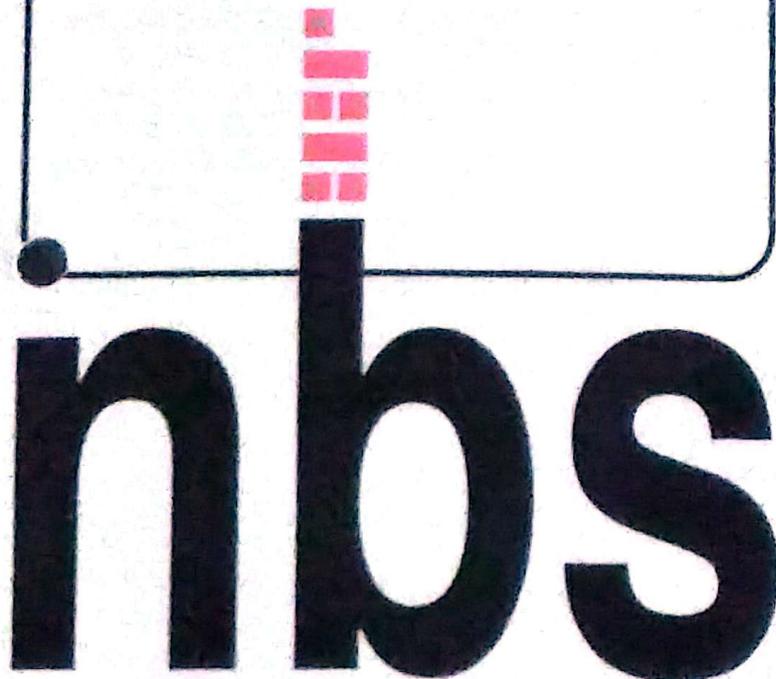


**59th
Annual Report
and Accounts
1998**



NEW BUILDING SOCIETY LIMITED

NEW BUILDING SOCIETY LIMITED

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NEW BUILDING SOCIETY LIMITED

NOTICE OF MEETING

Notice is hereby given that the Fifty-ninth Annual General Meeting of the Members of the New Building Society Limited will be held at 5.00 p.m. on Monday, 19th April, 1999 at the Hotel Tower Limited, 74-75 Main Street, Georgetown.

AGENDA

1. To consider the Accounts, Balance Sheet and the Reports of the Directors and Auditors for the year 1998.
2. To appoint Directors for the period 1999 - 2001.
3. To fix the remuneration of the Directors for the year 1999.
4. To appoint Auditors for the year 1999.
5. To fix the remuneration of the Auditors for the year 1999.
6. To approve the sum of \$6,000,000.00 to be donated to Charity and for Educational Purposes for the year 1999.
7. Any Other Business of which due notice shall have been given.

By Order of the Board
Monica E. La Bennett
Chief Executive Officer/Director/Secretary
22nd March, 1999

Please Note:

Only Members holding the following Accounts or their duly appointed proxies are entitled to vote

Save & Prosper Accounts
Five Dollar Share Accounts
Mortgage Accounts (Advance Shares)

Please bring your Passbook to gain entry to the Meeting

NEW BUILDING SOCIETY LIMITED

DIRECTORS

J.A. King Esq., S.C. - Chairman
J.G. Carpenter Esq., BSc., - Vice Chairman
L.C. Ram Esq.
G.E. Eytte (Mrs)
R. Bhookmohan Esq.
L.O. Rockcliffe Esq.
S.A. Ramdeen Esq.

MANAGEMENT

S.A. Ramdeen Esq. - Director/Secretary
M.L. Arjoon Esq. - Assistant Secretary/Accountant
N. Mohamed Esq. - Assistant Accountant
M. Majeed Esq. - Information Technology Controller
M. Raffick Esq. - A.I.C.B. - Branch Manager, New Amsterdam
K. Vincent Esq. - Branch Manager, Linden

SOLICITORS

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

Messrs. McDoom & Co.
215 King Street,
Stabroek,
Georgetown.

BANKERS

Guyana Bank for Trade and Industry Limited
National Bank of Industry and Commerce Limited
Guyana National Co-operative Bank
Bank of Baroda

AUDITORS

Jack A. Alli, Sons & Company
145 Crown Street, Queenstown, Georgetown.

NEW BUILDING SOCIETY LIMITED

REPORT OF THE DIRECTORS

The Directors are pleased to present the Fifty-ninth Annual Report and Financial Statement of the Society for the year ended 31st December, 1998.

SHARES AND DEPOSIT ACCOUNTS

During the year 5,829 new accounts were opened (1997 - 6,388). Investors Funds moved from \$8,156,665.693 to \$9,468,925,297 an increase of \$1,312,259,604 (1997 - \$1,456,661,767). Investors funds represent 86.77% of Total Assets at year-end. (1997 - 86.61%).

MORTGAGES

The total amount advanced during the Financial year as loans the security of freehold and leasehold properties was \$1,734,735,864 and the total number of mortgages executed was 755 (1997 - \$1,306,696,724 was advanced and 655 mortgages were executed).

At 31st December, 1998 there were 2,776 Mortgages in force totalling \$4,921,260,635 which is 45.10% of Total Assets (1997 - \$3,602,570,348 - 38.25%).

Nine mortgage accounts were more than twelve months in arrears at the end of the year. The total amount outstanding was \$34,143,786).

ASSETS

Total Assets increased by \$1,494,122,181 during the year to \$10,912,355,604 representing a growth of 15.86% (1997 - 21,715,183,423).

LIQUIDITY AND RESERVES

At 31st December, 1998 Liquid Assets (i.e. Cash and Short Term Investments) stood at \$3,538,983,410 representing 32.43% of Total Assets (1997 - 30%).

At the end of the year Total Reserves amounted to \$1,374,068,241 which is 12.59% of total assets (1997 - 12.90%).

ANNUAL VALUATION

The Annual Valuation of the Assets and Liabilities of the Society as required by the Board revealed no likely loss.

There were five properties in possession at the end of the year which will be sold during 1999.

DIRECTORATE

Under the provisions of the Society's Rule 47 (1), the Directors whose names are listed below retire after the Fifty-ninth Annual General Meeting. Under Rule 47 (2) they are eligible and offer themselves for re-election:

NEW BUILDING SOCIETY LIMITED

J.A. King - Esq, S.C
J.G. Carpenter - Esq, BSc
L.C. Ram - Esq
G.E. Eytie (Mrs)
R. Bhookmohan - Esq
L.O. Rockcliffe - Esq

AUDITORS

The Auditors, Messrs. Jack A. Alli, Sons and Company, Accountants, retire and are eligible for re-election.

By Order of the Board,
Monica E. La Bennett
Chief Executive Officer/Director/Secretary
22nd March, 1999

REPORT OF THE AUDITORS TO THE MEMBERS OF THE NEW BUILDING SOCIETY LIMITED

We have audited the financial statements of The New Building Society Limited as set out on pages 6 to 28. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Approved Auditing Standards. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We have inspected the mortgage deeds, transports and other securities and title deeds and found them to be in order.

In our opinion, the financial statements, which have been prepared under the historical cost convention, modified by the valuation of freehold land and buildings, give a true and fair view of the state of affairs of the Society at December 31, 1998, and of the results of its operations and the source and application of its funds for the year ended December 31, 1998 in accordance with Approved Accounting Standards.

JACK A. ALLI, SONS & CO.
Correspondents of Price Waterhouse Coopers

145 Crown Street,
Queenstown,
Georgetown,
March 19, 1999

NEW BUILDING SOCIETY LIMITED
REVENUE AND APPROPRIATION ACCOUNTS

INCOME

Interest Earned on

- Mortgage loans
- Temporary loans
- Bank accounts
- Treasury bills
- Investments
- Fees, commission, rule books etc.
- Inspection fees
- Gain on exchange rate

EXPENDITURE

- Management expenses
- Directors' fees
- Directors' travelling
- Directors' pension
- Audit fees
- Office premises
- Charitable and educational donations
- Depreciation
- Provision for losses on loan assets

Excess of Income over Expenditure

Distributed as Follows:-

Interest Earned on:-

- Five dollars shares
- Save and prosper shares
- Deposits

Unappropriated Income Transferred to Distributable Reserves

The notes on pages 16 to 28 form an integral part of these financial statements.

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1998

	1998 \$	1997 \$
	509,709,397	409,660,991
	178,548	213,830
	8,615,959	11,859,661
	514,618,561	559,114,605
	19,817,708	20,293,374
	5,905,207	5,018,900
	532,035	469,988
	<u>13,368,318</u>	<u>35,079,081</u>
	<u>1,072,745,733</u>	<u>1,041,710,430</u>
	135,292,314	124,487,984
	2,340,000	1,942,500
	2,340,000	1,942,500
	1,130,000	838,337
	1,400,000	1,200,000
	1,851,933	1,797,885
	31,000,000	6,000,000
	10,211,117	8,619,430
	<u>10,000,000</u>	<u>-</u>
	195,565,364	146,828,636
	<u>877,180,369</u>	<u>894,881,794</u>
	397,648,717	414,730,315
	299,312,746	240,929,867
	21,504,768	19,252,026
	<u>718,466,231</u>	<u>674,912,208</u>
	<u>158,714,138</u>	<u>219,969,586</u>

NEW BUILDING SOCIETY LIMITED
BALANCE SHEET

**INVESTORS' BALANCES, LIABILITIES
AND RESERVES**

Shares
Deposits
Creditors and accruals
Reserves

ASSETS

Loan assets
Investments and cash
Fixed assets
Debtors and prepayments

Approved by the Board of Directors

J. A. King CHAIRMAN
J. G. Carpenter VICE-CHAIRMAN
M. La Bennett DIRECTOR/SECRETARY

The notes on pages 16 to 28 form an integral part of these financial statements.

NEW BUILDING SOCIETY LIMITED

DECEMBER 31, 1998

NOTES	1998 \$	1997 \$
1	9,129,668,294	7,871,209,637
	339,257,003	285,456,056
	69,362,058	46,213,619
2	1,374,068,249	1,215,354,111
	<u>10,912,355,604</u>	<u>9,418,233,423</u>
3	4,922,495,929	3,509,273,767
4	5,822,371,898	5,649,405,534
5	142,119,294	134,416,493
	25,368,483	25,137,629
	<u>10,912,355,604</u>	<u>9,418,233,423</u>

NEW BUILDING SOCIETY LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS

SOURCE OF FUNDS

Operations

Unappropriated income after deducting
interest on shares and deposits

Adjustments for items not involving the movement of funds

Depreciation
Provision for losses on loan assets

Net receipts from shareholders and depositors
(including interest capitalised)

APPLICATION OF FUNDS

Increase in loan assets
Purchase of fixed assets

Increase in available funds

Represented by:

Increase in investment and cash
Increase in debtors and prepayments
(Increase)/decrease in creditors and accruals

The notes on pages 16 to 28 form an integral part of these financial statements.

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1998

	1998		1997
	\$	\$	\$
		158,714,138	219,969,556
			8,619,430
		10,211,117	
		10,000,000	
		<u>1,312,259,604</u>	<u>1,456,661,767</u>
		1,491,184,859	1,685,250,763
	(1,323,222,162)		(946,227,834)
	<u>(17,913,918)</u>		<u>(19,694,316)</u>
		<u>(1,341,136,080)</u>	<u>(965,922,150)</u>
		<u>150,048,779</u>	<u>719,328,633</u>
	172,966,364		700,853,001
	230,854		21,559,592
	<u>(23,148,439)</u>		<u>(3,083,960)</u>
		<u>150,048,779</u>	<u>719,328,633</u>

NEW BUILDING SOCIETY LIMITED
FUNDS ADMINISTERED BY THE SOCIETY

A BREZINA-GUYANA HOUSING PROJECT

LIABILITIES

U.S. Investors

Represented by:

ASSETS

Sundry debtors

External payment deposits

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE	1998	1997
	\$	\$
	<u>745,358</u>	<u>732,060</u>
	574,741	561,443
	<u>170,617</u>	<u>170,617</u>
	<u>745,358</u>	<u>732,060</u>

The notes on pages 16 to 28 form an integral part of these financial statements.

NEW BUILDING SOCIETY LIMITED

FUNDS ADMINISTERED BY THE SOCIETY

B. PUBLIC OFFICERS HOUSING LOAN FUNDS

LIABILITIES

Advanced by Government
Less - Accumulated overpayment of interest

Sundry creditors
Excess of income over expenditure

Represented by:

ASSETS

Mortgages
Cash at bank

The notes on pages 16 to 28 form an integral part of these financial statements.

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE	1998 \$	1997 \$
	57,490	57,490
	61,422	61,422
	<u>(3,932)</u>	<u>(3,932)</u>
	344	344
	44,216	41,743
	<u>40,628</u>	<u>38,155</u>
7	40,622	38,049
	106	106
	<u>40,628</u>	<u>38,155</u>

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. SHARES

Five dollar shares
 Save and prosper shares

	1998 \$	1997 \$
	5,444,087,329	5,109,969,604
	3,685,580,965	2,761,240,033
	<u>9,129,668,294</u>	<u>7,871,209,637</u>

2. RESERVES

Non- Distributable

Balance at January 1, 1998
 and December 31, 1998

95,586,629 95,586,629

Distributable

Balance at January 1, 1998

1,119,767,482 899,797,896

Add

Unappropriated income for the year

158,714,138 219,969,586

Balance at December 31, 1998

1,278,481,620 1,119,767,482

Total Reserves

1,374,068,249 1,215,354,111

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

3. LOANS ASSETS

Mortgage accounts (Note 6)
 Temporary loans
 Properties in possession
 Provision for losses on loan assets

1998 \$	1997 \$
4,921,260,635	3,602,570,348
273,250	1,659,691
10,962,044	5,043,728
(10,000,000)	-
<u>4,922,495,929</u>	<u>3,609,273,767</u>

4. INVESTMENTS AND CASH

Foreign Investments

Final Redemption Date in

Not more than 5 years
 5 - 10 years
 10 - 20 years

84,174,123	109,207,709
83,279,445	55,006,247
31,854,761	45,158,479

Local Investments

(a) Repayable in not more than 6 months
 (b) Final redemption date in not more than 5 years

3,393,753,500	2,670,473,756
1,832,298,240	2,364,248,000

Cash at Bank and In Hand

Repayable in not more than 6 months

145,229,910	114,715,467
-------------	-------------

Interest Accrued (Gross)

251,763,919	270,595,856
-------------	-------------

<u>5,822,371,898</u>	<u>5,649,405,534</u>
----------------------	----------------------

Market Value of Investments

<u>5,936,529,215</u>	<u>5,682,325,450</u>
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Maturity Value of Investments

<u>6,356,486,889</u>	<u>6,186,449,633</u>
----------------------	----------------------

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

5. FIXED ASSETS

(a) Book Values

At December 31, 1998

Freehold land
 Freehold buildings
 Motor vehicles
 Furniture and equipment
 Machinery and equipment
 Construction-in-progress

Cost/ Valuation \$	Accumulated Depreciation \$	1998 Net Book Value \$	1997 Net Book Value \$
20,288,000	-	20,288,000	20,288,000
93,733,412	8,511,328	85,222,084	82,913,472
28,828,210	17,001,361	11,826,849	17,005,315
3,875,552	1,183,188	2,692,364	2,853,800
23,739,872	16,816,623	6,923,249	9,014,828
15,166,748	-	15,166,748	2,331,078
<u>185,631,794</u>	<u>43,512,500</u>	<u>142,119,294</u>	<u>134,416,493</u>

The Company's freehold land and buildings were revalued by Rodrigues and Cox at December 31, 1993, on the basis of open market value.

(b) Movements to Fixed Assets

Completed

Cost/Valuation at January 1, 1998

Additions at Cost
 Freehold buildings
 Furniture and equipment
 Machinery and equipment

Cost/Valuation at December 31, 1998

Construction-in-Progress

Cost at January 1, 1998

Additions at Cost
 Furniture and equipment

Cost at December 31, 1998

Total Cost/Valuation at December 31, 1998

165,386,798

4,103,570

170,000

804,678

5,078,248

170,465,046

2,331,078

12,835,670

15,166,748

185,631,794

NEW BUILDING SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. FIXED ASSETS (CONT'D)

(c) Analysis of Cost or Valuation

At Valuation

Freehold land - year of valuation 1993
Freehold buildings - year of valuation 1993

1998
\$

20,288,000
80,927,000

1997
\$

20,288,000
80,927,000

At Cost

Freehold buildings
Motor vehicles
Furniture and equipment
Machinery and equipment
Construction-in-progress

12,806,412
28,828,210
3,875,552
23,739,872
15,166,748

8,702,842
28,828,210
3,705,552
22,935,194
2,331,078

Cost/Valuation at December 31, 1998

185,631,794

167,717,876

(d) Capital Commitment

The following capital commitment is not provided for in these financial statements

Authorised but not contracted for

112,000,000

50,000,000

NEW BUILDING SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6. MORTGAGE ACCOUNTS

Balances not exceeding \$500
 Balances exceeding \$500
 but not \$1,000
 Balances exceeding \$1,000
 but not \$2,000
 Balances exceeding \$2,000
 but not \$3,000
 Balances exceeding \$3,000
 but not \$4,000
 Balances exceeding \$4,000
 but not \$5,000
 Balances exceeding \$5,000
 but not \$10,000
 Balances exceeding \$10,000
 but not \$15,000
 Balances exceeding \$15,000
 but not \$20,000
 Balances exceeding \$20,000
 but not \$25,000
 Balances exceeding \$25,000
 but not \$30,000
 Balances exceeding \$30,000
 but not \$50,000
 Balances exceeding \$50,000
 but not \$100,000
 Balances exceeding \$100,000
 but not \$200,000
 Balances exceeding \$200,000
 but not \$250,000

Carried Forward

NEW BUILDING SOCIETY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 1998

1998

1997

No. of Securities	Amount \$	No. of Securities	Amount \$
8	1,822	6	1,611
6	4,766	2	1,329
4	7,100	10	15,806
10	26,021	5	11,294
12	41,341	9	30,314
6	26,785	13	52,065
17	115,391	38	278,127
21	270,977	20	248,892
7	118,919	15	261,689
12	264,559	6	131,888
6	160,677	12	334,407
36	1,410,154	40	1,551,625
64	4,556,066	84	6,087,378
91	13,375,515	102	15,658,912
32	13,904,488	46	10,123,878
<u>362</u>	<u>34,284,583</u>	<u>408</u>	<u>34,767,087</u>

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

6. MORTGAGE ACCOUNTS (Cont'd)

Brought Forward

Balances exceeding \$250,000
but not \$500,000
Balances exceeding \$500,000
but not \$750,000
Balances exceeding \$750,000
but not \$1,000,000
Balances exceeding \$1,000,000
but not \$1,500,000
Balances exceeding \$1,500,000
but not \$2,000,000
Balances exceeding \$2,000,000
but not \$2,500,000
Balances exceeding \$2,500,000
but not \$3,000,000
Balances exceeding \$3,000,000
but not \$4,000,000
Balances exceeding \$4,000,000
but not \$5,000,000
Balances exceeding \$5,000,000

7. PUBLIC OFFICERS' HOUSING LOAN FUNDS

Balances exceeding \$35,000

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1998

	1998		1997	
	No. of Securities	Amount \$	No. of Securities	Amount \$
Brought Forward	362	34,284,583	408	34,787,087
Balances exceeding \$250,000 but not \$500,000	242	91,318,657	250	94,270,783
Balances exceeding \$500,000 but not \$750,000	233	142,980,896	222	137,878,614
Balances exceeding \$750,000 but not \$1,000,000	241	211,602,638	198	173,407,606
Balances exceeding \$1,000,000 but not \$1,500,000	396	491,136,854	336	417,937,645
Balances exceeding \$1,500,000 but not \$2,000,000	321	561,126,389	252	442,152,284
Balances exceeding \$2,000,000 but not \$2,500,000	220	491,728,475	162	351,828,525
Balances exceeding \$2,500,000 but not \$3,000,000	196	544,639,436	141	390,589,947
Balances exceeding \$3,000,000 but not \$4,000,000	243	855,448,119	147	514,555,063
Balances exceeding \$4,000,000 but not \$5,000,000	268	1,215,411,682	186	845,134,331
Balances exceeding \$5,000,000	54	281,582,906	37	190,048,478
	<u>2,776</u>	<u>4,921,260,635</u>	<u>2,339</u>	<u>3,602,570,348</u>
	<u>1</u>	<u>40,522</u>	<u>1</u>	<u>38,049</u>

NOTES TO THE FINANCIAL STATEMENTS

8. SIGNIFICANT ACCOUNTING POLICIES

(a) Depreciation

Freehold buildings are written off over a period of fifty years.
Motor vehicles, furniture and equipment, machinery and equipment are written off by equal instalments over the estimated useful lives ranging from 4 to 10 years.

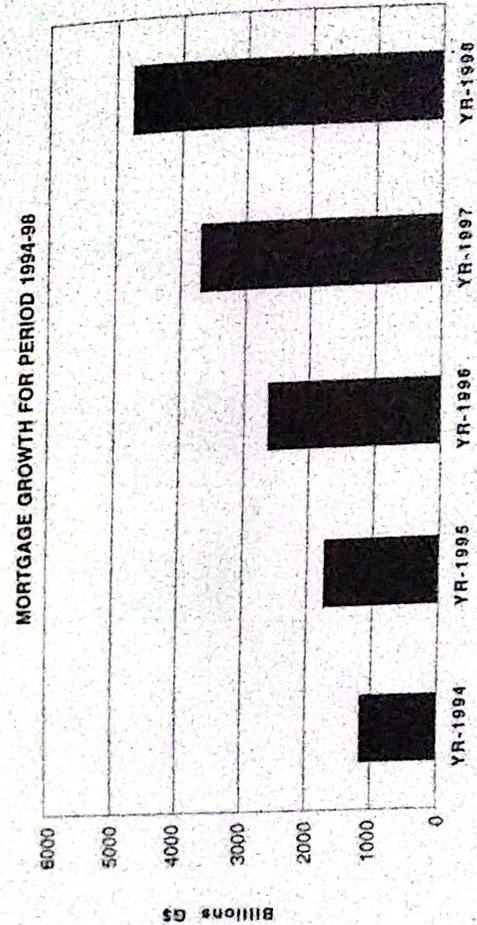
(b) Investments

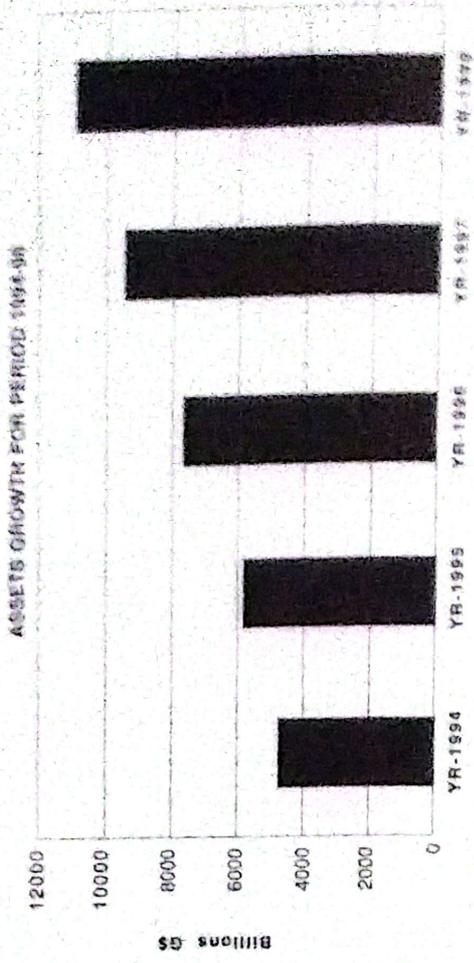
Investments are stated at cost to the Society.

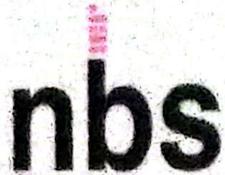
(c) Foreign Currencies

Transactions involving foreign currencies are converted at a standard rate of exchange.

At balance sheet date all amounts denominated in foreign currencies, except investments, are converted to Guyana dollars at the exchange rate ruling at that date, but the resultant gain or loss is recognised in the financial statements only if it would materially affect the financial statements.






nbs

NEW BUILDING SOCIETY LIMITED

Established 1940

Head Office

1 Avenue of the Republic, Georgetown
Tel: 02-64060/8/9, 02-74444
Fax: 592-2-50832
e-mail: nbsltd@guyana.net.gy

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