

2023



**nbs** THE NEW BUILDING SOCIETY LIMITED  
**ANNUAL REPORT**



**NBS applauds  
His Excellency, the President,  
Dr Mohamed Irfaan Ali  
and his Administration for the  
ongoing infrastructure works  
across Guyana.**



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# MISSION STATEMENT

To provide our Members with the very best Mortgage and Savings products through a large network of branches, modern technology and a disciplined, affable and well trained staff and to uphold our social responsibilities through involvement in worthwhile community projects.

## BUSINESS OBJECTIVES

1.

To provide a broad range of Mortgage and Savings products through a wide network of branches.

2.

To provide independent financial advice on products offered.

3.

To practice prudent management to ensure financial stability.

4.

To provide excellent customer service using modern technology and a highly efficient and disciplined staff.

5.

To provide employees with very favourable working conditions thereby enhancing their personal growth and development.

6.

To be a respected and appreciated corporate citizen.


# NOTICE OF MEETING

Notice is hereby given that the Eighty-fourth Annual General Meeting of the Members of the New Building Society Limited will be held **at 10:30 hours on Saturday, 13<sup>th</sup> April, 2024** at the Society's Chief Office at Lot 1 North Road & Avenue of the Republic, Georgetown.

## AGENDA

1. To receive the Financial Statements and the Reports of the Directors and Auditors for the year ended 31<sup>st</sup> December, 2023 and matters arising thereafter.
2. To elect Directors in accordance with Rule 47(1). The Directors retiring by rotation are Dr. Nanda K. Gopaul and Mr. Seepaul Narine who being eligible, offer themselves for re-election - Rule 47(2).
3. To fix the remuneration of the Directors for the year 2024.
4. To appoint Auditors for the year 2024.
5. To fix the remuneration of the Auditors for the year 2024.
6. To approve the sum of **eight million dollars (\$8,000,000)** for donations to Charity and for Educational purposes for the year 2024.
7. To transact any other business of which due notice shall have been given in accordance with Rule 36.

By Order of the Board,



Anil Kishun  
CEO/Director/Secretary  
15<sup>th</sup> March, 2024

### **Please Note:**

- **Only Members holding at least one of the following Accounts are entitled to attend the meeting –**  
**Save & Prosper Accounts - minimum balance \$1,000:**  
**Five Dollar Share Accounts - minimum balance \$1,000:**
- **Only first named Members** holding any of the Accounts mentioned above will be allowed entry.
- A proxy need not be a member of the Society. A Member may uplift one proxy form from any of the Society's Offices and the form must be returned no later than 14:00 hours on **Friday, 5<sup>th</sup> April, 2024.**
- Any Company which is a Member of the Society may by resolution of its Directors authorize such person as it thinks fit to act as its representative at the meeting.
- Please bring your **Passbook and some form of Identification** to gain entry to the Meeting.
- Please be advised that COVID-19 Protocols are encouraged.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Dr. Nanda K. Gopaul - Chairman  
Chandrawati Ramson - Vice-Chairman  
Floyd Mc Donald  
Seepaul Narine  
Kalyan Tiwari  
Walter R. Persaud  
Anil Kishun - CEO/Director/Secretary

## CHIEF OFFICE

1 North Road & Avenue of the Republic  
Georgetown, Guyana.  
Tel: 227-4444. Fax: 225-0832  
Website: [www.nbsgy.com](http://www.nbsgy.com)  
Email: [nbsltd@networksgy.com](mailto:nbsltd@networksgy.com)

## BRANCHES

### New Amsterdam

15-16 New St., New Amsterdam,  
Berbice. Guyana.  
Tel: 333-2157, 2893, 5024. Fax: 333-5642

### Rosignol

196 Section 'A', Rosignol,  
West Coast Berbice, Guyana.  
Tel: 330-2341. Fax: 330-2268

### Corriverton

31 No. 78 Village, Corriverton,  
Corentyne, Berbice, Guyana.  
Tel: 335-3239. Fax: 335-3344

### Rosehall

26 B Public Road, Williamsburg,  
Corentyne, Berbice, Guyana.  
Tel: 322-5035. Fax: 322-5036

### Mackenzie

34 A Republic Avenue, Mackenzie,  
Linden, Guyana.  
Tel: 444-6543. Fax: 444-6066

### Essequibo

29 Henrietta,  
Essequibo Coast, Guyana.  
Tel: 771-4956. Fax: 771-4954

## ATTORNEY-AT-LAW

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

## BANKERS

**Bank of Nova Scotia**  
104 Carmichael Street,  
North Cummingsburg,  
Georgetown, Guyana.

### Republic Bank (Guyana) Limited

38-40 Water Street, Robbstown,  
Georgetown, Guyana.

### Bank of Baroda (Guyana) Inc.

10 Avenue of the Republic, Robbstown,  
Georgetown, Guyana.

### Guyana Bank for Trade & Industry Limited

47-48 Water Street, Robbstown,  
Georgetown, Guyana.

### Demerara Bank Limited

230 Camp & South Streets, North C/burg,  
Georgetown, Guyana.

### Citizens Bank Guyana Inc.

231-233 Camp Street & South Road.  
Lacytown, Georgetown, Guyana.

## AUDITORS

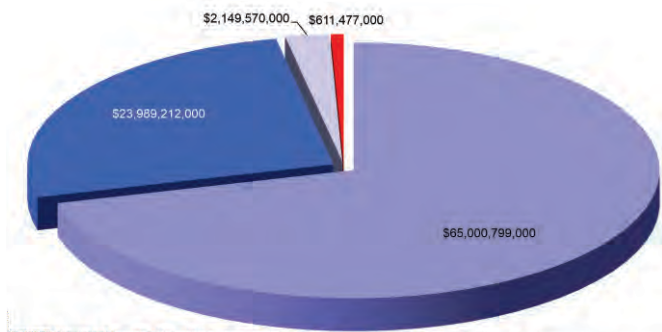
**Maurice Soloman & Company**  
92 Oronoque Street, Queenstown,  
Georgetown, Guyana.  
Tel: 227-5568. Fax: 227-5564

# FIVE-YEAR STATISTICAL INFORMATION (2019 - 2023)

DESCRIPTION	2019 \$M	2020 \$M	2021 \$M	2022 \$M	2023 \$M
PROFIT	1,026	1,072	916	932	680
TOTAL ASSETS	67,597	72,345	77,146	81,788	91,319
TOTAL MORTGAGE BALANCE	41,496	42,273	43,821	50,179	65,001
INVESTMENTS	21,664	25,608	29,026	27,151	20,727
TOTAL SAVINGS BALANCE	50,780	54,404	58,309	61,976	70,779
RESERVES	16,720	17,787	18,710	19,694	20,401
MORTGAGE LOANS DISBURSED FOR YEAR	4,827	3,483	4,933	9,761	19,131

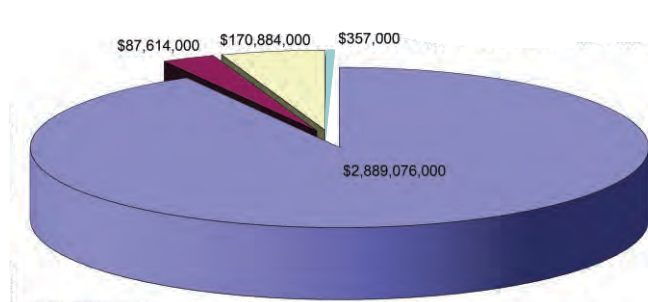
## FINANCIAL HIGHLIGHTS

Asset Composition - 31st December 2023



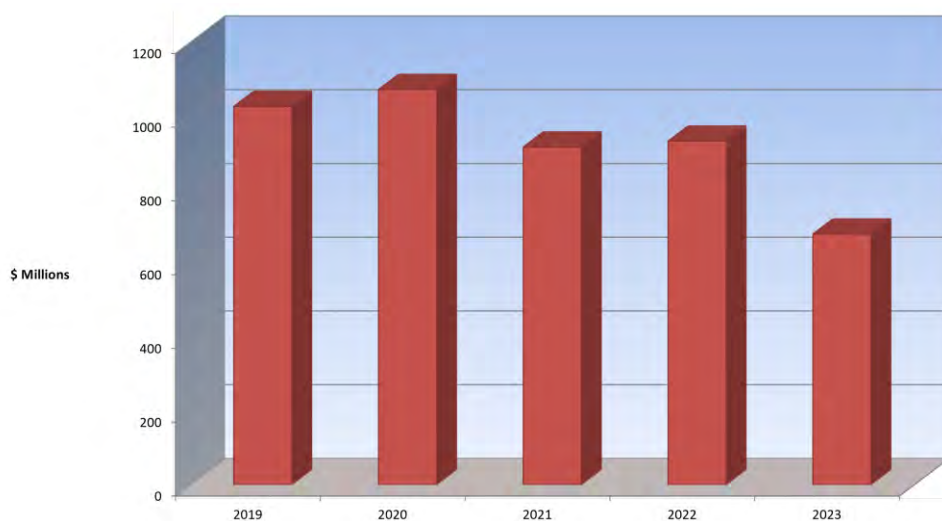
- Loan Assets
- Investments and Cash
- Fixed Assets
- Other Assets

Income Distribution 2023



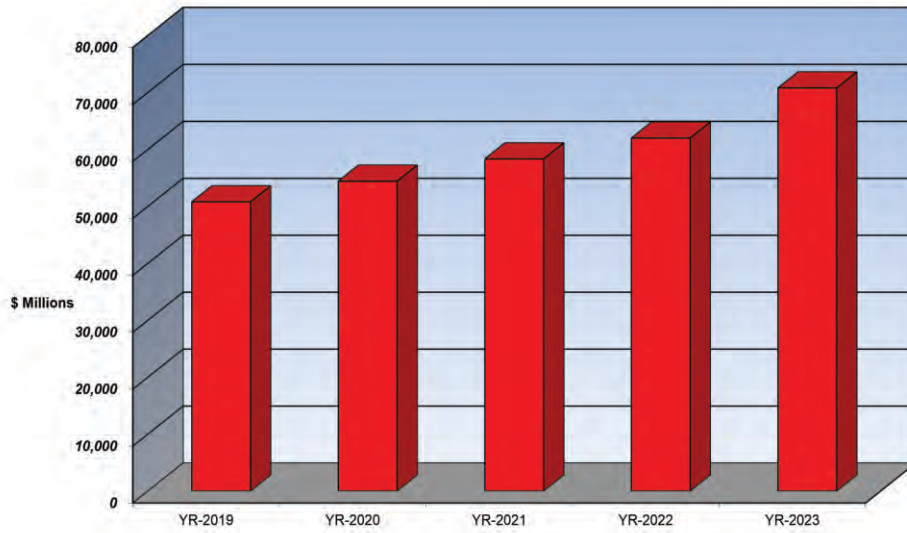
- Loan Assets
- Investments
- Cash Resources
- Other Income

## PROFITABILITY - 2019-2023

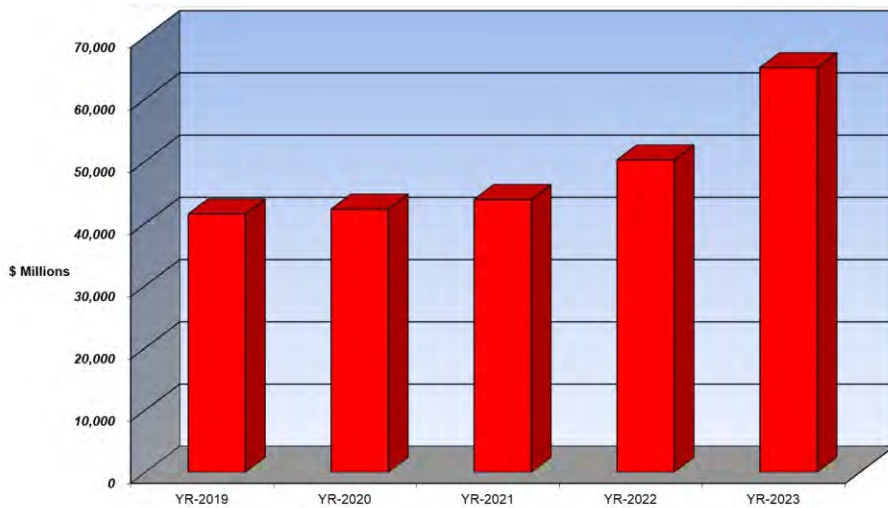


# FINANCIAL HIGHLIGHTS (Cont'd)

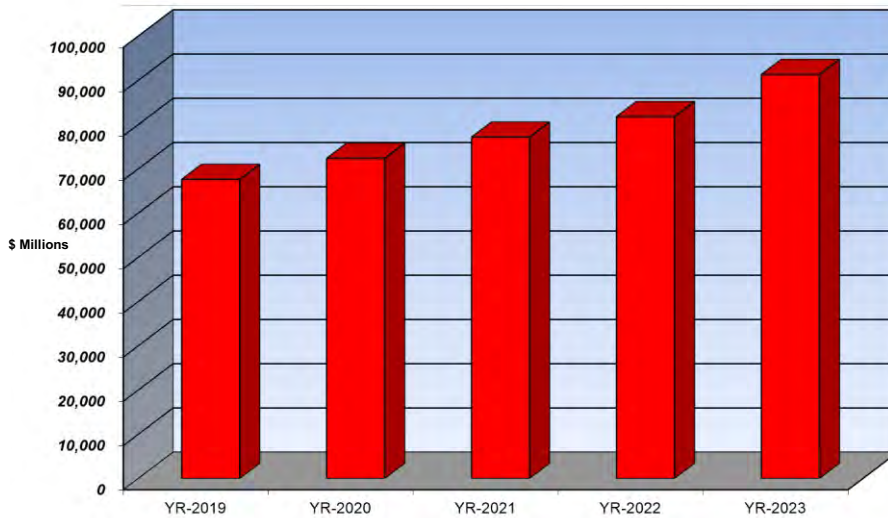
## SAVINGS GROWTH -2019-2023



## MORTGAGE GROWTH 2019-2023



## ASSET GROWTH 2019-2023





# CHAIRMAN'S REPORT

“

**Total Assets grew by 12% to \$91.3B in 2023 when compared with 2022 which was \$81.8B.**

”



As we commemorate the 84<sup>th</sup> Anniversary of the New Building Society, I am pleased to announce on behalf of the Board of Directors that the Society recorded a profit of \$680M for the year ended 2023 (2022- \$932M).

It has been a year of both challenges and successes however; the Society sustained its strong financial performance as we pursued our concept of mutuality and strove to balance the needs of our savers and borrowers in the growing competitive financial sector in Guyana. The prevailing economic boom in the housing sector, has allowed the New Building Society to deliver a commendable financial performance maintaining a robust balance sheet, strong capital and liquidity positions which were well above the statutory requirements.

Throughout the year 2023, the Society steadfastly focused on supporting our valued members having recognized the continued impact of the COVID-19 pandemic on their livelihoods. In 2022, following discussions with His Excellency President Dr. Mohamed Irfaan Ali the Society took a conscious decision to drop interest rates to the lowest ever in its history bringing our lending rates as low as 3.5 percent. We made these lower rates available to all our borrowers currently holding mortgages with the Society. As a consequence, our mortgagors would have benefitted from

# CHAIRMAN'S REPORT

interest rebate in the sum of approximately \$800M for 2022 and \$850M for 2023. We have also allowed our savers to earn the highest rate of 2.75% in the banking industry.

The Directors continue to maintain strong governance and strategic focus on maintaining financial resilience while adhering to regulatory guidelines. As such, the Society is positioned to take advantage of emerging opportunities as we continue to grow our mortgage business alongside the Government of Guyana's housing drive. For the year 2023 we have disbursed in excess of \$19B to approximately 2,300 borrowers which are the single year highest in the Society's history.

## ECONOMIC REVIEW

*The World Bank Global Economic Prospects Report (January 2024)*, notes that the global economy is still in a vulnerable state due to heightened geopolitical tensions, the battle against consistently high inflation and adverse weather conditions which persistently threaten the global economy.

These factors have slowed post-pandemic recovery efforts and placed a significant burden on global growth in 2023. In light of these factors, *The International Monetary Fund World Economic Outlook (WEO) Report (January 2024)*, predicted global growth to be approximately 3% in 2023 and moderate to 3.1% in 2024.

According to the *World Bank Global Economic Prospects Report (January 2024)*, despite expectations of growth in some emerging market and developing economies (EMDEs) in 2024, slower rates of GDP growth are expected in China, Europe and South and Central Asia resulting in a slight decline from 4.0% in 2023 to 3.9% in 2024. East Asia and Pacific will moderate down from 5.1% to 4.5%, China from 5.2% to 4.5%, Europe and Central Asia 2.7% to 2.4% from 2023 compared to projections for 2024. The United States is also predicted to experience downward growth from 2.5% in 2023 to 1.6% in 2024. However, we in Guyana can be proud of our economic forecast.

During his presentation of the 2024 National Budget, Dr. Ashni Singh, M.P., Senior Minister in the Office of the President with responsibility for Finance reported that Guyana experienced real GDP growth of approximately 33% during 2023. This growth can be attributed largely to the oil and gas sector, however, the non-oil sector expanded by 11.7 % during 2023.

The Minister added that the oil and gas sector grew by an estimated 45.9% in 2023 producing 142.9 million barrels compared to 101.4 million barrels in 2022. The Minister noted that growth was also recorded in the agriculture, forestry, fishing, manufacturing, construction, sugar, rice, other crops, mining and quarrying sectors and subsectors. However, both the gold and bauxite mining industries recorded decline in 2023.

## FINANCIAL RESULTS

The Society's financial performance during the year 2023 reflect resilience despite the ongoing impact of the pandemic having recorded a profit of \$680M for the year just ended underlining the confidence of our members and other stakeholders. The Board of Directors, as stewards of our member's funds continue to exhibit prudence and constantly monitors key performance indicators including but not limited to the following: investments, liquid assets, mortgages, non-performing loans, administrative expenses and profit to ensure the Society's long-term sustainability.

The principal activities of the New Building Society remain the provision of the most competitive interest rates for our savers and mortgagors alike.

The Society will continue to monitor changes in the regulatory environment and also take all the necessary steps to continue compliance with the Anti Money Laundering and Countering the Financing of Terrorism Act of Guyana, as amended.

## REVENUE

Interest income for 2023 was \$3.1B compared to \$2.9B in 2022. Earnings on loan assets for 2023 were 92% of the total interest income (2022 - 89%).

## ASSETS

Total Assets grew by 12% to \$91.3B in 2023 when compared with 2022 which was \$81.8B.

## SAVINGS

The Society's Savings Portfolio as of December 31, 2023, was \$70.8B representing an increase of 14% when compared with 2022 which was \$62B.

## MORTGAGES

The number of mortgagors at the end of 2023 was 11,059 with a portfolio balance of \$64.6B (2022 - 10,002 mortgagors with a portfolio balance of \$49.6B), representing a magnificent increase of 30%.

Our mortgage business increased in 2023 as a result of the government's accelerated housing program and the housing market's recovery from the COVID-19 epidemic. Additionally, with continuous repayment deferrals and the granting of moratoria, the Society continued to assist mortgagors whose earnings were negatively impacted by the COVID-19 epidemic in 2023. In parallel, the Board monitored and managed our risks related to non-performing loans, which have increased over the past few years and are a problem that not just the New Building Society, but also other financial sector operators have to deal with.

The Society's lending guidelines are designed to safeguard members' funds while enabling borrowers to become homeowners.

## COMPLIANCE

Compliance is central to the Society's values and behaviors and as such, we continue to adhere to all aspects of the legal and regulatory frameworks locally, regionally and internationally, especially the Anti-Money Laundering and Countering the Financing of Terrorism regulations inclusive of all amendments.

## CORPORATE SOCIAL RESPONSIBILITY

The Society's commitment to corporate social responsibility is reflected in our assurance to continue to support educational and charitable organizations in many communities, inclusive of where we live and work. To this end, the New Building Society has a donation initiative on a monthly, quarterly, annual or ad-hoc basis where we exclusively sponsored several charitable, educational and sports-related projects over the years. In addition, the Society ensures that all customers and staff members are treated fairly during its daily operations. Our total donation including sports sponsorship amounted to \$5.3M was made to 110 entities.

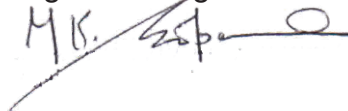
## OUTLOOK TO THE FUTURE

Looking ahead, the Society remains optimistic with Guyana poised for continued growth and development especially in the oil and gas and construction sectors. We the directors remain committed to advancing the housing drive and supporting our members as they seek to own their homes. The Society remains focused on achieving our strategic goals and sustaining our financial performance and growth whilst at the same time delivering excellent customer services to our valued mortgagors and depositors, and at the same time supporting our hard working members of staff and the wider community.

## ACKNOWLEDGMENT

On behalf of the Board of Directors I extend heartfelt gratitude to the CEO, the management team and dedicated employees for their unwavering commitment and hard work. I would also like to express sincere appreciation to our members and borrowers for their continued loyalty and faith in the Society.

In closing, I am confident that with our collective efforts and determination, the New Building Society will continue to move to greater heights for the foreseeable future.



.....  
Dr. Nanda K. Gopaul

# BOARD OF DIRECTORS



**Dr. Nanda K. Gopaul**  
Chairman



**Chandrawati Ramson**  
Vice Chairman



**Floyd Mc Donald**  
Director

# BOARD OF DIRECTORS



**Seepaul Narine**  
Director



**Kalyan Tiwari**  
Director



**Walter R. Persaud**  
Director



**Anil Kishun**  
CEO/Director/Secretary

# CEO/DIRECTOR/SECRETARY'S REPORT



“

**The Society disbursed \$19B for 2023 as compared to \$9.3B in the 2022 in new mortgage loans**

”

It is with great pride and gratitude that I report yet another year of excellent growth and achievement which was as a result of our remarkable increase in mortgage business. Our commitment, hard work and the policies of the Government in ensuring the fulfillment of their housing mandate set the tone for this increase in mortgage business. While the global environment continues to be affected by the Ukraine-Russia and Israel-Palestine conflicts, they did not significantly affect our local economic and business environments as we maintained the growth trends despite the contraction during the Covid-19 pandemic. This growth trend and stable macroeconomic environment were as a result of the sound fiscal policies adopted by the Government.

The Society's mutual concept of providing a high rate of return and a safe and secure home for our Members' Savings while simultaneously offering low interest rates on secured Residential Mortgages has directly increased home ownership and the Society being able to record a sustainable profit of \$680M for the year 2023. Our sustainable profit supports our unwavering commitment to both our Savers and Mortgagors and continues to be our main strategic objective.

For 2023, the Society has also exceeded the targets for its core products.

These targets measure our financial performance and are based on what matters the most to us, our Savers and Mortgagors, and is achieved by providing excellent customer service, maintaining long term value and preserving our robust financial strength.

NBS' primary objective has always been to increase home ownership and equally important too, by helping our members to save for the future and grow their wealth thereby creating the foundation for individual financial security and wellbeing. In line with our mutual commitments, we strive to keep interest rates on Mortgages low while at the same time offering attractive rates for Savings to support our customers' growth giving them value now and in the future.

We are proud of being one of the major Mortgage lending institutions in our industry. We continue to invest in developing our digital capabilities to meet customers' needs in a fast-changing digital business environment. During the year a new digital mortgage tool was developed, tested and implemented to enhance our efficiency in mortgage processing.

## Economy Review

The International Monetary Fund (IMF) has reported that Global Growth remains low and uneven due to the Covid-19 pandemic and the Russia-Ukraine conflict and it is expected to slow from 3.5% in 2022 to 3.0 % in 2023. This reduction is affected by several forces at work including increased geo-economics fragmentation and other cyclic economic policies like monetary tightening to reduce inflation.

As highlighted in the 2024 Budget Speech by the Finance Minister for the year 2023, the local economy is expected to register a growth in Gross Domestic Product (GDP) of 33%, with Non-Oil GDP making up 11.7% of this GDP growth. This expansion of the economy is largely attributed to the continued growth in the oil and gas activity.

## Financial Results

The reduced profit recorded by the Society in 2023 was mainly due to the reduction of our Mortgage rates which supported the Government's aggressive housing drive that has significantly increased the numbers of homeowners.

## Revenue

Our financial performance was in line with our expectations, as a result of our strong Mortgage performance. Mortgage revenue for 2023 was \$2.9B or 92% of Total Revenue of \$3.1B as compared to \$2.6B or 89% of \$2.9B Total Revenue for 2022.

Cash resources the other area of our investments was \$259M for 2023, as compared to \$312M for 2022. The return of 1% on liquid assets has remained consistent over the years on Cash resources which totaled \$24.0B and represents 26% of our Total Assets for the year 2023.

## Assets

Total Assets have increased by 12% to \$91.3B as at 31st December 2023 (2022: \$81.7B). The Asset Growth was predominately due to an increase in our

Investor's Balance of \$8.8B. The strong growth in our Savings is supported by our high Savings interest rate that provides our Savers with premium financial benefits.

## Savings

The Society's Savers are one of the most important components of our business model. As a mutual organization the Society is required to fund the majority of its mortgage lending through Savers' Deposits. Our Savers' Balance was \$70.1B or 77% of our Total Assets as at end of 2023 and had recorded growth of 14% moving from \$60.2B as of 2022. The New Building Society's strategic investment policy which primarily focuses on Mortgage lending, supports a competitive Savings Interest rate. Interest Expense for 2023 was \$1.4B or 45% of Total Revenue, a strategic commitment to ensure our members have a significant share of the Revenues. To compliment this, our customers' service delivery system is continuously improving to ensure we provide a high-quality customer experience.

## Mortgage

The Society's Mortgage lending strategy is based on the provision of affordable mortgage interest rates. One of the Society's strategic purposes and roles, as a mutual organization, is to support home ownership. In addition to the core residential mortgage market, a significant aspect of our mortgage lending for 2023 was provided to first time homeowners through the Government's housing drive. The Society disbursed \$19B for 2023 as compared to \$9.3B in the 2022 in new mortgage loans and registered approximately 2,300 Mortgages through the Courts. Our Mortgage Assets grew by 30% (12%:2022) to \$64.6B (\$49.6B:2022) and currently there exist a strong prospect of new businesses for 2024.

The Covid-19 recovery has resulted in Arrears continuing to decrease. Non-performing loans moved from 7.7% as at the end of 2022 to 3.97%. This reduction was also supported by the Society lowering its Mortgage interest rates which consequently led to reduced Mortgage repayments, and further eased the financial constraint of our mortgagors.

## Liquidity

The Society's Liquid Assets comprise Cash and Investments that are easily converted to Cash. Our Policy ensures liquidity is optimized and is of appropriate quality to meet our financial obligations as they fall due, under both normal and stressed scenarios. During 2023, NBS' Liquid Assets decreased to \$24.0B (2022: \$29.3B) and is 34% of (2022: 47%) of Members' funds and 26%(2022: 35%) of Total Assets. This decrease was due to the Society increasing its investment in Mortgages and lower overall earnings on Assets.

## Capital Adequacy Ratio

The preservation of Capital enables us to protect our members and, sustain the future of our business. Our Equity Ratio remains strong. The General Reserve is 22% of Total Assets which is considerably above the regulatory requirement.

## CUSTOMER FOCUS

As a mutual business, our model operates primarily around our Members and Mortgagors. This model guides us to develop and deliver quality Savings solutions that seek to provide a fair return on Savings Deposits, which in return enables us to support the investments in Mortgages with competitive interest rates and increase the stock of new home ownership and growth of our Assets base. This growth is complimented with continued improvements of our IT infrastructure to better serve our customers. Additionally, the Society has made it more convenient for our customers by enabling them to make their Mortgage payments using MMG (Mobile Money Guyana Inc.). These strategies have significantly built our brand values and membership benefits and have helped us to modernize as we adapted to a changing business environment. As part of our Corporate Plan the Society will constantly evaluate our business environment to adopt any strategies that will help us better serve our Customers and increase our business activities to achieve sustainable and profitable growth.

## EMPLOYEES

The Society is committed to continuously improving our working environment for our members of staff. This strategy is driven

through a focus on well-being, inclusion and in supporting personal development and a sense of belonging of our employees. The well-being of our colleagues helps us to be motivated to do much more to improve themselves and enhance our customer service to help build a financially resilient Society for Savers and to help people buy and remain in their homes. We understand that our employees are the key to us offering better customer service and for us to achieve our strategic goals. We are always committed to ensuring that our work environment and culture complement our procedures.

During the year, we have continuously reviewed our digital environment to make improvements and changes to modernize and simplify our procedures that will enable our staff to execute their duties expeditiously, further reducing customers' reaction time.

## OUT LOOK TO THE FUTURE

The continued positive impact from our members and our business environment has resulted in the Society being able achieve our budgeted targets. We will continue to work hard to provide the best service and products to our members. The year 2023 was an excellent year where both Savings and Mortgages recorded significant growth. The Society will continue to move forward, evolve and invest to the benefit of all our stakeholders. Going forward we will execute our strategy with continued focus on both our Savings and Mortgage business. We will continue with our plans to simplify and digitize to help us to fuse technology with the high service standards we already offer.

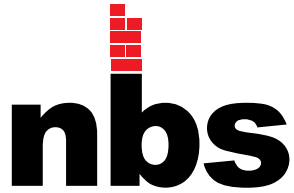
## ACKNOWLEDGEMENT

I am once again sincerely grateful to the entire Board of Directors, Management and Staff members for their continued support. Also, we are grateful for the trust that our members and stakeholders have placed in the Society. It is a responsibility that we do not take lightly or for granted.



Anil Kishun  
CEO/Director/Secretary  
15<sup>th</sup> March, 2024





NBS provides loans for various categories of income earners. These are houses completed with funding from the Society.



**Higher Income Residence**



**Middle Income Residence**



**Low Income Residence**

# MANAGEMENT TEAM



**Anil Beharry**  
Assistant Secretary



**Savitri Samaroo**  
Operations Manager



**David Gir**  
Manager-Information Technology



**Noel Fernandes**  
Assistant Operations Manager



**Rana Persaud**  
Manager - Berbice Operations



**Simone Mohanlall**  
Assistant Mortgage Manager



**Nandanie Lallbeharry**  
Assistant Mortgage Manager

# MANAGEMENT TEAM



**Sewchan Raghunandan**  
Branch Manager - Essequibo



**Subrena Budhoo**  
Branch Manager - Rosehall



**Gleniss Ramsahoi**  
Branch Manager - Mackenzie



**Sarojne Ramdat**  
Branch Manager - Corriverton



**Guwantie Hiralall**  
Branch Manager - Rosignol



**Khemraj Udit**  
Manager-Internal Audit



**Latchmi Beepat**  
Human Resource Officer

# REPORT OF THE DIRECTORS

For the year ended December 31, 2023

The Directors are pleased to present the 84<sup>th</sup> Annual Report together with the audited Financial Statements of the New Building Society Limited (NBS) for the year ended December 31, 2023.

## Principal Business Activities

The main aim of the New Building Society is to provide a broad range of quality Mortgage and Savings Products that are widely available from our network of Branches located across the Country. These products and services are delivered with quality, efficiency, courtesy and are reliably supported by our key values of fairness, honesty, corporate responsibility, employees' and customers' prioritization.

## Business Highlights:

Residential Mortgage Balances increased from \$50.2B in 2022 to \$65B at the end of the year 2023.

Investors Balances increased from \$62B in 2022 to \$70.8B in 2023.

## Financial Highlights

In the year 2023 NBS:-

	2023 \$ Millions	2022 \$ Millions	% Change
- Recorded a profit of	680	932	-27
- Increased Total Reserves to	20,401	19,694	+ 3.6
- Increased Assets under Management to	91,319	81,788	+ 11.7
- Provided New Advances to Mortgagors totaling	19,131	9,761	+ 96

## Mortgages:

As at December 31, 2023, there were 11,099 Mortgage Accounts totaling \$65,000M which represented 71.2% of our Total Assets (2022 – 10,036 Mortgage Accounts totaling \$50,179M or 61.4% of our Total Assets).

## Savings:

The value of net receipts for the year was \$8,803M (2022 - \$3,666). Our Total Investors' Balances as at December 31, 2023 amounted to \$70,779M (2022 - \$61,976M).

**Assets:**

Total Assets as at December 31, 2023 were \$91,319M (2022 - \$81,788M), representing an increase of approximately 11.7%. All changes in tangible fixed assets during the year are detailed in the Financial Statements. Liquid Assets in the form of Cash and Short Term Securities were \$23,927M and represented 34% of our Investors' Balances as at December 31, 2023 (2022 – \$29,316M – 47%).

**Charitable Donations:**

At the end of 2023, the Society made donations to several charitable and educational institutions in the communities across the country totaling \$5,334M.

**Employees:**

The New Building Society recognizes the important role employees' play in its continued growth and development and therefore continually trains, motivates and appropriately compensates them.

**Going Concern:**

The Directors are satisfied that the New Building Society has adequate resources to continue in business for the foreseeable future and it is therefore appropriate to adopt the going concern principle in preparing these Financial Statements.

**Directorate:**

In accordance with Rule 47(1), the Directors whose names are listed below, will retire after the 84<sup>th</sup> Annual General Meeting and are eligible for re-election.


- Dr. Nanda K. Gopaul

- Mr. Seepaul Narine

**Auditors:**

The Auditors Messrs. Maurice Solomon and Company will retire and are eligible for re-election.

By Order of the Board,



.....  
Anil Kishun  
CEO/Director/Secretary  
15<sup>th</sup> March, 2024

# REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE AND SUB COMMITTEES OF THE BOARD

The Board ensures the Society's long term sustainability for the good of our customers and members. We do this by formulating our strategy in order to ensure that we meet the needs of our customers, members and regulators, while remaining competitive and delivering our services adequately with a profit margin to help build our capital over the long term. The main role of the Board of Directors is to ensure that the Society is organized in such a manner to ensure that the financial statements, the management of its assets and the general financial affairs of the business are controlled in a satisfactory manner in keeping with generally accepted accounting standards and principles.

It is also responsible for the formulation of strategies, reviewing of business performance, overseeing the identification and management of risks, ensuring adherence to the relevant laws and regulations and ensuring that the required internal control systems are in place and aligned to our strategy. Years of successive growth and generation of profits are testament to the success and effectiveness of the policies of the Board and their implementation by Management.

The Directors of the Society are committed to best practices in corporate governance and are dedicated to the principles of good corporate governance in order to achieve the highest level of integrity and enhanced stakeholders' value.

In addition to attending Board meetings, Directors are required to serve on one or more of the following Sub Committees which meet on a quarterly basis:-

### ROLE OF THE SUB COMMITTEES OF THE BOARD

Sub Committees are chaired by Non-Executive Directors and consist primarily of Non-Executive Directors.

### AUDIT AND COMPLIANCE SUB COMMITTEE

The Audit and Compliance Sub Committee ensures the adequacy of controls and judgments made in financial reporting and regulatory compliance and assesses the effectiveness of the internal audit and compliance units. The Committee reviews the Terms of Reference of our External Auditors and ensures their continued independence and effectiveness.

This Committee is also responsible for the effectiveness of the Society's AML/CFT framework and has an oversight role designed to ensure that there is compliance with all of the relevant laws and regulations. It also reviews the Society's' AML/CFT Policies to ensure that they are consistent with its business model.

Additionally, the Committee reviews the functionality of our internal control mechanism, risk management policies and ensures that observations and recommendations made by the internal and external auditors are addressed. It comprises of three Non-Executive Directors.

**Current Chair (Director): Mr. F. Mc. Donald**  
**Director: Mrs. C. Ramson**  
**Director: Mr. W. Persaud**

## **REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE (CONT'D)**

### **HUMAN RESOURCES SUB COMMITTEE**

The Human Resources Sub Committee comprising of three Non-Executive Directors discusses and makes proposals to the Board on the Society's organizational structure, employees' compensation and employment policies and procedures. The appointment of key management personnel is approved by this Committee prior to deliberations by the full Board.

**Current Chair (Director): Mr. S. Narine**  
**Director: Mr. F. Mc Donald**  
**Director: Mrs. C. Ramson**  
**Director: Mr. W. Persaud**

### **PENSIONS SUB COMMITTEE**

The Pensions Sub Committee comprising of three Non-Executive Directors addresses matters related to the management of the Society's defined benefit pension scheme.

**Current Chair (Director): Mr. S. Narine**  
**Director: Mrs. C. Ramson**  
**Director: Mr. W. Persaud**

### **FINANCE SUB COMMITTEE**

The Finance Sub Committee considers the external and internal environment of the Society and assesses the opportunities for investment along with the associated inherent risks thereof as part of its strategy to ensure the soundness of such investments. The Committee also reviews the performance of the Society against its budget and addresses issues relating to any shortfalls or cost overruns. It comprises of three Non-Executive Directors.

**Current Chair (Director): Mr. F. Mc Donald**  
**Director: Mr. K. Tiwari**  
**Director: Mr. W. Persaud**

### **ASSETS AND LIABILITIES SUB COMMITTEE**

The Assets and Liabilities Sub Committee monitors market trends and fluctuations in interest rates and considers how these factors will influence investment. The Committee also reviews significant financial risk exposures facing the Society generally and more specifically in the area of investments. It also monitors the performance of the Society against its budgeted targets and addresses issues relating to any shortfalls. It comprises of three Non-Executive Directors.

**Current Chair (Director): Mr. F. Mc Donald**  
**Director: Mr. K. Tiwari**  
**Director: Mr. W. Persaud**

## **REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE (CONT'D)**

### **LOANS SUB COMMITTEE**

The Loans Sub Committee which comprises of three Non-Executive Directors is guided by a clearly defined lending policy as approved by the Board. The Committee pays particular attention to the risks relating to lending and assesses our Debt Recovery Management Systems for adequacy and compliance.

**Current Chair (Director): Mr. F. Mc Donald**

**Director: Mr. K. Tiwari**

**Director: Mrs. C. Ramson**

### **INFORMATION TECHNOLOGY (IT) SUB COMMITTEE**

This Sub Committee is tasked with reviewing the Information Technology policies of the Society to mitigate against any potential or real operational risks due to technological failures of the Society which may render it not being able to effectively carry out its day to day operations.

**Current Chair (Director):**

**Director: Dr. N.K. Gopaul**

**Director: Mr. K. Tiwari**

**Director: Mr. W. Persaud**

**Executives and Senior Managers are required to attend meetings of the Sub Committees depending on the nature and functions of each Sub Committee.**

### **DIRECTORS' RESPONSIBILITIES FOR ACCOUNTING RECORDS AND INTERNAL CONTROLS**

The Directors have general responsibility for safeguarding the assets of the Society and for taking reasonable steps to enable the prevention and detection of fraud and other irregularities.

The Directors are also responsible for ensuring that the Society:

- Keeps accounting records in accordance with the New Building Society (Amendment) Act 2010, the Financial Institution Act 1995, the Anti Money Laundering & Countering the Financing of Terrorism Act 2009 as amended and International Financial Reporting Standards.
- Takes reasonable care to establish, maintain, document and review such systems and internal controls as are appropriate to its business in accordance with the Financial Institutions Act 1995, along with recommendations and guidelines that may be issued by the Bank of Guyana.



## **REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE (CONT'D)**

### **BUSINESS OBJECTIVES AND ACTIVITIES**

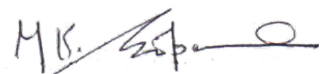
The Society's business objectives and principal activities are to provide the best savings products and to promote home ownership.

The Board pays continuous attention to the financial market having regard to the provision of attractive rates of interest for investors and mortgagors. We endeavour to continue offering affordable financing for home-building and provide excellent returns to our investors in a safe and secure environment.

Each mortgage or advance granted by the Society is certified by at least one Director, and is subsequently approved by the full Board.

The Society has established ethical rules and policies to ensure that the affairs of our customers and members remain confidential. We promote a culture of zero tolerance against discrimination of all forms. We strive to resolve all issues communicated to us in writing or orally by our customers and members, in a timely and efficient manner.

### **On behalf of the Board of Directors**



.....  
**Dr. Nanda K. Gopaul**  
**Chairman**  
**15<sup>th</sup> March, 2024**

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NEW BUILDING SOCIETY LIMITED

MSC 11/2024

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of The New Building Society Limited which comprise the Statement of Financial Position as at 31 December 2023, the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 32 to 64.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), The New Building Society Act 1940, as amended, the Financial Institutions Act 1995, as amended, the Anti-Money Laundering & Countering the Financing of Terrorism Act 2009 & Regulations 2010, as amended, Deposit Insurance Act No. 15 of 2018 and Credit Reporting Act No. 9 of 2010, as amended.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. The key audit matter noted hereunder was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Key Audit Matters	How our audit procedures addressed the key audit matter
<b>Impairment Provision for Loans and Mortgages</b> The Society has mortgages outstanding of \$64.5 billion, or 71% of total asset net of provision as referred to in note 6.	

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NEW BUILDING SOCIETY LIMITED

The Society adopted the accounting standard IFRS 9 'Financial instruments' during the financial year. The standard introduces new requirements around two main aspects of how financial instruments are treated – measurement and classification and impairment.

IFRS 9 introduces a new classification and measurement approach for financial assets that reflects the business model in which the financial assets are managed and the underlying cashflow characteristics. IFRS 9 contains three principal classification categories for financial assets:

- Measured at amortised cost,
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit and loss (FVPL).

IFRS 9 introduces new impairment rules which prescribe a new forward looking expected credit loss ('ECL') impairment model which takes into account reasonable and supportable forward looking information which will generally result in the earlier recognition of impairment provisions.

We have focused on this area, because there are a number of significant judgments which management will need to determine as a result of the requirements in measuring ECL under IFRS 9:

- Determining the criteria for a significant increase in credit risk;
- Techniques used to determine probability of default (PDs) and loss given default (LGD); and
- Factoring in possible future economic scenarios.

These judgments have required new models to be built and implemented to measure the expected credit losses on loans and investments. Management engaged a credit modeler expert to assist in the more complex aspects of the expected credit loss model.

With respect to the measurement and classification of the financial assets and liabilities, we read the relevant accounting policies adopted by the Society and compared them to the requirements of IFRS 9.

We obtained an understanding of the Society's business model assessment and for a sample of instruments verified solely the inputs into payments of principal and interest test performed by the client with original contracts.

We tested the opening equity adjustments in relation to the adoption of the new standard's classification and measurement requirements.

With respect to the ECL model, our audit approach was as follows:

- We obtained the Society's impairment provisioning policies and compared them to the requirements of IFRS 9;
- We tested the ratings used in the ECL model for a sample of instruments. For investment, the Society made comparison to publically available data. For loans, source documents used in the Society's rating process were verified;
- For a sample of instruments, we tested whether the significant increase in credit risk and default definitions were appropriately applied and the resulting impact of this on the staging of the instruments.
- We tested the loss given default in the ECL calculation for a sample of instruments, including the value of collateral where appropriate.
- In assessing the reasonableness of the probability of default, we verified the critical data inputs into the vintage analysis against source documents.
- We tested the critical data fields used in the ECL model, such as origination date, date of maturity, credit rating, date of default if any, principal, interest rate, collateral type and value, by tracing data back to source documents.
- We tested the completeness of the amounts assessed for impairment on Financial Assets.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NEW BUILDING SOCIETY LIMITED

Key Audit Matters	How our audit procedures addresses the key audit matter
<p><b>Regulatory Environment</b> The Society operates in a highly regulated environment and non-compliance with laws and regulations, particularly the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Act of 2009, as amended could result in the Society facing penalties and other administrative sanctions by the Central Bank and Financial Intelligence Unit (FIU). The Compliance Officer is responsible for establishing various controls to ensure that the Society is AML/CFT compliant with governing regulations.</p>	<p>Our procedures in relation to this key audit matter included, but were not limited to, the following: We evaluated and tested the Society's internal controls with emphasis on compliance with AML/CFT policy. This includes:</p> <ul style="list-style-type: none"> <li>• A review of policy and procedures in place including of approval of those policies by those charged with governance.</li> <li>• Adequate training and refresher programmes for new and existing bank personnel including those charged with governance.</li> <li>• Testing of transactions to ensure AML/CFT requirements are carried out by bank personnel.</li> <li>• Reporting to Financial Intelligence Unit (FIU) are in conformity with the requirements of the AML/CFT Act of 2009, as amended.</li> </ul>

## Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), The New Building Society Act 1940, as amended, the Financial Institutions Act 1995, as amended, the Anti-Money Laundering & Countering the Financing of Terrorism Act 2009 & Regulations 2010, as amended, Deposit Insurance Act No. 15 of 2018, Credit Reporting Act No. 9 of 2010, as amended and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

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

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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NEW BUILDING SOCIETY LIMITED

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

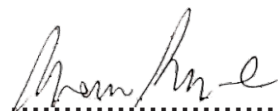
We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

## Report on Additional Requirement

We have examined the mortgage deeds, transports and other securities belonging to the Society, Title deeds held in respect of mortgages were produced to us and actually inspected by us and we are satisfied that deeds not inspected by us were in the hands of the Society's attorneys or elsewhere in the normal course of the business of the Society.



**Maurice Solomon & Co.**  
**Chartered Accountants**  
March 15, 2024


# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

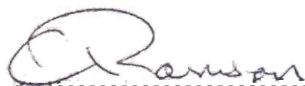
Expressed in Thousands of Guyana Dollars

	NOTE	2023	2022
<b>Assets</b>			
Cash Resources	5	16,290,813	20,637,662
Loan Assets	6	64,569,049	49,595,409
Investments	7	7,698,399	8,744,404
Property, Plant & Equipment	8	2,149,570	2,203,620
Other Assets	9	128,324	183,402
Defined Benefit Asset	12	483,153	423,483
		<u>91,319,308</u>	<u>81,787,981</u>
<b>Investors' Balances, Other Liabilities And Reserves</b>			
Investors' Balances	10	70,778,586	61,975,828
Other Liabilities	11	139,462	118,092
Assigned Capital	13 (b)	250,000	250,000
Risk Reserve		386,098	487,249
Revaluation Reserve		1,048,486	1,048,486
Retained Earnings		18,716,676	17,908,326
		<u>91,319,308</u>	<u>81,787,981</u>

The Board of Directors approved these financial statements for issue on March 15th, 2024.



Chairman



Vice-Chairman



CEO/Director/Secretary

The notes on pages 32-64 form an integral part of the Financial Statements.

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

	2023	2022
<b>INTEREST INCOME ON:</b>		
Loan Assets	2,889,076	2,615,597
Investments	87,971	95,765
Cash Resources	170,884	216,367
	<u>3,147,931</u>	<u>2,927,729</u>
<b>INTEREST EXPENSES</b>	1,420,487	1,281,073
<b>INTEREST REVENUE</b>	<u>1,727,444</u>	<u>1,646,656</u>
Other Income		
Fees and Commission Income	-	562,303
Other Operating Income	213,727	12,499
Loss on Exchange Rate	-	(4,097)
<b>TOTAL NET INCOME</b>	<u>1,941,171</u>	<u>2,217,361</u>
<b>Operating Expenses</b>		
Increase in Impairment on Loan Assets	21,883	(186,551)
Depreciation	(73,204)	(76,100)
General Administrative Expenses	(1,102,891)	(947,988)
Other Expenses	(107,151)	(74,859)
<b>Total Operating Expenses</b>	<u>(1,261,363)</u>	<u>(1,285,498)</u>
<b>PROFIT FOR THE YEAR</b>	<u>679,808</u>	<u>931,863</u>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
Remeasurement of Provision of Employee Benefits	27,391	52,441
<b>Total Other Comprehensive Income</b>	<u>27,391</u>	<u>52,441</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u><u>707,199</u></u>	<u><u>984,304</u></u>

The notes on pages 32 to 64 form an integral part of the Financial Statements.

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

	Risk Reserves	Assigned Capital	Revaluation Reserves	Retained Earnings	Total
<b>Balance as at 1 January 2023</b>	487,249	250,000	1,048,486	17,908,326	19,694,061
Profit for the year	-	-	-	679,808	679,808
Other Comprehensive Income for the year	-	-	-	27,391	27,391
Transfer to Risk Reserve	(101,151)	-	-	101,151	-
<b>Balance as at 31 December 2023</b>	<b>386,098</b>	<b>250,000</b>	<b>1,048,486</b>	<b>18,716,676</b>	<b>20,401,260</b>
<b>Balance as at 1 January 2022</b>	677,481	250,000	1,048,486	16,733,790	18,709,757
Profit for the year	-	-	-	931,863	931,863
Other Comprehensive Income for the year	-	-	-	52,441	52,441
Transfer to Risk Reserve	(190,232)	-	-	190,232	-
<b>Balance as at 31 December 2022</b>	<b>487,249</b>	<b>250,000</b>	<b>1,048,486</b>	<b>17,908,326</b>	<b>19,694,061</b>

The notes on pages 32 to 64 form an integral part of the Financial Statements.



# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

	2023	2022
<b>OPERATING ACTIVITIES</b>		
<b>Net Profit for the year</b>	<b>679,808</b>	931,863
<b>Adjustments for:</b>		
Interest payable on Treasury bills and Fixed deposits	<b>(100,205)</b>	(126,626)
Depreciation	<b>73,204</b>	76,100
Net Provision and write offs for Impairment on Loan Assets	<b>(19,334)</b>	186,551
Movement in Retirement Benefit Plan Liability	<b>(32,279)</b>	(29,354)
Loss on Disposal of Property, Plant and Equipment	<b>24,318</b>	-
<b>OPERATING INCOME BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES</b>	<b>625,512</b>	1,038,534
Loans Advances (net of repayments)	<b>(14,954,305)</b>	(5,960,653)
Decrease in Other Assets	<b>55,078</b>	30,422
Receipts from Investors Net of Withdrawals	<b>8,802,758</b>	3,666,385
Increase/(Decrease) in Other Liabilities	<b>21,370</b>	(9,101)
<b>NET CASH OUTFLOW - OPERATING ACTIVITIES</b>	<b>(5,449,587)</b>	(1,234,413)
<b>INVESTING ACTIVITIES</b>		
Acquisitions of Property, Plant and Equipment	<b>(43,472)</b>	(11,227)
Additions to Investments	<b>(7,698,399)</b>	(8,744,404)
Redemptions of Investments	<b>8,744,404</b>	8,409,416
Net Decrease/(Increase) in Restricted Cash Resources and Fixed Deposits	<b>5,478,003</b>	2,336,882
<b>NET CASH INFLOW - INVESTING ACTIVITIES</b>	<b>6,480,536</b>	1,990,667
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>1,030,949</b>	756,254
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR</b>	<b>2,230,821</b>	1,474,567
<b>CASH AND CASH EQUIVALENTS AS AT END OF YEAR</b>	<b>3,261,770</b>	2,230,821

The notes on pages 32-64 form an integral part of the Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

## 1. ENTITY IDENTIFICATION

The New Building Society Limited was established in Guyana under the New Building Society Act 1940, as amended. Its registered office is located at Lot 1, North Road and Avenue of the Republic, Georgetown.

The Society operates under the purview of the New Building Society Act 1940, as amended, the Financial Institutions Act 1995, as amended, the Supervision Guidelines of the Bank of Guyana, as provided under the Financial Institutions Act 1995, as amended, the Anti-Money Laundering & Countering of the Financing of Terrorism Act 2009, as amended & Regulations 2010, as amended, Credit Reporting Act No. 9 of 2010, as amended and Deposit Insurance Act No. 15 of 2018.

The Society is not subject to taxation under the tax regime of Guyana.

## 2. PRINCIPAL ACTIVITY

The principal activity is the provision of a range of mortgage and savings products.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 BASIS OF PREPARATION

The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings, and in accordance with the New Building Society Act 1940, as amended and International Financial Reporting Standards.

The preparation of the Society's financial statements in conformity with International Financial Reporting Standards (IFRSs) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Society's accounting policies. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.1 BASIS OF PREPARATION (cont'd)

#### a) Standards, amendments and interpretations that are not yet effective and have not been adopted by the Society: -

Classification of liabilities, as Current or Non-Current (Amendments to IAS 1) (effective 1 January 2024)

Lease Liability in a sale and leaseback (Amendment to IRFS 16) (effective 1 January 2024)

Non-Current Liabilities with Covenants (Amendment to IAS 1) (effective 1 January 2024)

#### b) The standards and amendments that are effective in the current year and are expected to have no material impact on the Society's financial

IFRS 17 - Amendments (effective 1 January 2023)

Disclosing Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2) (effective 1 January 2023)

IAS 8 Amendments (effective 1 January 2023)

Deferred tax related to assets and liabilities arising from a single transaction (Amendment to IAS 12) (effective 1 January 2023)

Reference to the Conceptual Framework (Amendments to IFRS 3) (effective 1 January 2023)

### 3.2 FOREIGN CURRENCIES

#### a) Functional and Presentation Currency

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

#### b) Transactions and Balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Such balances are translated at the prevailing year end exchange rates.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.3 LOAN ASSETS

#### (a) Financial Assets (IFRS 9 Recognition)

The Society has fully adopted the requirements of IFRS 9 using the Expected Credit Loss model on the 1st January 2018.

#### (i) Impairment of Financial Assets

Under the general approach adopted by the Society, IFRS 9 establishes a three (3) stage impairment model, based on whether there has been a significant increase in the credit risk of a financial asset since its initial recognition. These three stages then determine the amount of impairment to be recognised as Expected Credit Losses (ECL) at each reporting period as well as the amount of interest revenue to be recorded in future periods. ECLs are defined as the weighted average of credit losses, with the respective risks of a default occurring as the weights.

These three stages then determine the amount of impairment to be recognised as Expected Credit Losses (ECL) at each reporting date:

– **Stage 1:** Credit risk has not increased significantly since initial recognition – recognise 12 months ECL, and recognise interest on a gross basis.

– **Stage 2:** Credit risk has increased significantly since initial recognition – recognise lifetime ECL, and recognise interest on a gross basis.

– **Stage 3:** Impairment occurs when there is objective evidence that an impairment event has occurred at reporting date and a loss allowance equal to lifetime ECLs is recognised and present interest on net basis (i.e. gross carrying amount less loss allowance).

For financial assets classified under Stage 3, the Society directly reduces the gross carrying amount when there is no reasonable expectation of recovery, which required that a write-off constitutes a derecognition event and may relate to either the asset in its entirety or a portion of it.

12 months ECL under Stage 1 is calculated by multiplying the probability of default occurring in the next 12 months by the lifetime ECL that would result from that default, regardless when those losses occur.

Lifetime expected credit losses, results from all possible default events over the life of the financial asset. Lifetime expected credit losses are calculated based on a weighted average of the expected credit losses, with weightings being based on the respective probabilities of default.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.3 LOAN ASSETS (cont'd)

#### (a) Financial Assets (IFRS 9 Recognition) (cont'd)

##### (i) Impairment of Financial Assets (cont'd)

A loss allowance for lifetime expected credit losses is required for financial asset, if the credit risk on that asset has increased significantly since initial recognition. Additionally, the Society elected an accounting policy of recognising lifetime expected credit losses for all contract assets, including those that contain a significant financing component.

##### (ii) Calculation of Expected Credit Losses (ECLs)

The Society has the necessary tools to ensure an adequate estimate and timely recognition of Expected Credit Losses (ECLs). Information on historical loss experiences or the impact of current conditions may not fully reflect the credit risk in lending exposures. In that context, the Society uses experienced credit judgment to thoroughly incorporate the expected impact of all reasonable and supportable forward-looking information, including macroeconomic factors, on its estimate for each stage of ECLs.

The methodologies and key elements for assessing credit risk and measuring the level of allowances ECL estimates are as follows:

**Probability of Default (PD)** - is assigned to each risk measure and represents a percentage of the likelihood of default. The calculation is for a specific time frame and measures the percentage of loans that default. The PD is then assigned to the risk level, and each risk level has one PD percentage.

**Loss Given Default (LGD)** - measures the expected loss and is shown as a percentage of Exposure at Default (EAD). LGD represents the amount unrecovered by the lender after selling the underlying asset if a borrower defaults on a loan.

**Exposure at Default (EAD)** - is seen as an estimation of the extent of risk to which the Society may be exposed to, in the event of, and at the time of, the borrower's default. EAD value of each loan is then used to determine their overall default risk. This risk can be affected by a number of factors as the borrower repays the lender.

**Stage 1** - 12-month expected credit losses ('ECL') are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.3 LOAN ASSETS (Cont'd)

#### (a) Financial Assets (IFRS 9 Recognition) (cont'd)

#### (ii) Calculation of Expected Credit Losses (ECLs) (Cont'd)

**Stage 2** - Lifetime ECL are recognised when the loan assets or investments that have had a significant increase in credit risk since initial recognition, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the Probability of Default ('PD') as the weight.

**Stage 3** - Loan Assets have evidence of impairment at the reporting date. Lifetime ECL are recognised and interest revenue is calculated on the net carrying amount (that is, net of credit allowance). Credit risk on a financial instrument has increased significantly, to consider reasonable and supportable information available, in order to compare the risk of a default occurring at the reporting date with the risk of a default occurring at initial recognition of the financial instrument.

#### (b) Loans Provisioning and Classification

The Society continues to apply loan provisioning as per requirements of the Bank of Guyana Supervision Guideline No.5 as a statutory compliance with full reporting on a bi-annual basis.

#### Provisioning

The Society follows the conditions of the Bank of Guyana Supervision Guidelines and Financial Institution Act 1995, as amended and applies loan provisioning under the following classification categories:

<u>Classification</u>	<u>Level of Provision</u>
Pass	0%
Special Mention	0%
Substandard	20%
Doubtful	20%
Loss:	
Year One	20%
Year Two	40%
Year Three	100%

A general provision of 1% of the portion of the loan portfolio not individually assessed is also made.

The Society continued to provide support to qualified borrowers whose operations and livelihood were impacted by COVID-19 pandemic up to August 31, 2022. As a result of these measures, many borrowers benefitted from this relief. In the effort of unwinding Covid 19 measures, the Society continues to monitor these facilities to reduce credit and liquidity risks that may have an impact.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.4 INVESTMENTS

#### (a) IFRS 9: Financial Instruments, Recognition and Measurement

The Society classified as subsequently measured its investments at amortised cost under the IFRS 9 using specified conditions of the business model. These investments are non-derivative financial assets with fixed and determinable payments and fixed maturities that management has the positive intent and ability to collect contractual cashflows.

The Society's objective met the conditions of the "Hold to collect business model" states to hold financial assets in order to collect contractual cash flows and solely payments of principal and interest (referred to as "SPPI") outstanding at specified date.

"Investment Securities held by the Society are classified under Amortised cost, as stated under the business model, the Society holds financial asset to collect the contractual cash flows. The characteristics of the contractual cash flows are that of solely payments of the principal amount and interest (referred to as "SPPI").

- Principal is the fair value of the instrument at initial recognition.
  - Interest is the return within a basic lending arrangement and typically consists of consideration for the time value of money, and credit risk. It may also include consideration for other basic lending risks such as liquidity risk.
- (b) Impairment on financial assets are mentioned in **Note 3.3 (a) (i)** for the requirements of IFRS 9.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.5 PROPERTY, PLANT & EQUIPMENT

Freehold land and buildings are stated at the revalued amounts less accumulated depreciation thereon. All other fixed assets are stated at cost less accumulated depreciation.

Freehold land is not depreciated. Depreciation on all other assets is calculated on a straight line basis at rates estimated to write off the depreciable assets over their expected useful economic lives.

The following rates are used:-

Buildings	2.0%
Office Furniture	10.0%
Machinery and Equipment	12.5%
Motor Vehicles	20.0%

Increases in the carrying amount arising on the revaluation of land and building are credited to a revaluation reserve. Decreases that offset previous increases of the same asset are charged against the revaluation reserve; all other decreases are charged to the income statement.

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

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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 cost to sell and value in use.

### 3.6 INTEREST RECOGNITION

The Society's financial instruments are measured at amortized cost, with the effective interest method is used to determine the carrying value of a financial asset or a liability and to allocate the associated interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability.

#### Recognition of Interest Revenue Under IFRS 9

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.7 RECOGNITION OF FEES AND COMMISSION

Fees and commission are recognised as earned in the statement of profit or loss account.

### 3.8 INVESTORS' BALANCES

Investors' balances are initially recognized at the nominal amount of funds received and subsequently at nominal amount plus accrued interests.

### 3.9 DEFINED BENEFIT PLAN

The Society operates the New Building Society Limited Pension Scheme which is a Defined Benefit Scheme as the amount of pension that an employee will receive on retirement is dependent on years of service and compensation. The assets of the Scheme are held independently from those of the Society. The Scheme is funded by employee and Society contributions.

The projected actuarial method is used for the retirement benefit plan. Under this method, the actuarial liabilities consist of the present value of pensions in payment and vested deferred benefits for terminated members, plus that portion of the future benefits expected to be paid to present members which is related to their credited service up to the valuation date. Amounts of pension are determined based on each member's projected final earnings. The current service cost for the defined benefit provisions for the year following the valuation date is the present value of benefits accrued by members with respect to their service in that year.

The characteristics of this actuarial cost method are that it matches year-by-year costs of benefits expected to be accrued by the members each year to the contributions required for those years and, since it results in a pattern of progressively increasing costs for an individual employee as that employee ages, it may also result in progressively increasing costs for the Scheme as a whole if the average age profile of the Scheme membership increases from year to year.

### 3.10 PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized when there is a present obligation as a result of a past event, it is probable that the obligation will be settled and it can be reliably estimated (IAS 37). Contingent liabilities have not been recognized.

### 3.11 PROPERTIES IN POSSESSION

Properties are carried at lower of carrying amount and fair value less costs to sell. Fair values of these assets are determined by an independent valuator.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.12 CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand and cash at bank excluding balances redeemable after three months.

### 3.13 COMPARATIVES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

### 4.1 IMPAIRMENT LOSSES ON LOAN ASSETS

To identify impairment of the Society's loan assets, judgments are made as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Estimating the quantum and timing of future recoveries involves significant judgment. The size of receipts will depend on the future performance of the borrower and the value of the security, both of which will be affected by future economic conditions; additionally, collateral may not be readily marketable. The actual amount of future cash flows and the date they are received may differ from these estimates and consequently actual losses incurred may differ from those recognized in these financial statements.

Impairment on Loan Assets are estimated based on the requirements set out in Note 3.3 (a) (i) for the recognition and allowances for ECL.

### 4.2 FINANCIAL ASSETS "HOLD TO COLLECT BUSINESS MODEL"

The Society classifies and subsequently measures its investments at amortised cost under the IFRS 9 using specified conditions of the business model. These investments are non-derivative financial assets with fixed and determinable payments and fixed maturities that management has the positive intent and ability to collect contractual cashflows.

The Society's objective met the conditions of the "Hold to collect business model" states to hold financial assets in order to collect contractual cash flows and solely payments of principal and interest (referred to as "SPPI") outstanding at specified date.

### 4.3 RETIREMENT BENEFIT PLAN

The present value of the retirement benefit plan obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of the plan's obligation. The assumptions used are disclosed in note 12 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

	2023	2022
<b>5. CASH RESOURCES</b>		
Redeemable on Demand:		
Cash in Hand	7,200	7,200
Cash at Bank, excluding Fixed Deposits	3,254,570	2,223,621
Classified as Cash and Cash Equivalents	<u>3,261,770</u>	<u>2,230,821</u>
Redeemable after 3 Months:		
Fixed Deposits	13,029,043	18,406,841
	<u>16,290,813</u>	<u>20,637,662</u>

## 6. LOAN ASSETS

Mortgages	65,000,799	50,178,671
Provision for Impairment on Loan Assets (notes 6 (b) & 14)	(343,247)	(424,980)
Unearned Interest	(88,503)	(158,282)
	<u>64,569,049</u>	<u>49,595,409</u>

The stages of mortgages and the related Expected Credit Losses (ECL) based on the Society's criteria and policies shown in **Note 3.3 (a)** for the calculation of ECL allowances as follows:

### (a) Impairment of Loan Assets (Mortgages)

Stage 1: 12 Month ECL	86,069	79,938
Stage 2: Lifetime ECL	48,834	45,866
Stage 3: Lifetime Credit Impaired ECL for Financial Assets	208,344	299,176
	<u>343,247</u>	<u>424,980</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Expressed in Thousands of Guyana Dollars

	2023		2022	
	No. of Securities	Value	No. of Securities	Value
<b>6. LOAN ASSETS (cont'd)</b>				
The table below shows the analysis of the mortgage portfolio by value bands				
Balances not exceeding \$1,000,000	1,069	554,664	1,132	574,496
Balances exceeding \$1,000,000 but not \$1,500,000	475	586,572	533	666,488
Balances exceeding \$1,500,000 but not \$2,000,000	602	1,058,322	547	961,796
Balances exceeding \$2,000,000 but not \$2,500,000	670	1,502,485	661	1,471,798
Balances exceeding \$2,500,000 but not \$3,000,000	639	1,756,725	687	1,888,541
Balances exceeding \$3,000,000 but not \$4,000,000	1,194	4,145,759	1,236	4,271,241
Balances exceeding \$4,000,000 but not \$5,000,000	1,029	4,616,156	1,020	4,570,093
Balances exceeding \$5,000,000 but not \$6,000,000	950	5,190,438	878	4,795,520
Balances exceeding \$6,000,000 but not \$7,000,000	857	5,543,572	767	4,958,327
Balances exceeding \$7,000,000 but not \$8,000,000	649	4,850,660	568	4,247,700
Balances exceeding \$8,000,000 but not \$9,000,000	592	5,049,931	461	3,910,306
Balances exceeding \$9,000,000 but not \$10,000,000	469	4,427,956	426	4,045,386
Balances exceeding \$10,000,000 but not \$11,000,000	349	3,658,892	296	3,097,798
Balances exceeding \$11,000,000 but not \$12,000,000	391	4,492,473	324	3,733,809
Balances exceeding \$12,000,000 but not \$13,000,000	189	2,343,539	104	1,279,414
<b>Bal C/F to next page</b>	<b>10,124</b>	<b>49,778,144</b>	<b>9,640</b>	<b>44,472,713</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

	2023		2022	
	No. of Securities	Value	No. of Securities	Value
<b>6. LOAN ASSETS (cont'd)</b>				
The table below shows the analysis of the mortgage portfolio by value bands				
<b>Bal B/F from previous page</b>	<b>10,124</b>	<b>49,778,144</b>	9,640	44,472,713
Balances exceeding \$13,000,000 but not \$14,000,000	178	2,398,665	63	848,512
Balances exceeding \$14,000,000 but not \$15,000,000	276	4,021,674	159	2,318,034
Balances exceeding \$15,000,000 but not \$16,000,000	117	1,787,178	74	1,123,719
Balances exceeding \$16,000,000 but not \$17,000,000	44	727,991	8	129,611
Balances exceeding \$17,000,000 but not \$18,000,000	43	750,952	8	141,231
Balances exceeding \$18,000,000 but not \$19,000,000	34	624,606	9	165,227
Balances exceeding \$19,000,000 but not \$20,000,000	150	3,946,879	16	317,643
Balances exceeding \$20,000,000	93	1,876,207	25	503,699
<b>Total</b>	<b>11,059</b>	<b>65,912,296</b>	10,002	50,020,389

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Expressed in Thousands of Guyana Dollars

	2023	2022
<b>7. INVESTMENTS</b>		
Government of Guyana Treasury Bills	<u>7,698,399</u>	<u>8,744,404</u>

## 8. PROPERTY, PLANT & EQUIPMENT

	Freehold Land and Buildings	Machinery, Furniture and Equipment	Motor Vehicles	Work in Progress	Total
<b>Cost</b>					
As at 01 January, 2023	2,252,673	305,915	84,400	-	2,642,988
Additions	669	12,986	5,500	24,317	43,472
Disposals	-	(12,259)	-	(24,317)	(36,576)
As at 31 December, 2023	<u>2,253,342</u>	<u>306,642</u>	<u>89,900</u>	-	<u>2,649,884</u>
<b>Accumulated Depreciation</b>					
As at 01 January, 2023	157,141	244,004	38,223	-	439,368
Charges for the Year	39,584	19,132	14,488	-	73,204
Written back on Disposals	-	(12,258)	-	-	(12,258)
As at 31 December, 2023	<u>196,725</u>	<u>250,878</u>	<u>52,711</u>	-	<u>500,314</u>
<b>Net Book Value</b>					
As at 31 December, 2023	<u>2,056,617</u>	<u>55,764</u>	<u>37,189</u>	-	<u>2,149,570</u>
As at 1 January 2023	<u>2,095,532</u>	<u>61,911</u>	<u>46,177</u>	-	<u>2,203,620</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Expressed in Thousands of Guyana Dollars

## 8. PROPERTY, PLANT & EQUIPMENT (cont'd)

	Freehold Land and Buildings	Machinery, Furniture and Equipment	Motor Vehicles	Work in Progress	Total
<b>Cost</b>					
As at 01 January, 2022	2,247,853	302,773	84,400	282	2,635,308
Additions	42	6,533	-	4,652	11,227
Transfers	4,778	156	-	(4,934)	-
Disposals	-	(3,547)	-	-	(3,547)
As at 31 December, 2022	<u>2,252,673</u>	<u>305,915</u>	<u>84,400</u>	<u>-</u>	<u>2,642,988</u>
<b>Accumulated Depreciation</b>					
As at 01 January, 2022	117,626	226,571	22,618	-	366,815
Charges for the Year	39,515	20,980	15,605	-	76,100
Written back on Disposals	-	(3,547)	-	-	(3,547)
As at 31 December, 2022	<u>157,141</u>	<u>244,004</u>	<u>38,223</u>	<u>-</u>	<u>439,368</u>
<b>Net Book Value</b>					
As at 31 December, 2022	<u>2,095,532</u>	<u>61,911</u>	<u>46,177</u>	<u>-</u>	<u>2,203,620</u>
As at 1 January 2022	<u>2,130,227</u>	<u>76,202</u>	<u>61,782</u>	<u>282</u>	<u>2,268,493</u>

If freehold land and building were stated at historical cost, the carrying values would be:

	2023	2022
Cost	1,312,485	1,311,816
Accumulated Depreciation	(320,259)	(294,009)
	<u>992,226</u>	<u>1,017,807</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

<b>9. OTHER ASSETS</b>	<b>2023</b>	<b>2022</b>
Accrued Interest	<b>100,205</b>	126,626
Accounts Receivables and Prepayments	<b>28,119</b>	56,776
	<b><u>128,324</u></b>	<u>183,402</u>
<b>10. INVESTORS' BALANCES</b>		
Five Dollar Shares	<b>28,893,640</b>	26,468,371
Save and Prosper	<b>40,637,478</b>	34,362,226
Deposits	<b>1,247,468</b>	1,145,231
	<b><u>70,778,586</u></b>	<u>61,975,828</u>
<b>11. OTHER LIABILITIES</b>		
Withholding Taxes	<b>41,625</b>	38,674
Accounts Payables and Accruals	<b>97,837</b>	79,418
	<b><u>139,462</u></b>	<u>118,092</u>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Expressed in Thousands of Guyana Dollars

	2023	2022
<b>12. DEFINED BENEFIT ASSET</b>		
<b>The amount recognized in the Statement of Financial Position is as follows:</b>		
Fair Value of Plan Assets	3,312,761	3,772,709
Present Value of Obligations	(1,439,267)	(1,300,694)
Effect of Asset Ceiling	(1,390,341)	(2,048,531)
<b>Asset Recognized in the Statement of Financial Position</b>	<b>483,153</b>	<b>423,483</b>
<b>The movement in the Present Value of the Obligation is:</b>		
As at Beginning of Year	1,300,695	1,106,820
Interest Expense	73,247	63,203
Current Service Cost	38,494	31,061
Contributions by Plan Participants	26,375	22,783
Benefits Paid	(67,607)	(23,050)
Past Service Cost	6,932	6,323
Actuarial losses	61,132	93,555
<b>As at End of Year</b>	<b>1,439,268</b>	<b>1,300,695</b>
<b>The movement in the Fair Value of Plan Assets is:</b>		
As at Beginning of Year	3,772,709	2,809,619
Actual Return on Plan Assets	(474,439)	914,423
Contributions by the Society	57,146	49,364
Contributions by Plan Participants	26,375	22,783
Benefits Paid	(67,607)	(23,050)
Administrative Expenses	(1,423)	(430)
<b>As at End of Year</b>	<b>3,312,761</b>	<b>3,772,709</b>
<b>The amount recognized in the Statement of Profit or Loss:</b>		
Current Service Cost	38,494	31,061
Past Service Cost	6,931	6,323
Interest Cost	73,247	63,203
Expected Return on Plan Assets	(207,897)	(155,867)
Administrative expenses	1,423	430
Interest on Effect of Asset Ceiling	112,669	74,861
<b>Total included in Staff Cost</b>	<b>24,867</b>	<b>20,010</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Expressed in Thousands of Guyana Dollars

	2023	2022
<b>12. DEFINED BENEFIT ASSET (Cont'd)</b>		
<b>Re-measurements recognized in other comprehensive income:</b>		
Experience Gains - Demographic	61,132	93,555
Experience Gains - Financial	682,337	(758,555)
Effect of Asset Ceiling	(770,860)	612,559
	<u>(27,391)</u>	<u>(52,441)</u>
Expected Contributions in Upcoming Year	<u>87,422</u>	<u>78,848</u>

## Reconciliation of opening and closing entries in statement of financial position

Opening defined benefit asset	(423,483)	(341,688)
Net pension costs	24,867	20,010
Re-measurements recognised in OCI	(27,391)	(52,441)
Society's contribution paid	(57,146)	(49,364)
	<u>(483,153)</u>	<u>(423,483)</u>

## The principal assumptions used were:

Discount Rate	5.50%	5.50%
Future Salary Increases	5.50%	5.50%
Return on Assets	5.50%	5.50%
Mortality	UP -94	UP -94
	(+1) (with a projection scale AA)	(+1) (with a projection scale AA)

The expected return on plan assets comprises income and capital gains less a margin for administrative expenses. The income component has been determined by reference to a weighted average of rates of interest at which deposits have been fixed, and the dividend yield on equity holdings. An allowance for capital gains has been determined by considering the proportion of plan assets invested in equity holdings, adjusted for growth in the capital value in line with economic conditions.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Expressed in Thousands of Guyana Dollars

## 12. DEFINED BENEFIT ASSET (Cont'd)

**Risks conditions specific to the Society arising from the Retirement Benefit Plan:**

**Interest Risk:** A decrease in the bond interest rate will decrease the retirement benefit surplus.

**Mortality Risk:** The present value of the plan obligation is calculated by reference to the best estimate of the mortality of the plan participants during and after their employment. An increase in the life expectancy of the plan participants will decrease the retirement benefit surplus.

**Salary Risk:** The present value of the plan obligation is calculated by reference to the future salaries of the plan participants. An increase in the salary of the plan participants will decrease the retirement benefit surplus.

**Investment Risk:** A decrease in the return on plan assets will decrease the retirement benefit surplus.

	2023		2022	
<b>Plan Assets are comprised as follows:</b>				
Cash Resources	279,620	8.4%	437,351	11.6%
Stocks & Bonds	3,032,370	91.5%	3,331,937	88.3%
Other Assets	771	0.1%	3,421	0.1%
	<u>3,312,761</u>	<u>100%</u>	<u>3,772,709</u>	<u>100%</u>

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets.

**A summary of the plan position and experience adjustments is as follows:**

	2023	2022	2021	2020	2019
Present Value of Obligation	1,439,268	1,300,695	1,106,820	975,894	860,522
Fair Value of Plan Assets	<u>3,312,761</u>	<u>3,772,709</u>	<u>2,809,619</u>	<u>2,107,567</u>	<u>1,885,905</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

## 12. DEFINED BENEFIT ASSET (Cont'd)

### Impact of changes in significant actuarial assumptions

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increases and mortality. The sensitivity analysis provided below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Scenario	Benefit Obligation	% Change in Benefit Obligation
<b>Valuation Results</b>	1,439,267	
Discount Rate -1%	1,736,195	20.63%
Discount Rate +1%	1,191,887	-17.19%
Salary Increases -1%	1,319,721	-8.31%
Salary Increases +1%	1,550,979	7.76%
Increase average life expectancy by 1 year	1,452,310	0.91%
Decrease average life expectancy by 1 year	1,426,170	-0.91%

## 13. RESERVES AND CAPITAL

### a) The Risk Reserve

The Risk Reserve is created as an appropriation of retained earnings to account for the difference between the specific provision created by the Society and the provisions as required under Bank of Guyana Supervision Guideline No.5.

The Risk Reserve decreased to **\$386,098** at year end where the amount was transferred from Retained Earnings as shown in the Statement of Changes in Equity which was due to the requirement of the Supervision Guideline No. 5 and IFRS 9.

### b) Assigned Capital

As required by the Financial Institutions Act 1995, as amended, the Bank of Guyana has assigned the Society's capital of its business as not less than an amount of \$250,000.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

	2023	2022
<b>14. CREDIT IMPAIRMENT ON LOAN ASSETS</b>		
Increase/(Reduction) for the year	(84,280)	(50,039)
Loss accounts written off for the year	62,397	236,589
As at End of Year	<u>(21,883)</u>	<u>186,551</u>
<b>15. NON-INTEREST EXPENSES BY NATURE</b>		
<b>(a) Depreciation</b>	73,204	76,100
<b>(b) General Administrative Expenses</b>		
Staff Costs (Note 17)	708,086	623,015
Electricity	39,862	32,353
Software License Fee	61,774	33,984
Advertising	3,192	2,023
Postage and Telephone	15,245	12,073
Deposits Insurance	122,219	118,567
Other	152,513	125,973
	<u>1,102,891</u>	<u>947,988</u>
<b>(c) Other Expenses</b>		
Security	60,166	56,135
Charitable and Educational Donations	5,334	4,482
Auditors' Remuneration	4,000	3,500
Dormancy Fees Refund	37,651	10,742
	<u>107,151</u>	<u>74,859</u>
<b>Total Non-Interest Expenses</b>	<u>1,283,246</u>	<u>1,098,947</u>
<b>16. INTEREST EXPENSES</b>		
Five Dollar Shares	401,174	375,422
Save and Prosper Shares	1,002,836	889,808
Deposits	16,477	15,843
	<u>1,420,487</u>	<u>1,281,073</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

17. STAFF COSTS	2023	2022
Wages and Salaries	475,544	415,639
Social Security Costs	31,781	28,876
Pension Costs	24,867	20,010
Other Staff Costs	175,894	158,490
	<u>708,086</u>	<u>623,015</u>

## 18. RELATED PARTY TRANSACTIONS

A number of transactions were entered into with related parties in the normal course of business. The related parties were key management personnel including Directors and Senior Officers of the Society and close family members of such individuals. Mortgages were extended to Senior Officers of the Society at the applicable employee's rate of 50% of the prevailing rate. All other transactions were carried out on commercial terms and at prevailing rates.

	2023	2022
<b>(a) MORTGAGES</b>		
Balance as at Beginning of Year	50,222	33,542
Mortgages issued during the Year	-	23,140
Mortgage Interest Charged during the Year	1,406	1,192
Mortgage Payments during the Year	(6,280)	(7,652)
Balance as at End of Year	<u>45,348</u>	<u>50,222</u>

No provision has been required for the mortgages granted to related parties.

## (b) INVESTORS' BALANCES

Balance as at Beginning of Year	166,444	196,124
Effect of Changes in Key Management Personnel	124,049	(25,438)
Deposits Received during the Year	358,452	153,486
Interest earned during the Year (net of tax)	7,859	3,590
Withdrawals made during the Year	(149,333)	(161,318)
Balance as at End of Year	<u>507,471</u>	<u>166,444</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

	2023	2022
<b>18. RELATED PARTY TRANSACTIONS (Cont'd)</b>		
<b>(c) KEY MANAGEMENT COMPENSATION</b>		
Short-Term Employee Benefits	155,242	126,553
Post-Employment Benefits	7,358	6,178
	<u>162,600</u>	<u>132,731</u>
<b>19. DIRECTORS' COSTS</b>		
Directors' Costs included in Key Management Compensation		
Directors' Fees	9,861	7,476
Directors' Travel	9,861	7,476
Directors' Pension	3,418	2,524
	<u>23,140</u>	<u>17,476</u>

## 20. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

### (a) CATEGORIES OF FINANCIAL INSTRUMENTS

Financial instruments carried at the Statement of Financial Position date includes cash resources, loan assets, investments, other assets (excluding property, plant and equipment and prepayments), and investors' balances, accounts payables and accruals

The Society's financial instruments were classified into the following categories as stated in **notes 3.3** and **3.4** of the financial statements. All of the Society's financial liabilities are classified as financial liabilities measured at amortized cost.

Investment Securities held by the Society are classified under Amortised cost, as stated under the business model, the Society holds financial asset to collect the contractual cash flows. The characteristics of the contractual cash flows are that of solely payments of the principal amount and interest (referred to as "SPPI").

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

## 20. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

### (a) CATEGORIES OF FINANCIAL INSTRUMENTS (Cont'd)

Financial assets classified as loans and receivables are non-derivative instruments with fixed or determinable payments that are not quoted in an active market. The Society's cash resources, loan assets and other assets (excluding property, plant and equipment and prepayments) are classified as loans and receivables.

Financial liabilities which are not classified as fair value through the profit and loss are classified as financial liabilities measured at amortized cost. A financial liability which is acquired principally for the purpose of selling in the short term or derivatives are categorized as fair value through the profit and loss. The Society holds no such financial liabilities. As such, the Society's investors' balances, accounts payables and accruals are classified as financial liabilities measured at amortized cost.

There were no changes in these classifications from the prior year.

### (b) RISK ARISING FROM FINANCIAL INSTRUMENTS

Financial instruments incorporate the vast majority of the Society's assets and liabilities. The Society's activity involves the acceptance of deposits from investors which are then used to earn an interest margin by investing these funds in high quality assets. The principal risks which arise from this core activity, and which needs to be managed by the Society, are credit risks, liquidity risk, interest rate risks and foreign exchange risk. The Society's objective is to limit its exposure to such risks while maintaining a steady growth in profitability and net asset base. The Society's risk management policies for each of these risks is described in the following parts to this note.

### (c) CREDIT RISK

The Society takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises on the Society's holdings of cash resources, investments and loan assets. The maximum credit risk exposure approximates to the carrying values of these assets at the Statement of Financial Position date.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

## 20. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

### (c) CREDIT RISK (Cont'd)

To reduce the Society's exposure, cash resources are held with financial institutions licensed in Guyana. Treasury bills investments are issued and guaranteed by the Government of Guyana.

With respect to the exposure to credit risk on mortgages, the following mitigating measures are relied upon.

- (i) Prior to the advancing of funds, an initial interview of the potential borrower is conducted by an Officer of the Mortgage Department. During the interview, the Officer collects information on the proposed project, the income resources to be relied upon for repayments and the property to be lodged as collateral. The potential borrower is also informed of the statutory requirement for a credit report.
- (ii) The initial inspection of the property to be lodged as collateral is carried out, during which a value is assessed. For mortgages between ten million dollars (\$10M) to twenty million dollars (\$20M), two (2) Directors are required to approve the application.
- (iii) A recommendation is made for the amount to be approved using information collected on the project, sources of repayment and the assessed value of the collateral to be lodged. The recommendation must be within seventy-five percent (75%) of the Society's assessed value and within the statutory lending limits of the Society of twenty million Guyana dollars (\$20M).
- (iv) The Board of Directors is required to approve all mortgages regardless of the amount to be disbursed.
- (v) The mortgage must be registered on the collateral prior to the disbursement of funds.
- (vi) For mortgages that involve disbursement of funds in stages, inspections are carried out by an Officer of the Mortgage Department to assess the satisfaction of the project, prior to further release of disbursements.
- (vii) Daily reports are generated to identify mortgagors who have defaulted on repayments. The Society has a team within its Mortgage Department that is tasked with the identification and monitoring of defaulting mortgagors.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

## 20. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

### (c) CREDIT RISK (Cont'd)

(viii) A Director of the Society is required to inspect collateral lodged at least once every three (3) years.

Given the homogenous nature of the Society's loan assets, management monitors the overall quality of its portfolio by examining the geographic concentration against historic default rates (foreclosed mortgages as a percentage of the geographic total).

The concentration of loan assets that are neither pass due nor impaired as at the Statement of Financial Position date and the geographic default rates are shown below.

	2023		2022	
	Value	Default Rate	Value	Default Rate
Demerara, except Linden	44,634,954	0.33%	32,179,152	0.30%
Berbice	7,249,788	1.18%	5,593,148	1.22%
Essequibo	2,017,620	0.29%	1,458,185	0.19%
Linden	865,087	0.25%	728,790	0.18%
	<u>54,767,449</u>		<u>39,959,275</u>	

During the year there were loan assets totaling \$63,714 (2022 - \$106,342) which were renegotiated and which would have otherwise been past due or impaired.

The table below shows the age analysis of loan assets that are past due and impaired mortgages as at the Statement of Financial Position date, along with the estimated fair value of the collateral held against these balances.

	2023	2022
<b>Past Due Accounts</b>		
Pass due up to 30 days	3,988,220	2,987,233
Pass due 30 to 90 days	3,577,780	3,188,347
Impaired (Over 90 days)	1,431,065	1,837,181
Total	<u>8,997,065</u>	<u>8,012,761</u>
Fair value of collateral	<u>23,039,466</u>	<u>22,297,420</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

## 20. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

### (c) CREDIT RISK (Cont'd)

The table below shows the geographic analysis of loan assets that are impaired as at the Statement of Financial Position date, along with the estimated fair value of the collateral held against these balances. All impaired loan assets exceeding 180 days and 365 days totalled \$702,578 (2022 - \$1,146,219) and \$445,204 (2022 - \$699,746) respectively.

	2023	2022
Demerara, except Linden	2,350,480	3,171,736
Berbice	435,712	476,282
Essequibo	118,374	149,749
Linden	43,459	50,222
	<u>2,948,025</u>	<u>3,847,989</u>
Fair value of collateral	<u>6,240,100</u>	<u>8,333,500</u>

### RENEGOTIATED LOANS

The carrying amounts of all renegotiated loans aggregated to:

Renegotiated Loans	<u>63,714</u>	<u>106,342</u>
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Renegotiations normally involve the deferral of repayments for members experiencing temporary cash flow problems. This request is usually considered by management and approved for the facilities to service satisfactorily by the borrower under revised conditions. The renegotiations were primarily refinancing of facilities or rescheduling of payments. These facilities continue to earn interest and are aged based on the original terms.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

## 20. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

### (d) INTEREST RATE RISK

The Society assumes interest rate risk from dealing with members and other third parties through fixed term lending or investment activity. The risk arises from movement in interest rates where the Society's financial assets or liabilities have different repricing dates. The Society manages this risk through the retention of the right to change applicable rates on mortgages and investors' balances and the holding of short-term investment.

The Society's interest bearing instruments carry fixed rate of interest except cash resources totaling \$ 1,063,743 (2022 - \$1,155,808) with an effective interest rate of 0.5% (2021– 0.5%). Should the interest rates on the floating rate instruments increase/decrease by 50 basis points (2019 – 50 basis points), with all other variables held constant, the profit for the year would increase/decrease by \$5,319 (2022 – \$5,779).

The tables below summarize the Society's exposure to interest rate risk by categorizing the carrying amounts of assets and liabilities by the earlier of the contractual repricing or maturity dates.

	Up to one year	Over one year	Non- Interest Bearing	Total
<b>As at 31 December 2023</b>				
Cash Resources	14,092,785	-	2,198,028	16,290,813
Loan Assets	4,854,275	60,436,024	-	65,290,299
Investments	7,698,399	-	-	7,698,399
Other Assets	-	-	128,324	128,324
<b>Total Assets</b>	<b>26,645,459</b>	<b>60,436,024</b>	<b>2,326,352</b>	<b>89,407,835</b>
Investors' Balances	70,778,586	-	-	70,778,586
Other Liabilities	139,462	-	-	139,462
<b>Total Investors' Balances and Other Liabilities</b>	<b>70,918,048</b>	<b>-</b>	<b>-</b>	<b>70,918,048</b>
<b>Interest Sensitivity Gap</b>	<b>(44,272,589)</b>	<b>60,436,024</b>	<b>2,326,352</b>	

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Expressed in Thousands of Guyana Dollars

## 20. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

### (d) INTEREST RATE RISK (Cont'd)

	Up to one year	Over one year	Non-Interest Bearing	Total
<b>As at 31 December 2022</b>				
Cash Resources	19,562,649	-	1,075,013	20,637,662
Loan Assets	4,160,783	46,017,889	-	50,178,672
Investments	8,744,404	-	-	8,744,404
Other Assets	-	-	183,402	183,402
<b>Total Assets</b>	<b>32,467,836</b>	<b>46,017,889</b>	<b>1,258,415</b>	<b>79,744,140</b>
Investors' Balances	61,975,828	-	-	61,975,828
Other Liabilities	118,092	-	-	118,092
<b>Total Investors' Balances and Other Liabilities</b>	<b>62,093,920</b>	<b>-</b>	<b>-</b>	<b>62,093,920</b>
<b>Interest Sensitivity Gap</b>	<b>(29,626,084)</b>	<b>46,017,889</b>	<b>1,258,415</b>	

The effective interest rates/yields on significant financial instruments are as follows:

	2023 %	2022 %
Fixed Deposits	1.3	1.18
Mortgages	4.4	5.2
Investments	1.2	1.1
Investors' Balances	2.0	2.1

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Expressed in Thousands of Guyana Dollars

## 20. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

### (e) LIQUIDITY RISK

Liquidity risk is the risk that the Society is not able to meet its financial obligations as they fall due. The Society is exposed to daily calls on its cash resources from investors' accounts and mortgage draw downs. The Society's liquidity policy is to maintain sufficient liquid resources to cover cash flow imbalances and fluctuations in funding, to retain full public confidence in the solvency of the Society and to enable it to meet all financial obligations. This is achieved through maintaining a prudent level of liquid assets and through management control of the growth of business.

All the Society's financial liabilities are payable within one month of the Statement of Financial Position date. However, in practice, investors' balances are repaid later than on the earliest date on which repayment can be required.

The tables below analyze assets and liabilities of the Society into relevant maturity groupings.

	Up to one year	One to five years	Over five years	Total
<b>As at 31 December 2023</b>				
Cash Resources	16,290,813	-	-	16,290,813
Loan Assets	4,854,275	12,351,030	48,084,994	65,290,299
Investments	7,698,399	-	-	7,698,399
Other Assets	101,904	6,998	19,422	128,324
<b>Total Assets</b>	<b>28,945,391</b>	<b>12,358,028</b>	<b>48,104,416</b>	<b>89,407,835</b>
Investors' Balances	70,778,586	-	-	70,778,586
Other Liabilities	139,462	-	-	139,462
<b>Total Investors' Balances and Other Liabilities</b>	<b>70,918,048</b>	<b>-</b>	<b>-</b>	<b>70,918,048</b>
<b>Net Liquidity Gap</b>	<b>(41,972,657)</b>	<b>12,358,028</b>	<b>48,104,416</b>	

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Expressed in Thousands of Guyana Dollars

## 20. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

### (e) LIQUIDITY RISK (Cont'd)

	Up to one year	One to five years	Over five years	Total
<b>As at 31 December 2022</b>				
Cash Resources	20,637,662	-	-	20,637,662
Loan Assets	4,160,783	10,212,948	35,804,941	50,178,672
Investments	8,744,404	-	-	8,744,404
Other Assets	-	-	183,402	183,402
<b>Total Assets</b>	<b>33,542,849</b>	<b>10,212,948</b>	<b>35,988,343</b>	<b>79,744,140</b>
Investors' Balances	61,975,828	-	-	61,975,828
Other Liabilities	118,092	-	-	118,092
Total Investors' Balances and Other Liabilities	62,093,920	-	-	62,093,920
<b>Net Liquidity Gap</b>	<b>(28,551,071)</b>	<b>10,212,948</b>	<b>35,988,343</b>	

### (f) FOREIGN EXCHANGE RISK

Foreign exchange exposure arises from the Society's holding of foreign-denominated financial assets. Management limits the exposure to unfavourable exchange rate movements by investing in stable currencies.

Aggregate Assets denominated in Foreign Currencies amounted to:	2023	2022
British Pound Sterling	62,956	62,935
United States Dollar	746,589	741,124

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

## 20. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

### (f) FOREIGN EXCHANGE RISK (Cont'd)

At 31 December 2023, if the Guyana dollar had weakened / strengthened by 2.5% against the British Pound Sterling, with all other variables held constant, profit for the year would have been \$1,574 (2022 – \$629) higher / lower.

At 31 December 2023, if the Guyana dollar had weakened / strengthened by 2.5% against the US Dollar, with all other variables held constant, profit for the year would have been \$18,665 (2022 - \$7,411) higher / lower).

## 21. FAIR VALUE MEASUREMENTS

The Society 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, either directly or indirectly.

Level 3: Inputs for the asset that are not based on observable market data .

### (a) Loans and Investments

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

Assets	IFRS 13 Level	2023 Fair value	2023 Carrying amount	2022 Fair value	2022 Carrying amount
Loan Assets	Level 2	72,084,600	64,569,049	55,324,586	49,595,409
Investments	Level 2	7,720,000	7,698,399	8,770,000	8,744,404

The fair values of loan assets are based on net present values using discount rates reflected of market rates for similar assets.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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## 21. FAIR VALUE MEASUREMENTS (Cont'd)

### (b) Cash Resources and Other Assets

Cash Resources and Other Assets: The carrying value of cash resources and other assets approximate to fair value given their short term nature.

### (c) Investors' Balances and Other Liabilities

The fair value of investors' balances and other liabilities approximate to the amount repaya on demand as the balances carries no stated maturity.

There were no transfer between levels in the current year.

## 22. CONTINGENT MATTERS

### (a) CLAIMS FROM BUILDING CONSULTANTS

During December 2008 the Society received three (3) writs of claim totaling \$29,829 from consultants involved in providing architectural, structural engineering and quantity surveying services in respect of preparatory works for the construction of the Society's new Head Office. The initial ruling of the court was in favour of the plaintiff. This amount is lodged with the Registrar of the Supreme Court of Judicature and the sum of \$15,898 was paid to one of the Plaintiffs by an order from the Caribbean Court of Justice. The Society has appealed this ruling and is confident of success on appeal.

### (b) CLAIMS FROM FORMER EMPLOYEES

During 2010, the Society received writs from three (3) former employees seeking damages in excess of fifty million dollars in each case for wrongful dismissal and breach of contract of employment. The trials for these cases are currently engaging the attention of the court. Judgment was granted on July 20, 2017 in favour of one of the Plaintiffs by the High Court, this employee was paid \$59,033 from the Society's Pension Scheme by a Court Order. The Society successfully appealed the judicial award of this judgement in the Court of Appeal. Notwithstanding this, the Plaintiff was successful in his appeal to the Caribbean Court of Justice for pension payment, but a decision on severance payment was reserved by the Court. One of the two (2) remaining matters is currently engaging the attention of the High Court.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

*Expressed in Thousands of Guyana Dollars*

## 22. CONTINGENT MATTERS CONT'D

### (c) OTHER MATTERS

In January 2017, the Society filed two (2) writs against the Town Clerk of the City of Georgetown and others in relation to parking meters positioned near or adjacent to the Society's Chief Office. The High Court ruled in the Society's favor in one of the writs, which has since been appealed by the Town Clerk. No date has been fixed for this matter to be heard. The other writ was withdrawn by the Society.

# SIGNIFICANT CONTRIBUTIONS



Scenes from NBS's participation at the International Building Expo held under the theme "Building For All: One Guyana, Many Opportunities," which was held from August 24-27, 2023 at the Guyana National Stadium.



On April 26, 2023 NBS's CEO, Mr. Anil Kishun, presented the sponsorship cheque to GCA's Vice-President, Mr. Roger Harper, at the launch of the 9th Edition of the NBS 2nd Division tournament.

## STAFF MATTERS



The Society continues to recognise and applaud its administrative personnel: receptionists, secretaries and executive assistants for their selfless service over the years. In this photo, tokens of appreciation were presented to the Society's administrative personnel on Administrative Professionals Day 2023.



In this photo, Savings/Accounts Supervisor, Mrs. Alana Gomes is presented with a plaque in honor for completing in excess of thirty seven (37) years of dedicated service to the Society.



In this photo, the Assistant Secretary, Mr. Anil Beharry (third from right); and to his right Savings/Accounts Supervisors Mesdames Shanieza Tularam and Pheonna Adams, and Chief Cashier, Mrs. Rita Lakeram; and to his left Supervisor-System Administration, Mrs. Preeta Bacchus and Senior Confidential Secretary, Ms. Antonia Chichester, all of whom are from the Head Office were honored with tokens of appreciation, for completing in excess of thirty (30) years of dedicated service to the Society.

In these photos below, from top-left the Operations Manager, Mrs. Savitri Samaroo, Senior System Operator, Mrs. Nandanie Ashmid-Budhu, Savings/Accounts Supervisors Mesdames Melissa Petram-Frank and Rosalind William, and Driver, Mr. Preston Das; bottom-left Manager-Berbice Operations, Mr. Rana Persaud and bottom-right Branch Manager-Rosehall, Mrs. Subrena Budhoo were honored with plaques of appreciation for completing in excess of twenty (20) years of dedicated service to the Society.



In these photos below, from top-left Branch Manager-Corriverton, Mrs. Sarojne Ramdat; top-right Branch Manager-Essequibo, Mr. Sewchan Raghunandan; bottom-left Chief Accounts Clerk, Mr. Brian Baker and Branch Supervisor, Mr. Jeremy Singh both of the New Amsterdam Branch and bottom-right Driver of the Essequibo Branch, Mr. Ishwar Kissoon were honored with plaques of appreciation for completing in excess of twenty (20) years of dedicated service to the Society.



In these photos below, top-left Senior Mortgage Clerk, Mrs. Varshanie Ramessar and Assistant Mortgage Manager, Mrs. Simone Mohanlall; top-right Driver, Mr. Trevor Ramdeholl and Senior Cashier, Ms. Vashti Dhanpat both of the New Amsterdam Branch; and bottom-left Senior Cashier of the Rosignol Branch, Mr. Kamal Persaud were presented with plaques in recognition for their dedicated service to the Society over the past fifteen (15) years.



# CORPORATE SOCIAL RESPONSIBILITIES



Mrs. Pheonna Adams, Savings/Accounts Supervisor, hands over a trophy to Ms. Jean Skeete, Headmistress of the Covent Garden Secondary School for their annual Graduation Exercise



Ms. Antonia Chichester, Senior Confidential Secretary of The New Building Society presents a plaque to a Representative of Annandale Primary School for the Best Graduating Student.



Ms. Pranita Singh, Education Officer/Coordinator from the Department of Education Region #4 accepts a trophy from Mrs. Rosalind Hermanstein William, Savings/Accounts Supervisor of the New Building Society Limited for the 2<sup>nd</sup> Place Awardee for the Bi-annual STEM Fair 2023.



Mr. Arshad Rahaman, Chief Cashier at the Society's New Amsterdam Branch Office presents a donation to Pandit Deodat Persaud, Chairman, of the Guyana Hindu Dharmic Sabha East Berbice Praant for their annual Diwali Motorcade



Mrs. Subrena Budhoo, Rose Hall Branch Manager, hands over a cheque to Mrs. Rajshree Harripersaud of the Humanitarian Mission Guyana Inc., in the presence of other staff members.



Staff member, Ms. Trines Jeffrey hands over trophy to Teacher, Ms. Troutman of the New Silvercity Secondary School for their Prize Giving Exercise in the presence of staff, Ms. Tonisha Bridglall.







## The New Building Society Limited

1 North Road & Avenue of the Republic,  
Georgetown, Guyana.

Tel: 227-4444 Fax: 225-0832

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

Email: [nbsltd@networksgy.com](mailto:nbsltd@networksgy.com)