

ANNUAL REPORT

2023



INNER COVER

OUR VISION

To be the Investment Bank and Asset Management company of first choice in Guyana, the Caribbean, and Northern South America.



OUR MISSION

To provide professional and creative Merchant Banking Services to individuals; public and private entities, and foreign investors: To catalyze financial sector expansion through highly professional staff and our extensive international network.

THE LOGO

The logo is designed to emphasize a comprehensive perspective and a first-class representation of Guyana and the Americas, reflecting the bank's Guyanese roots with global support.

The layout evokes flowing water and vibrant blue, representing Guyana's progress. The dark blue symbolizes stability and financial strength, while black signifies endurance.

The logo also identifies GAMBI as a subsidiary of Guyana Bank for Trade and Industry Limited (GBTI).

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty-Third Annual General Meeting of Guyana Americas Merchant Bank Inc. will be held at GBTI Corporate Office, High and Young Streets, Georgetown, on Tuesday April 16, 2024, at 11:00 am for the following purposes:

A To receive the Financial Statements for the year ended December 31, 2023, and the Reports of the Directors and Auditors thereon.

To consider and (if thought fit) pass the following Resolution:

1. "That the Financial Statements for the year ended December 31, 2023, and the Reports of the Directors and Auditors thereon be and are hereby adopted".

B To elect Directors in accordance with Article 73 of the Bank's By-Laws. The Directors retiring by rotation is Mr. Suresh Beharry & Mr. Ganesh Jaikaran, who, being eligible, offers themselves for re-election.

To consider and (if thought fit) pass the following Resolution:

2. "That Mr. Suresh Beharry & Mr. Ganesh Jaikaran be and are hereby elected Directors of the Bank".

C To fix the remuneration of the Directors in accordance with Article 70 of the Bank's By-Laws and Section 104 of the Companies Act 1991.

To consider and (if thought fit) pass the following Resolution:

3. "That the remuneration of the Directors shall remain in the amount presently fixed".

D To appoint Auditors in accordance with Article 130 of the Bank's By-Laws. Messrs. TSD LAL & CO. retire and being eligible offer themselves for re-appointment. To consider and (if thought fit) pass the following Resolution:

4. "That Messrs. TSD LAL & CO. – Chartered Accountants, be and are hereby re-appointed Auditors of the Bank".

BY ORDER OF THE BOARD



GANESH JAIKARAN

March 15, 2024

REGISTERED OFFICE
High and Young Streets
Kingston, Georgetown
Guyana

CORPORATE INFORMATION

CHAIRMAN

Mr. Andy Jogie - Chairman

DIRECTORS

Mr. Suresh E. Beharry - Director

Mr. Edward A. Beharry - Director

Mr. Richard Isava – Managing Director

Mr. Ganesh Jaikaran – Secretary

ATTORNEYS AT LAW

Cameron & Shepherd

2 Avenue of the Republic

Stabroek

Georgetown

AUDITORS

TSD LAL & CO.

77 Brickdam, Stabroek

Georgetown, Guyana

BANKERS

Guyana Bank for Trade & Industry Limited

Corporate Office

High & Young Streets

Kingston

Georgetown

Guyana

REGISTERED OFFICE

High and Young Streets

Kingston, Georgetown, Guyana

Telephone: 592-223-5193/4

Facsimile: 592-223-5195

E-mail: gambi@guyambank.com

CORPORATE GOVERNANCE

In recent times both internal factors and external factors have forced financial Institutions to revisit their corporate governance structure. The combination of legislation, reports, statements and publications together with self-scrutiny by the institutions themselves and pressure from the regulators has yielded substantial changes in governance practice across the financial services industry and around the world.

The Board of Directors of Guyana Americas Merchant Bank Inc. is committed to the maintenance of the highest levels of corporate governance. In accordance with this principle, the Board has adopted the following corporate governance structure which it considers appropriate for the present size and business activities of the Bank:

The Bank is governed by the Board of Directors comprising the Managing Director, Corporate Secretary, and three (3) Non-executive Directors who bring extensive knowledge, experience, and professionalism to the deliberation of the Board. The function of the Board is to set policies and to provide strategic guidance.

The positions of the Chairman of the Board of Directors and the Managing Director are filled by different persons. The Chairman is responsible for the work of the Board and the communication of the performance of the Bank to the shareholders while the Managing Director, who reports to the Board, is responsible for the day-to-day operations of the Bank implementing the resolutions, regulations and directions from time to time made or given by the Board in accordance with the provisions of the Companies Act 1991, the Financial Institutions Act 1995 and the Securities Industry Act 1998.

The Board of Directors has established an Investment Committee which is responsible for reviewing all investment proposals of the Bank. The Committee, which comprises all the members of the Board, may delegate some of its functions and duties to the Bank's managers.

The Board of Directors has established an Audit Committee which focuses on the Bank's controls and accounting processes and monitors the financial performance of the Bank through a review of the unaudited Financial Statements prepared monthly by the Finance Department. In addition, the Audit Committee benefits from an independent examination of the Bank's procedures, accounting systems and internal controls which is undertaken annually by the Inspection Division of the Guyana Bank for Trade and Industry Limited.

The Board will review this structure from time to time and will adjust and expand it as appropriate to ensure that sound corporate governance practices are maintained at all times.

YOUR
INVESTMENT
JOURNEY
BEGINS
HERE





CHAIRMAN

ANDY JOGIE

I am pleased to present the annual report for Guyana Americas Merchant Bank (GAMBI) for the fiscal year ending December 31st, 2023. It has been a year of growth and strategic positioning for our bank amidst a dynamic economic landscape.

Expansion

One of the pivotal areas of growth for Guyana and consequently for GAMBI has been the burgeoning opportunities in the energy sector, particularly in oil. With the continued exploration and production activities in the Stabroek Block, Guyana is witnessing an unprecedented surge in interest from global energy players. This presents a remarkable opportunity for our bank to provide tailored financial solutions and advisory services to support the development of this vital sector.

Furthermore, I would like to acknowledge the collaborative efforts of the government of Guyana in creating an enabling environment for the energy sector. Their commitment to transparent regulations, investment-friendly policies, and sustainable development strategies has been instrumental in attracting investment and fostering growth in this critical sector.

Opportunity

Looking ahead, GAMBI is well-positioned to capitalize on the continued growth and diversification of Guyana's economy. We remain committed to delivering value to our shareholders and clients while upholding the highest standards of corporate governance and social responsibility.

In conclusion, I extend my sincere gratitude to our shareholders for their unwavering support and confidence in GAMBI. I also commend the dedication and professionalism of our employees, whose hard work and commitment have been integral to our success.

A professional portrait of Mr. Richard Isava, a middle-aged man with glasses, wearing a dark blue suit jacket, a blue and white striped shirt, and a red tie with a white star pattern. He is looking slightly to the right of the camera with a neutral expression. The background is a dark blue wall with a subtle pattern of small, light blue squares.

**MANAGING DIRECTOR'S
REPORT**
Mr. Richard Isava

MANAGING DIRECTOR'S REPORT

It is my privilege to report on the bank's performance for the year ended December 31, 2023.

Global Outlook

According to the IMF, Global growth is projected to stay at 3.1 percent in 2024 and rise to 3.2 percent in 2025. Elevated central bank rates to fight inflation and a withdrawal of fiscal support amid high debt weigh on economic activity.

Inflation is falling faster than expected in most regions, amid unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and 4.4 percent in 2025, with the 2025 forecast having been revised down.

Guyana Outlook

The Guyanese economy has tripled in size since the start of oil extraction (end- 2019), from one of the lowest GDP per capita in Latin America and the Caribbean in the early nineties. Oil production is ramping up rapidly, supporting the highest real GDP growth in the world in 2022 (62.3 percent).

Additionally, Guyana's economy is expected to grow 34.3% in 2024, exceeding growth of 33% in 2023, as an Exxon Mobil Corp.-led consortium ramps up offshore oil production, according to Guyana's finance minister Ashni K. Singh.

The projected economic growth in 2024 will represent the fifth consecutive year in which the Guyanese economy will grow more than 20%, and will result in Guyana growing at an annual average of 38.8% over that five-year period.

Performance of the Bank

GuyAm Bank has continued offering its Investment Management and stockbroking services while focusing on the development of the investment banking division.

Total Revenue for the year 2023 amounted to G\$158,759,329 compared with G\$118,256,896 the previous year.

In summary, GuyAm Bank's Income comprised the following revenue streams:

	2023	2022
	G\$	G\$
Fees/Commissions	54,131,655	38,017,838
Income from investments	82,473,332	75,172,319
Other Income	<u>22,154,342</u>	<u>5,066,739</u>
	<u>158,759,329</u>	<u>118,256,896</u>

Supervision and Regulation

GuyAm Bank is licensed as a Financial Institution under the Financial Institutions Act 1995 and supervised by the Bank of Guyana to carry on non-depository financial business in Guyana except Trust Business. GuyAm Bank is also registered as a Securities Company under the Securities Industry Act 1998 and regulated by the Guyana Securities Council to conduct business as a Broker, a Dealer, an Underwriter, and an Investment Advisor.

Acknowledgment

I wish to acknowledge the contribution of our staff and express my profound appreciation for their dedication and hard work. Additionally, I wish to also acknowledge the unfailing support and guidance which I have received at all times from our Chairman and the Board of Directors.

Mr. Richard Isava



Managing Director



Total revenue as at December 2023

G\$158,759,329

DIRECTOR'S REPORT

The Directors have pleasure in submitting their Report and Audited Financial Statements for the year ended December 31, 2023.

ACTIVITIES

The Bank is licensed under Section 6(2) of the Financial Institutions Act 1995 to carry on non-depository financial business in Guyana with the exception of Trust business.

The Bank is registered under Section 47(2) of the Securities Industry Act 1998 to conduct business as a Broker, a Dealer, an Investment Advisor and an Underwriter in Guyana.

The Bank, having been licensed under Section 47 (1) of the Securities Industry Act 1998 to carry on business as a Broker and a Dealer was admitted to membership of the Guyana Association of Securities Companies and Intermediaries Incorporated (the Guyana Stock Exchange) in accordance with Rule 3.04.

The bank may engage in the following activities:

- a) Development of capital market activities.
- b) Corporate and project advisory services
- c) Investment Management services
- d) Act as a Broker, a Dealer, an Investment Advisor and an Underwriter.
- e) Lending in Guyana Dollars and United States Dollars.

FINANCIAL RESULTS

	2023	2022
Net (loss)/Profit before taxation	(159,288,191.00)	(36,344,073.00)
Taxation	<u>3,493,464.00</u>	<u>1,863,743.00</u>
Net (loss)/Profit for the year	(162,781,655.00)	(38,207,816.00)
Net revaluation gain/(loss) on FVTOCI (bonds)	<u>42,163,534.00</u>	<u>(8,417,177.00)</u>
Total comprehensive Income/(loss) for the year	<u><u>(120,618,121.00)</u></u>	<u><u>(46,624,993.00)</u></u>

SHARE CAPITAL

The authorized share capital of the Bank is 90,000,000 Ordinary shares with no par value of which 45,000,000 Ordinary shares have been issued and fully paid creating a share capital of G\$658,000,000.

DIRECTOR'S REPORT

SHAREHOLDING

The following are the shareholders of the

Bank:	Number of Shares	Percentage Held	Number of Shares	Percentage Held
Secure International Finance Company Inc.	27,000,000	60	27,000,000	60
Guyana Bank for Trade & Industry Limited	18,000,000	40	18,000,000	40

DIRECTORS

At the Twenty Third Annual General Meeting of the Bank the following persons retired and were re-elected Directors of the Bank:

Mr. Suresh Beharry
Mr. Ganesh Jaikaran

In accordance with Article 73 of the Bank's By-Laws, Mr Andy Jogie and Mr. Edward A Beharry retire from the Board and being eligible offers themselves for re-election.

AUDITORS

In accordance with Article 130 of the Bank's By-Laws, the Auditors, Messrs.TSD LAL and CO retire and being eligible offer themselves for re-appointment.

SEGMENT INFORMATION

'Merchant Banking' is considered a single business operation which includes investments, investment management, stockbroking, securities dealing, securities underwriting and advisory services. The contribution to income from these activities is set out in note 5 of the financial statements.

BY ORDER OF THE BOARD



GANESH JAIKARAN

March 15, 2024

REGISTERED OFFICE
High and Young Streets
Kingston, Georgetown
Guyana

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of the Guyana Americas Merchant Bank Inc. which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive loss, statement of changes in equity, 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 2 to 35.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Guyana Americas Merchant Bank Inc. as at 31 December 2023, its financial performance, and its cash flows for the year that ended in accordance with International Financial Reporting Standards.

Basis for opinion

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

Other information in the annual report

The Directors are responsible for the other information. The other information comprises all the information in the 2023 annual report other than the financial statements and our auditor's report thereon ("the other information"). Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Guyana Americas Merchant Bank Inc.'s financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the Guyana Americas Merchant Bank Inc.'s financial statements or our knowledge obtained in the audit otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information; we are required to report that fact. At the time of issuing the audit opinion, the annual report was not available.

Responsibilities of those charged with governance for the financial statements

The Directors/Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Guyana Americas Merchant Bank Inc.'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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The audit committee assists the Directors in discharging their responsibilities for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

The objectives of our audit 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

Auditor's responsibilities for the audit of the financial statements - cont'd

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists which related to events or conditions cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 company to cease to continue as a going concern.

Auditor's responsibilities for the audit of the financial statements

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 other legal and regulatory requirements

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

TSD Lal & Co

TSD LAL &
CHARTERED
ACCOUNTANTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Notes</u>	<u>2023</u> G\$	<u>2022</u> G\$
Income			
Fees	5(a)	54,131,655	38,017,838
Income from investments	5(b)	82,473,332	75,172,319
Other income	5(c)	<u>22,154,342</u>	<u>5,066,739</u>
		<u>158,759,329</u>	<u>118,256,896</u>
Expenses			
Administrative	6 (a)	29,412,830	32,983,080
Premises/equipment maintenance		19,433,194	14,258,884
Salaries and other staff costs	6 (b)	57,742,519	48,698,335
Loss on investments	6 (c)	93,870,981	7,268,289
Property tax		4,259,153	5,067,852
Fair value movement of financial assets		<u>113,328,843</u>	<u>46,324,529</u>
		<u>318,047,520</u>	<u>154,600,969</u>
Net loss before taxation	7	(159,288,191)	(36,344,073)
Taxation	8(a)	<u>3,493,464</u>	<u>1,863,743</u>
Net loss for the year		<u>(162,781,655)</u>	<u>(38,207,816)</u>
Basic loss per share in dollars	9	<u>(3.62)</u>	<u>(0.85)</u>

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> G\$	<u>2022</u> G\$
Loss for the year		(162,781,655)	(38,207,816)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Net revaluation gain/(loss) on FVTOCI (bonds)	15	42,163,534	(8,417,177)
		<hr/>	<hr/>
Total comprehensive loss for the year		<u><u>(120,618,121)</u></u>	<u><u>(46,624,993)</u></u>

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Note</u>	<u>Share capital</u> G\$	<u>Accumulated losses</u> G\$	<u>Investment reserve</u> G\$	<u>Total</u> G\$
Balance at 1 January 2022		<u>658,000,000</u>	<u>(4,997,178)</u>	<u>(17,337,266)</u>	<u>635,665,556</u>
Changes in equity 2022					
Loss for the year		-	(38,207,816)	-	(38,207,816)
Other comprehensive loss for the year	15	-	-	(8,417,177)	(8,417,177)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance at 31 December 2022		<u>658,000,000</u>	<u>(43,204,994)</u>	<u>(25,754,443)</u>	<u>589,040,563</u>
Changes in equity 2023					
Loss for the year		-	(162,781,655)	-	(162,781,655)
Other comprehensive income for the year	15	-	-	42,163,534	42,163,534
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total comprehensive loss for the year		<u>-</u>	<u>(162,781,655)</u>	<u>42,163,534</u>	<u>(120,618,121)</u>
Balance at 31 December 2023		<u><u>658,000,000</u></u>	<u><u>(205,986,649)</u></u>	<u><u>16,409,091</u></u>	<u><u>468,422,442</u></u>

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

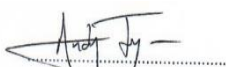
STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Notes</u>	<u>2023</u> G\$	<u>2022</u> G\$
ASSETS			
Cash on hand		50,200	31,971
Cash at bank	13	24,406,593	23,214,361
Investments	11	437,521,057	558,840,628
Accounts receivable and prepayments	12	11,132,594	7,337,104
Interest accrued		2,947,573	5,978,262
Property & equipment	10 (b)	9,331,005	16,468,507
Intangible assets	10 (a)	1,449,878	3,587,790
Tax recoverable		2,753,120	2,753,120
TOTAL ASSETS		489,592,020	618,211,743
LIABILITIES AND EQUITY			
Non-current liabilities			
Lease liability	16 (a)	567,550	8,626,471
Loan	16 (b)	3,982,916	4,851,916
		4,550,466	13,478,387
Current liabilities			
Taxation		2,075,354	951,103
Accounts and other payables	16 (c)	14,543,758	14,741,690
		16,619,112	15,692,793
Capital and reserves			
Share capital	14	658,000,000	658,000,000
Accumulated losses		(205,986,649)	(43,204,994)
Investment reserve	15	16,409,091	(25,754,443)
		468,422,442	589,040,563
TOTAL EQUITY AND LIABILITIES		489,592,020	618,211,743

These financial statements were approved by the Board of Directors on March 12, 2024.

On behalf of the Board

 Chairman

 Managing Director

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>2023</u> G\$	<u>2022</u> G\$
Operating activities		
Loss before taxation	(159,288,191)	(36,344,073)
Adjustment for:		
Depreciation	2,413,647	2,242,168
Depreciation- right of use assets	6,191,023	5,675,101
Amortization on intangible assets	3,301,162	1,969,373
Fair value adjustments	113,328,843	46,324,529
Interest expense	1,683,333	3,393,307
Adjustment to investments	5,376,785	-
Gain on disposal of investments	(63,642,341)	(39,059,180)
	<hr/>	<hr/>
Operating loss before working capital changes	(90,635,739)	(15,798,775)
Increase in accounts receivable and prepayments	(3,795,490)	(6,238,740)
Decrease/(increase) in interest accrued	3,030,689	(19,803)
Decrease in other payable	-	(869,000)
(Decrease)/increase in accounts payable and accruals	(2,109,715)	319,059
	<hr/>	<hr/>
Cash used in operations	(93,510,255)	(22,607,259)
Taxes paid/adjusted	(2,289,900)	(1,506,820)
	<hr/>	<hr/>
Net cash used in operating activities	(95,800,155)	(24,114,079)
	<hr/>	<hr/>
Investing activities		
Purchase of property & equipment	(1,467,168)	(90,945)
Additions to intangible assets	(1,163,250)	(5,557,163)
Disposal of intangible assets	-	2,285,515
Interest expense	(607,431)	(1,870,668)
Purchase of investments	(567,997,610)	(524,339,700)
Proceeds on disposal of investments	676,338,115	523,126,118
	<hr/>	<hr/>
Net cash generated by/(used in) investing activities	105,102,656	(6,446,843)
	<hr/>	<hr/>
Financing activities		
Lease interest	(1,075,902)	(1,522,639)
Repayment of lease liability	(6,147,138)	(5,645,679)
Repayment of loan	(869,000)	(869,000)
	<hr/>	<hr/>
Net cash used in financing activities	(8,092,040)	(8,037,318)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	1,210,461	(38,598,240)
Cash and cash equivalents at beginning of year	23,246,332	61,844,572
	<hr/>	<hr/>
Cash and cash equivalents at end of year	24,456,793	23,246,332
	<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalents comprised of:		
Cash on hand	50,200	31,971
Cash at bank	24,406,593	23,214,361
	<hr/>	<hr/>
	24,456,793	23,246,332
	<hr/> <hr/>	<hr/> <hr/>

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Incorporation and activities

Guyana Americas Merchant Bank Inc. formerly Guyana Finance Corporation was incorporated as a limited liability company on 22 May 1995 under the Companies Act 89:01 and continued under the Companies Act 29 of 1991 on 27 May 1997.

By special resolution on 30 July 1998 the company's name was changed to Guyana Americas Merchant Bank Inc.

The Merchant Bank is licensed under Section 6 (2) of the Financial Institutions Act 1995 to carry on non-depository financial business in Guyana with the exception of Trust Business with effect from 16 March 2001.

The Merchant Bank is registered under Section 47 (2) of the Securities Industry Act 1998 to conduct business as a Broker and Investment Advisor in Guyana with effect from 7 April 2003, as an Underwriter in Guyana with effect from 9 January, 2004 and as a Dealer in Guyana with effect from 18 August, 2005. The Merchant Bank, having been admitted to membership of the Guyana Association of Securities Companies and Intermediaries Incorporated (the Guyana Stock Exchange) in accordance with Rule 3.04, is licensed under Section 47 (1) of the Securities Industry Act 1998 to carry on business as a Broker with effect from 16 July 2003 and as a Dealer with effect from 18 August, 2005.

The Merchant Bank is a subsidiary of Secure International Finance Company Incorporated with Edward B. Beharry and Company Limited being the ultimate Parent Company.

Guyana Americas Merchant Bank Inc. will engage in the following activities:

- (a) Development of capital market activities in Guyana, the Caribbean and Latin America.
- (b) Advisory services in the areas of corporate and project finance.
- (c) Direct lending in United States Dollars and Guyana Dollars.
- (d) Investment management services.
- (e) Conduct business as a broker, a dealer, an investment advisor, and an underwriter.

Employees

The average number of employees during the year was ten (10) (2022 seven (7)).

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

2 New and amended standards and interpretations.

Amendments effective for the current year end

	Effective for annual periods beginning on or after
New and Amended Standards	
IFRS 17 Insurance contracts	1 January 2023
Amendments to IAS 1 and IFRS Practice statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

Amendments to IAS 1 and IFRS Practice statement 2: Disclosure of Accounting Policies

The amendments replace the requirement for entities to disclose their significant accounting policies with the requirement to disclose their material accounting policy information. The amendments also include guidance to help entities apply the definition of material in making decisions about accounting policy disclosures.

Amendments to IAS 8: Definition of Accounting Estimates

The amendments introduced the definition of accounting estimates and included other amendments to help entities distinguish changes in accounting estimates from changes in accounting policies.

Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendments apply to transactions such as leases and decommissioning obligations.

None of the above new and amended standards and interpretations had a significant effect on the financial statements of the Company.

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

2 New and amended standards and interpretations cont'd

Pronouncements effective in future periods available for early adoption

	Effective for annual periods beginning on or after
Amendments to IAS 1: Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to IAS 12: International Tax Reform— Pillar Two Model Rules	1 January 2024
IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2024
IFRS S2: Climate-related Disclosures	1 January 2024

The Company has not opted for early adoption.

None of the foregoing standards and amendments are expected to have a material impact on the Company's policies when adopted.

3 Summary of significant accounting policies

(a) Accounting convention

The financial statements have been prepared under the historical cost convention as modified for the revaluation of certain investments and conform with International Financial Reporting Standards.

(b) Foreign currency transactions

Transactions in currencies other than Guyana dollars are recorded at the official or Cambio rates of exchange prevailing on the dates of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the official or Cambio rates prevailing on that date.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the statement of profit or loss and other comprehensive income for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognized directly in equity.

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Summary of significant accounting policies – cont'd

(c) i) Property & equipment and depreciation

Depreciation of property & equipment is calculated on the straight-line method at rates sufficient to write off the cost of these assets to their residual values over their estimated useful lives as follows:

Furniture	-	10%
Office equipment and computers	-	15%
Motor vehicle	-	20%
Right of use asset	-	33.33%

Depreciation is charged in the year of acquisition but none in year of disposal.

ii) Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Summary of significant accounting policies – cont'd

(c) ii) Leases – cont'd

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented under property & equipment in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'property & equipment' policy.

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Summary of significant accounting policies – cont'd

(d) Financial instruments

Financial assets and liabilities are recognized on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

The Company classifies its financial assets into the following measurement categories:

- those to be measured at fair value through profit & loss
- those to be measured subsequently at fair value through other comprehensive income and
- those to be measured at amortised cost (Financial assets and liabilities at amortised cost).

Accounts receivable and prepayments

Accounts receivables and prepayments are measured at amortised cost.

Impairment policy

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Company applies the IFRS 9 general approach for measuring expected credit losses for other receivables in a way that reflects:

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

All of the Company's other receivables are considered to have low credit risk and the loss allowance is limited to 12 months expected losses. The identified impairment loss was therefore considered immaterial since counterparty has a strong capacity to meet its contractual cash flow obligations in the near term.

Accounts payables and accruals

Accounts payables and accruals are measured at amortised cost.

Investments

The Company's investments have been classified as follows:

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Summary of significant accounting policies – cont'd

(d) Financial instruments – cont'd

Investments at Fair Value Through Profit & Loss (FVTPL)

The Company subsequently measures all equity investments as FVTPL because they are held for trading. As such, all changes in fair value of these instruments are recognised in profit or loss. Dividends from these investments continue to be recognised in profit or loss when the Company's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are reported separately from other changes in fair value.

Investments at Fair Value Through Other Comprehensive Income (FVTOCI)

Bonds are classified as fair value through other comprehensive as the following conditions are met:

- i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset; and
- ii) the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Gains and losses on these bonds are recognized through the statement of profit or loss and other comprehensive income under other comprehensive income until the asset is sold or otherwise disposed, at which time previously recognized gains or losses are transferred to profit or loss for that period.

Bonds are stated net of expected credit losses. Expected credit losses are estimates of any potential default in payments of contractual cash flows considering the entirety of the contract life. These losses are reassessed if the credit risk on the investment changes.

Credit risk is determined based on past and forward-looking information. If the retrieval of forward-looking information causes undue cost or effort past information is used to determine credit risk.

Amortised Cost (AC) Investments

Structured notes are measured at amortised cost. Amortised cost refers to the present value of future cash flows discounted at the company's cost of capital. These investments are stated net of expected credit losses.

(e) Investment reserve

Fair value adjustments of FVTOCI investments are credited to this account. This reserve is not distributable.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand with maturity dates of (3) months or less.

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Summary of significant accounting policies – cont'd

- (g) **Administered funds**
Assets and liabilities under administration by the Merchant Bank have not been included in the financial statements.
- (h) **Revenue and expense recognition**
Fees and commissions are recognized as they are earned. Interest income and expenses are recognized in the statement of profit or loss and other comprehensive income for all interest-bearing instruments on an accrual basis at the fair value of the consideration received/receivable or paid/payable. Other expenses are recognized on an accrual basis.
- (i) **Impairment of tangible assets**
At each reporting date, the Merchant Bank reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Merchant Bank estimates the recoverable amount of the cash-generating unit to which the asset belongs.
- Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.
- (j) **Taxation**
Income tax expense represents the sum of tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Merchant Bank's liability for current tax is calculated using tax rates that have been enacted in Guyana or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on the differences between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liability is generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Summary of significant accounting policies – cont'd

(j) Taxation – cont'd

Deferred tax – cont'd

The carrying amount of the deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realized based on tax rates (and tax laws) that have been enacted or substantively enacted by the entity for the reporting period.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority, and the company intends to settle its current tax assets and liabilities on a net basis. At 31 December, 2023 deferred tax assets not taken up due to uncertainties with respect to recoverability, was approximately G\$111,263,893 (2022 - G\$106,910,440).

(k) Business reporting divisions

The company's operations are considered a single business unit.

(l) Intangible assets

The company's intangible assets comprised of Sigma Soft STM brokerage software and Pay Pak software. The cost of acquiring, customizing and installing these software's are capitalized and amortized on a straight-line basis over an estimated useful economic life of two years. Cost associated with maintenance of the intangible asset are expensed as incurred.

(m) Basic earnings per share

Basic earnings per share attributable to ordinary equity holders of the Company is calculated by dividing profit or loss attributable to ordinary equity holders of the Company by the weighted number of ordinary shares during the period.

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Merchant Bank's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements:

- i) Useful lives of property & equipment
Management reviews the estimated useful lives of property & equipment at the end of each year to determine whether the useful lives of fixed assets should remain the same.
- ii) Impairment of financial assets/determination of expected credit losses
Management makes judgement on recognition of every financial asset of the expected credit losses. Expected credit losses are estimates of any potential default in payments of contractual cash flows taking into account the entirety of the contract life. These losses are reassessed if the credit risk on the instrument changes. Credit risk is determined based on past and forward-looking information. If the retrieval of forward-looking information causes undue cost or effort past information is used to determine credit risk. There exists significant measurement uncertainty in determining this amount as it is based on management's judgement.
- iii) Impairment assessment of right-of-use asset
The Management has estimated that the entirety of the right of use asset will be recoverable. The carrying amount of right-of-use asset in respect of the property is G\$6,191,015 at 31 December 2023 (2022 G\$12,382,038).

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>2023</u>	<u>2022</u>
	G\$	G\$
5 Income		
(a) Fees		
Commission	15,125,731	15,482,445
Investment management fee	28,082,424	19,643,143
Paying agent/ registrar fees/ arrangement	9,823,500	1,892,250
Retainer fees	1,100,000	1,000,000
	<u>54,131,655</u>	<u>38,017,838</u>
(b) Income from investments		
<u>AMCPL, FVTPL & FVTOCI investments:</u>		
Interest from foreign bonds	11,813,357	22,869,925
Dividend on shares	7,017,634	13,243,214
Gain on disposal of investments	63,642,341	39,059,180
	<u>82,473,332</u>	<u>75,172,319</u>
(c) Other income		
GBTI share register	806,130	1,130,100
Interest on bank deposit	9,809,614	1,276,364
Other income	10,183,077	455,275
IBKR stock yield enhancement	1,175,521	-
Gain on foreign currency	180,000	2,205,000
	<u>22,154,342</u>	<u>5,066,739</u>
6 (a) Administrative expenses		
Chairman remuneration	4,758,756	4,758,756
Legal & professional fees	1,510,351	1,658,894
Commission	2,855,261	2,642,453
Entertainment	699,154	830,544
Telephone	322,037	311,018
Others	19,267,271	22,781,415
	<u>29,412,830</u>	<u>32,983,080</u>
(b) Salaries and other staff costs		
Salaries	50,100,867	42,486,790
Other staff cost	7,641,652	6,211,545
	<u>57,742,519</u>	<u>48,698,335</u>
(c) Loss on investments		
Loss on investments	93,870,981	7,268,289
	<u>93,870,981</u>	<u>7,268,289</u>

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>2023</u> G\$	<u>2022</u> G\$
7 Loss before taxation	<u>(159,288,191)</u>	<u>(36,344,073)</u>
After charging:		
Depreciation and amortization	5,714,808	4,211,541
Depreciation on right of use asset	6,191,023	5,675,101
Lease interest	1,075,902	1,522,639
Auditor's remuneration	789,550	767,550
Directors' emoluments:		
Chairman	4,758,756	4,758,756
2 Directors sharing equally	<u>400,008</u>	<u>533,344</u>
	<u>2023</u> G\$	<u>2022</u> G\$
Monthly lease payments	<u>516,049</u>	<u>470,595</u>
8 (a) Taxation		
Reconciliation of tax expense and accounting loss		
Accounting loss	<u>(159,288,191)</u>	<u>(36,344,073)</u>
Corporation tax at 40%	-	-
Add: Tax effect of expenses not deductible in determining taxable profits:		
(a) Depreciation for accounting purposes	4,762,332	3,954,658
(b) Other - loss on investments	37,548,392	2,907,316
(c) Property tax	1,703,661	2,027,141
(d) Withholding tax	1,429,891	1,166,899
(e) Fair value adjustment under IFRS 9	45,331,537	18,529,812
(f) Lease interest	<u>430,361</u>	<u>609,056</u>
	91,206,174	29,194,882
Deduct: Tax effect of depreciation and other allowance for tax purposes	631,644	509,012
Tax exempt income	4,692,956	5,415,620
Income not subject to corporation tax	29,522,172	15,623,672
Rental payments	2,889,216	2,889,216
Cash gain on investment	<u>(9,585,253)</u>	<u>(12,693,807)</u>
	119,356,909	40,938,595
Set off of losses	<u>3,493,464</u>	<u>1,863,743</u>
	115,863,445	39,074,852
Effect of dual tax rate	<u>119,356,909</u>	<u>40,938,595</u>
Corporation tax	<u>3,493,464</u>	<u>1,863,743</u>
9 Basic loss per share		
Calculated as follows:		
Loss after taxation	<u>(162,781,655)</u>	<u>(38,207,816)</u>
Ordinary shares issued and fully paid	<u>45,000,000</u>	<u>45,000,000</u>
Basic (loss)/profit per share in dollars	<u>(3.62)</u>	<u>(0.85)</u>

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

10(a) Intangible assets

	<u>Total</u> G\$
Cost	
At 1 January 2022 & 31 December 2022	5,557,163
Additions	<u>1,163,250</u>
At 31 December 2023	<u>6,720,413</u>
Depreciation	
At 1 January 2022 & 31 December 2022	1,969,373
Charge for the year	<u>3,301,162</u>
At 31 December 2023	<u>5,270,535</u>
Net book values:	
At 31 December 2022	<u>3,587,790</u>
At 31 December 2023	<u>1,449,878</u>

10(b) Property & equipment

	<u>Computers</u> G\$	<u>Office equipment</u> G\$	<u>Motor vehicle</u> G\$	<u>Right of use asset</u> G\$	<u>Total</u> G\$
Cost					
At 1 January 2022	1,650,471	638,000	9,869,020	16,922,250	29,079,741
Additions	<u>-</u>	<u>90,945</u>	<u>-</u>	<u>18,057,139</u>	<u>18,148,084</u>
At 31 December 2022	1,650,471	728,945	9,869,020	34,979,389	47,227,825
Additions	<u>776,368</u>	<u>690,800</u>	<u>-</u>	<u>-</u>	<u>1,467,168</u>
At 31 December 2023	<u>2,426,839</u>	<u>1,419,745</u>	<u>9,869,020</u>	<u>34,979,389</u>	<u>48,694,993</u>
Depreciation					
At 1 January 2022	665,448	484,250	4,770,026	16,922,250	22,841,974
Adjustment	-	75	-	-	75
Charge for the year	<u>208,704</u>	<u>59,660</u>	<u>1,973,804</u>	<u>5,675,101</u>	<u>7,917,269</u>
At 31 December 2022	874,152	543,985	6,743,830	22,597,351	30,759,318
Charge for the year	<u>322,459</u>	<u>117,384</u>	<u>1,973,804</u>	<u>6,191,023</u>	<u>8,604,670</u>
At 31 December 2023	<u>1,196,611</u>	<u>661,369</u>	<u>8,717,634</u>	<u>28,788,374</u>	<u>39,363,988</u>
Net book values:					
At 31 December 2022	<u>776,319</u>	<u>184,960</u>	<u>3,125,190</u>	<u>12,382,038</u>	<u>16,468,507</u>
At 31 December 2023	<u>1,230,228</u>	<u>758,376</u>	<u>1,151,386</u>	<u>6,191,015</u>	<u>9,331,005</u>

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Investments		
2023	<u>Quantity</u>	<u>Fair value</u> G\$
<u>Fair value through other comprehensive income</u>		
(i) Foreign (unsecured)		
Trinidad & Tobago 8.875% 2029	200,000	38,493,000
Government of Grenada 7% 2030	31,353	5,093,646
Suriname 7.950% 2033	445,000	81,298,697
Suriname 0.00% 2050	215,000	20,689,988
TransJam Highway 5.750% 2036	137,792	24,558,270
Costa Rica Republic 5.625% 2043	200,000	38,810,249
Commonwealth of Bahamas 9% 2029	205,000	41,948,381
	<hr/> 1,434,145	<hr/> 250,892,231
<u>Fair value through profit or loss</u>		
(ii) Foreign		
Equities in foreign companies		29,972,898
(iii) Local		
Equities in local companies		<hr/> 156,655,928
		<hr/> 186,628,826
	<hr/> <u>1,434,145</u>	<hr/> <u>437,521,057</u>

Fair values for bonds were derived from Brokers statements. The equities in local companies were valued on the basis of the prices quoted on the Guyana Stock Exchange. The foreign equities were valued based on the closing prices as per the Brokers statements and the New York Stock Exchange.

2022	<u>Quantity</u>	<u>Fair value</u> G\$
<u>Fair value through other comprehensive income</u>		
(i) Foreign (unsecured)		
Government of Bahamas 8.95% 2032	220,000	37,531,098
Government of Grenada 7% 2030	31,353	5,722,622
Suriname 9.250% 2026	250,000	41,929,875
Suriname 9.250% 2026	220,000	36,898,290
TransJam Highway 5.750% 2036	142,860	25,456,104
Costa Rica Republic 5.625% 2043	200,000	34,577,288
Dominican Republic 7.450% 2044	100,000	19,680,075
	<hr/> 1,164,213	<hr/> 201,795,352
<u>Amortised cost</u>		
BNP Paribas 15% 2023	200,000	42,300,000
BNP Paribas 23.25% 2023	200,000	42,300,000
	<hr/> 400,000	<hr/> 84,600,000
<u>Fair value through profit or loss</u>		
(ii) Foreign		
Equities in foreign companies		100,553,600
(iii) Local		
Equities in local companies		<hr/> 171,891,676
		<hr/> 272,445,276
	<hr/> <u>1,564,213</u>	<hr/> <u>558,840,628</u>

Fair values for bonds were derived from Brokers statements. The equities in local companies were valued on the basis of the prices quoted on the Guyana Stock Exchange. The foreign equities were valued based on the closing prices as per the Brokers statements and the New York Stock Exchange.

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

12	Accounts receivable and prepayments	<u>2023</u>	<u>2022</u>
		G\$	G\$
	Accounts receivable	2,484,702	435,800
	Other receivable	6,421,159	4,950,795
	Prepayments	<u>2,226,733</u>	<u>1,950,509</u>
		<u>11,132,594</u>	<u>7,337,104</u>
13	Cash at bank		
	Current account	6,296,910	16,007,164
	Foreign account	<u>18,109,683</u>	<u>7,207,197</u>
		<u>24,406,593</u>	<u>23,214,361</u>

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

14	Share capital				
				<u>2023</u>	<u>2022</u>
	Authorised				
	Number of ordinary shares			<u>90,000,000</u>	<u>90,000,000</u>
				G\$	G\$
	Issued and fully paid			<u>658,000,000</u>	<u>658,000,000</u>
	Fully paid ordinary shares, with no par value and carrying a right to vote and a right to dividend.				
	The shares were issued to:			<u>2023</u>	<u>2022</u>
				Number of	Number of
				shares	shares
				Percentage	Percentage
				held	held
	Secure International Finance Company Inc.	27,000,000	60	27,000,000	60
	Guyana Bank for Trade and Industry Limited	<u>18,000,000</u>	<u>40</u>	<u>18,000,000</u>	<u>40</u>
		<u>45,000,000</u>	<u>100</u>	<u>45,000,000</u>	<u>100</u>
15	Investment reserve			<u>2023</u>	<u>2022</u>
				G\$	G\$
	At 1 January			(25,754,443)	(17,337,266)
	Fair value adjustment on FVTOCI investments for the year			<u>42,163,534</u>	<u>(8,417,177)</u>
	At 31 December			<u>16,409,091</u>	<u>(25,754,443)</u>
	This represents the fair value adjustments of investments held and is non-distributable.				
16	Accounts payable and other payables				
	Accounts payable:				
	Current				
	Faraco- Investment advisory fees			158	158
	Lease liability			6,147,138	4,235,355
	Accruals			3,108,823	4,409,839
	GBTI automobile loan- PXX 9221			869,000	869,000
	Property tax liability			4,418,639	5,227,338
				(c) <u>14,543,758</u>	<u>14,741,690</u>
	Non Current				
	Lease liability			(a) 567,550	8,626,471
	GBTI automobile loan- PXX 9221			(b) 3,982,916	4,851,916
				<u>4,550,466</u>	<u>13,478,387</u>
	(a) Lease Liability				
	This lease is for three (3) years and was entered into on 1 February, 2022 and has an annual rental of G\$7,223,040 payable in advance. This rental is due for revision every three (3) years. All terms and conditions are included in the lease agreement dated 1 February, 2022.				
	(b) GBTI automobile loan				
	This loan is repayable at installments of G\$ 123,100 per month, an interest rate of 6.99% per annum, over one hundred and twenty (120) months.				
	Collateral				
	- Bill of sale				

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Listed below are transactions and balances with related parties.

	<u>2023</u>	<u>2022</u>
	G\$	G\$
(a) Parent company		
(i) Assets under administration :		
Secure Int'l Co. Ltd.	<u>41,339,371</u>	<u>102,304,227</u>
(ii) Investment management services:		
Secure Int'l Co. Ltd	<u>177,284</u>	<u>302,304</u>
(iii) Accounts receivable: Secure Int'l Co. Ltd	<u>12,690</u>	<u>25,192</u>
(b) Group companies		
(i) Assets under administration for:		
Edward Beharry & Co. Ltd	<u>62,058,717</u>	<u>88,920,670</u>
Sterling Products Limited	<u>25,949,567</u>	<u>26,503,919</u>
Guyana Bank for Trade & Industry Ltd.	<u>1,206,497,215</u>	<u>1,208,996,697</u>
(ii) NAFICO - Insurance premium	<u>351,250</u>	<u>390,390</u>
(iii) Investment management services:		
Edward Beharry & Co. Ltd	<u>517,427</u>	<u>455,220</u>
Sterling Products Limited	<u>219,607</u>	<u>233,184</u>
Guyana Bank for Trade & Industry Ltd.	<u>2,496,000</u>	<u>2,496,000</u>
(iv) Accounts receivable: Edward Beharry & Co. Ltd	<u>92,648</u>	<u>37,935</u>
Sterling Products Ltd.	<u>56,262</u>	<u>19,432</u>
Guyana Bank for Trade & Industry Ltd.	<u>416,000</u>	<u>-</u>
(v) Rent paid to Guyana Bank for Trade and Industry Limited	<u>7,223,040</u>	<u>7,223,040</u>
(vi) Cash held at Guyana Bank for Trade and Industry Limited	<u>6,296,911</u>	<u>16,007,164</u>
(vii) Interest on cash held at Guyana Bank for Trade and Industry Limited Foreign bank account	<u>9,207</u>	<u>28,324</u>

The rates of interest, charges and services rendered have been similar to transactions involving third parties in the normal course of business.

No provision was made for amounts due from related parties since they have a good credit history.

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

18 Analysis of financial assets and liabilities by measurement basis

2023	Fair value through profit & loss G\$	Fair value through other comprehensive income G\$	Financial assets and liabilities at amortised cost G\$	Total G\$
ASSETS				
Investments	186,628,826	250,892,231	-	437,521,057
Accounts receivable and prepayments	-	-	11,132,594	11,132,594
Interest accrued	-	-	2,947,573	2,947,573
Cash on hand	-	-	50,200	50,200
Cash at bank	-	-	24,406,593	24,406,593
Total assets	186,628,826	250,892,231	38,536,960	476,058,017
LIABILITIES				
Loan	-	-	4,851,916	4,851,916
Accounts payable and accruals	-	-	7,527,620	7,527,620
Total liabilities	-	-	12,379,536	12,379,536
2022				
ASSETS				
Investments	272,445,276	201,795,352	84,600,000	558,840,628
Accounts receivable and prepayments	-	-	7,337,104	7,337,104
Interest accrued	-	-	5,978,262	5,978,262
Cash on hand	-	-	31,971	31,971
Cash at bank	-	-	23,214,361	23,214,361
Total assets	272,445,276	201,795,352	121,161,698	595,402,326
LIABILITIES				
Loan	-	-	5,720,916	5,720,916
Accounts payable and accruals	-	-	9,637,335	9,637,335
Total liabilities	-	-	15,358,251	15,358,251

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

19 Fair value estimation

The following assets and liabilities are carried at amortised cost. However, fair values have been stated for disclosure purpose.

- Level 1 fair value measurement are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices or indirectly (i.e. derived from prices).
- Level 3 investments inputs for assets or liability that are not based on observable market data (this is unobservable inputs).

The following table details the carrying costs of assets and liabilities and their fair values for disclosure purpose.

	IFRS 13 Level	2023		IFRS 13 Level	2022	
		Carrying Value	Fair Value		Carrying Value	Fair Value
		G\$	G\$		G\$	G\$
Accounts receivable and prepayments	2	11,132,594	11,132,594	2	7,337,104	7,337,104
Interest accrued	2	2,947,573	2,947,573	2	5,978,262	5,978,262
Cash on hand	1	50,200	50,200	1	31,971	31,971
Cash at bank	1	24,406,593	24,406,593	1	23,214,361	23,214,361
		<u>38,536,960</u>	<u>38,536,960</u>		<u>36,561,698</u>	<u>36,561,698</u>
Liabilities						
Loan	2	4,851,916	4,851,916	2	5,720,916	5,720,916
Accounts payable and accruals	2	7,527,620	7,527,620	2	9,637,335	9,637,335
		<u>12,379,536</u>	<u>12,379,536</u>		<u>15,358,251</u>	<u>15,358,251</u>

Valuation techniques and assumptions applied for the purposes of measuring fair value.

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active markets were determined with reference to quoted market price. Quoted market prices were obtained from independent market valuers.
- The fair values other than those traded on an active market are equivalent to their carrying amounts.

Other fair value estimation

	2023			2022		
	Level 2 G\$	Level 3 G\$	Total G\$	Level 2 G\$	Level 3 G\$	Total G\$
FVOCI	-	250,892,231	250,892,231	-	201,795,352	201,795,352
FVTPL	160,195,612	26,433,214	186,628,826	176,250,060	96,195,216	272,445,276
AM	-	-	-	-	84,600,000	84,600,000
	<u>160,195,612</u>	<u>277,325,445</u>	<u>437,521,057</u>	<u>176,250,060</u>	<u>382,590,568</u>	<u>558,840,628</u>

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Risk management

Overview

Risk management is an integral part of an organization's operational structure. Enterprise Risk Management (ERM) refers to the structured manner (the methods and processes) in which an organization manages risks related to the achievement of objectives. ERM provides a framework for risk management which typically involves identifying particular events or circumstances (risks) relevant to an organisation's objectives, assessing them in terms of likelihood and magnitude of impact, determining a risk response strategy and monitoring progress. By identifying and proactively addressing risks, organizations can protect value for their stakeholders including shareholders, employees, customers and regulators.

ERM can also be described as a risk-based approach to the management of an organization, integrating the concepts of strategic planning, operational management and internal control. ERM is an evolutionary process that addresses the requirements of the various stakeholders desirous of understanding the broad spectrum of risks facing an organization in order to ensure that they are managed in an appropriate manner. Regulators and credit rating agencies have increased their scrutiny of the risk management processes of organizations.

The framework for the application of ERM describes the approach for identifying, analyzing, responding to and monitoring the risks facing an organization within both the internal and external environments. A risk response strategy for specific risks that have been identified and analysed needs to be developed and may include the following action:

- i) Avoidance - exiting the activity giving rise to the risk.
- ii) Reduction risk.- taking action to reduce the likelihood of impact related to the risk
- iii) Sharing its impact.- transferring or sharing a portion of the risk in order to reduce its impact
- iv) Acceptance analysis.- taking no action as a result of a cost/benefit analysis

Monitoring is performed by management as part of its internal control activities and comprises a review of analytical reports from relevant experts in order to understand how the risk response strategy is working and whether the objectives are being achieved.

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Risk management – cont'd

(a) Operational risk management

Operational risk, which is associated with all aspects of an organisation's activities, is the risk of financial or reputational loss resulting from inadequate or failed internal controls, operational support procedures or their support systems, or from external events. In the course of its daily business activities, and on an ongoing basis, the Merchant Bank manages its internal risks through the application of a documented framework of policies and procedures. External risks, among which are credit risk, market risk (price risk, interest rate risk and foreign currency risk), liquidity risk, political risk and disaster risk, are managed in a manner to ensure that the impact of these events are minimized.

(b) Political risk management

Political risk is a broad term used to collectively describe the risks that organizations and investors face as a result of the exercise of political power. These risks include potential losses arising as a result of expropriation, nationalization and regulatory changes as well as a government or government agency not honouring a contract. Political risk may be divided into country specific risk (which affects all organizations operating within a particular country) and investment specific risk (such as discriminating legislation). Political risk to a portfolio investor (such as the Merchant Bank) tends to be country specific and, therefore, the management of such risk can be achieved through an assessment of country analysis reports provided by Political Risk organizations which specialize in evaluating these types of risks.

(c) Disaster risk management

Disaster risk is the risk that the value of an investment will be adversely affected as a result of devastation caused by floods, earthquakes, hurricanes, landslides, volcanic activity and drought. The increase in the frequency of disasters and the associated incidence of damage in the Caribbean is part of a worldwide trend of growing vulnerability which may be a reflection of changing climate patterns due to global warming. While global disasters appear to be increasing, the overall level of assistance available for emergencies worldwide has been declining for more than a decade. Recently, however, a Caribbean disaster fund has been established to provide financial assistance to a country that is affected as a result of a natural disaster.

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Risk management – cont'd

(c) Disaster risk management – cont'd

The main disaster risk in the Caribbean arises from hurricane activity which can cause significant property damage, flooding and landslides. The hurricane season officially stretches from June 1 to November 30. The Merchant Bank monitors such activity in real time by accessing satellite imagery of the region obtained from the weather channel via the internet.

(d) Credit risk management

The investment in the long-term debt of Caricom, Caribbean and Latin America sovereign and US and International corporate issuers (“bonds”), in the equity of Guyanese, Trinidadian, other Caribbean and American public companies and in various structured notes issued by investment grade US and European Financial Institutions through the deployment of shareholders’ funds are the only credit activities of the Merchant Bank and, therefore, the effective management of this credit risk is critical to the preservation of the Merchant Bank’s capital base. Credit risk is the risk of loss resulting from a debtor’s inability to meet its payments of interest (coupon) and repayment of principal on its bonds and the risk of loss resulting from a decline in the value of a company’s equity and impairment in the payment of dividend. The Merchant Bank’s objective in the management of credit risk is to maintain its exposure, both individually and collectively, at such a level that will provide the highest risk-adjusted rate of return. Caricom, Caribbean, North America and Latin America bond investment proposals are reviewed by the Chairman and Managing Director to ensure viability and compliance with the guidelines approved by the Board of Directors. The review process is enhanced through the availability of credit analyses provided by securities brokerage institutions and credit rating agencies. Corporate equity investment proposals are reviewed by the Managing Director and the Chairman and investment decisions are taken within exposure limits approved by the Board of Directors.

Credit risk management is undertaken at the individual investment level and the degree of monitoring of each investment is determined as a result of the outcome of an evaluation of the level of risk involved. An appropriate risk response strategy is implemented immediately for investments that show signs of credit deterioration.

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Risk management – cont'd

(d) Credit risk management – cont'd

Any impairment to a financial asset resulting from a debtor's inability to meet its debt service obligations or a company not performing financially in accordance with expectations is treated in accordance with International Financial Reporting Standards.

The company faces credit risk in respect of its trade and other receivables, investments and cash. However, this risk is controlled by close monitoring of these balances by the company.

Balances due by banks include balances held with commercial banks. These banks have been assessed by the directors as being credit worthy, with a very strong capacity to meet their obligation as they fall due.

Investments, trade and other receivables and interest accrued reflected in the Company are assets for which the likelihood of default are considered minimal by management.

The related risk is therefore considered low and no provision was made.

The maximum credit risk faced by the company is the balance reflected in the financial statements.

	2023 G\$	2022 G\$
Investments (excluding equities)	250,892,231	286,395,352
Trade and other receivables (excludes prepayments and tax recoverable)	8,905,861	5,386,595
Interest accrued	2,947,573	5,978,262
	<u>262,745,665</u>	<u>297,760,209</u>
The above balances are classified as follows:		
Current	11,853,434	95,964,857
Non-current	<u>250,892,231</u>	<u>201,795,352</u>
	<u>262,745,665</u>	<u>297,760,209</u>

(e) Market risk management

Market risk is the risk that the value of an investment will decline as a result of movement in market variables. It is a risk that is applicable to an entire class of assets (the investments in Caricom, Caribbean, Latin America, North America bonds and Guyanese, Caricom and North America corporate equity in the case of the Merchant Bank) and can be impacted by changes in price, interest rates and foreign currency rates.

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Risk Management-cont'd

(e) Market risk - cont'd

(i) Price risk

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

Should the market prices of investments change by 5 percent with all other variables held constant, the impact would be G\$21,876,053 (2022- G\$23,712,031).

(ii) Interest rate risk

Interest rate risk is the risk that the value of an interest-bearing asset will decline as a result of an interest rate increase. In general, as interest rates rise, the price of a fixed rate bond will fall and vice versa. Interest rate risk is integral to the Merchant Bank's investments and, therefore, the outlook for interest rates is constantly monitored in order to ensure that this risk exposure is properly managed.

	Average Interest rate %	Maturing 2023				Total G\$
		Within 1 year G\$	2 to 5 years G\$	Over 5 years G\$	Non-interest bearing G\$	
Assets						
Investments	10	-	101,988,685	148,903,546	186,628,826	437,521,057
Accounts receivable (net of prepayment)	-	-	-	-	11,132,594	11,132,594
Interest accrued	-	-	-	-	2,947,573	2,947,573
Cash on hand	-	-	-	-	50,200	50,200
Cash at bank	0.0004-0.6	24,406,593	-	-	-	24,406,593
		24,406,593	101,988,685	148,903,546	200,759,193	476,058,017
Liabilities						
Lease liability	8	6,147,138	567,550	-	-	6,714,688
Loan	7	869,000	3,476,000	506,916	-	4,851,916
Accounts payable and accruals	-	-	-	-	7,527,620	7,527,620
		7,016,138	4,043,550	506,916	7,527,620	19,094,224
Interest sensitivity gap		17,390,455	97,945,135	148,396,630		

	Average Interest rate %	Maturing 2022				Total G\$
		Within 1 year G\$	2 to 5 years G\$	Over 5 years G\$	Non-interest bearing G\$	
Assets						
Investments	10	84,600,000	78,828,165	122,967,187	272,445,276	558,840,628
Accounts receivable (net of prepayment)	-	-	-	-	7,337,104	7,337,104
Interest accrued	-	-	-	-	5,978,262	5,978,262
Cash on hand	-	-	-	-	31,971	31,971
Cash at bank	0.0004-0.6	23,214,361	-	-	-	23,214,361
		107,814,361	78,828,165	122,967,187	285,792,613	595,402,326
Liabilities						
Lease liability	8	4,235,355	8,626,471	-	-	12,861,826
Loan	7	869,000	3,476,000	1,375,916	-	5,720,916
Account and other payables	-	-	-	-	9,637,335	9,637,335
		5,104,355	12,102,471	1,375,916	9,637,335	28,220,077
Interest sensitivity gap		102,710,006	66,725,694	121,591,271		

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Risk management - cont'd

(e) Market risk - cont'd

(ii) Interest rate risk - cont'd

Interest rate sensitivity analysis

An interest rate sensitivity analysis was performed to determine the impact on net profit of a reasonable possible change in the interest rates prevailing at December, 31. The impact on the net profit is the effect of the changes in interest rates on the floating interest rates of financial assets and liabilities.

However, it is not possible to determine the impact on equity of a reasonable possible change in interest rates as computation of the changes to the fair value of fixed interest rate financial assets includes consideration of the impact of other factors such as credit risk, market risk, political and disaster risks.

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

	<u>2023</u>	<u>2022</u>
	<u>Increase/decrease in profits</u>	<u>Increase/decrease in profits</u>
	<u>G\$</u>	<u>G\$</u>
Local Instruments	<u>+ / - 783,280</u>	<u>+ / - 859,458</u>
Caricom Instruments	<u>+ / - 1,060,410</u>	<u>+ / - 836,090</u>
Foreign Instruments	<u>+ / - 343,916</u>	<u>+ / - 1,098,654</u>
Local currency	<u>+ / - 24,497</u>	<u>+ / - 30,527</u>
Foreign currency	<u>+ / - 97,536</u>	<u>+ / - 85,544</u>

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Risk management - cont'd

(e) Market risk- cont'd

(iii) Foreign currency risk

Foreign currency risk is the form of risk that arises from an unfavourable change in price of one currency against another. Unless a position is hedged, foreign currency risk is present whenever organizations or investors hold assets across national borders. The Merchant Bank's investments in Caricom bonds are denominated in US\$ and although the translation values are at risk to unfavourable movement against the G\$, the foreign currency risk exposure is minimised as a result of the funding requirements for these investments being matched in the same currency.

The aggregate amounts of assets and liabilities denominated in United States dollars are as shown:

	<u>Total</u> G\$
31-Dec-23	
Assets	<u>298,974,812</u>
Liabilities	<u>-</u>
31-Dec-22	
Assets	<u>394,156,149</u>
Liabilities	<u>-</u>

Foreign currency sensitivity analysis:

The following table details the Merchant Bank's sensitivity to a 3% increase or decrease in the Guyana dollar against the US dollar. Although a rate is not formally adopted and used as a measure, 3% gives prudent possibility of a change in rate.

The sensitivity analysis shows the impact on all assets and liabilities that are held in foreign currencies. A positive number below indicates an increase in reserves if the currency were to strengthen 3% against the Guyana dollar. If the currency were to weaken 3% against the Guyana dollar, there would be an equal and opposite impact on the revenue account and the balances would be negative.

	<u>2023</u> G\$ <u>Impact</u>	<u>2022</u> G\$ <u>Impact</u>
Profit/(loss)	<u>8,969,244</u>	<u>11,824,684</u>

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Risk management - cont'd

(f) Liquidity risk management

Liquidity risk arises from situations in which a party interested in trading an asset cannot do so as there is no counterparty in the market wanting to trade that asset. Liquidity risk, therefore, is of vital importance to investors who are currently the holders of an asset, since it impacts their ability to sell. Liquidity risk tends to compound other risks. If an organization has an investment in an illiquid asset, its constrained ability to liquidate that position at short notice will compound its Market Risk. Thus, while a position can be hedged against market risk (interest rate risk and foreign currency risk), it will still be exposed to liquidity risk. Accordingly, liquidity risk has to be managed in addition to market risk, credit risk and other risks. As a result of its tendency to compound other risks, it is difficult or impossible to isolate liquidity risks. It is for this reason that it is the Merchant Bank's policy to invest only in those Caricom and North American bonds which are readily traded in the international capital markets and in those Guyanese corporate equities which are readily traded on the Guyana Stock Exchange.

The company manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

The following table shows the distribution of financial liabilities by maturity:

	Maturing					Total
	2023					
	Within 1 year			2 to 5 years	Over	
On demand	Due in 3 mths	Due 3 - 12 mths	5 years			
	G\$	G\$	G\$	G\$	G\$	G\$
<i>Liabilities</i>						
Lease liability	-	-	6,147,138	567,550	-	6,714,688
Loan	-	-	869,000	3,476,000	506,916	4,851,916
Taxation	-	-	2,075,354	-	-	2,075,354
Accounts payable and accruals	158	3,108,823	4,418,639	-	-	7,527,620
	158	3,108,823	13,510,131	4,043,550	506,916	21,169,578

	Maturing					Total
	2022					
	Within 1 year			2 to 5 years	Over	
On demand	Due in 3 mths	Due 3 - 12 mths	5 years			
	G\$	G\$	G\$	G\$	G\$	G\$
<i>Liabilities</i>						
Lease liability	-	-	4,235,355	8,626,471	-	12,861,826
Loan	-	-	869,000	3,476,000	1,375,916	5,720,916
Taxation	-	-	951,103	-	-	951,103
Accounts payable and accruals	158	4,409,839	5,227,338	-	-	9,637,335
	158	4,409,839	11,282,796	12,102,471	1,375,916	29,171,180

NOTES ON ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Risk management - cont'd

(g) Capital risk management

The Merchant Bank manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Merchant Bank's overall strategy remains unchanged from 2022.

Gearing ratio

The Merchant Bank's management reviews the capital structure on an on-going basis. As part of this review, management considers the cost and risk associated with capital. The Merchant Bank has not set a target gearing ratio.

21 Business reporting division

Management considers its operations to be a single business unit. Business is conducted in Guyana except for certain investment activities as shown in the table below:

	2023		
	<u>Guyana</u>	<u>Outside of</u>	<u>Total</u>
	<u>G\$</u>	<u>Guyana</u>	<u>Total</u>
	<u>G\$</u>	<u>G\$</u>	<u>G\$</u>
Fair value of investments	<u>156,655,928</u>	<u>280,865,129</u>	<u>437,521,057</u>
Income from investments	<u>70,659,975</u>	<u>11,813,357</u>	<u>82,473,332</u>
	2022		
	<u>Guyana</u>	<u>Outside of</u>	<u>Total</u>
	<u>G\$</u>	<u>Guyana</u>	<u>Total</u>
	<u>G\$</u>	<u>G\$</u>	<u>G\$</u>
Fair value of investments	<u>171,891,676</u>	<u>386,948,952</u>	<u>558,840,628</u>
Income from investments	<u>42,486,044</u>	<u>32,686,275</u>	<u>75,172,319</u>

22 Assets under Management

Assets totaling G\$3,716,114,741 (2022 – G\$ 3,158,982,168), held in Trust which are not beneficially owned by the Company but for which the Company has responsibilities in accordance with Trust Deeds, have been excluded from the financial statements.

23 Pending Litigation

There was no pending litigation.

24 Approval of financial statements

The financial statements were approved by the board of directors and authorized for issue on March 15, 2024.



NOTES

PROXY FORM

I/We

of

being a member/members of Guyana Americas Merchant Bank Incorporated,

hereby appoint

of

or falling him/her

of

as my/our proxy to attend and act on my/our behalf at the 23rd Annual General Meeting of the said Company to be held on 16th April 2024, and at any adjournment thereof.

dated this day of 2024

Signature of Member



YOUR INVESTMENT JOURNEY BEGINS HERE