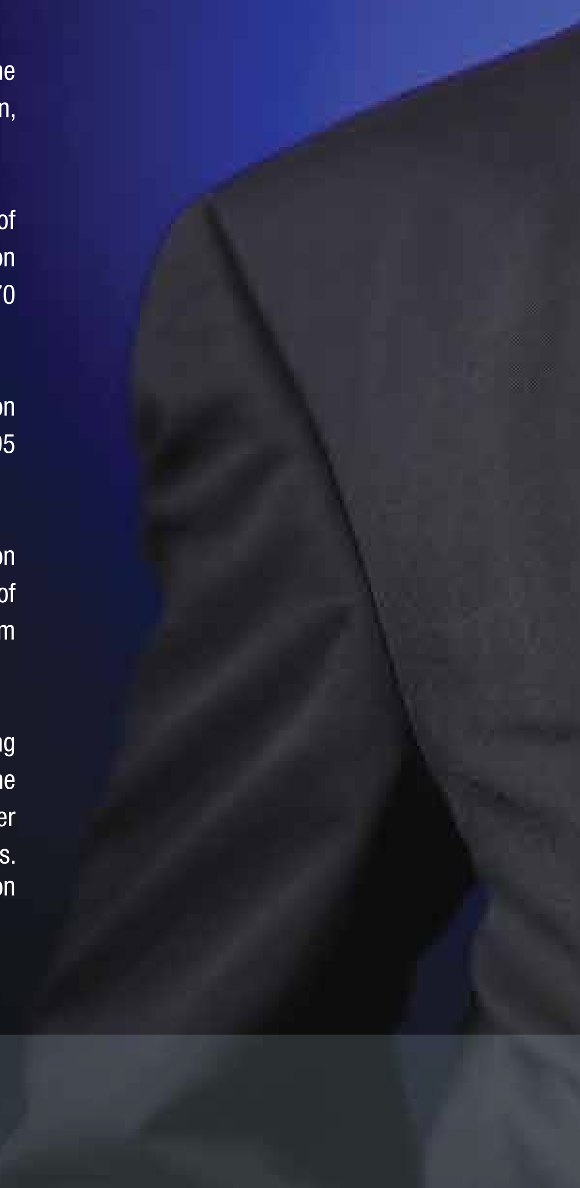
Profit after Tax for the Group attributable to Shareholders of the Parent Company increased from $8.395 billion to $8.970 billion, an increase of $575.0 million or 6.8%.

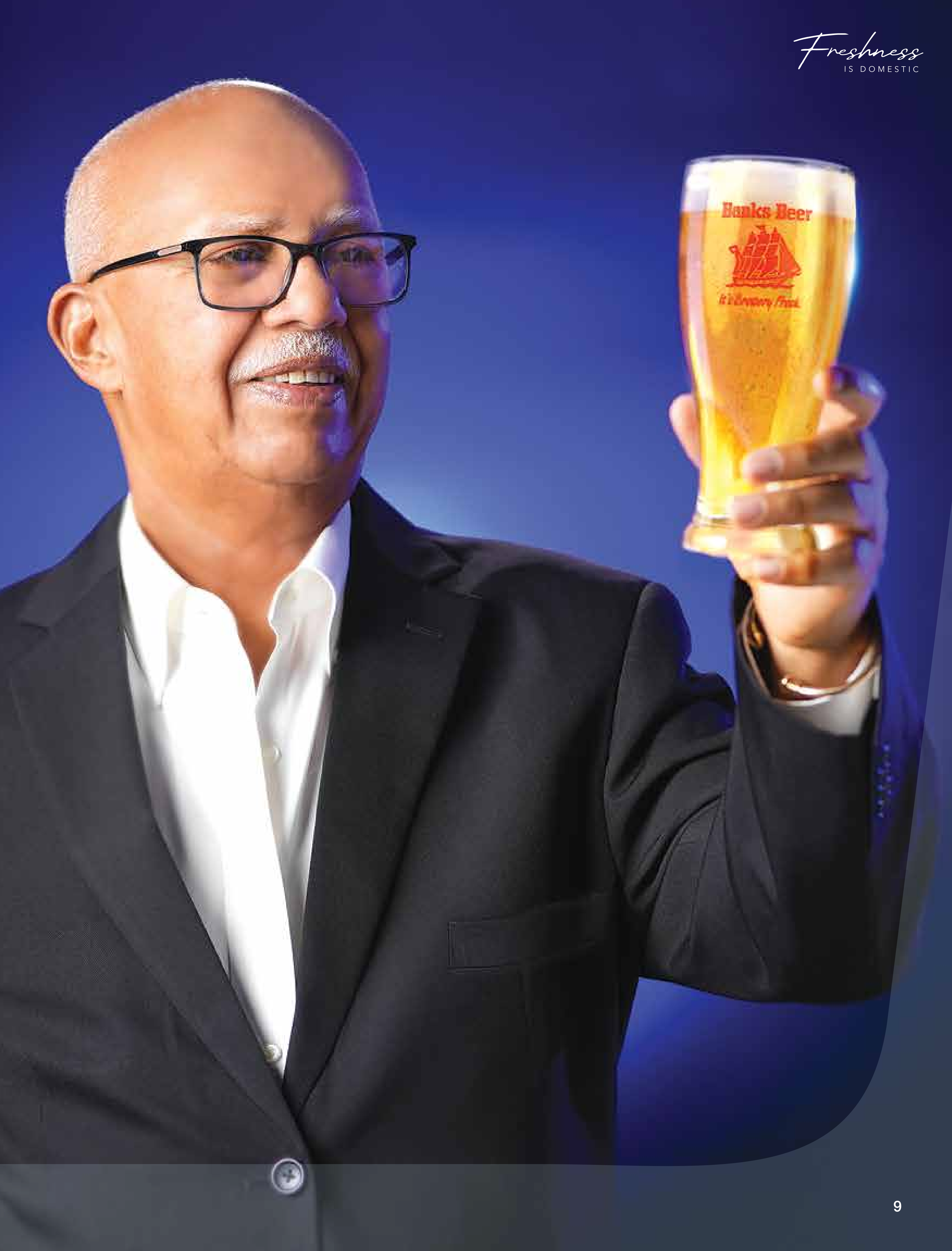
The Board of Directors has recommended a dividend proposal of $2.20 per share unit resulting in an overall cost of $1.870 billion as compared with $1.700 billion in 2022, an increase of $170 million or 10%.

Revenue generated by the Company was $44.048 billion compared to $39.653 billion in 2022, an increase of $4.395 billion or 11.1%.

The Profit before Tax for the Company was $11.393 billion compared to $10.506 billion achieved in 2022, an increase of $887.0 million or 8.4% while the Profit after Tax increased from $7.589 billion to $8.129 billion by $540.0 million or 7.1%.

The complexity of the Business Environment is escalating rapidly. In the wake of the ongoing Global recovery from the COVID-19 pandemic in 2023, we have encountered further challenges in the Global Landscape impacting our operations. The Geopolitical Crisis in Europe continues to exert influence on commodity prices and Supply Chain Operations.




Banks Beer

Chairman's Report (cont'd)

The Financial Year which ended on September 30, 2023 had many challenges which included Supply Chain Delays and increased costs for Raw and Packaging Materials, Spares, Energy, Distribution and the Retention of Skilled Employees.

Our strategy was centered around our Employees and Customers to drive Sustainable Solutions and build Resilience in our Manufacturing Processes, maintaining the production of High Quality Products and Efficiency in Operations.

Additionally, my Fellow Shareholders, our Leadership Skills were also demonstrated in our Prudent Financial Management and the utilisation of our Information Technology Resources to enhance Decision-Making in real time.

Capital Expenditure

Fellow Shareholders, the Company continued to make Capital Investments in Plant, Machinery, and Equipment in order to strengthen long-term development, bolster our manufacturing capacity, and improve the operational efficiency.

Capital works were completed with the acquisition of a 120 HL Brew House to enhance the brewing capacity of our Malt Products. There was the acquisition of a Blow Moulder, Conveyors and Puncheons for the Rum Division, as well as a new on-line Blow Moulder for the Soft Drink Plant.

The Food Division was enhanced with Packaging Equipment, Spiral Mixers, Bag Sealing Unit, Conical Rounder and Temperature Control Equipment.

The Utility Services Areas within the Company which include Thirst Park Water Well, CO_2 Plant, Central Quality Lab, Refrigeration and Material Handling were all upgraded with new equipment.

The Power Generation Plant was upgraded with new Switch Gears, the overhaul of Generators and the installation of Alternative Power Equipment.

Several of our Land Holdings and Buildings were upgraded including the Berbice Branch Bond, Special Events Outlet and the Linden Branch. Construction works continued on the Elevated Car Parking Facilities.

During the year, the Company acquired forty (40) acres of Land for the purpose of future development and expansion.

In our quest to deliver products to Customers, the Transport and Distribution Fleet was boosted with the acquisition of new Trucks and Forklifts. Hundreds of Customers in the Mom and Pop shops, Supermarkets and Grocery Stores and several Offices and Ministries were supplied with Coolers, Freezers and Water Dispensers.

The Information, Communication and Technology (ICT) Department was upgraded with new Computers and Power Solutions.

In the Financial Year 2024, Capital Expenditure will focus on the upgrade of the No. 1 and No. 2 Soft Drink Plants, the Dairy Plant, Bakery, Transport, Power Generation and Land Development.

Citizens Bank Guyana Inc.

The revenue of Citizens Bank Guyana Inc., a 51% owned subsidiary of the Company was $5.629 billion compared with $4.847 billion generated in 2022, an increase of $782 million or 16.1%. The Profit before Tax was $3.264 billion compared to $3.001 billion in 2022, an increase of $263.0 million or 8.8%, while Profit after Tax was $1.946 billion compared to $1.800 billion, an increase of $146.0 million or 8.1%.

Net Interest Income was $4.387 billion. The Earnings per Share was $32.71 while the total Asset Base was $111.8 billion. Loan Assets were increased from $38.2 billion to $52.0 billion, by 35.9% or $13.7 billion.

Banks Automotive and Services Inc.

Banks Automotive and Services Inc., a 100% owned subsidiary of the Company generated revenues of $170.9 million compared to $117.0 million in 2022, an increase of $53.9 million or 46.2%. The Profit before Tax was $9.2 million compared to $5.9 million, an increase of $3.3 million or 55.9%. In 2024, the new multi-story vehicle parking facility and corporate offices and showroom of Banks Automotive and Services Inc. is expected to be opened for use.

Dividends

The Board of Directors declared a first interim dividend of $0.45 per share unit which was paid on May 18, 2023. A second interim dividend of $0.45 was also paid on October 26, 2023, and now the Board of Directors recommend a final dividend of $1.30 per share unit, making the overall dividend per share unit $2.20 or an overall cost of $1.870 Billion, an increase of $170 million or 10.0% over the previous year.

Growth in Shareholders' Value

My Fellow Shareholders, irrespective of the challenges which confronted us during the period under review, we were able to record growth in Shareholder value.

From a Net Profit of $8.970 billion attributable to Shareholders, a dividend payment of $1.870 billion was made; leaving the sum of $7.100 billion which was transferred to Retained Earnings. The market value for the Company's shares as at 30 November 2023 was $160.00 per share.

Total Quality Management and Environment Safety Functions

My Fellow Shareholders, for the period under review, our Company continued aiming to achieve the highest standards in Product Quality, Health and Safety and Environmental Standards. In this regard, the Production Plants successfully completed surveillance Audits for the International Organisation for Standardisation (ISO) and Coca Cola Quality and Safety Management Systems:

- ISO 9001:2015 – Quality Management Systems (Surveillance Audits, Certification and Re-Certification Audits) for the Soft Drink Plant, Novelty Ice/Dairy Plant, Rum Factory and Carbon Dioxide Manufacturing.

- ISO 22000:2018 – Food Management Safety Systems for the Soft Drink Plant, Novelty Ice/Dairy Plant and Carbon Dioxide Manufacturing.
- ISO/TS 22002-1:2009 – Prerequisite Programmes on Food Safety for the Soft Drink Plant, Novelty Ice/Dairy Plant and Carbon Dioxide Manufacturing.
- Food Safety System Certification (FSSC) Standard Version 5.1 for the Soft Drink Plant, Novelty Ice/Dairy Plant and Carbon Dioxide Manufacturing.
- Made in Guyana Mark by the Guyana National Bureau of Standards for all of our locally manufactured products.

During the year, the Brewery achieved in the Guinness League of Excellence, third in the Americas out of fourteen (14) Breweries and nineteenth Worldwide out of forty-nine (49) Breweries.

We were in compliance with all the operational requirements with regard to the manufacture of products of Royal Unibrew.

The Environmental and Safety Department was able to successfully complete the Surveillance Audits for the Safety Management System ISO 45001:2018 and the Environmental Management System ISO 14001:2015. The Department was also able to acquire all relevant safety Certificates of Compliance for the year 2023 from the Guyana Fire Service, Guyana Energy Agency, Mayor and City Council and the Ministry of Labour.

The Company continues to invest in capacity building through training and skill building. During 2023, over 350 employees were trained in the area of Health and Safety. Additionally, 35 employees were trained as Fire Marshalls.

Community Relations / Partnerships

My Fellow Shareholders, we continually strive to cultivate meaningful relationships within our business, establish connections with our local community, and engage with various organisations and individuals. Additionally, my Fellow Shareholders, we continue to support Religious and Faith-Based Communities, as well as sporting events. Our commitment to educational initiatives remained steadfast with the continuation of Apprenticeship and Work Study Programmes, Continuous training, facilitated by our Training Department, was conducted for Employees at all levels. Moreover, we provided bursaries to eligible Students, specifically the children of Employees and Shareholders who excelled in the National Grade Six Assessment (NGSA) Examination. Additionally, sponsorships were granted to individuals pursuing degree programmes at both the University of Guyana and the GUYSUCO Training Centre.

Future Outlook

Fellow Shareholders, the recently concluded year has once again demonstrated the Company's resilience in overcoming challenges. As we anticipate the upcoming Financial Year and beyond, our strategic approach involves maximising the potential of our Global Brand Portfolio as well as solidifying our standing as a Consumer-Focused Entity. We are committed to building upon our well-established foundations by prioritising the reinforcement of our core strengths, including advancements in Marketing, Innovation, Revenue Growth, Management, and Execution. This dedicated focus aims to enhance value for our Shareholders, Suppliers, Employees and Customers.

Acknowledgement

I extend my sincere appreciation for the invaluable expertise and guidance provided by our Board of Directors, whose wisdom has played a pivotal role in propelling the Company forward over the past year. I must also commend the dedication and hard work of our exceptional Leadership Teams and Employees, whose unwavering commitment has been instrumental in our success. Furthermore, I want to extend heartfelt gratitude, on behalf of the Board, to our cherished Shareholders, Suppliers, Employees, and Customers. Your steadfast support and collaboration have been the bedrock of our achievements, and we look forward to continuing this journey together.

Clifford Barrington Reis, C.C.H.
Chairman / Managing Director

Board of Directors

From Left to Right:

Kavorn Debora Kyte-Williams
Secretary / Corporate Legal Officer

Ronald Graham Burch-Smith,
Director

Gavin Cuthbert Todd,
Operations and Engineering Director

Alester Larry Cameron,
Worker Management Participation Board Director

Melissa Jessica De Santos,
Director

Paul Andrew Carto, A.A.,
Human Resources / Trisco Director

Clifford Barrington Reis, C.C.H.,
Chairman / Managing Director

Mohamed Shabir Hussein, A.A.,
Engineering Services Director

Frances Sarah Parris,
Director

Roy Errol Cheong, A.A.,
Vice Chairman

Dan Bryan Stoute,
Director

Board of Directors' Report

The Directors have pleasure in presenting their 68th Annual Report and the audited Financial Statements for the year ended 30 September 2023.

Principal Activities
The Principal Activities of the Group are brewing, blending, bottling and wholesale marketing of beers, wines, liquors, and assorted beverages; the processing of food items; the operation of restaurants, bars, laundry services, hotel; the operation of commercial banking; transportation and alternative energy products and services.

Revenue & Profit for the Group
The Group's third party revenue was $49.674 billion compared to $44.459 billion in 2022, representing an increase of $5.215 billion or 11.7%.

The Profit before Tax for the Group was $14.509 billion when compared with $13.398 billion achieved in 2022, representing an increase of $1.111 billion or 8.3%.

Profit after Tax attributable to the Shareholders of the Parent Company was $8.970 billion compared to $8.395 billion in 2022, an increase of $575 million or 6.8%.

The Group's Net Asset Value per share increased from $67.80 to $77.33 by 14.1%. The Board of Directors of the Company has recommended a dividend proposal of $2.20 per share resulting in an overall cost of $1.870 billion, as compared with $1.700 billion in 2022, an increase of $170.0 million or 10%.

Revenue & Profit for the Company
Revenue generated by the Company was $44.048 billion compared to $39.653 billion in 2022, an increase of $4.395 billion or 11.1%.

The Profit before Tax for the Company was $11.393 billion compared to $10.506 billion achieved in 2022, an increase of $887.0 million or 8.4%, while the Profit after Tax for the Company increased from $7.589 billion to $8.129 billion by $540 million or 7.1%.

Citizens Bank Guyana Inc.
The revenue of Citizens Bank Guyana Inc., a 51% owned subsidiary of the Company was $5.629 billion compared with $4.847 billion generated in 2022, an increase of $782 million or 16.1%. The Profit before Tax was $3.264 billion compared to $3.001 billion in 2022, an increase of $263.0 million or 8.8%, while Profit after Tax was $1.946 billion compared to $1.800 billion, an increase of $146.0 million or 8.1%. Net Interest Income was $4.387 billion.

The earnings per share was $32.71 while the total asset base was $111.8 billion. Loan Assets were increased from $38.2 billion to $52.0 billion, by 35.9% or $13.7 billion.

Banks Automotive and Services Inc.
Banks Automotive and Services Inc., a 100% owned subsidiary of the Company generated revenues of $170.9 million compared to $117.0 million in 2022, an increase of $53.9 million or 46.2%. The Profit before Tax was $9.2 million compared to $5.9 million, an increase of $3.3 million or 55.9%.

Dividends
The Board of Directors declared a first interim dividend of $0.45 per share unit which was paid on May 18, 2023. A second interim dividend of $0.45 per share unit was also paid on October 26, 2023, and now the Board of Directors recommends a final dividend of $1.30 per share unit, making the overall dividend per share unit of $2.20 or an overall cost of $1.870 billion, an increase of $170 million or 10% over the previous year.

Reserves
The sum of $8.970 billion profit attributable to shareholders has been transferred to retained earnings. After the payment of dividends, the Reserves at the 30 September 2023 is $63.711 billion.

Capital Expenditure
In the year 2023, the Group's spending on Capital works amounted to $8.836 billion which included a 120 HL Brewhouse, Blow Moulders, Conveyors, Puncheons, Packaging Equipment, Mixers, Sealing Units, Temperature Control Equipment, Electrical Switch Gear Replacements, Trucks, Forklifts, Coolers, Freezers, Water Dispensers, upgrades to Power Supply and the acquisition of New Land for future Development and Expansion.

The Group's capital commitment authorised for FY 2024 is $11.209 billion of which $9.980 billion relates to Banks DIH Limited.

Directors
The following Directors retire by rotation in accordance with Article 108 and being eligible offer themselves for election: Mr. Roy Errol Cheong, A.A., Mr. Ronald Burch-Smith and Ms. Frances Sarah Parris.

Auditors
The retiring Auditors, Messrs. Jack A. Alli, Sons & Co., have indicated their willingness to be appointed.

Directors' Interests
The interests of the Directors holding office at 30 September 2023 in the ordinary shares of the Company and its subsidiaries were as follows:

Ordinary Shares of No Par Value
Banks DIH Ltd

Beneficial		Non Beneficial	Associates' Beneficial Interest
Clifford B. Reis	636,635	-	2,022,865
Roy E. Cheong	562,500	-	293,985
George G. Mc Donald	656,353	-	-
Paul A. Carto	620,862	-	620,861
Mohamed S. Hussein	610,180	-	-
Gavin C. Todd	490,987	-	-
Frances S. Parris	1,000	-	-
Ronald G. Burch-Smith	344,597	-	-
Melissa J. De Santos	4,151	-	-
Alester L. Cameron	2,800	-	-

Ordinary Shares of No Par Value
Citizens Bank Guyana Inc.

Beneficial		Non Beneficial	Associates' Beneficial Interest
Clifford B. Reis	-	-	125,000
Roy E. Cheong	-	-	31,250
Frances S. Parris	6,250	-	-

No other Director of Banks DIH Ltd. or any of their associates has any beneficial interest in any shares issued by Citizens Bank Guyana Inc.

Banks Automotive and Services Inc.
Mr. Clifford B. Reis has one (1) share as a nominee Shareholder.

Interest in Contract
During the year, none of the Directors had a material interest in any contract of significance to the Company.

Directors' Fee Per Annum	$
Roy E. Cheong	2,946,278
Dan B. Stoute	2,602,928
Frances S. Parris	2,602,928
Ronald G. Burch-Smith	2,602,928
Melissa J. De Santos	2,602,928

Directors' Service Contracts
Other than normal service Contracts with Directors under the Companies Act 1991, there are no other Service Contracts with the Directors.

Intra Group Loan
Banks DIH Ltd had no outstanding loans owing to its Subsidiary, Citizens Bank Inc. at 30 September 2023.

Substantial Shareholders
The following held substantial shareholdings in the Share Capital of the Company at 30 September 2023:

Demerara Life Group of Companies	No. of Shares	% Shareholding
2023	96,931,679	11.4
2022	96,931,679	11.4

Trust Company (Guyana) Limited	No. of Shares	% Shareholding
2023	74,204,743	8.7
2022	71,461,091	8.4

Banks Holdings Ltd	No. of Shares	% Shareholding
2023	50,046,155	5.9
2022	50,046,155	5.9

Hand-in-Hand Group of Companies	No. of Shares	% Shareholding
2023	46,715,130	5.5
2022	46,657,457	5.5

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

Issued Share Capital of Subsidiaries at 30 September 2023	Ordinary Shares of No Par Value
Citizens Bank Guyana Inc.	59,491,300
Banks Automotive and Services Inc.	1,000

Current Litigation Matters
On 1st April 2016, Guyana Revenue Authority consented to a substantial tax write off for a local manufacturing Company. Acting on legal advice, Banks DIH wrote to the Guyana Revenue Authority claiming that it was entitled under Article 149D of the Constitution to be treated equally by the State as it treated the local manufacturing Company's liability. Guyana Revenue Authority did not respond favourably. As a result, Banks DIH acting on legal advice caused to be filed in the High Court of Guyana, legal proceedings against the Guyana Revenue Authority and the Attorney General of Guyana, claiming inter alia:

"... a declaration that Banks DIH Limited is entitled under Article 149D of the Constitution to have the Guyana Revenue Authority treat its liability for Consumption Tax for the years 2001-2006 and its liability for Excise Tax for the years 2007-2016 equally or materially in similar manner as the Guyana Revenue Authority treated a local manufacturing company's liability for the same taxes during the same periods as embodied in the consent order dated 1st April, 2016."

The proceedings by Banks DIH are pending in the High Court of the Supreme Court of Judicature.

Banks DIH Holdings Inc.
On 18th January, 2023 your Directors incorporated a Holding Company by the name of Banks DIH Holdings Inc. ("BDIHHI"). The purpose of BDIHHI is to create a new corporate structure for the Banks DIH Group of Companies, which would facilitate the entry into new activities arising from the present rapid economic development in Guyana. This step was taken pursuant to the advice of the reputable accounting firm BDO, which operates in many countries in the Western World and has a Branch Office in St. Lucia.

In order to bring into operation BDIHHI, the directors had to have recourse to a Scheme of Arrangement ("SOA") under which the Shareholders of BDIH would exchange their shares for shares to be issued by the New Holding Company, BDIHHI. That SOA required not only Shareholder approval but also Judicial Sanction in accordance with Section 217 of the Companies' Act, Cap 81:01.

The Shareholder approval was obtained at a Special General Meeting held on Saturday 15th July, 2023 and Judicial Sanction of the SOA was granted by a Court Order made on 4th September, 2023.

After the aforementioned steps were taken and accomplished, the next step involved was an application to the Guyana Securities Council ("GSC") for approval of the applications required to implement the SOA. There has been correspondence in that regard between the 8th September, 2023 to the 13th October, 2023 between BDIH and the GSC. The correspondence has not resulted in a positive outcome up to this point in time.

Corporate Governance
We remain dedicated to the Principles of Good Corporate Governance and ensuring that the integrity of the Group remains untarnished. The Board recognises the equitable rights of shareholders, ensures the timely and accurate disclosure of all material matters including its financial situation, performance and ownership and the strategic guidance of the business. The standing Committees of the Board during the year were as follows:

The **Audit & Finance Committee** comprising Messrs. R.E. Cheong (Chairman), D. Stoute, R.G. Burch-Smith and Ms. M. De Santos.

The **Corporate Governance & Human Resources Committee** comprising Messrs. D. Stoute (Chairman), R.E. Cheong, and Ms. Frances S. Parris.

The election of Non-executive Directors takes place at the Annual General Meeting of the Company. Non-executive Directors are elected to hold office for a period of two years and can offer themselves for election. Executive Directors are nominated to hold office for a period of two years. Their continuation as Executive Directors for any subsequent period following their nomination to the Board requires the Board's ratification.

The positions of Chairman of the Board and Chief Executive Officer or Managing Director are combined positions and held by Executive Director, Mr. Clifford B. Reis. The position of Vice Chairman is held by a Non-executive Director, Mr. R. Errol Cheong. The position of Co-Managing Director/Marketing Director is held by Mr. George G. Mc Donald. A minimum of twelve Board Meetings is held each year at the Company's Corporate Headquarters: Thirst Park, Ruimveldt, Georgetown. As a consequence of the Covid-19 Pandemic and the mitigation guidelines issued by the National Covid-19 Task Force, Board Meetings are held via Microsoft Teams and are hosted at Thirst Park, Ruimveldt, Georgetown, Guyana.

Programme

FOR THE 68TH ANNUAL GENERAL MEETING

Thirst Park, Georgetown, Saturday, 27 January 2024

1. Presentation of Long Service Awards.
2. The Meeting called to order at 5.00 p.m.
3. Presentation of the Financial Statements for the year ended 30 September 2023 and the Reports of the Directors and Auditors thereon.
4. Chairman's Report and Question Period.
5. Declaration of Dividend.
6. Directors' Service Agreements providing for their remuneration and other items as listed under the Notice of Meeting.
7. After the Meeting is declared closed, bars will be opened until 8.30 p.m.

NOTE: One gift voucher will be presented to each shareholder/shareholding on arrival at the entrance to the meeting. This voucher will be exchanged for a gift either on arrival or after the meeting, and not at anytime thereafter. Children, family, or friends of shareholders are not entitled to attend the meeting.

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS		NON-EXECUTIVE DIRECTORS
Clifford Barrington Reis, C.C.H.	Chairman/Managing Director	Roy Errol Cheong, A.A. Vice Chairman, Banks DIH Limited
George Gladstone Mc Donald, A.A.	Co-Managing Director/Marketing Director	Dan Bryan Stoute Consultant
Paul Andrew Carto, A.A.	Human Resources/Trisco Director	Frances Sarah Parris General Manager/Corporate Secretary Citizens Bank Guyana Inc.
Mohamed Shabir Hussein, A.A.	Engineering Services Director	Ronald Graham Burch-Smith Attorney-at-Law
Gavin Cuthbert Todd	Operations/Engineering Director	Melissa Jessica De Santos Chief Executive Officer Demerara Mutual Life Assurance Society Limited
Alester Larry Cameron	Worker Management Participation Board Director	
Kavorn Debora Kyte-Williams	Secretary/Corporate Legal Officer	

BANKERS

Citizens Bank Guyana Inc, 231-233 Camp Street & South Road, Lacytown, Georgetown
Republic Bank (Guyana) Limited, 38-40 Water Street, Georgetown
Guyana Bank for Trade & Industry Limited, 47 Water Street, Georgetown
Bank of Nova Scotia, 104 Carmichael Street, Georgetown
Demerara Bank Limited, 230 Camp & South Streets, Georgetown

AUDITORS

Messrs. Jack A. Alli, Sons & Co.
145 Crown Street, Queenstown
Georgetown, Guyana

ATTORNEYS-AT-LAW

Messrs. Cameron & Shepherd
2 Avenue of the Republic
Georgetown, Guyana

Messrs. Boston & Boston
1 Croal Street, Stabroek
Georgetown, Guyana

The Law Offices of Dr. Claude H. Denbow S.C.
Altus Court, 3rd Floor
113 Oxford Street, Port of Spain, Trinidad, W.I.

Notice
OF THE MEETING

Notice is hereby given that the 68th Annual General Meeting of Banks DIH Limited will be held at Thirst Park, Georgetown on Saturday, 27th January, 2024, at 5.00 p.m. for the following purposes:

AGENDA

A. To receive the Financial Statements for the year ended 30 September 2023 and the Reports of the Directors and Auditors thereon.

B. To consider and (if thought fit) pass the following Resolution:
1. "That the Financial Statements for the year ended 30 September 2023 and the Reports of the Directors and Auditors thereon be and are hereby adopted."

C. To consider the declaration of a Final Dividend of $1.30 per share as recommended by the Directors in addition to an Interim Dividend of $0.45 per share and a second Interim Dividend of $0.45 per share previously declared by them and (if thought fit) pass the following Resolution:
2. "That the Interim Dividend of $0.45 per share and a second Interim Dividend of $0.45 per share already paid be confirmed and that a Final Dividend of $1.30 per share as recommended by the Directors in respect of the year ended 30 September 2023 be approved and paid to shareholders on the Company's Register at the close of the business on 27 January 2024."

D. To elect Directors in accordance with Article 109 of the Company's by-laws.
The Directors retiring by rotation are Mr. Roy Errol Cheong A.A., Mr. Ronald Graham Burch-Smith and Ms. Frances Sarah Parris, who being eligible, offer themselves for election.
To consider and (if thought fit) pass the following Resolutions:
3. (a) "That the Directors be elected en bloc."
(b) "That the retiring Directors Mr. Roy Errol Cheong A.A., Mr. Ronald Graham Burch-Smith and Ms. Frances Sarah Parris, be and are hereby elected Directors of the Company."

E. To fix the remuneration of the Directors in accordance with Article 86 of the Company's by-laws and Section 104 of the Companies' Act Cap. 89:01.
To consider and (if thought fit) pass the following Resolution:
4. "That the remuneration of $2,042,712 per annum be paid to the Non-Executive Vice Chairman; the remuneration of $1,689,062 per annum be paid to each Non-Executive Director in accordance with Article 86 of the Company's by-laws and Section 104 of the Companies' Act Cap. 89:01 and that a Travelling Allowance for each Non-Executive Director be fixed at $841,676 per annum; and that the additional sum of $125,027 per annum be provided for additional remuneration for each Director serving on Technical Committees."

F. To appoint Auditors in accordance with Article 143 of the Company's by-laws.
To consider and (if thought fit) pass the following Resolution:
5. "That Messrs. Jack A. Alli, Sons & Company be and are hereby appointed Auditors for the period ending with the conclusion of the next Annual General Meeting."

G. To fix the remuneration of the Auditors in accordance with Article 146 of the Company's by-laws.
To consider and (if thought fit) pass the following Resolution:
6. "That the remuneration of the Auditors be fixed at $37,250,000 for the current financial year."

Notice
OF THE MEETING (CONT'D)

H. To fix charitable donations in accordance with Article 62 of the Company's by-laws.
To consider and (if thought fit) pass the following Resolution:
7. "That the amount appropriated for charitable donations be fixed at $5,775,000 for the current financial year."

I. To transact any other business of an Ordinary Meeting.

Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. The instrument appointing a proxy must be stamped and deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time for holding the Meeting. (Note: Saturdays and Public Holidays are to be excluded when determining the forty-eight (48) hour period.)

Shareholders may contact the Company Secretary's Office (Mrs. Kavorn Kyte-Williams) at telephone numbers 592-225-0918 or 592-225-0910, Ext. 2235 or email kkyte-williams@banksdih.com to address any questions in relation to this Notice of the Annual General Meeting.

BY ORDER OF THE BOARD

Kavorn Debora Kyte-Williams
Secretary/Corporate Legal Officer

REGISTERED OFFICE

Thirst Park
Georgetown
Guyana

04 December, 2023

Report

OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BANKS DIH LIMITED

Opinion

We have audited the financial statements of Banks DIH Limited (the Company) and its Subsidiaries (together the Group) which comprise the statements of financial position of the Group and the Company as at 30 September 2023, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended for the Group and the Company, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 37 to 100.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 30 September 2023 and of their financial performances and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and with the requirements of the Guyana Companies Act.

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 Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and Company of the current period. These matters were addressed in the context of our audit of the financial statements of the Group and Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Valuation of property, plant and equipment	
The carrying values of property, plant and equipment for the Group and the Company are $39.8 billion and $34.1 billion, respectively. Property, plant and equipment represents 24 percent and 49 percent of total assets of the Group and Company, respectively. During the year the Company engaged an external expert real estate appraiser to complete the cyclical valuation of its freehold properties using the current replacement cost method considering comparable market inputs where applicable.	Our approach to addressing the matter included the following procedures, amongst others: ▪ Evaluated the design and tested the operating effectiveness of certain internal controls related to the valuation of properties and procurement processes. ▪ Verified, on a sample basis, costs capitalised to supporting documentation. ▪ Reviewed relevant cost categories expensed in the year to identify other potential capital items.

Report
OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BANKS DIH LIMITED

Key audit matter	How our audit addressed the key audit matter
The Group continues to invest in the expansion of its productive assets and in doing so applies judgement in determining costs eligible to be capitalised as a component of property, plant and equipment. Material misstatements relating to the carrying values of property, plant and equipment could arise from (a) inappropriate assumptions relating to the comparable utility of properties revalued and (b) inappropriate accounting of certain expenditure. Given the measurement uncertainty associated with the revaluation and critical judgements involved in accounting for certain costs and the significance of property, plant and equipment to the financial statements, its valuation has been considered a key audit matter. Refer to notes 2(g) to 2(i), 3(a) and note 28 to the financial statements for disclosures of related accounting policies, judgements, estimates and balances (Group and Company).	▪ Assessed the accuracy of estimates made by management in previous years, testing production statistics and budgeted amounts to determine the appropriateness of management's estimates. ▪ Assessed the appropriateness of useful economic lives and estimated residual values applied on a sample basis through consideration of any profit/losses on disposal of assets and the level of fully written down assets still generating revenue. ▪ Tested the integrity of data held within the fixed asset registers and information provided to the external valuer. ▪ Obtained the external valuation report and held discussions with the external real estate appraiser to assess the appropriateness of the valuation methodology used and to evaluate whether significant assumptions were supported by relevant accounting records and/or market information as applicable. ▪ Verified a sample of costs to complete properties under development by agreeing to authorised contracts and performed site visits. ▪ Inspected capital items, on a sample basis, to determine the working condition. ▪ Performed an analysis for indicators of impairment and impairment reversal, which included consideration of the assets' performance and external market conditions.
Impairment of financial assets The Group has gross loans and advances and investment securities carried at amortised cost amounting to $76.7 billion, or 47 percent of total assets. Against this gross amount, there is an allowance for expected credit losses (ECL) of $1.1 billion at the year end.	Our approach to addressing the matter included the following procedures, amongst others: ▪ Evaluated the design and tested the operating effectiveness of management's controls over the validation of models and selection of appropriate inputs including the determination of borrowers' classification, and integrity of the data used including the associated controls over relevant information technology (IT) systems.

Report
OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BANKS DIH LIMITED

Key audit matter	How our audit addressed the key audit matter
The measurement of ECL under the general approach is a complex calculation that requires the Group to measure ECL on a forward-looking basis reflecting a range of economic conditions. This process involves a number of interrelated inputs and assumptions such as the financial asset's probability of default, loss given default and exposure at default, which are modelled based on macroeconomic variables, and discounted to the reporting date. Significant judgement was required to determine which of those borrowers experienced a significant increase in credit risk (SICR), to estimate forward-looking scenarios and assign probability weights to these scenarios. For regulatory provisioning, the Group applies prescribed rates of provisioning and relevant classification guidelines. Given the inherent complexity of the ECL models used and the significant judgment required by management in relation to the forward-looking nature of some key assumptions, the allowance for ECL on financial assets was considered a key audit matter. Refer to notes 2(h), 2(i), 3(a), 7, 8 and 28 to the financial statements for disclosures of related accounting policies, judgements, estimates and balances (Group).	▪ Assessed whether the methodology and assumptions, including management's SICR triggers, used in the probability of default, loss given default and exposure at default models across various portfolios are consistent with the requirements of IFRS. ▪ Tested whether the methodology has been appropriately reflected in the ECL model code by producing an independent version of the model recalculating probability of default, loss given default and exposure at default for a risk-based sample of collectively assessed financial assets and reconciling its outputs to the Group's model. ▪ Reperformed staging on a sample of financial assets that we determined to be of a higher risk, by independently replicating the staging models. ▪ Challenged whether the Group's SICR criteria was sufficiently forward-looking for a sample of borrowers through our evaluation of forecasted cash flows, collateral valuations and by comparing data and assumptions to relevant publicly available information and other known variables obtained through other audit procedures. ▪ Performed tests over the completeness and accuracy of data used in the ECL models by reconciling and verifying key data fields to source systems and relevant documents. ▪ Reperformed credit assessments for a sample of financial assets classified as performing loans within higher risk sectors to determine whether their stage classification was appropriate.

Report
OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BANKS DIH LIMITED

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements of the Group and Company and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the financial statements of the Group and Company, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and Company, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements of the Group and Company in accordance with IFRSs and the requirements of the Guyana Companies Act, 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 these financial statements, management is responsible for assessing the Group and Company'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 Group or the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company'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 of the Group and Company 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report
OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BANKS DIH LIMITED

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with ISAs, we exercise professional judgement 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company 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 entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide to 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.

Report

OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BANKS DIH LIMITED

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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 Group and Company 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 benefit of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Javed A. Alli.

JACK A. ALLI, SONS & CO.

Chartered Accountants
Georgetown, Guyana
30 November 2023

Consolidated Statement of Financial Position

30 SEPTEMBER 2023

Thousands of Guyana Dollars	Note	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	39,761,231	33,021,478
Right-of-use asset	5	29,747	33,466
Investment securities	7	3,850,014	3,846,218
Loans and advances	8	39,102,513	28,525,441
Employee benefits	9	186,509	29,821
Deferred taxation	10	378,689	310,308
		83,308,703	65,766,732
Current assets			
Inventories	11	10,492,709	10,208,458
Receivables and prepayments	12	2,634,042	2,412,389
Investment securities	7	23,062,640	23,260,388
Loans and advances	8	12,871,253	9,715,827
Cash resources	13	30,918,327	18,421,179
Taxation recoverable		191,232	191,232
		80,170,203	64,209,473
TOTAL ASSETS		163,478,906	129,976,205
EQUITY AND LIABILITIES			
Capital and reserves attributable to shareholders			
Share capital	14	2,009,889	2,009,889
Reserves	15	63,710,985	55,606,715
		65,720,874	57,616,604
Non-controlling interest		7,284,658	6,481,178
Total equity		73,005,532	64,097,782
Non-current liabilities			
Customers' deposits	17	531,630	59,696
Lease liability	5	30,004	32,615
Employee benefits	9	893,561	749,216
Deferred taxation	10	2,873,310	2,418,186
		4,328,505	3,259,713
Current liabilities			
Customers' deposits	17	76,584,662	52,664,779
Payables and accruals	18	7,476,508	7,769,978
Lease liability	5	2,611	2,387
Taxation payable		2,081,088	2,181,566
		86,144,869	62,618,710
TOTAL EQUITY AND LIABILITIES		163,478,906	129,976,205

The notes on pages 37 to 100 form an integral part of these financial statements. The Board of Directors approved these financial statements for issue on 30 November 2023.

CLIFFORD B. REIS
CHAIRMAN

ROY E. CHEONG
VICE-CHAIRMAN

Consolidated Statement of Income

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Thousands of Guyana Dollars	Note	2023	2022
Revenue	19	49,674,210	44,458,504
Changes in inventories of finished goods and work in progress		116,422	305,065
Raw materials and consumables used		(12,091,242)	(10,399,278)
Excise taxes		(4,597,374)	(4,491,233)
Staff costs		(7,199,546)	(6,423,863)
Depreciation		(3,697,029)	(3,576,539)
Interest payable - banking		(248,672)	(302,300)
Other operating expenses		(7,520,545)	(6,276,888)
PROFIT FROM OPERATIONS		14,436,224	13,293,468
Net finance (cost) / income	20	(5)	2,826
Other income	21	72,967	101,788
PROFIT BEFORE TAXATION	22	14,509,186	13,398,082
Taxation	23	(4,585,542)	(4,120,705)
PROFIT AFTER TAXATION		9,923,644	9,277,377
ATTRIBUTABLE TO:			
Equity holders of the parent		8,970,038	8,395,425
Non-controlling interest		953,606	881,952
		9,923,644	9,277,377
EARNINGS PER SHARE	24	10.55 Dollar	9.88 Dollar

The notes on pages 37 to 100 form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Thousands of Guyana Dollars	**2023**	**2022**
PROFIT FOR THE YEAR	9,923,644	9,277,377
OTHER COMPREHENSIVE INCOME:		
Items that will not be reclassified to profit or loss:		
Remeasurement of employee benefits	(39,909)	(663,470)
Deferred tax credit arising on remeasurement of employee benefits	9,977	165,868
Revaluation gain on properties	1,656,941	882,190
Deferred tax charge relating to revaluation of properties	(399,419)	(226,494)
Net fair value (losses)/gains on equity investments designated as FVOCI	(351,141)	879,929
	876,449	1,038,023
TOTAL COMPREHENSIVE INCOME	10,800,093	10,315,400
ATTRIBUTABLE TO:		
Equity holders of the parent	9,846,487	9,112,157
Non-controlling interest	953,606	1,203,243
	10,800,093	10,315,400

The notes on pages 37 to 100 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Thousands of Guyana Dollars	Note	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT						NON-CONTROLLING INTEREST	TOTAL
		Share Capital	Revaluation Reserve	Statutory Reserve	Retained Earnings	General Banking Risk Reserve	Investments Valuation Reserve		
YEAR ENDED 30 SEPTEMBER 2023									
Balance as at beginning of year		2,009,889	7,782,299	303,407	44,050,627	108,090	3,362,292	6,481,178	64,097,782
Comprehensive income:									
Net profit for the year		0	0	0	8,970,038	0	0	953,606	9,923,644
Remeasurement of employee benefits, net of tax		0	0	0	(29,932)	0	0	0	(29,932)
Net fair value losses on equity investments designated as FVOCI		0	0	0	0	0	(351,141)	0	(351,141)
Revaluation gain on properties, net of tax		0	1,257,522	0	0	0	0	0	1,257,522
Unwinding of deferred tax on revaluation		0	21,724	0	(21,724)	0	0	0	0
Transfer of deferred tax on revaluation		0	(106,725)	0	106,725	0	0	0	0
Total comprehensive income		0	1,172,521	0	9,025,107	0	(351,141)	953,606	10,800,093
Statutory transfer and transactions with owners:									
Transfer to general banking risk reserve	**15**	0	0	0	(298,406)	298,406	0	0	0
Dividends paid to shareholders	**16**	0	0	0	(1,742,217)	0	0	0	(1,742,217)
Dividends paid to non-controlling interest		0	0	0	0	0	0	(150,126)	(150,126)
Total of transfers and transactions with owners		0	0	0	(2,040,623)	298,406	0	(150,126)	(1,892,343)
Balance as at end of year		2,009,889	8,954,820	303,407	51,035,111	406,496	3,011,149	7,284,658	73,005,532
YEAR ENDED 30 SEPTEMBER 2022									
Balance as at beginning of year		2,009,889	7,376,630	303,407	37,753,820	108,090	2,482,363	5,382,878	55,417,077
Comprehensive income:									
Net profit for the year		0	0	0	8,395,425	0	0	881,952	9,277,377
Remeasurement of employee benefits, net of tax		0	0	0	(497,602)	0	0	0	(497,602)
Net fair value gains on equity investments designated as FVOCI		0	0	0	0	0	879,929	0	879,929
Deferred tax credit arising from change in tax legislation		0	334,405	0	0	0	0	321,291	655,696
Unwinding of deferred tax on revaluation		0	71,264	0	(71,264)	0	0	0	0
Total comprehensive income		0	405,669	0	7,826,559	0	879,929	1,203,243	10,315,400
Statutory transfer and transactions with owners:									
Dividends paid to shareholders	**16**	0	0	0	(1,529,752)	0	0	0	(1,529,752)
Dividends paid to non-controlling interest		0	0	0	0	0	0	(104,943)	(104,943)
Total of transfers and transactions with owners		0	0	0	(1,529,752)	0	0	(104,943)	(1,634,695)
Balance as at end of year		2,009,889	7,782,299	303,407	44,050,627	108,090	3,362,292	6,481,178	64,097,782

The notes on pages 37 to 100 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Thousands of Guyana Dollars	**2023**	**2022**
OPERATING ACTIVITIES		
Profit before taxation	14,509,186	13,398,082
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation of property, plant and equipment and right-of-use asset	3,697,029	3,576,539
Provision for defined benefit obligations	(52,253)	(229,979)
Loss on disposal of property, plant and equipment	55,242	125,044
Dividends receivable	(43,490)	(31,642)
Net finance cost / (income)	5	(2,826)
Net (reversal) / impairment of investment securities	0	(30,777)
Net losses / (gains) on investment securities	58,614	(40,542)
Net impairment / (reversal) of loan and advances	142,383	(107,217)
Net impairment of receivables	3,658	3,545
Loans and advances	(13,874,881)	(4,333,012)
Customers' deposits	24,391,817	(1,409,263)
Inventories	(284,251)	(2,641,651)
Receivables and prepayments	(225,311)	(785,851)
Reserve requirement with Bank of Guyana	(2,932,454)	(1,139,162)
Payables and accruals	(293,470)	1,810,613
Interest paid	(3,013)	(3,217)
Taxes paid	(4,689,016)	(3,862,000)
Net Cash Inflow - Operating Activities	20,459,795	4,296,684
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(8,835,746)	(6,853,538)
Additions to investment securities	(23,999,159)	(20,430,800)
Proceeds from sale of property, plant and equipment	4,383	10,973
Proceeds from sale/maturity of investment securities	23,783,653	6,167,636
Dividends received	43,490	31,642
Interest received	3,008	6,043
Net Cash Outflow - Investing Activities	(9,000,371)	(21,068,044)

The notes on pages 37 to 100 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Thousands of Guyana Dollars	Note	2023	2022
FINANCING ACTIVITIES			
Dividends paid to shareholders		(1,742,217)	(1,529,752)
Dividends paid to non-controlling interest		(150,126)	(104,943)
Principal elements of lease liability		(2,387)	(2,183)
Net Cash Outflow - Financing Activities		(1,894,730)	(1,636,878)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		9,564,694	(18,408,238)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR		10,499,004	28,907,242
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	**13**	20,063,698	10,499,004

The notes on pages 37 to 100 form an integral part of these financial statements.

Statement of Financial Position

30 SEPTEMBER 2023

Thousands of Guyana Dollars	Note	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	34,071,144	27,515,345
Right-of-use asset	5	29,747	33,466
Investment in subsidiaries	6	486,928	487,178
Investment securities	7	3,028,503	3,379,644
Employee benefits	9	186,509	29,821
Deferred taxation	10	264,774	263,695
		38,067,605	31,709,149
Current assets			
Inventories	11	10,470,187	10,186,155
Receivables and prepayments	12	1,491,366	2,010,855
Cash resources	13	19,866,385	18,501,860
		31,827,938	30,698,870
TOTAL ASSETS		69,895,543	62,408,019
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	2,009,889	2,009,889
Reserves	15	56,927,167	49,663,967
		58,937,056	51,673,856
Non-current liabilities			
Lease liability	5	30,004	32,615
Employee benefits	9	893,561	749,216
Deferred taxation	10	2,638,349	2,183,034
		3,561,914	2,964,865
Current liabilities			
Payables and accruals	18	6,145,931	6,462,722
Lease liability	5	2,611	2,387
Taxation payable		1,248,031	1,304,189
		7,396,573	7,769,298
TOTAL EQUITY AND LIABILITIES		69,895,543	62,408,019

The notes on pages 37 to 100 form an integral part of these financial statements. The Board of Directors approved these financial statements for issue on 30 November 2023.

CLIFFORD B. REIS **CHAIRMAN**	**ROY E. CHEONG** **VICE-CHAIRMAN**

Statement of Income

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Thousands of Guyana Dollars	Note	2023	2022
Revenue	19	44,048,122	39,653,443
Changes in inventories of finished goods and work in progress		116,422	305,065
Raw materials and consumables used		(12,082,159)	(10,395,373)
Excise taxes		(4,597,374)	(4,491,233)
Staff costs		(6,538,309)	(5,886,085)
Depreciation		(3,563,336)	(3,376,351)
Other operating expenses		(6,208,919)	(5,472,481)
PROFIT FROM OPERATIONS		11,174,447	10,336,985
Net finance income	20	8,548	9,167
Other income	21	209,791	160,170
PROFIT BEFORE TAXATION	22	11,392,786	10,506,322
Taxation	23	(3,263,818)	(2,917,285)
PROFIT AFTER TAXATION		8,128,968	7,589,037

The notes on pages 37 to 100 form an integral part of these financial statements.

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Thousands of Guyana Dollars	2023	2022
PROFIT FOR THE YEAR	8,128,968	7,589,037
OTHER COMPREHENSIVE INCOME:		
Items that will not be reclassified to profit or loss:		
Remeasurement of employee benefits	(39,909)	(663,470)
Deferred tax credit arising on remeasurement of employee benefits	9,977	165,868
Revaluation gain on properties	1,656,941	0
Deferred tax charge relating to revaluation of properties	(399,419)	0
Net fair value (losses) / gains on equity investments designated as FVOCI	(351,141)	879,929
	876,449	382,327
TOTAL COMPREHENSIVE INCOME	9,005,417	7,971,364

The notes on pages 37 to 100 form an integral part of these financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Thousands of Guyana Dollars **Note**

YEAR ENDED 30 SEPTEMBER 2023	Note	Share Capital	Revaluation Reserve	Retained Earnings	Investments Valuation Reserve	Total
Balance as at beginning of year		2,009,889	7,320,668	38,981,006	3,362,293	51,673,856
Comprehensive income:						
Net profit for the year		0	0	8,128,968	0	8,128,968
Remeasurement of employee benefits, net of tax		0	0	(29,932)	0	(29,932)
Net fair value losses on equity investments designated as FVOCI		0	0	0	(351,141)	(351,141)
Revaluation gain on properties, net of tax		0	1,257,522	0	0	1,257,522
Unwinding of deferred tax on revaluation		0	17,631	(17,631)	0	0
Transfer of deferred tax on revaluation		0	(106,725)	106,725	0	0
Total comprehensive income		0	1,168,428	8,188,130	(351,141)	9,005,417
Transactions with owners:						
Dividends paid to shareholders	**16**	0	0	(1,742,217)	0	(1,742,217)
Total transactions with owners		0	0	(1,742,217)	0	(1,742,217)
Balance as at end of year		2,009,889	8,489,096	45,426,919	3,011,152	58,937,056
YEAR ENDED 30 SEPTEMBER 2022						
Balance as at beginning of year		2,009,889	7,249,404	33,490,587	2,482,364	45,232,244
Comprehensive income:						
Net profit for the year		0	0	7,589,037	0	7,589,037
Remeasurement of employee benefits, net of tax		0	0	(497,602)	0	(497,602)
Net fair value gains on equity investments designated as FVOCI		0	0	0	879,929	879,929
Unwinding of deferred tax on revaluation		0	71,264	(71,264)	0	0
Total comprehensive income		0	71,264	7,020,171	879,929	7,971,364
Transactions with owners:						
Dividends paid to shareholders	**16**	0	0	(1,529,752)	0	(1,529,752)
Total transactions with owners		0	0	(1,529,752)	0	(1,529,752)
Balance as at end of year		2,009,889	7,320,668	38,981,006	3,362,293	51,673,856

The notes on pages 37 to 100 form an integral part of these financial statements.

Statement of Cash Flows

FOR YEAR ENDED 30 SEPTEMBER 2023

Thousands of Guyana Dollars	**2023**	**2022**
OPERATING ACTIVITIES		
Profit before taxation	11,392,786	10,506,322
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation of property, plant and equipment and right-of-use asset	3,563,336	3,376,351
Provision for defined benefit obligations	(52,253)	(229,979)
Loss on disposal of property, plant and equipment	56,158	126,754
Dividends receivable	(191,776)	(140,868)
Net finance income	(8,548)	(9,167)
Net impairment of receivables	3,658	3,545
Inventories	(284,032)	(2,619,376)
Receivables and prepayments	515,831	(719,511)
Payables and accruals	(316,791)	1,288,139
Interest paid	(3,013)	(3,217)
Taxes paid	(3,255,181)	(3,048,301)
Net Cash Inflow - Operating Activities	11,420,175	8,530,692
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(8,517,883)	(6,180,938)
Proceeds from sale of property, plant and equipment	3,250	711,765
Dividends received	191,776	140,868
Interest received	11,561	12,384
Liquidation of subsidiary	250	0
Net Cash Outflow - Investing Activities	(8,311,046)	(5,315,921)

The notes on pages 37 to 100 form an integral part of these financial statements.

Statement of Cash Flows

FOR YEAR ENDED 30 SEPTEMBER 2023

Thousands of Guyana Dollars	Note	2023	2022
FINANCING ACTIVITIES			
Dividends paid to shareholders		(1,742,217)	(1,529,752)
Principal elements of lease liability		(2,387)	(2,183)
Net Cash Outflow - Financing Activities		(1,744,604)	(1,531,935)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		1,364,525	1,682,836
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR		18,496,796	16,813,960
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	**13**	19,861,321	18,496,796

The notes on pages 37 to 100 form an integral part of these financial statements.

Notes to the Financial Statements

30 SEPTEMBER 2023

1. INCORPORATION AND BUSINESS ACTIVITIES

Incorporation

Banks DIH Limited (the Company) was incorporated in Guyana on 09 September 1955. Its registered office is located at Thirst Park, Greater Georgetown.

Principal Activities

The principal activities of the Company and its subsidiaries (the Group) are as follows:

(a) Beverages

The brewing, blending and wholesale marketing of beers, wines, liquors and assorted beverages.

(b) Financial Services

The operation of commercial banking.

(c) Food and Restaurants

The processing of food items and the operation of restaurants.

(d) Others

The operation of hotel, laundry services and automotive unit sales and servicing.

2. 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 for all the years presented, unless otherwise stated.

(a) Basis of Preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold properties and investment securities measured at fair value. The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board ('IASB'). The Company's financial statements are presented to satisfy the requirements of the Guyana Companies Act.

The preparation of the Group's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. Such estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances and constitute management's best judgement at the date of the financial statements.

Notes to the Financial Statements

30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Preparation (Cont'd)

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Amended IFRSs that are effective for the current year

The following amendments to existing standards have been published and are effective in the current year. There was no impact to the Group's financial reporting arising from these amendements.

IFRS 3	Amendments - Reference to the Conceptual Framework
IAS 16	Amendments - Proceeds before Intended Use
IAS 37	Amendments - Onerous Contracts - cost of fulfilling a contract
Annual Improvements to IFRS 2018-2020 Cycle:	
- IFRS 1	Subsidiary as a First-time Adopter
- IFRS 9	Fees in the ‘10 per cent’ test for derecognition of financial liabilities
- IFRS 16	Lease incentives
- IAS 41	Taxation in Fair Value Measurements

New and revised IFRS Accounting Standards in issue but not yet effective

The following new standard and amendments to existing standards have been published and are effective in future financial years. The Group is currently evaluating the impact of these pronouncements on its financial reporting.

IFRS 17	Insurance contracts
IFRS 16	Amendments - Lease liability in a sale and leaseback transaction
IFRS S1	General requirements for disclosure of sustainability-related financial information
IFRS S2	Climate-related disclosures
IAS 1	Amendments - Classification of liabilities as current or non-current
IAS 1	Amendments - Disclosure of accounting policies
IAS 1	Amendments - Non-current liabilities with covenants
IAS 7 & IFRS 7	Amendments - Supplier finance arrangements
IAS 8	Amendments - Definition of accounting estimates
IAS 12	Amendments - Deferred tax related to assets and liabilities arising from a single transaction
IAS 12	Amendments - International tax reform—Pillar Two model rules

(b) Basis of Consolidation

The consolidated financial information includes the accounts of Banks DIH Limited and its subsidiaries.

Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All inter-company transactions, balances and unrealised gains on transactions with subsidiaries are eliminated for consolidation purposes.

Notes to the Financial Statements

30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (Cont'd)

The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group.

(c) Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates. The financial statements are presented in Guyana Dollars, which is the Group's functional currency.

Transactions and balances

Transactions involving foreign currencies are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of income.

(d) Property, Plant and Equipment

Freehold properties of the Group are stated at revalued amounts less accumulated depreciation and impairment losses. Other properties, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Property values are subject to annual management reviews. Professional valuations are conducted when these reviews indicate a potentially significant variation from recorded values.

Depreciation is provided on a straight line basis at rates estimated to write-off the assets over their expected useful lives. The estimated useful lives of assets are reviewed by taking account of commercial and technological obsolescence as well as normal wear and tear. Depreciation rates are adjusted, if appropriate.

The current rates of depreciation are:

Freehold properties	2% per annum
Leasehold properties	Life of lease
Plant and machinery	5 - 10% per annum
Furniture, fittings and equipment	6.66 - 33.33% per annum
Motor vehicles	20 - 25% per annum
Containers	25% per annum

Notes to the Financial Statements

30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, Plant and Equipment (Cont'd)

No depreciation is provided on construction in progress.

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The Group classifies non-current assets as held for sale if the carrying value will be recovered principally through a sale. Held for sale assets are measured at lower of carrying amount and fair value less costs to sell.

(e) Intangible Assets (Computer Software)

The costs of acquiring, customising and installing computer software are capitalised and amortised on a straight line basis over the estimated useful economic life of five years. Costs associated with maintenance of computer software are expensed as incurred.

(f) Impairment of Non-financial Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or at least at every reporting date. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Financial Assets and Financial Liabilities - Recognition and Derecognition

Recognition

The initial measurement of a financial asset or financial liability is at fair value plus transaction costs that are directly attributable to the issuance or purchase.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial Assets and Financial Liabilities - Recognition and Derecognition (Cont'd)

Derecognition

The Group, in some instances, renegotiates or otherwise modifies the contractual cash flows of financial assets. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. If the terms are substantially different, the Group derecognises the original financial asset and recognises a new asset at fair value and recalculates a new effective interest rate for the asset.

In cases other than modification, a financial asset is derecognised when the contractual rights to the cash flows from the asset have expired; or when the Group transfers the contractual rights to receive the cash flows from the financial asset; or has assumed an obligation to pay those cash flows to an independent third-party; or the Group has transferred substantially all the risks and rewards of ownership of that asset to an independent third-party. Management determines whether substantially all the risks and rewards of ownership have been transferred by quantitatively comparing the variability in cash flows before and after the transfer. If the variability in cash flows remains significantly similar subsequent to the transfer, the Group has retained substantially all of the risks and rewards of ownership.

On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gain or loss that had been recognised in other comprehensive income, is recognised in the statement of income.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. If an existing financial liability is replaced by another from the same counterparty on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability at fair value. The difference in the respective carrying amount of the existing liability and the new liability is recognised as a gain/loss in the statement of income.

(h) Financial Assets and Financial Liabilities - Classification and Measurement

Classification of financial assets

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

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss);
- those to be measured at amortised cost.

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

Notes to the Financial Statements

30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial Assets and Financial Liabilities - Classification and Measurement (Cont'd)

Classification - Debt instruments

The classification of debt instruments depends on the business model used for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest.

The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets, or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If these financial assets have contractual cash flows which are inconsistent with a basic lending arrangement, they are classified as non-trading financial assets measured at FVPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, expectations about future sales, how the asset's performance is evaluated and reported to key management personnel, and how risks are assessed and managed.

Measurement - Debt instruments

There are three measurement approaches for debt instruments depending on the classification of the financial assets.

- Amortised cost: Debt securities, loans and advances are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest at specified dates. Interest income from these financial assets is included in the statement of income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of income. The carrying amount of these financial assets is adjusted by an allowance for expected credit losses.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Changes in fair value are taken through OCI. The recognition of interest income and impairment gains or losses are recognised in the statement of income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in the statement of income using the effective interest rate method. The carrying amount of these financial assets is adjusted by an allowance for expected credit losses.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt instrument that is measured at FVPL is recognised in the statement of income in the period in which it arises. Assets held for trading are classified as FVPL.

Notes to the Financial Statements

30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial Assets and Financial Liabilities - Classification and Measurement (Cont'd)

Classification and measurement - Equity instruments

Equity instruments are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. The Group measures all equity instruments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the statement of income following the derecognition of the investment. The Group's policy is to designate equity investments as FVOCI when those investments are not held for trading purposes. Impairment losses (and reversals of impairment losses) are not reported separately from other changes in fair value. Dividends from such investments continue to be recognised in the statement of income when the Group's right to receive payments is established.

Gains and losses on equity investments, held for trading purposes, are measured at FVPL and are included in the statement of income.

Financial liabilities - Classification and Measurement

Financial liabilities are classified as measured at amortised cost.

Banking subsidiary - Criteria for non-performing classification

In accordance with the Bank of Guyana's Revised Supervision Guideline 5 *"Credit Exposure Review, Classification, Provisioning, and Other Related Requirements"* (SG 5), the banking subsidiary classifies loans and advances as 'non-performing' when the borrower is in default and has not made scheduled payments of principal or interest for 90 days or more; or where an account where interest payments for 90 days or more have been capitalised, re-financed, or rolled-over into a new loan; or where a period of 90 days or more has elapsed since the approved credit limit has been exceeded, or the overdraft has expired, or interest charges were due and unpaid; or where the overdraft account has developed a hardcore which was not converted into a term loan.

A credit exposure may only be returned to performing or accrual status when:

(i) all arrears of principal and interest have been repaid in full; or
(ii) a minimum of one year has elapsed since the restructuring of the credit exposure and timely repayments were made during that period in accordance with the revised terms.

A non-performing account may be restored to a performing status when all arrears of principal and interest have been paid or when it otherwise becomes well-secured and full collection is expected within three months.

Up to 31 August 2022, the banking subsidiary provided support to qualified borrowers whose operations were impacted by the COVID-19 pandemic. Eligible borrowers were generally granted a moratorium on loan payments.

Notes to the Financial Statements

30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of Financial Assets

Expected Credit Loss (ECL) model

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments classified at amortised cost and FVOCI and with the exposures arising from loan commitments and guarantees. The Group recognises an ECL allowance at each reporting date.

The measurement of ECL reflects:

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

The ECL allowance is measured on expected credit losses resulting from default events that are possible within the next 12 months. In the event of a significant increase in credit risk since origination or for credit-impaired assets, the allowance is measured from all possible default events over the expected life of the financial asset. ECL is calculated by multiplying the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

- PD is an estimate of the likelihood of default over the next 12 months or over the remaining lifetime of the obligation.

- LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by counterparty, type of claim and availability of collateral. It is expressed as a percentage loss per unit of exposure at the time of default.

- EAD is based on the amounts that the Group expects to be owed at the time of default, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, expected drawdowns on commitments and accrued interest from missed payments.

The ECL is determined by projecting PD, LGD and EAD for future months and for each individual exposure. The multiplication of the three components results in the ECL for each future month, over the remaining expected life of the financial asset, and is discounted to the reporting date based on the original effective rate. ECLs are calculated based on the present value of cash shortfalls determined as the difference between contractual cash flows and expected cash flows over the remaining expected life of the financial instrument.

The lifetime PDs are developed by applying a maturity profile based on historical experience, current 12-month PDs and relevant forward-looking expectations. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans.

Notes to the Financial Statements

30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of Financial Assets (Cont'd)

Expected Credit Loss (ECL) model (Cont'd)

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries post default including collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.

The 12-month and lifetime EADs are determined based on expected repayment patterns and future drawdowns where applicable.

Relevant forward-looking macroeconomic information is also considered in determining PDs, LGDs and EADs.

There are no differences in the estimation techniques or significant assumptions for the ECL calculations as at 30 September 2023 and 30 September 2022.

Three-stage method

The ECL impairment model uses a three-stage approach based on the extent of credit deterioration since origination.

Stage 1: 12 month ECL applies to all financial assets that have not experienced a significant increase in credit risk since origination and are not credit impaired. The ECL is computed using a 12-month PD that represents the probability of default occurring over the next 12 months.

Stage 2: When a financial asset experiences a significant increase in credit risk subsequent to origination but is not credit impaired, it is considered to be in Stage 2. This requires the computation of ECL based on lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset.

Stage 3: Financial assets that have objective evidence of impairment are included in this stage. Similar to Stage 2, the allowance for credit losses continue to capture the lifetime ECL.

Definition of default and credit-impaired financial assets

The Group defines a financial asset as in default, which is fully aligned with the definition of credit-impaired, when it meets either quantitative or qualitative criteria, as defined below.

Quantitative criteria - The Group ordinarily considers that default on a financial asset has occurred when the borrower is more than 90 days past due on contractual payments. In the prior years, consideration was taken of the moratorium granted to qualified borrowers on loan payments -note 2(h).

Notes to the Financial Statements

30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of Financial Assets (Cont'd)

Expected Credit Loss (ECL) model (Cont'd)

Qualitative criteria - The Group considers a financial instrument to be in default if there are clear indicators that the borrower is in significant financial difficulty and therefore unlikely to pay. Some indicators are: bankruptcy of the borrower; breach of financial covenants; borrower is in long-term forbearance.

The criteria for default have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes.

An instrument is considered to no longer be in default (i.e. to be 'cured') when it no longer meets any of the default criteria for a consecutive period of twelve months.

Assessment of significant increase in credit risk

The Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers macroeconomic outlook, management judgement, and delinquency. In the current and prior years, consideration was taken of the moratorium granted to qualified borrowers on loan payments - note 2(h). There is a rebuttable presumption that the credit risk of the financial instrument has increased since initial recognition when contractual payments are more than 30 days overdue. The Group has not chosen to rebut this assumption.

Forward-looking information

The estimation of expected credit losses for each stage and the assessment of significant increases in credit risk consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information require significant judgement. In its ECL model, the Group incorporates forward-looking information on macroeconomic performance, specifically GDP growth.

Modified financial assets

If a modification of terms results in derecognition of the original financial asset and recognition of a new financial asset, the new financial asset will generally be recorded in Stage 1, unless it is determined to be credit-impaired at the time of the renegotiation. For the purposes of assessing for significant increases in credit risk, the date of initial recognition for the new financial asset is the date of the modification.

Notes to the Financial Statements

30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of Financial Assets (Cont'd)

Expected Credit Loss (ECL) model (Cont'd)

Modified financial assets (Cont'd)

A modified financial asset will transfer out of Stage 3 if the conditions that led to it being identified as credit-impaired are no longer present and relate objectively to an event occurring after the original credit-impairment was recognised. A modified financial asset will transfer out of Stage 2 when it no longer satisfies the relative thresholds set to identify significant increases in credit risk, which are based on changes in its lifetime PD, days past due and other qualitative considerations. The financial asset continues to be monitored for significant increases in credit risk and credit-impairment.

If a modification of terms does not result in derecognition of the financial asset, the carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows, discounted at the original effective interest rate and a gain or loss is recognised. The financial asset continues to be subject to the same assessments for significant increase in credit risk relative to initial recognition and credit-impairment.

Write-off policy

The Group writes off a credit-impaired financial asset (and the related ECL allowance), either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, write-off is generally after receipt of any proceeds from the realisation of security. In circumstances where, based on the net realisable value of any collateral, there is no reasonable expectation of full recovery, write-off may occur earlier. The Group also recognises the statutory provisions contained in the Bank of Guyana's Revised Supervision Guideline 5 relative to the write off of accounts classified as 'Loss'.

Guarantees and credit commitments

Financial guarantees are initially measured at fair value and subsequently measured at the higher of the loss allowance and the premium received on initial recognition. Loan commitments are measured as the amount of the loss allowance. For financial guarantees and loan commitments, the loss allowance is recognised as a provision.

Trade receivables

The Group applies the simplified approach permitted by IFRS 9, which requires that the impairment allowance is measured at initial recognition and throughout the life of the receivables using lifetime ECL. The Group applies specific allowance for higher risk accounts, identified primarily from the age of the balance owed. All other accounts are grouped together based on shared credit risk characteristics. Loss rates based on historical payment patterns, adjusted for forward-looking information, are then applied to the balance of non-specific accounts.

Notes to the Financial Statements

30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of Financial Assets (Cont'd)

Cash resources

Cash resources are within the scope of IFRS 9 impairment approach. However, based on the historical experience and the nature of the counterparties, the Group considers the credit risk to be low and consequently, the ECL allowance to be immaterial.

Supervision Guideline 5 (applicable to banking subsidiary)

The Group is required to consider the need for impairment of financial assets in accordance with IFRS, as well as the provisioning requirements of the Bank of Guyana, as set out in SG 5. Where the impairment provision required under SG 5 is greater than that required under IFRS 9, the excess is dealt with as an appropriation of retained earnings to a general banking risk reserve.

(j) Taxation

The tax expense for the year comprises of current and deferred tax and is recognised in the statement of income and in the other comprehensive income, as appropriate.

The current corporate tax charge is identified on the basis of the tax laws enacted at the reporting date. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Group provides for deferred tax using the liability method for all temporary differences arising between the tax bases of the assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred corporation tax.

The principal temporary differences arise from depreciation on property, plant and equipment, revaluations of certain assets, provision for post-employment benefits, depreciation on the right-of-use asset and impairment provisions. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(k) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined by the weighted average method. Cost of finished goods and work in progress comprise raw material costs, direct labour costs, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less costs to completion and selling expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less an allowance for expected credit losses.

(m) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, balances with banks, the non-restricted balance with the Bank of Guyana and investment securities with an original maturity of less than three months but excludes external payment deposits with commercial banks.

(n) Share Capital and Dividends

Ordinary shares with discretionary dividends are classified as equity.

Dividends are recognised as a deduction from shareholders' equity in the period in which they are approved by shareholders or, as in the case of interim dividends, when paid by the directors as authorised under the Company's by-laws.

(o) Customers' Deposits

Customers' deposits are recognised initially at the nominal amount of funds received and subsequently at amortised cost.

(p) Employee Benefits

(i) Post-employment benefits

The Group operates defined contribution schemes for the majority of employees. The Group's contributions to the defined contribution schemes are charged to the statement of income in the year to which they relate.

The Company also guarantees a certain level of post-employment benefit to long-serving employees. The guaranteed benefit is based on number of years service and salary levels at retirement. The Company has made a provision for this obligation.

The governance of the post-employment benefit arrangements is the responsibility of the Trustees appointed by the Group.

(ii) Termination gratuities

The Company offers a termination gratuity to employees after a minimum number of years service, which is based on years of service and salary level at termination. The expected costs of these gratuity payments are accrued over the period of employment. The Company has made a provision for this obligation.

Notes to the Financial Statements

30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Employee Benefits (Cont'd)

The provisions in respect of the guaranteed post-employment benefits and the termination gratuities represent the present value of the obligations at the year end minus the fair value of any assets held to cover the obligations. The obligations have been calculated by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognised immediately in the statement of income.

(q) Trade Payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

(r) Revenue Recognition

Sales of goods and services

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities.

Revenue is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for goods and services. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

Revenue is recognised as performance obligations are satisfied, that is, over time or at a point in time. The majority of the Group's performance obligations are satisfied at a point in time, i.e. when control of the good is transferred to the customer. In determining the transaction price for sales, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

If the consideration in a contract includes a variable component, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. Some sales arrangements involve volume discounts and incentives and certain promotional support; in such cases, revenue is reduced by these expenses.

Interest income

Interest income on financial instruments are recognised in the statement of income for all interest-bearing instruments on an accrual basis using the effective interest rate method.

Notes to the Financial Statements

30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Revenue Recognition (Cont'd)

Interest income (Cont'd)

The effective interest rate is the rate that exactly discounts the future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees that are integral to the effective interest rate.

In accordance with Bank of Guyana Revised Supervision Guideline 5, interest income on 'non-performing' accounts is not accrued unless it is well-secured and full collection of arrears is expected within 3 months. Note 2(h) to these financial statements describes the basis for classifying accounts as 'non-performing'. Any uncollected interest is reversed from income at the time the facility is classified as 'non-performing'.

Other sources of revenue

- The recognition of fees and commission is determined by the purpose of the fee or commission and the basis of accounting for any associated financial instrument. Income earned on completion of a significant act is recognised when the act is completed. Income earned from the provision of services is recognised as revenue as the services are provided.
- Dividend income is recognised when the right to receive payment is established.
- Lease income is recognised over the term of the lease to reflect a constant rate of return.

(s) Leases

As lessor

As lessor, payments received under an operating lease are credited to the statement of income on a straight-line basis over the period of the lease.

As lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Notes to the Financial Statements

30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Leases (Cont'd)

Assets and liabilities arising from a lease are initially measured on a net present value basis, discounted at the interest rate implicit in the lease, or, if that rate cannot be readily determined, at the Group's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases, which are those with a lease term of 12 months or less, are recognised on a straight-line basis as an expense in the statement of income.

(t) Segmental Reporting

The Group's business activities have been classified into three categories for segmental reporting in a manner consistent with the internal reporting provided to the chief operating decision-maker and based largely on the nature of the products and services. The chief operating decision-maker has been identified as the Board of Directors of the parent company.

The categories are Beverages, Commercial Banking and All Other Segments. The 'All Other Segments' category includes the Food and Restaurants, Hotel and Laundry Services and Automotive Unit Sales and Servicing segments as these do not meet the quantitative thresholds specified in IFRS 8. The types of products and services in each reportable segment are identified in note 1 to these financial statements.

The Group's operations are located in Guyana.

(u) Financial Instruments

Financial instruments carried on the statement of financial position include investment securities, loans and advances, receivables, customers' deposits, payables, accruals, borrowings and cash resources. The recognition methods adopted for each significant instrument is disclosed in the individual policy statements.

Notes to the Financial Statements

30 SEPTEMBER 2023

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements requires management to make judgements, estimates and assumptions in applying the accounting policies that affect the reported amounts of the assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. The most significant judgements, assumptions and estimates are described in this note.

(a) Measurement of Expected Credit Loss Allowances

The measurement of the expected credit loss (ECL) allowance for financial assets under IFRS 9 is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). The ECL allowances generated by the models adopted are influenced by a number of factors, changes in which can result in different outcomes.

Some of the significant judgements and estimates that influence the outcome of the ECL allowances are:

- Choice of criteria for determining significant increase in credit risk;
- Choice of models and assumptions for the measurement of ECL;
- Recoverable values from collateral and time to recovery;
- Pattern of future cash flows;
- Basis for establishing forward-looking overlay adjustments; and
- Basis for establishing groups of similar financial assets for ECL purposes.

(b) Valuation of Defined Employee Benefit Obligations

The liability for employee benefits is based on the application of the projected unit credit method by an independent actuary using certain assumptions (stated in note 9). The future payments of employee benefits may differ from the estimated amounts due to deviations from the assumptions used.

(c) Impairment Assessment of Property, Plant and Equipment

The residual values and useful lives of property, plant and equipment are reviewed at each reporting date and estimates made of the values expected to be obtained from disposal of the assets at the end of their useful lives and the expected period over which the assets are expected to be available for use.

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Properties	Leasehold Properties	Plant and Machinery	Furniture, Fittings and Equipment	Motor Vehicles	Containers	Construction in Progress	Total
Cost / Valuation								
As at 01 October 2022	14,571,182	0	19,203,073	6,405,486	3,024,542	5,898,252	5,620,688	54,723,223
Additions	44,759	0	268,307	493,233	154,548	1,624,588	6,250,311	8,835,746
Transfers	2,446,477	0	746,480	118,006	171,673	0	(3,482,636)	0
Gain on revaluation	882,298	0	0	0	0	0	132,926	1,015,224
Disposals	0	0	(226,156)	(206,863)	(58,624)	(380,402)	0	(872,045)
As at 30 September 2023	17,944,716	0	19,991,704	6,809,862	3,292,139	7,142,438	8,521,289	63,702,148
Depreciation and Impairment								
As at 01 October 2022	(606,495)	0	(10,743,663)	(4,679,417)	(2,610,222)	(3,061,948)	0	(21,701,745)
Depreciation charge	(209,402)	0	(1,308,298)	(520,359)	(214,619)	(1,440,632)	0	(3,693,310)
Gain on revaluation	641,717	0	0	0	0	0	0	641,717
Written back on disposals	0	0	219,853	165,821	56,374	370,373	0	812,421
As at 30 September 2023	(174,180)	0	(11,832,108)	(5,033,955)	(2,768,467)	(4,132,207)	0	(23,940,917)
Net Carrying Amount								
As at 30 September 2023	17,770,536	0	8,159,596	1,775,907	523,672	3,010,231	8,521,289	39,761,231
Cost / Valuation								
As at 01 October 2021	12,629,718	1,445	18,309,422	6,028,642	3,046,489	4,779,952	3,587,574	48,383,242
Additions	535,619	0	320,008	427,095	47,380	1,604,455	3,918,981	6,853,538
Transfers	773,055	0	798,331	64,157	138,592	0	(1,774,135)	0
Revaluation	632,790	0	0	0	0	0	0	632,790
Disposals	0	(1,445)	(224,688)	(114,408)	(207,919)	(486,155)	(111,732)	(1,146,347)
As at 30 September 2022	14,571,182	0	19,203,073	6,405,486	3,024,542	5,898,252	5,620,688	54,723,223
Depreciation and Impairment								
As at 01 October 2021	(668,218)	(1,442)	(9,660,954)	(4,195,612)	(2,583,845)	(2,278,584)	0	(19,388,655)
Depreciation charge	(187,677)	0	(1,304,777)	(581,243)	(231,129)	(1,267,994)	0	(3,572,820)
Revaluation	249,400	0	0	0	0	0	0	249,400
Written back on disposals	0	1,442	222,068	97,438	204,752	484,630	0	1,010,330
As at 30 September 2022	(606,495)	0	(10,743,663)	(4,679,417)	(2,610,222)	(3,061,948)	0	(21,701,745)
Net Carrying Amount								
As at 30 September 2022	13,964,687	0	8,459,410	1,726,069	414,320	2,836,304	5,620,688	33,021,478

Included in the Group's freehold properties are certain properties of the banking subsidiary that were revalued in the prior year by an independent professional valuation company. A fair value gain of $655,696, net of tax, was recognised in the statement of comprehensive income.

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company Cost / Valuation	Freehold Properties	Plant and Machinery	Furniture, Fittings and Equipment	Motor Vehicles	Containers	Construction in Progress	Total
As at 01 October 2022	9,848,663	19,300,093	4,112,234	2,951,804	5,898,252	5,192,238	47,303,284
Additions	44,759	268,307	474,314	134,378	1,624,588	5,971,537	8,517,883
Transfers	2,446,477	746,480	113,752	171,673	0	(3,478,382)	0
Gain on revaluation	882,298	0	0	0	0	132,926	1,015,224
Disposals	0	(226,156)	(108,825)	(50,294)	(380,402)	0	(765,677)
As at 30 September 2023	13,222,197	20,088,724	4,591,475	3,207,561	7,142,438	7,818,319	56,070,714
Depreciation and Impairment							
As at 01 October 2022	(500,657)	(10,780,500)	(2,897,692)	(2,547,142)	(3,061,948)	0	(19,787,939)
Depreciation charge	(141,060)	(1,303,163)	(467,032)	(207,730)	(1,440,632)	0	(3,559,617)
Gain on revaluation	641,717	0	0	0	0	0	641,717
Written back on disposals	0	219,853	67,999	48,044	370,373	0	706,269
As at 30 September 2023	0	(11,863,810)	(3,296,725)	(2,706,828)	(4,132,207)	0	(21,999,570)
Net Carrying Amount							
As at 30 September 2023	13,222,197	8,224,914	1,294,750	500,733	3,010,231	7,818,319	34,071,144
Cost / Valuation							
As at 01 October 2021	9,276,099	18,406,442	3,773,149	2,964,251	4,779,952	3,045,710	42,245,603
Additions	514,309	320,008	377,191	47,380	1,604,455	3,317,595	6,180,938
Transfers	58,255	798,331	64,157	138,592	0	(1,059,335)	0
Disposals	0	(224,688)	(102,263)	(198,419)	(486,155)	(111,732)	(1,123,257)
As at 30 September 2022	9,848,663	19,300,093	4,112,234	2,951,804	5,898,252	5,192,238	47,303,284
Depreciation and Impairment							
As at 01 October 2021	(367,883)	(9,697,791)	(2,541,197)	(2,520,455)	(2,278,584)	0	(17,405,910)
Depreciation charge	(132,774)	(1,304,777)	(441,981)	(225,106)	(1,267,994)	0	(3,372,632)
Written back on disposals	0	222,068	85,486	198,419	484,630	0	990,603
As at 30 September 2022	(500,657)	(10,780,500)	(2,897,692)	(2,547,142)	(3,061,948)	0	(19,787,939)
Net Carrying Amount							
As at 30 September 2022	9,348,006	8,519,593	1,214,542	404,662	2,836,304	5,192,238	27,515,345

Included in the Company's freehold properties and construction in progress are certain properties of the Company that were revalued in the current year by an independent professional valuer. A fair value gain of $1,257,522, net of tax, is recognised in the statement of comprehensive income.

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

If freehold properties were stated on the historical cost basis, the total carrying value of properties would be as follows:

	GROUP		COMPANY	
	2023	**2022**	**2023**	**2022**
Cost	10,258,059	7,566,823	6,458,083	3,966,847
Accumulated depreciation	(1,123,249)	(998,081)	(812,491)	(741,553)
Net carrying amount	9,134,810	6,568,742	5,645,592	3,225,294

5. LEASES

Amounts recognised in Statement of Financial Position
Right-of-use Assets

Cost				
As at beginning of year	37,185	0	37,185	0
Addition	0	37,185	0	37,185
As at end of year	37,185	37,185	37,185	37,185
Accumulated Depreciation				
As at beginning of year	(3,719)	0	(3,719)	0
Charge	(3,719)	(3,719)	(3,719)	(3,719)
As at end of year	(7,438)	(3,719)	(7,438)	(3,719)
Net carrying amount	29,747	33,466	29,747	33,466

Lease Liability

As at beginning of year	35,002	0	35,002	0
Addition	0	37,185	0	37,185
Interest expense	3,013	3,217	3,013	3,217
Payments	(5,400)	(5,400)	(5,400)	(5,400)
As at end of year	32,615	35,002	32,615	35,002
Current	2,611	2,387	2,611	2,387
Non-current	30,004	32,615	30,004	32,615
As at end of year	32,615	35,002	32,615	35,002

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

6. INVESTMENT IN SUBSIDIARIES

Nature of investment in subsidiaries	Principal activity	Place of business	Interest held in ordinary shares
Citizens Bank Guyana Inc.	Commercial banking	Guyana	51%
Banks Automotive and Services Inc.	Automotive sales	Guyana	100%

In the current year the Company wound up Caribanks Shipping Company Ltd.

Cost of investment in subsidiaries	COMPANY 2023	COMPANY 2022
Cost of equity investment in subsidiaries	486,928	487,178

Non-controlling interest

Summarised below is financial information for the banking subsidiary which has a 49 percent non-controlling interest. The financial information is before inter-company eliminations.

	BANKING SUBSIDIARY 2023	BANKING SUBSIDIARY 2022
Summarised Statement of Financial Position:		
Assets	111,841,667	84,730,040
Liabilities	96,975,012	71,503,139
Net assets	14,866,655	13,226,901
Summarised Statement of Comprehensive Income:		
Revenue	5,629,381	4,847,197
Expenses	(2,365,742)	(1,846,229)
Profit before tax	3,263,639	3,000,968
Tax charge	(1,317,505)	(1,201,064)
Profit after tax	1,946,134	1,799,904
Other comprehensive income	0	655,656
Total comprehensive income	1,946,134	2,455,560

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Non-controlling interest (cont'd)

	BANKING SUBSIDIARY 2023	2022
Dividends paid to non-controlling interest	150,126	104,943
Summarised Statement of Cash Flows:		
Net cash generated from / (used in) operating activities	10,157,700	(4,145,144)
Net cash used in investing activities	(574,066)	(14,923,045)
Net cash used in financial activities	(306,380)	(214,167)
Net increase / (decrease) in cash and cash equivalents	9,277,254	(19,282,356)
Cash and cash equivalents as at beginning of year	8,302,942	27,585,298
Cash and cash equivalents as at end of year	17,580,196	8,302,942

7. INVESTMENT SECURITIES

	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Investment securities at amortised cost	23,643,203	23,422,892	0	0
Fair value through profit or loss	240,948	304,070	0	0
Equity investments designated as FVOCI	3,028,503	3,379,644	3,028,503	3,379,644
	26,912,654	27,106,606	3,028,503	3,379,644
As reported in the statement of financial position:				
Non-current	3,850,014	3,846,218	3,028,503	3,379,644
Current	23,062,640	23,260,388	0	0
	26,912,654	27,106,606	3,028,503	3,379,644

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

8. LOANS AND ADVANCES (BANKING SEGMENT)

	GROUP		COMPANY	
	2023	**2022**	**2023**	**2022**
Overdrafts	4,293,558	3,531,464	0	0
Term loans	34,285,983	22,930,554	0	0
Mortgages	11,733,204	9,991,673	0	0
Non-accrual accounts	2,372,457	2,406,874	0	0
	52,685,202	38,860,565	0	0
Accrued interest receivable	344,929	315,810	0	0
ECL Allowance	(1,056,365)	(935,107)	0	0
	51,973,766	38,241,268	0	0
As reported in the statement of financial position:				
Non - current	39,102,513	28,525,441	0	0
Current	12,871,253	9,715,827	0	0
	51,973,766	38,241,268	0	0

9. EMPLOYEE BENEFITS

	GROUP AND COMPANY 2023		
	Post-Employment Benefits	**Termination Gratuities**	**Total**
Amount recognised in statement of financial position:			
Present value of obligations	806,589	1,524,041	2,330,630
Fair value of assets held	(993,098)	(630,480)	(1,623,578)
Net (asset) / liability	(186,509)	893,561	707,052
Amount recognised in statement of income:			
Current service cost	5,430	49,930	55,360
Past service cost	0	1,521	1,521
Net interest (income) / cost	(1,537)	36,060	34,523
	3,893	87,511	91,404

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

9. EMPLOYEE BENEFITS (CONT'D)

	GROUP AND COMPANY 2023		
	Post-Employment Benefits	**Termination Gratuities**	**Total**
Amount recognised in other comprehensive income:			
Experience gains - demographic	(228,129)	(18,038)	(246,167)
Experience losses - financial	34,769	26,393	61,162
Remeasurement losses - financial	45,469	71,911	117,380
Remeasurement losses - demographic	0	107,534	107,534
	(147,891)	187,800	39,909
Movement in present value of obligation:			
As at beginning of year	1,000,223	1,374,809	2,375,032
Current service cost	5,430	49,930	55,360
Past service cost	0	1,521	1,521
Interest cost	48,656	67,340	115,996
Actuarial (gains)/losses	(182,660)	136,487	(46,173)
Benefits paid	(65,060)	(106,046)	(171,106)
As at end of year	806,589	1,524,041	2,330,630
Movement in fair value of plan assets:			
As at beginning of year	1,030,044	625,593	1,655,637
Expected return on asset	0	31,280	31,280
Interest	50,193	0	50,193
Contributions	12,690	127,258	139,948
Benefits paid	(65,060)	(127,258)	(192,318)
Actuarial losses	(34,769)	(26,393)	(61,162)
As at end of year	993,098	630,480	1,623,578
Actual returns on assets held	15,424	4,887	20,311

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

9. EMPLOYEE BENEFITS (CONT'D)

	GROUP AND COMPANY		
		2022	
	Post-Employment Benefits	Termination Gratuities	Total
Amount recognised in statement of financial position:			
Present value of obligations	1,000,223	1,374,809	2,375,032
Fair value of assets held	(1,030,044)	(625,593)	(1,655,637)
Net (asset) / liability	(29,821)	749,216	719,395
Amount recognised in statement of income:			
Current service cost	11,511	44,856	56,367
Net interest (income) / cost	(28,774)	25,973	(2,801)
	(17,263)	70,829	53,566
Amount recognised in other comprehensive income:			
Experience losses - demographic	365,896	237,135	603,031
Experience losses - financial	40,932	19,507	60,439
	406,828	256,642	663,470
Movement in present value of obligation:			
As at beginning of year	1,253,642	1,141,838	2,395,480
Current service cost	11,511	44,856	56,367
Interest cost	46,329	56,693	103,022
Actuarial losses	365,896	237,135	603,031
Benefits paid	(677,155)	(105,713)	(782,868)
As at end of year	1,000,223	1,374,809	2,375,032
Movement in fair value of plan assets:			
As at beginning of year	1,495,196	614,381	2,109,577
Expected return on asset	0	30,719	30,719
Interest	75,103	0	75,103
Contributions	177,832	105,713	283,545
Benefits paid	(677,155)	(105,713)	(782,868)
Actuarial losses	(40,932)	(19,507)	(60,439)
As at end of year	1,030,044	625,593	1,655,637
Actual returns on assets held	34,171	11,212	45,383

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

9. EMPLOYEE BENEFITS (CONT'D)

Principal Assumptions	**GROUP AND COMPANY 2023**	**2022**
Principal actuarial assumptions used:		
Discount rate	5%	5%
Future salary increases	10% for 2 years, 4% thereafter	4%

Sensitivity Analysis

The impact on the defined benefit obligations of changes in the key assumptions are:

	GROUP AND COMPANY 2023		**GROUP AND COMPANY 2022**	
Post-employment Benefits:	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(61,909)	68,248	(54,294)	61,485
Future salary increase	48,455	(45,469)	45,371	(40,925)

	2023		**2022**	
Termination Gratuities:	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(95,441)	113,558	(73,313)	81,079
Future salary increase	93,336	(80,310)	1,757	(1,713)

Assets, Funding and Maturity Profile

The plan assets for the post-employment benefit arrangement are comprised of funds held in trust for the defined benefit obligation, as well as the value of individual contribution accounts of qualifying persons held in an insured pension scheme.

	GROUP AND COMPANY 2023	**2022**
Cash resources held for defined benefit obligation	861,425	849,256
Individual contribution accounts in insured pension scheme	131,673	180,788
	993,098	1,030,044

The plan asset for the termination gratuities represents cash resources placed in trust to meet the future obligations arising under this arrangement. Where obligations under the post-employment benefit and the termination gratuity arrangements materialise, the Company is obligated to meet any amounts in excess of the assets held.

Expected contributions to the post-employment benefit arrangement for the year ending 30 September 2023 are $10,991 (2022 - $15,289). The weighted average durations of the post-employment benefit arrangement and termination gratuities are 7 years and 8 years respectively (2022 - 8 years and 5 years).

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

10. DEFERRED TAXATION

Deferred taxes are calculated in full on temporary differences under the liability method using the applicable tax rates. There is no enforceable right to set off tax assets against liabilities within the Group and the following amounts are shown in the statement of financial position.

Deferred Tax Assets	**GROUP**					**COMPANY**		
	Employee benefits	**Fair value on securities**	**ECL allowance**	**Other**	**Total**	**Other**	**Employee benefits**	**Total**
For the year ended 30 September 2023								
As at beginning of year	250,538	0	46,613	13,157	310,308	13,157	250,538	263,695
Credited to statement of income	0	0	67,302	384	67,686	384	0	384
Credited to other comprehensive	9,977	0	0	0	9,977	0	0	0
Reclassification	0	0	0	(9,282)	(9,282)	(9,282)	9,977	695
As at end of year	260,515	0	113,915	4,259	378,689	4,259	260,515	264,774
Balance expected to be recovered after more than 12 months	260,515	0	113,915	4,259	378,689	4,259	260,515	264,774
For the year ended 30 September 2022								
As at beginning of year	84,670	1,339	59,663	0	145,672	0	84,670	84,670
(Charged)/Credited to statement of income	0	(1,339)	(13,050)	13,157	(1,232)	13,157	0	13,157
Credited to other comprehensive income	165,868	0	0	0	165,868	0	165,868	165,868
As at end of year	250,538	0	46,613	13,157	310,308	13,157	250,538	263,695
Balance expected to be recovered after more than 12 months	250,538	0	46,613	13,157	310,308	13,157	250,538	263,695

Deferred Tax Liabilities	**GROUP**				**COMPANY**			
	Accelerated tax depreciation	**Revaluation gains on property**	**Fair value change on investment securities**	**Total**	**Accelerated tax depreciation**	**Revaluation gains on property**	**Fair value change on investment securities**	**Total**
For the year ended 30 September 2023								
As at beginning of year	1,478,984	938,963	239	2,418,186	1,478,321	704,474	239	2,183,034
Charged / (credited) to statement of income	86,711	(21,724)	0	64,987	86,200	(21,022)	0	65,178
Credited to other comprehensive income	0	399,419	0	399,419	0	399,419	0	399,419
Reclassification	(9,282)	0	0	(9,282)	(9,282)	0	0	(9,282)
As at end of year	1,556,413	1,316,658	239	2,873,310	1,555,239	1,082,871	239	2,638,349
Balance expected to be realised after more than 12 months	1,556,413	1,295,636	239	2,852,288	1,555,239	1,068,832	239	2,624,310
For the year ended 30 September 2022								
As at beginning of year	1,444,368	785,728	239	2,230,335	1,445,697	777,733	239	2,223,669
Charged / (credited) to statement of income	34,616	(73,259)	0	(38,643)	32,624	(73,259)	0	(40,635)
Credited to other comprehensive income	0	226,494	0	226,494	0	0	0	0
As at end of year	1,478,984	938,963	239	2,418,186	1,478,321	704,474	239	2,183,034
Balance expected to be realised after more than 12 months	1,478,984	928,437	239	2,407,660	1,478,321	686,658	239	2,165,218

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

11. INVENTORIES

	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Production raw materials and work in progress	2,666,702	2,015,691	2,666,702	2,015,691
Packaging material	2,055,219	1,591,407	2,055,219	1,591,407
Spares and expense stocks	2,532,725	2,881,204	2,530,544	2,858,901
Finished goods	1,044,399	1,184,075	1,024,058	1,184,075
Goods in transit	2,193,664	2,536,081	2,193,664	2,536,081
	10,492,709	10,208,458	10,470,187	10,186,155

12. RECEIVABLES AND PREPAYMENTS

	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Trade receivables (gross)	873,638	1,032,698	862,837	1,032,698
ECL Allowance	(13,443)	(13,141)	(13,443)	(13,141)
Trade receivables (net)	860,195	1,019,557	849,394	1,019,557
Other receivables	1,536,447	1,171,725	605,025	934,785
Prepayments	237,400	221,107	36,947	56,513
	2,634,042	2,412,389	1,491,366	2,010,855

Included in Other Receivables for the Group is Repossessed Assets of $122,135 (2022 - $132,391).

13. CASH RESOURCES

	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Balance with Bank of Guyana in excess of reserve requirement	7,104,497	1,229,407	0	0
Balance with subsidiary	0	0	17,377,819	16,337,168
Cash in hand and balances with other banks	12,959,201	9,269,597	2,483,502	2,159,628
Included in cash and cash equivalents	20,063,698	10,499,004	19,861,321	18,496,796
Reserve requirement with Bank of Guyana	10,849,565	7,917,111	0	0
External payment deposit	5,064	5,064	5,064	5,064
	30,918,327	18,421,179	19,866,385	18,501,860

The Group's banking entity is required to maintain a monetary reserve with the Bank of Guyana which is based on customers' deposits and other specified liabilities. External payment deposits are to be remitted to foreign creditors subject to approval from the Bank of Guyana.

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

14. SHARE CAPITAL

	COMPANY 2023	COMPANY 2022
Authorised		
1,400,000,000 ordinary shares of no par value		
Issued and Fully Paid		
849,861,536 ordinary shares of no par value	2,009,889	2,009,889

15. RESERVES

The nature and purpose of reserves held by the Group, other than retained earnings, are:

Revaluation Reserve

The surplus arising on the revaluation of freehold properties is recorded in this reserve.

Investments Valuation Reserve

The movements in the fair values of investment securities carried at fair value through other comprehensive income are recorded in this reserve.

Statutory Reserve

The Financial Institutions Act 1995, requires registered institutions to transfer annually a minimum of 15% of profit after taxation to a statutory reserve until the balance on this reserve is equal to the paid up capital of the institution. This reserve is relevant to the Group's interest in commercial banking.

General Banking Risk Reserve

This reserve represents the statutory and other loss provisions that exceed the ECL allowance. This reserve is relevant to the Group's interest in commercial banking.

16. DIVIDENDS

	COMPANY 2023	COMPANY 2022
Prior year interim paid - $0.40 per share (2022 - $0.40 per share)	339,945	339,945
Prior year final dividend paid $1.20 per share (2022 - $1 per share)	1,019,834	849,862
Current year interim paid - $0.45 per share (2022 - $0.40 per share)	382,438	339,945
	1,742,217	1,529,752

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

16. DIVIDENDS (CONT'D)

A second interim dividend in respect of the financial year of $0.45 per share (2022 - $0.40 per share), totalling $382,438 (2022 - $339,945), has been declared and paid after the year end. A final dividend in respect of the financial year of $1.30 per share (2022 - $1.20 per share), totalling $1,104,820 (2022 - $1,019,834), is to be proposed at the annual general meeting on 27 January 2024.

17. CUSTOMERS' DEPOSITS (BANKING SEGMENT)

	GROUP		COMPANY	
	2023	2022	2023	2022
Demand deposits	33,813,101	12,057,646	0	0
Savings deposits	34,841,484	33,607,841	0	0
Term deposits	8,383,315	6,927,551	0	0
Accrued interest payable	78,392	131,437	0	0
	77,116,292	52,724,475	0	0
As reported in the statement of financial position:				
Non-current	531,630	59,696	0	0
Current	76,584,662	52,664,779	0	0
	77,116,292	52,724,475	0	0

18. PAYABLES AND ACCRUALS

Trade payables	3,068,921	3,802,676	3,060,204	3,814,252
Other payables	2,238,479	2,032,417	1,223,010	973,970
Accruals	1,962,668	1,777,580	1,862,717	1,668,062
Deferred income	206,440	157,305	0	6,438
	7,476,508	7,769,978	6,145,931	6,462,722

19. REVENUE

Earned in Guyana:				
Sales of goods	43,014,518	38,426,572	42,986,935	38,409,949
Banking income	5,598,505	4,788,438	0	0
Provision of other services	60,730	52,122	60,730	52,122
Earned out of Guyana:				
Sales of goods	1,000,457	1,191,372	1,000,457	1,191,372
	49,674,210	44,458,504	44,048,122	39,653,443

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
20. NET FINANCE (COST) / INCOME				
Interest receivable (non-banking)	3,008	6,043	11,561	12,384
Interest on lease liability	(3,013)	(3,217)	(3,013)	(3,217)
	(5)	2,826	8,548	9,167
21. OTHER INCOME				
Dividends from quoted equity securities	43,490	31,642	191,776	140,868
Fair value (losses) / gains on investment securities	(58,317)	40,543	0	0
Other	87,794	29,603	18,015	19,302
	72,967	101,788	209,791	160,170
22. PROFIT BEFORE TAXATION				
Profit before taxation is shown after charging / (crediting) the following:				
Cost of inventories (excluding inventory write-downs)	11,831,673	9,878,499	11,831,611	9,874,594
Inventory write-downs	134,126	215,714	134,126	215,714
Depreciation of property, plant and equipment and right-of-use asset	3,697,029	3,576,539	3,563,335	3,376,351
Impairment of receivables	11,828	9,143	11,828	9,143
Reversal of impairment of receivables	(8,170)	(5,598)	(8,170)	(5,598)
Impairment of loans and advances	349,987	513,669	0	0
Reversal of impairment of loans and advances	(207,604)	(620,886)	0	0
Reversal of impairment of investment securities	0	(30,777)	0	0
Auditors' remuneration (including expenses)	52,750	49,875	34,000	33,075
Directors' fees and expenses (note 27)	27,470	25,052	13,358	12,222
Short-term lease expense	61,586	46,240	53,072	41,227
Defined contribution scheme contributions	105,579	90,602	90,503	78,687

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

23. TAXATION	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Current taxation	4,581,327	4,157,556	3,171,060	2,970,588
Deferred taxation	(2,996)	(37,411)	64,795	(53,792)
Prior year adjustment	7,211	560	27,963	489
	4,585,542	4,120,705	3,263,818	2,917,285
Reconciliation of tax expense and accounting profit:				
Accounting profit	14,509,186	13,398,082	11,392,786	10,506,322
Tax calculated at the tax rate of 25% & 40%	4,169,258	3,837,872	2,860,100	2,635,129
Income exempt from corporation tax	(122,963)	(133,445)	(50,250)	(36,917)
Expenses not deductible for tax purposes	15,705	7,221	15,645	7,184
Property, withholding and capital gains taxes	529,502	466,339	419,338	366,842
Prior year adjustment	7,211	560	27,963	489
Other	(13,171)	(57,842)	(8,978)	(55,442)
	4,585,542	4,120,705	3,263,818	2,917,285

The Group separately classifies its activities as non-commercial or commercial, with the applicable corporation tax rates being 25% and 40%, respectively (2022 - 25% and 40%).

24. EARNINGS PER SHARE	GROUP 2023	GROUP 2022
Profit attributable to equity holders of the parent	8,970,038	8,395,425
Weighted average number of shares in issue (thousands)	849,862	849,862
Basic earnings per share	10.55 Dollar	9.88 Dollar

25. CONTINGENT LIABILITIES	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Bonds	52,351	386,504	52,351	386,504

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

25. CONTINGENT LIABILITIES (CONT'D)

The banking subsidiary's potential liabilities under guarantees at year-end totalled $1,161,625 (2022 -$1,444,700).

As at the year end there were certain legal proceedings outstanding against the Group. No provision has been made as management is of the opinion that such proceedings are either without merit or are unlikely to result in any significant loss to the Group.

Tax Assessments against the Banking Subsidiary

The Guyana Revenue Authority has sought to raise additional corporation taxes and property taxes as a result of the disallowance of the banking subsidiary’s deductions for impairment losses on financial assets for the years of income ended 30 September 2010 to 30 September 2012, 30 September 2014 to 30 September 2016, inclusive and 30 September 2018 and 30 September 2021 relative to corporation taxes and for years of income ended 30 September 2017 to 2021 inclusive relative to property taxes.

During the current financial year, the Guyana Revenue Authority maintained the amounts in dispute and the banking subsidiary was required to file appeals in the High Court against the said assessments. The sum being claimed by the Guyana Revenue Authority for the stated years of $488,040 has been lodged with the Guyana Revenue Authority as a pre-condition to filing the Company's appeals.

The banking subsidiary has been advised by its attorneys that the appeals have considerable merit and concluded that there is a remote possibility of economic outflow at the reporting date and as such no provision is recorded.

26. COMMITMENTS

	GROUP		COMPANY	
	2023	**2022**	**2023**	**2022**
Undrawn credit facilities (banking segment)	3,013,399	1,763,294	0	0
Capital commitments:				
For property, plant and equipment:				
Authorised and contracted for	3,124,707	4,469,198	2,213,833	3,439,476
Authorised but not contracted for	8,084,610	6,640,509	7,766,140	6,401,438
For intangible assets:				
Authorised and contracted for	248,973	141,848	0	0
Authorised but not contracted for	102,456	5,016	0	0

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

27. RELATED PARTY TRANSACTIONS

Key Management Compensation

	GROUP		COMPANY	
	2023	**2022**	**2023**	**2022**
Short term benefits	700,882	544,862	587,805	495,895
Post employment benefits	25,881	20,349	23,761	18,739
	726,763	565,211	611,566	514,634

Key management compensation includes directors' fees and expenses for services as directors as follows:

	GROUP		COMPANY	
	2023	**2022**	**2023**	**2022**
Clifford B. Reis	3,220	2,934	0	0
Roy E. Cheong	2,946	2,706	2,946	2,706
Frances S. Parris	2,603	2,379	2,603	2,379
Dan B. Stoute	2,603	2,379	2,603	2,379
Ronald G. Burch-Smith	5,326	4,853	2,603	2,379
Melissa J. De Santos	2,603	2,379	2,603	2,379
George G. McDonald	2,723	2,474	0	0
Paul A. Carto	2,723	2,474	0	0
Michael H. Pereira - retired 31 December 2021	0	618	0	0
Mohamed S. Hussein	2,723	1,856	0	0
	27,470	25,052	13,358	12,222

No emoluments were paid to the executive directors for their services as directors to the parent company.

Key Management Transactions	GROUP		COMPANY	
	2023	**2022**	**2023**	**2022**
Loans and advances repayable by key management	137,476	201,332	0	0
Interest income on loans and advances repayable	10,347	14,119	0	0
Deposits held for key management	375,712	129,988	0	0
Interest expense on deposits	1,437	1,559	0	0

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

27. RELATED PARTY TRANSACTIONS (CONT'D)

Parent Company Transactions with Banking Subsidiary	COMPANY 2023	COMPANY 2022
Interest income on cash deposits	8,551	6,337
Rental income for property	11,577	8,141
Dividends received	156,254	109,226

Cash balances outstanding with the banking subsidiary at the year end are shown in note 13. Additionally, at the year end the banking subsidiary has issued guarantees on the parent company's behalf totalling $52,351 (2022 - $293,135).

	GROUP		COMPANY	
Transactions with Other Related Parties	**2023**	**2022**	**2023**	**2022**
Deposits held by the banking subsidiary	7,698,404	5,487,918	0	0
Interest expense on deposits	8,551	6,337	0	0
Provision of services to the Group / Company	169,653	200,507	0	3,459

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Categories of Financial Instruments

Financial instruments carried at the reporting date include investment securities, loans and advances, receivables, cash resources, customers' deposits, payables and accruals.

In accordance with IFRS 7, the categories of financial assets and financial liabilities are as follows:

- financial assets measured at amortised cost
- financial assets measured at fair value through profit or loss
- financial assets measured at fair value through other comprehensive income
- equity instruments designated as fair value through other comprehensive income
- financial liabilities measured at amortised cost
- financial liabilities measured at fair value through profit or loss

The classification criteria for each category of financial instrument is described in note 2(h).

The following tables analyse the Group's financial instruments into the relevant IFRS 7 categories.

		Financial Assets		Financial Liabilities	Total
GROUP **As at 30 September 2023**	**Amortised Cost**	**FVPL**	**Equities FVOCI**	**Amortised Cost**	
Financial assets:					
Investment securities	23,643,203	240,948	3,028,503	0	26,912,654
Loans and advances	51,973,766	0	0	0	51,973,766
Receivables	2,274,507	0	0	0	2,274,507
Cash resources	30,918,327	0	0	0	30,918,327
	108,809,803	240,948	3,028,503	0	112,079,254
Financial liabilities:					
Customers' deposits	0	0	0	77,116,292	77,116,292
Payables and accruals	0	0	0	7,270,068	7,270,068
Lease liability	0	0	0	32,615	32,615
	0	0	0	84,418,975	84,418,975

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Categories of Financial Instruments (Cont'd)

	Financial Assets			Financial Liabilities	Total
GROUP **As at 30 September 2022**	**Amortised Cost**	**FVPL**	**Equities FVOCI**	**Amortised Cost**	
Financial assets:					
Investment securities	23,422,892	304,070	3,379,644	0	27,106,606
Loans and advances	38,241,268	0	0	0	38,241,268
Receivables	2,058,891	0	0	0	2,058,891
Cash resources	18,421,179	0	0	0	18,421,179
	82,144,230	304,070	3,379,644	0	85,827,944
Financial liabilities:					
Customers' deposits	0	0	0	52,724,475	52,724,475
Payables and accruals	0	0	0	7,612,673	7,612,673
Lease liability	0	0	0	35,002	35,002
	0	0	0	60,372,150	60,372,150

	Financial Assets		Financial Liabilities	Total
COMPANY **As at 30 September 2023**	**Amortised Cost**	**Equities FVOCI**	**Amortised Cost**	
Financial assets:				
Investment securities	0	3,028,503	0	3,028,503
Receivables	1,454,419	0	0	1,454,419
Cash resources	19,866,385	0	0	19,866,385
	21,320,804	3,028,503	0	24,349,307
Financial liabilities:				
Payables and accruals	0	0	6,145,931	6,145,931
Lease liability	0	0	32,615	32,615
	0	0	6,178,546	6,178,546

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Categories of Financial Instruments (Cont'd)

	Financial Assets		Financial Liabilities	Total
COMPANY **As at 30 September 2022**	**Amortised Cost**	**Equities FVOCI**	**Amortised Cost**	
Financial assets:				
Investment securities	0	3,379,644	0	3,379,644
Receivables	1,954,342	0	0	1,954,342
Cash resources	18,501,860	0	0	18,501,860
	20,456,202	3,379,644	0	23,835,846
Financial liabilities:				
Payables and accruals	0	0	6,456,284	6,456,284
Lease liability	0	0	35,002	35,002
	0	0	6,491,286	6,491,286

Risks arising from Financial Instruments

Financial risks are inherent to the operations of the Group and management of these risks is central to the Group's continuing profitability. The Group is exposed to credit risk, liquidity risk, interest rate risk and foreign exchange risk. The objective of the Group's risk management policies and efforts is to minimise the effects of the risks inherent to its operations. Risk management is an ongoing process which involves the identification, assessment and monitoring of risks through the application of various approaches which are guided by the Group's policies. These risks are continuously monitored at both the executive and directorate levels. Management engages in the daily monitoring of risks and provides the Board of Directors with monthly reports which analyse exposures to the various elements of risk.

The main financial risks affecting the Group are discussed in the following parts to this note.

Credit Risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due, through its holding of investment securities, loans and advances, receivables and cash resources. It can also arise from guarantees and letters of credit provided or credit commitments given by the banking subsidiary.

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

For financial assets recognised on the statement of financial position, the exposure to credit risk equals to their carrying amounts. For guarantees and letters of credit, the maximum exposure to credit risk is the amount that the banking subsidiary would have to pay if the guarantees and letters of credit were to be called upon. For credit commitments of the banking subsidiary that are irrevocable over the life of the respective facilities, the maximum exposure to credit risk is the full amount of the committed facilities.

The following table presents the maximum exposure to credit risk arising on financial instruments, before taking account of any collateral held or other credit enhancements and after allowance for impairment, where appropriate.

The table excludes Group's financial assets with a carrying value of $3,269,451 which comprise investments classified as FVPL and equity investments designated as FVOCI (2022 - $3,683,714). For the Company, financial assets with a carrying value of $3,028,503 which comprise equity investments designated as FVOCI are excluded from the table (2022 - $3,379,644).

	GROUP		COMPANY	
	2023	**2022**	**2023**	**2022**
On statement of financial position:				
Investment securities	23,643,203	23,422,892	0	0
Loans and advances	51,973,766	38,241,268	0	0
Receivables	2,274,507	2,058,891	1,454,419	1,954,342
Cash resources	30,918,327	18,421,179	19,866,385	18,501,860
	108,809,803	82,144,230	21,320,804	20,456,202
Off statement of financial position:				
Guarantees	1,161,625	1,444,700	0	0
Credit commitments	3,013,399	1,763,294	0	0
	4,175,024	3,207,994	0	0
Maximum exposure to credit risk	112,984,827	85,352,224	21,320,804	20,456,202

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

Credit risk is managed to achieve a sustainable and superior risk-reward performance while maintaining exposures within acceptable risk parameters. The Group's policies and processes for managing credit risk are described below for each of its major financial assets.

The risk management policies and processes have been described separately for the Company and its banking subsidiary, where applicable.

Management of investment securities and cash resources

Company

The Company's investment securities comprise equity holdings which are not considered to give rise to credit risk.

In relation to its cash resources, the Board of Directors is required to approve the use of new financial institutions for the placement of cash resources. Thereafter, the use of banking facilities is at the discretion of management.

Collateral is not usually collected on cash resources with banks given the sound nature of such institutions.

Banking subsidiary

Managing the credit risks associated with investment securities and cash balances with other banks differs in an important respect from loans originated by the banking subsidiary in that the counterparties involved are usually government bodies or established financial institutions. Within the banking subsidiary, management of the portfolio of investment securities and cash balances with other banks is the responsibility of the Finance and Treasury Department.

The Board of Directors of the banking subsidiary is required to approve all acquisitions of investment securities or the use of new financial institutions for the placement of cash resources. Thereafter, re-investments into investment securities or use of banking facilities with financial institutions is at the discretion of management.

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

Banking subsidiary (Cont'd)

Collateral is not usually collected on investment securities issued by government bodies or secured on government assets. Corporate investment securities are usually secured on the assets of the issuer. Valuations are not usually carried out on these assets given the corporate standing of the issuers. Collateral is not usually collected on amounts due from other banks as funds are only placed with institutions that are deemed to be financially sound.

Management continuously monitors the financial standing of issuers of investment securities and holders of cash balances. This practice provides necessary information to determine any changes in credit risk, thereby triggering ECL allowance.

Management of loans and advances, including exposures off the statement of financial position

Banking subsidiary

The granting of credit through loans, advances, guarantees and letters of credit is one of the banking subsidiary's major sources of income and is therefore one of its most significant risks. The banking subsidiary therefore dedicates considerable resources towards controlling it effectively including a specialised Credit Department responsible for reviewing loan applications and monitoring granted loan facilities within the policies and guidelines established by the Board of Directors.

In executing its lending activities, the following measures are relied upon to mitigate the risk of default:

(a) Credit applications are initially reviewed by an officer of the banking subsidiary's Credit Department during which details of the purpose of the facility, the financial standing of the applicant and the collateral available as security are obtained. The applicant's ability to repay the sums required are assessed based on information collected and an initial recommendation made by the Credit Department.

(b) The banking subsidiary usually requires that collateral be lodged. Forms of acceptable collateral include cash, real estate, securities, machinery or equipment. The banking subsidiary has established policies that guide its loan to value based on the type of collateral lodged. During the review of the loan application, an independent valuation of the collateral to be lodged is obtained, where possible.

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

(c) Any recommended loan applications are then subject to the approval from either senior management or the Board of Directors depending on the level of the amount applied for. There are internally pre-set limits which dictate the level of approval required.

(d) The banking subsidiary's exposure to any single borrower is limited by the applicable provisions of the Financial Institutions Act. Additionally, the banking subsidiary monitors exposure to industry segments to avoid over-exposure to any one sector.

(e) The Credit Department is required to carry out weekly reviews of any past due or impaired facilities. For all other facilities, quarterly reviews are carried out by the Credit Department.

(f) Independent valuations of collateral lodged against facilities are carried out at least every two years, where possible. Where securities are lodged as collateral, management monitors their market performance for indicators of impairment.

(g) Oversight from the Credit Committee of the Board of Directors.

(h) The banking subsidiary's risk management practices provides information to assist with the identification of changes in credit risk of loans and advances; estimation of recoverable amounts from collateral and the likely exposure at default.

Management of Receivables

Company

The Company's exposure to credit risk on receivables arises from credit transactions with wholesale and retail customers. To mitigate the credit risk arising on these balances, the Company adopts the following measures:

(a) Credit applications are subject to approval of senior management after review of the financial position of the customer, past trading and other relevant factors.

(b) Credit limits are set by senior management and subject to regular monitoring.

(c) A standard repayment period of thirty to sixty days is imposed.

The Company does not collect collateral as security for receivable balances.

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

Credit risk concentration

The tables below analyse the Group's exposure to credit risk on its financial instruments by industry sector, showing the associated ECL allowances.

GROUP As at 30 September 2023	Households	Services	Real Estate	Manu-facturing	Mining and Quarry	Con-struction	Agriculture	Government	Financial	Other	Total
On statement of financial position:											
Investment securities	0	0	0	0	0	0	0	23,643,203	0	0	23,643,203
Loans and advances	3,766,036	17,243,588	22,313,724	1,252,404	1,800,872	5,111,089	486,053	0	0	0	51,973,766
Receivables	0	0	0	0	0	0	0	3,410	38,670	2,232,427	2,274,507
Cash resources	0	0	0	0	0	0	0	0	30,918,327	0	30,918,327
	3,766,036	17,243,588	22,313,724	1,252,404	1,800,872	5,111,089	486,053	23,646,613	30,956,997	2,232,427	108,809,803
Off statement of financial position:											
Guarantees	784,442	226,212	0	41,701	0	109,270	0	0	0	0	1,161,625
Credit commitments	566,588	1,257,271	0	164,890	708,451	277,199	39,000	0	0	0	3,013,399
	1,351,030	1,483,483	0	206,591	708,451	386,469	39,000	0	0	0	4,175,024
Total exposure	5,117,066	18,727,071	22,313,724	1,458,995	2,509,323	5,497,558	525,053	23,646,613	30,956,997	2,232,427	112,984,827

GROUP As at 30 September 2022	Households	Services	Real Estate	Manu-facturing	Mining and Quarry	Con-struction	Agriculture	Government	Financial	Other	Total
On statement of financial position:											
Investment securities	0	0	0	0	0	0	0	22,783,892	639,000	0	23,422,892
Loans and advances	3,977,078	11,307,695	16,591,765	928,347	1,268,916	3,755,846	411,621	0	0	0	38,241,268
Receivables	0	0	0	0	0	0	0	1,558	143	2,057,190	2,058,891
Cash resources	0	0	0	0	0	0	0	0	18,421,179	0	18,421,179
	3,977,078	11,307,695	16,591,765	928,347	1,268,916	3,755,846	411,621	22,785,450	19,060,322	2,057,190	82,144,230
Off statement of financial position:											
Guarantees	645,881	347,280	0	283,783	0	167,756	0	0	0	0	1,444,700
Credit commitments	399,698	764,910	0	134,557	197,010	256,119	11,000	0	0	0	1,763,294
	1,045,579	1,112,190	0	418,340	197,010	423,875	11,000	0	0	0	3,207,994
Total exposure	5,022,657	12,419,885	16,591,765	1,346,687	1,465,926	4,179,721	422,621	22,785,450	19,060,322	2,057,190	85,352,224

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

The tables below analyse the Group's exposure to credit risk on its financial instruments by geographic region.

GROUP As at 30 September 2023	Guyana	Caricom	North America	Europe	Total
On statement of financial position:					
Investment securities	23,436,405	206,798	0	0	23,643,203
Loans and advances	51,973,766	0	0	0	51,973,766
Receivables	2,233,820	2,058	22,356	16,273	2,274,507
Cash resources	22,563,681	60,855	4,746,961	3,546,830	30,918,327
	100,207,672	269,711	4,769,317	3,563,103	108,809,803
Off statement of financial position:					
Guarantees	1,161,625	0	0	0	1,161,625
Credit commitments	3,013,399	0	0	0	3,013,399
	4,175,024	0	0	0	4,175,024
Total exposure	104,382,696	269,711	4,769,317	3,563,103	112,984,827

GROUP As at 30 September 2022	Guyana	Caricom	North America	Europe	Total
On statement of financial position:					
Investment securities	22,671,908	111,984	0	639,000	23,422,892
Loans and advances	38,241,268	0	0	0	38,241,268
Receivables	2,052,040	25	0	6,826	2,058,891
Cash resources	13,521,209	60,844	3,077,179	1,761,947	18,421,179
	76,486,425	172,853	3,077,179	2,407,773	82,144,230
Off statement of financial position:					
Guarantees	1,444,700	0	0	0	1,444,700
Credit commitments	1,763,294	0	0	0	1,763,294
	3,207,994	0	0	0	3,207,994
Total exposure	79,694,419	172,853	3,077,179	2,407,773	85,352,224

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

The tables below analyse the Company's exposure to credit risk on its financial instruments by counterparty type and geographic sector.

COMPANY As at 30 September 2023	Retailers	Whole-salers	Financial	Other	Total
Receivables	302,305	275,267	0	876,847	1,454,419
Cash resources	0	0	19,866,385	0	19,866,385
	302,305	275,267	19,866,385	876,847	21,320,804

As at 30 September 2022	Retailers	Whole-salers	Financial	Other	Total
Receivables	349,073	289,910	0	1,315,359	1,954,342
Cash resources	0	0	18,501,860	0	18,501,860
	349,073	289,910	18,501,860	1,315,359	20,456,202

COMPANY As at 30 September 2023	Guyana	Out of Guyana	Total
Receivables	1,061,616	392,803	1,454,419
Cash resources	19,866,385	0	19,866,385
	20,928,001	392,803	21,320,804

As at 30 September 2022	Guyana	Out of Guyana	Total
Receivables	985,686	968,656	1,954,342
Cash resources	18,501,860	0	18,501,860
	19,487,546	968,656	20,456,202

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

Financial assets subject to impairment

The Group monitors the quality of its financial assets through use of an internal grading system representing management's best estimate of the credit risk for the counterparty based on information presently available. The grades used are as follows:

Grade	Description
1	High grade - very strong likelihood of the asset being recovered.
2	Standard grade - good likelihood of the asset being recovered.
3	Special monitoring grade - concern over counterparty's ability to make payments when due.
4	Sub-standard grade - past due or individually impaired.

The following tables analyse the credit risk exposure by class of financial instruments, for which an ECL allowance is recognised.

MORTGAGES

	30 Sept 2023				30 Sept 2022
	Stage 1	Stage 2	Stage 3		
Grade	12-month ECL	Lifetime ECL	Lifetime ECL	Total	Total
1	0	0	0	0	12,389
2	10,970,112	0	0	10,970,112	10,029,115
3	445,306	390,212	0	835,518	28,548
4	0	0	590,475	590,475	605,806
Gross	11,415,418	390,212	590,475	12,396,105	10,675,858
ECL allowance	44,963	5,102	160,646	210,711	186,949
Carrying amount	11,370,455	385,110	429,829	12,185,394	10,488,909

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

Financial assets subject to impairment (Cont'd)

TERM LOANS

	30 Sept 2023				30 Sept 2022
Grade	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Total
1	548,288	0	0	548,288	687,948
2	32,555,466	0	0	32,555,466	22,466,891
3	446,263	991,489	0	1,437,752	13,147
4	0	0	1,716,801	1,716,801	1,715,557
Gross	33,550,017	991,489	1,716,801	36,258,307	24,883,543
ECL allowance	142,021	19,169	661,335	822,525	728,557
Carrying amount	33,407,996	972,320	1,055,466	35,435,782	24,154,986

OVERDRAFTS

	30 Sept 2023				30 Sept 2022
Grade	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Total
1	726,086	0	0	726,086	602,990
2	0	0	0	0	2,928,474
3	3,567,228	0	0	3,567,228	0
4	0	0	82,405	82,405	85,510
Gross	4,293,314	0	82,405	4,375,719	3,616,974
ECL allowance	20,657	0	2,472	23,129	19,601
Carrying amount	4,272,657	0	79,933	4,352,590	3,597,373

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

Financial assets subject to impairment (Cont'd)

INVESTMENT SECURITIES (AMORTISED COST)

	30 Sept 2023				30 Sept 2022
Grade	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Total
1	23,643,203	0	0	23,643,203	23,422,892
4	0	0	0	0	0
Gross	23,643,203	0	0	23,643,203	23,422,892
ECL allowance	0	0	0	0	0
Carrying amount	23,643,203	0	0	23,643,203	23,422,892

TRADE RECEIVABLES

	30 Sept 2023			30 Sept 2022
Grade	Gross Amount	Lifetime ECL	Net Exposure Total	Net Exposure Total
1	795,625	777	794,848	994,362
2	36,361	211	36,150	20,859
3	17,408	2,130	15,278	1,033
4	13,443	10,325	3,118	3,303
	862,837	13,443	849,394	1,019,557

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

Movement in ECL allowance	Loans and Advances (Mortgages)	Loans and Advances (Term Loans)	Loans and Advances (Overdrafts)	Investment Securities (AC)	Trade Receivables	**2023** Total
Stage 1: 12 month ECL						
Balance as at 01 October 2022	4,935	35,423	17,101	0	0	57,459
ECL on new instruments issued	41,174	124,104	18,506	0	0	183,784
ECL remeasurements and transfers between stages	(1,146)	(17,506)	(14,950)	0	0	(33,602)
Balance as at 30 September 2023	44,963	142,021	20,657	0	0	207,641
Stage 2: Lifetime ECL						
Balance as at 01 October 2022	3,245	2,953	0	0	0	6,198
ECL on new instruments issued	4,373	18,881	0	0	0	23,254
ECL remeasurements and transfers between stages	(2,516)	(2,665)	0	0	0	(5,181)
Balance as at 30 September 2023	5,102	19,169	0	0	0	24,271
Stage 3: Lifetime ECL (credit-impaired)						
Balance as at 01 October 2022	178,769	690,181	2,500	0	0	871,450
Amounts written off	(2,111)	(19,014)	0	0	0	(21,125)
ECL remeasurements and transfers between stages	(16,012)	(9,832)	(28)	0	0	(25,872)
Balance as at 30 September 2023	160,646	661,335	2,472	0	0	824,453
Simplified method						
Balance as at 01 October 2022	0	0	0	0	13,141	13,141
Amounts written off	0	0	0	0	(3,356)	(3,356)
Additional allowance	0	0	0	0	11,828	11,828
Reversal of allowance	0	0	0	0	(8,170)	(8,170)
Balance as at 30 September 2023	0	0	0	0	13,443	13,443
Total						
Balance as at 30 September 2023	210,711	822,525	23,129	0	13,443	1,069,808

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

Movement in ECL allowance	Loans and Advances (Mortgages)	Loans and Advances (Term Loans)	Loans and Advances (Overdrafts)	Investment Securities (AC)	Trade Receivables	2022 Total
Stage 1: 12 month ECL						
Balance as at 01 October 2021	17,979	58,651	0	13,056	0	89,686
ECL on new instruments issued	18,558	108,233	5,839	0	0	132,630
ECL remeasurements and transfers between stages	(31,602)	(131,461)	11,262	(13,056)	0	(164,857)
Balance as at 30 September 2022	4,935	35,423	17,101	0	0	57,459
Stage 2: Lifetime ECL						
Balance as at 01 October 2021	13,242	76,743	73,081	0	0	163,066
ECL on new instruments issued	19,871	16,315	4,163	0	0	40,349
ECL remeasurements and transfers between stages	(29,868)	(90,105)	(77,244)	0	0	(197,217)
Balance as at 30 September 2022	3,245	2,953	0	0	0	6,198
Stage 3: Lifetime ECL (credit-impaired)						
Balance as at 01 October 2021	166,206	732,744	7,851	49,453	0	956,254
Amounts written off	(10,629)	(87,312)	(6,232)	(31,732)	0	(135,905)
Additional allowance	85,140	252,353	3,198	0	0	340,691
Reversal of allowance	(61,948)	(207,604)	(2,317)	(17,721)	0	(289,590)
Balance as at 30 September 2022	178,769	690,181	2,500	0	0	871,450
Simplified method						
Balance as at 01 October 2021	0	0	0	0	12,130	12,130
Amounts written off	0	0	0	0	(2,534)	(2,534)
Additional allowance	0	0	0	0	9,143	9,143
Reversal of allowance	0	0	0	0	(5,598)	(5,598)
Balance as at 30 September 2022	0	0	0	0	13,141	13,141
Total						
Balance as at 30 September 2022	186,949	728,557	19,601	0	13,141	948,248

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

Commentary on movement in ECL allowance

The reasons for changes in the ECL allowance between 01 October 2022 and 30 September 2023 are:

Stage 1 ECL - an increase of $150,182 or 261%:
- Growth in the portfolio which resulted in an increase in allowances during the year.

Stage 2 ECL - an increase of $18,073 or 292%:
- Transfers from stage 1 due to increase in credit risk of certain customers.

Stage 3 ECL - a decrease of $46,997 or 5%:
- Write-off of loss facilities totalling $21,125
- Improvements in the credit risk profile of customers

The reasons for changes in the ECL allowance between 01 October 2021 and 30 September 2022 are:

Stage 1 ECL - a decrease of $32,227 or 36%:
- Improvements in the credit risk profile of customers

Stage 2 ECL - a decrease of $156,868 or 96%:
- Improvements in the credit risk profile of customers

Stage 3 ECL - a decrease of $84,804 or 9%:
- Write-off of loss facilities and investment securities totalling $135,905.
- Improvements in the credit risk profile of customers

Collateral

The banking subsidiary employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The banking subsidiary has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The banking subsidiary prepares a valuation of the collateral obtained as part of the loan origination process. This valuation is reviewed periodically. The principal collateral types for loans and advances are:

- Mortgages over properties
- Charges over premises, vehicles, equipment and inventory

Investments in debt securities and government instruments are generally unsecured.

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk (Cont'd)

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

The banking subsidiary closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the banking subsidiary will take possession of collateral to mitigate potential credit losses. The fair value of collateral held for financial assets that are credit-impaired amounted to $2,207,531 as at 30 September 2023 (2022 - $2,214,920).

The banking subsidiary's policy is to advertise collateral to the public in an effort to recover outstanding sums. During the year, the banking subsidiary obtained collateral from defaulting counterparties. The nature and carrying amounts of assets obtained, which are still held at the reporting date, are shown in the table below.

	2023	2022
Real Estate	0	3,475
Equipment	23,324	7,588

Modified facilities

The banking subsidiary sometimes modifies the terms of loans and advances due to commercial renegotiations, or for distressed loans, with a view of maximising recovery. Renegotiations are usually considered upon request or where it is judged that a defaulting borrower will be better able to service outstanding debt under revised conditions.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, where the original asset was not derecognised. The banking subsidiary may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 to Stage 2 to Stage 1. This is only the case for assets which have performed in accordance with the new terms for 12 consecutive months or more. The gross carrying amount of such assets held as at 30 September 2023 was $580,133 (2022 - $570,866).

Written-off financial assets

During the financial year the banking subsidiary wrote off financial assets totalling $21,125 (2022 - $135,905).

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity Risk

This is the risk that the Group will be unable to meet its obligations when they fall due.

Management of Liquidity Risk

Company

The Company's liquidity management policy involves monitoring of forecasted cashflows and considering levels of liquid assets necessary to meet these obligations. Credit lines from financial institutions are negotiated as necessary.

Banking subsidiary

The Audit, Finance and Risk Management Committee of the banking subsidiary is responsible for approving the risk management policies and practices. Management is responsible for implementing those approved policies and practices.

The banking subsidiary's liquidity management process is monitored by the Finance and Treasury Department and includes the following measures:

(a) Day to day funding is managed by monitoring future cash flows to ensure that requirements can be met. Projections of cash flow profiles and expected maturities of financial instruments are relied upon to monitor future cash flows. Statutory liquidity ratios are regularly monitored to ensure liquidity is managed efficiently and prudently.

(b) Funds are borrowed on the inter-bank market to meet day-to-day shortfalls.

(c) A portfolio of highly marketable assets is maintained that can be sold or used as collateral for funding in the event of any unforeseen interruption to cash flow.

(d) Regular stress testing to assess the banking subsidiary's ability to meet cash flow obligations under a range of market conditions and scenarios. These scenarios inform liquidity limits and strategic planning.

(e) The banking subsidiary is required to retain a balance of cash at the Bank of Guyana to meet any unforeseen and significant shortfalls in liquidity. The amount to be deposited at the Bank of Guyana is dependent on the level of liabilities held in the form of customer deposits.

Given the nature of the banking subsidiary's operations, most of its financial liabilities are not demanded on the earliest date that repayment is due.

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity Risk (Cont'd)

Contractual maturity of financial liabilities

The tables below present the cash flows payable by the Group under financial liabilities by remaining contractual maturities at the reporting date. The amounts disclosed in the tables are the contractual undiscounted cash flows of financial liabilities including payments of future interest.

GROUP As at 30 September 2023	**Within 3 months**	**Over 3 months but not over 6 months**	**Over 6 months but not over 12 months**	**Over 1 year but not over 5 years**	**Over 5 years**	**Total**
On statement of financial position:						
Customers' deposits	70,636,784	3,268,462	2,828,986	531,630	0	77,265,862
Payables and accruals	7,270,068	0	0	0	0	7,270,068
Lease liability	1,350	1,350	2,700	22,680	17,820	45,900
Off statement of financial position:						
Guarantees	381,936	68,317	294,874	416,498	0	1,161,625
Credit commitments	3,013,399	0	0	0	0	3,013,399
	81,303,537	3,338,129	3,126,560	970,808	17,820	88,756,854

GROUP As at 30 September 2022	**Within 3 months**	**Over 3 months but not over 6 months**	**Over 6 months but not over 12 months**	**Over 1 year but not over 5 years**	**Over 5 years**	**Total**
On statement of financial position:						
Customers' deposits	45,665,487	3,461,309	3,668,387	60,729	0	52,855,912
Payables and accruals	7,612,673	0	0	0	0	7,612,673
Lease liability	1,350	1,350	2,700	22,185	23,715	51,300
Off statement of financial position:						
Guarantees	333,010	246,494	411,245	453,951	0	1,444,700
Credit commitments	1,763,294	0	0	0	0	1,763,294
	55,375,814	3,709,153	4,082,332	536,865	23,715	63,727,879
COMPANY						
As at 30 September 2023						
Payables and accruals	6,145,931	0	0	0	0	6,145,931
Lease liability	1,350	1,350	2,700	22,680	17,820	45,900
	6,147,281	1,350	2,700	22,680	17,820	6,191,831
As at 30 September 2022						
Payables and accruals	6,456,284	0	0	0	0	6,456,284
Lease liability	1,350	1,350	2,700	22,185	23,715	51,300
	6,457,634	1,350	2,700	22,185	23,715	6,507,584

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Foreign Exchange Risk

Foreign currency exposure arises from the Group's holding of foreign denominated assets and liabilities. Management of the Group reviews and manages the risk of unfavourable exchange rate movements by constant monitoring of market trends. To further mitigate against foreign exchange risk, the Group maintains a large percentage of its foreign - denominated assets and liabilities in stable currencies.

The aggregate amounts of assets and liabilities denominated in foreign currencies are shown in the tables below, along with the impact before tax of a reasonably possible change in the exchange rate (all changes in exchange rates reflect a strengthening against the Guyana Dollar).

GROUP As at 30 September 2023	Assets	Liabilities	Net Position	% change	Impact on income increase / (decrease)	Impact on OCI increase / (decrease)
United States Dollar	10,004,530	5,190,305	4,814,225	1.0%	48,142	0
Trinidad & Tobago Dollar	530,131	0	530,131	1.0%	3,369	1,932
Other	179,021	274,057	(95,036)	1.0%	(954)	4
As at 30 September 2022						
United States Dollar	7,974,743	5,924,531	2,050,212	1.0%	20,502	0
Trinidad & Tobago Dollar	546,341	0	546,341	1.0%	3,635	1,828
Other	612,447	270,597	341,850	1.0%	2,980	439
COMPANY **As at 30 September 2023**						
United States Dollar	455,767	2,043,452	(1,587,685)	1.0%	(15,877)	0
Trinidad & Tobago Dollar	193,169	0	193,169	1.0%	0	1,932
Other	13,015	260,049	(247,034)	1.0%	(2,474)	4
As at 30 September 2022						
United States Dollar	5,626,402	3,612,827	2,013,575	1.0%	20,136	0
Trinidad & Tobago Dollar	182,831	0	182,831	1.0%	0	1,828
Other	156,923	113,026	43,897	1.0%	0	439

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument or its fair value will fluctuate because of changes in the market interest rates.

Management of Interest Rate Risk

Company

The Company's interest rate risk exposure arises primarily on its borrowings and cash balances. The risk is managed by entering into fixed rate instruments thereby minimising the cash flow risk that could arise.

Banking Subsidiary

The Audit, Finance and Risk Management Committee of the banking subsidiary is responsible for approving the risk management policies and practices. Management is responsible for implementing those approved policies and practices.

Management manages this risk by a number of measures, including selection of assets which best match the maturity of liabilities and the offering of deposit opportunities that match the maturity profile of assets. Maturity gap profiles and interest rate sensitivity analysis are relied upon to manage this risk.

The banking subsidiary's interest bearing instruments include investment securities, loans and advances, cash resources, customers' deposits and borrowings. The majority of these instruments are of a fixed rate nature and carried at amortised cost.

Concentration of risk

The Group is exposed to certain risks associated with fluctuations in the prevailing levels of interest rates where the Group's assets and liabilities have varying repricing dates.

The tables below set out the Group's exposure to interest rate risk by categorising the Group's assets and liabilities by the earlier of contractual repricing and maturity dates.

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Interest Rate Risk (Cont'd)

Concentration of risk (Cont'd)

GROUP As at 30 September 2023	Up to 1 year	Over 1 year but not over 5 years	Over 5 years	Non-interest bearing	Total
Assets					
Investment securities	23,420,837	37,062	185,304	3,269,451	26,912,654
Loans and advances	12,526,824	5,959,565	33,142,448	344,929	51,973,766
Cash resources	6,878,821	0	0	24,039,506	30,918,327
Other assets	0	0	0	53,674,159	53,674,159
	42,826,482	5,996,627	33,327,752	81,328,045	163,478,906
Liabilities					
Customers' deposits	54,707,622	531,630	0	21,877,040	77,116,292
Other liabilities	0	0	0	13,357,082	13,357,082
	54,707,622	531,630	0	35,234,122	90,473,374
Interest sensitivity gap	(11,881,140)	5,464,997	33,327,752		
As at 30 September 2022					
Assets					
Investment securities	23,260,388	0	162,504	3,683,714	27,106,606
Loans and advances	9,400,017	5,140,924	23,384,518	315,809	38,241,268
Cash resources	3,636,132	0	0	14,785,047	18,421,179
Other assets	0	0	0	46,207,152	46,207,152
	36,296,537	5,140,924	23,547,022	64,991,722	129,976,205
Liabilities					
Customers' deposits	42,576,670	59,696	0	10,088,109	52,724,475
Other liabilities	0	0	0	13,153,948	13,153,948
	42,576,670	59,696	0	23,242,057	65,878,423
Interest sensitivity gap	(6,280,133)	5,081,228	23,547,022		

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Interest Rate Risk (Cont'd)

Concentration of risk (Cont'd)

COMPANY **As at 30 September 2023**	**Up to 1 year**	**Over 1 year but not over 5 years**	**Over 5 years**	**Non-interest bearing**	**Total**
Assets					
Cash resources	17,432,804	0	0	2,433,581	19,866,385
Other assets	0	0	0	50,029,158	50,029,158
	17,432,804	0	0	52,462,739	69,895,543
Liabilities					
Other liabilities	0	0	0	10,958,487	10,958,487
	0	0	0	10,958,487	10,958,487
Interest sensitivity gap	17,432,804	0	0		
As at 30 September 2022					
Assets					
Cash resources	16,835,278	0	0	1,666,582	18,501,860
Other assets	0	0	0	43,906,159	43,906,159
	16,835,278	0	0	45,572,741	62,408,019
Liabilities					
Other liabilities	0	0	0	10,734,163	10,734,163
	0	0	0	10,734,163	10,734,163
Interest sensitivity gap	16,835,278	0	0		

Thousands of Guyana Dollars

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Interest Rate Risk (Cont'd)

	GROUP	
	2023	**2022**
The effective interest rates on significant financial assets and liabilities are:	%	%
Investment securities	1.1	1.1
Loans and advances	9.3	9.6
Customers' deposits	0.3	0.4

Price Risk

The Group is exposed to price risk on equity securities risk in relation to investment securities classified as FVPL or designated as FVOCI. The majority of such investment securities are traded on one or more of the regional stock exchanges. Should the market prices on these investment securities change by 5 percent with all other variables held constant, the impact on the statement of income and the statement of OCI would be $12,047 and $151,425, respectively (2022 - $15,204 and $168,982).

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to the shareholders and benefits to other stakeholders, to maintain an optimal capital structure to reduce the cost of capital and to maintain a prudent relationship between the capital base and the underlying risks of the business.

Company

In pursuing the capital management objectives, the Company monitors capital on the basis of the gearing ratio which remained favourable as the Company did not hold debt financing at the current or prior year ends.

Banking subsidiary

In pursuing the capital management objectives, the banking subsidiary has regard to capital requirements imposed by the Bank of Guyana. These requirements measure capital adequacy as a percentage of capital resources to risk weighted assets (Risk Asset Ratio). Risk weighted assets are a function of risk weights stipulated by the Bank of Guyana applied to the banking subsidiary's assets. A capital adequacy ratio of at least 8% must be maintained at all times, with a minimum ratio of eligible Tier 1 capital to total risk-weighted assets of 6%.

Regulatory Capital:	**2023**	**2022**
Tier I capital	13,355,847	12,301,201
Tier II capital	713,757	713,757
Prescribed deduction	(125,613)	(135,600)
	13,943,991	12,879,358
Risk-Weighted Assets:		
On-balance sheet	54,339,000	43,779,000
Off-balance sheet	871,500	1,083,750
	55,210,500	44,862,750
Regulatory Ratios:		
Tier I capital ratio	24.2%	27.4%
Total capital ratio	25.3%	28.7%

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

29. SEGMENTAL INFORMATION 2023	Beverages	Commercial Banking	All Other Segments	Net of Consolidation Eliminations	GROUP Total
Revenue	40,559,511	5,598,505	3,659,535	(143,341)	49,674,210
Segment profit before taxation	11,024,322	3,263,640	383,293	(235,031)	14,436,224
Loss on disposal of property, plant and equipment					(55,242)
Income and fair value losses on investment securities					(14,827)
Net finance cost					(5)
Other income					143,036
Profit before taxation					14,509,186
Segment assets	61,646,256	111,295,572	4,769,501	(18,258,304)	159,453,025
Investment securities at fair value					3,269,451
Employee benefits					186,509
Taxation (including deferred taxation)					569,921
Total assets					163,478,906
Segment liabilities	5,709,673	95,901,727	459,591	(17,445,576)	84,625,415
Employee benefits					893,561
Taxation (including deferred taxation)					4,954,398
Total liabilities					90,473,374
Capital expenditure	8,148,744	317,863	369,139	0	8,835,746
Depreciation	3,204,798	179,084	317,998	(4,851)	3,697,029

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

29. SEGMENTAL INFORMATION (CONT'D) 2022	Beverages	Commercial Banking	All Other Segments	Net of Consolidation Eliminations	GROUP Total
Revenue	36,662,162	4,788,438	3,108,268	(100,364)	44,458,504
Segment profit before taxation	10,189,324	3,000,968	343,235	(115,015)	13,418,512
Loss on disposal of property, plant and equipment					(125,044)
Income and gains on investment securities					72,185
Net finance income					2,826
Other income					29,603
Profit before taxation					13,398,082
Segment assets	52,716,775	84,187,802	5,646,291	(16,789,738)	125,761,130
Investment securities at fair value					3,683,714
Employee benefits					29,821
Taxation (including deferred taxation)					501,540
Total assets					129,976,205
Segment liabilities	6,041,736	70,384,185	459,591	(16,356,057)	60,529,455
Employee benefits					749,216
Taxation (including deferred taxation)					4,599,752
Total liabilities					65,878,423
Capital expenditure	5,996,279	710,865	146,394	0	6,853,538
Depreciation	3,130,142	194,967	294,503	(43,073)	3,576,539

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

29. SEGMENTAL INFORMATION (CONT'D)

Other Segmental Information

	GROUP 2023	GROUP 2022
(a) Source of Revenue		
Sales of beverages	40,559,511	36,662,162
Commercial banking income	5,598,505	4,788,438
Sales of food items	3,427,881	2,942,098
Hotel and laundry services income	60,730	52,122
Automotive unit sales and servicing	170,924	114,048
	49,817,551	44,558,868
Net of consolidation eliminations	(143,341)	(100,364)
Total revenue	49,674,210	44,458,504

(b) Geographical Information

The analysis of the Group's revenue between earnings in Guyana and earnings out of Guyana is shown in note 19 to these financial statements.

There are no non-current assets, other than financial instruments, located out of Guyana. The geographic analysis of the Group's financial instruments held at the year end is shown in note 28 to these financial statements.

(c) Major Customers

There was no revenue deriving from transactions with a single customer that amounted to 10 percent or more of the Group's revenue.

30. FAIR VALUE ESTIMATION

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The sections that follow provide an analysis of the fair values of the Group's and Company's assets and liabilities based on the following hierarchy contained in IFRS 13:

Level 1 Quoted prices (unadjusted) in active markets for identical assets and liabilities.
Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3 Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs).

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

30. FAIR VALUE ESTIMATION (CONT'D)

Assets carried at fair value

	GROUP		COMPANY	
FVPL and FVOCI Investments	**2023**	**2022**	**2023**	**2022**
Level 1	3,014,749	304,070	2,773,801	0
Level 2	254,702	3,379,644	254,702	3,379,644
Level 3	0	0	0	0
	3,269,451	3,683,714	3,028,503	3,379,644

Where the fair value of an investment security (FVPL or FVOCI) is based on a quoted market price in an active market, the instrument is classified in Level 1. A market is regarded as active if quoted market prices are readily and regularly available from an exchange, dealer, broker, industry, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Where the fair value of an investment security (FVPL or FVOCI) is determined by a quoted price for an identical instrument in a market that is considered less active or by a quoted price in an active market for a similar instrument, that instrument is included in Level 2.

If the fair value is based on one or more significant inputs that are not derived from observable market data, the instrument is included in Level 3.

Property

Freehold properties are recorded at independent professional valuations. Valuations of the parent company's properties were carried out by Gonsalves Property Solutions in 2023. Valuations of the banking subsidiary's freehold properties were carried out by Patterson Associates in 2022. All valuations were based on open market value.

The valuation of property has been derived by reference to the current market value in the case of land, and the replacement cost in the case of buildings. The most significant input for these valuation approaches is the value or replacement cost per square foot which is considered to be observable. The valuation of property is classified as Level 2.

Notes to the Financial Statements

30 SEPTEMBER 2023

Thousands of Guyana Dollars

30. FAIR VALUE ESTIMATION (CONT'D)

Assets and liabilities not carried at fair value

The table below shows the fair values of assets which are not carried at fair value on the statement of financial position but for which disclosure of fair value is required.

		GROUP		COMPANY	
	IFRS 13 Level	2023 Carrying Amount	2023 Fair Value	2023 Carrying Amount	2023 Fair Value
Assets:					
Investment securities (Amortised cost)	Level 2	23,643,203	23,651,221	0	0
Loans and advances	Level 2	51,973,766	54,067,131	0	0
	IFRS 13 Level	2022 Carrying Amount	2022 Fair Value	2022 Carrying Amount	2022 Fair Value
Assets:					
Investment securities (Amortised cost)	Level 2	23,422,892	23,517,873	0	0
Loans and advances	Level 2	38,241,268	40,052,644	0	0

The fair values of investment securities and loans and advances are based on net present values using discount rates reflective of market conditions for similar assets.

The fair values of receivables, cash resources, customers' deposits and other financial liabilities approximate to carrying amounts given their short-term nature.

Five Year Statistical Summary

Company

YEARS TO SEPTEMBER 30	2023	2022	2021	2020	2019
Thousands of Guyana Dollars					
OPERATING DATA					
Sales - Net of Excise Taxes	39,450,748	35,162,210	31,550,488	26,969,159	26,051,416
Taxes	3,263,818	2,917,285	2,661,941	2,057,859	1,643,615
Net Profit after Tax for Shareholders	8,128,968	7,589,037	6,776,780	5,270,821	4,523,532
Cash Cost Of Dividends Paid	1,742,217	1,529,752	1,147,312	985,839	951,844
Net Dividend Cover	4.67	4.96	5.91	5.35	4.75
STATEMENT OF FINANCIAL POSITION DATA					
Number of issued & fully paid Capital	849,862	849,862	849,862	849,862	849,862
Working Capital	24,431,363	22,929,572	19,830,560	14,897,328	12,359,348
Net Property, Plant and Equipment	34,071,144	27,515,345	24,839,693	24,168,444	22,504,933
Stockholders' Equity	58,937,054	51,673,856	45,232,244	38,838,399	34,440,900
Assets	69,895,543	62,408,018	54,539,367	46,334,763	41,830,507
Liabilities	10,958,489	10,734,163	9,307,123	7,496,364	7,389,607
PER ORDINARY SHARE UNIT					
Net Profit	9.57	8.93	7.97	6.20	5.32
Stockholders' Equity	69.35	60.80	53.22	45.70	40.53
Dividends paid for Year	2.05	1.80	1.35	1.16	1.12

Group

YEARS TO SEPTEMBER 30	2023	2022	2021	2020	2019
Thousands of Guyana Dollars					
OPERATING DATA					
Sales - Net of Excise Taxes	45,076,836	39,967,271	35,500,024	30,722,945	29,371,120
Taxes	4,585,542	4,120,705	3,390,003	2,752,062	2,290,046
Net Profit after Tax for Shareholders	8,970,038	8,395,425	7,170,434	5,666,155	4,897,407
Cash Cost Of Dividends Paid	1,742,217	1,529,752	1,147,312	985,839	951,844
Net Dividend Cover	5.15	5.49	6.25	5.75	5.15
STATEMENT OF FINANCIAL POSITION DATA					
Number of issued & fully paid Capital	849,862	849,862	849,862	849,862	849,862
Working Capital	(5,974,963)	1,590,763	(444,083)	(5,333,686)	(7,947,954)
Net Property, Plant and Equipment	39,761,231	33,021,478	28,994,587	27,535,780	25,806,364
Stockholders' Equity	65,720,575	57,616,604	50,034,199	43,246,700	38,453,867
Assets	163,478,906	129,976,205	120,153,422	97,700,712	87,538,785
Liabilities	90,473,671	65,878,423	64,736,345	49,496,514	44,516,849
PER ORDINARY SHARE UNIT					
Net Profit	10.55	9.88	8.44	6.67	5.76
Stockholders' Equity	77.33	67.80	58.87	50.89	45.25
Dividends paid for Year	2.05	1.80	1.35	1.16	1.12

Social Distribution for the Company 2023

We present below a statement of the Social Distribution for the Company.

	2023
	$(000)
Revenue	44,048,122
VAT & Environmental Levy	6,735,572
Net Income on Investment	218,339
	51,002,033
<u>Utilised/Distributed as follows:</u>	
Operations: Production and Operating Cost	21,309,902
Employees: Salaries and Wages net of PAYE	5,750,091
Guyana Revenue Authority: Excise Tax, Corporate Taxes, VAT, Environmental Levy and PAYE	15,706,276
Shareholders: Dividend & Shareholders' Relation	1,849,013
Future: Retained for Company's Future	6,386,751
	51,002,033

Operations	42%
To Employees	11%
To Guyana Revenue Authority	31%
To Shareholders	4%
Retained for the Future	12%

Procedure for Transfer of Shares

1. (a) A Shareholder (Transferor) who wishes to transfer his/her shares should call at our Registered Office with the relevant share certificate(s) and proper identification together with a proof of address.

    The person(s) [Transferee(s)] to whom the share(s) is (are) to be transferred is (are) also required to call at our Registered Office with the proper identification together with a proof of address.

    (b) Our Share Registrar will assist in completing the Transfer Form(s) which must be signed by the Transferor and Transferee.

    (c) In the case where the parties are unable to come into our Registered Office, the Share Transfer Form must be completed and signed by both the Transferor and Transferee in the presence of and attested to by a Notary Public or Justice of the Peace or Commissioner of Oaths to Affidavits.

    (d) Our Shares Office will advise on the stamp duty and the cost of the stamps for the new certificate(s) as well as the transfer fee payable.

    (e) In the event a shareholder does not have the share certificate(s), then the loss of the share certificate(s) will have to be advertised in the newspapers at the shareholder's expense. The shareholder will also be required to submit an Affidavit, sign a Form of Indemnity and pay the relevant stamp duty.

    (f) The legal personal representative of a deceased shareholder can have the shares of the deceased transferred by submitting to our Shares Registrar the share certificate(s) along with the original or certified copy of Letters of Administration/Probate of the Estate with the Will and Statement of Assets and Liabilities attached (where applicable).

2. If at anytime you change your address or wish to revoke a standing instruction given to our Registered Office, please inform us in writing.

3. A dividend cheque that is more than six months old from the date it was issued, can be reissued at our Registered Office at Thirst Park.

4. A lost or misplaced dividend cheque should be communicated to our Registered Office so that a 'stop-payment' can be effected. The fee for the 'stop-payment' has to be paid by the shareholder and a new dividend cheque will be issued for payment after six weeks have elapsed.

5. Shareholders can register for a Web Account by visiting the company's website at www.banksdih.com. Click on Web Account under Services and get your personalised account which will enable you to make online dividend enquiries and monitor your shareholding.

Notes

Freshness IS DOMESTIC

Proxy Form

$10.00
Revenue
Stamp

The undersigned shareholder of Banks DIH Limited hereby appoints

(Mr./Mrs.)____

of (address)____

or failing him/her(Mr./Mrs.)____

of (address)____

as nominee of the undersigned to attend and act for the undersigned and on behalf of the undersigned at the 68th Annual General Meeting of the said Company to be held on January 27, 2024 and at any adjournments thereof in the same manner, to the same extent and with the same powers as if the undersigned were present at the said meeting or such adjournments thereof.

Dated this day of 2024

To be valid, this proxy form must be completed and deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting. (Note: Saturdays and Public Holidays are to be excluded when determining the forty-eight hour period.)

....	....
Signature of Shareholder	**Signature of Shareholder**
....	....
Printed Name of Shareholder	**Printed Name of Shareholder**

Notes

Shareholder's Questionnaire

December 04, 2023

Dear Shareholder,

I shall be glad to welcome you to the 68th Annual General Meeting on Saturday, 27 January, 2024 at Thirst Park, Ruimveldt at 5.00 p.m. (17:00 hours), and be pleased to answer any question you may care to ask. If you have a question, I would appreciate if you would write it on the form provided below, and mail it to me as soon as possible (at least 7 days before the meeting).

If you fail to mail it, you can bring it along to the meeting and hand it to one of our Ushers on arrival.

I will endeavour to answer all questions at the meeting, especially those which have been mailed in, but if your question is not answered at the meeting, I will send you a written answer afterwards.

Yours sincerely,

C. B. Reis, C.C.H.,
Chairman/Managing Director

Shareholder's Question Form

Name of Shareholder: --

Address: --

Question: --

Cross out the one	**(You may mention my name)**
which does not apply	**(Please do not mention my name)**
be addressed to:	**The Chairman**
	Banks DIH Limited
	P. O. Box 10194
	Thirst Park, Georgetown

Notes

THIRST PARK, GEORGETOWN, GUYANA, P.O. BOX 10194 • TEL: 592-225-0910 • FAX: 592-226-6523