

**2024**



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





**The NBS  
continued its  
tradition of providing  
affordable financing  
towards home  
ownership.**





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# MISSION STATEMENT

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

## BUSINESS OBJECTIVES

**1.**

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

**2.**

To provide independent financial advice on products offered.

**3.**

To practice prudent management to ensure financial stability.

**4.**

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

**5.**

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

**6.**

To be a respected and appreciated corporate citizen.



# NOTICE OF MEETING

Notice is hereby given that the Eighty-fifth Annual General Meeting of the Members of the New Building Society Limited will be held **at 10:30 hours on Saturday, 29<sup>th</sup> March, 2025** at the Society's Chief Office at Lot 1 North Road & Avenue of the Republic, Georgetown.

## AGENDA

1. To receive the Financial Statements and the Reports of the Directors and Auditors for the year ended 31<sup>st</sup> December, 2024 and matters arising thereafter.
2. To elect Directors in accordance with Rule 47(1). The Directors retiring by rotation are Messrs. Floyd McDonald and Walter R. Persaud who being eligible, offer themselves for re-election - Rule 47(2).
3. To fix the remuneration of the Directors for the year 2025.
4. To appoint Auditors for the year 2025.
5. To fix the remuneration of the Auditors for the year 2025.
6. To approve the sum of **eight million dollars (\$8,000,000)** for donations to Charity and for Educational purposes for the year 2025.
7. To transact any other business of which due notice shall have been given in accordance with Rule 36.

By Order of the Board,



Anil Kishun  
CEO/Director/Secretary  
19<sup>th</sup> February, 2025

### **Please Note:**

- **Only Members holding at least one of the following Accounts are entitled to attend the meeting –**  
**Save & Prosper Accounts** - minimum balance \$1,000:  
**Five Dollar Share Accounts** - minimum balance \$1,000:
- **Only first named Members** holding any of the Accounts mentioned above will be allowed entry.
- A proxy need not be a member of the Society. A Member may uplift one proxy form from any of the Society's Offices and the form must be returned no later than 14:00 hours on **Friday, 21<sup>st</sup> March, 2025**.
- Any Company which is a Member of the Society may by resolution of its Directors authorize such person as it thinks fit to act as its representative at the meeting.
- Please bring your **Passbook and some form of Identification** to gain entry to the Meeting.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

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

## CHIEF OFFICE

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

## BRANCHES

### New Amsterdam

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

### Rosignol

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

### Corriverton

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

### Rosehall

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

### Mackenzie

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

## Essequibo

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

## ATTORNEY-AT-LAW

### Messrs. Cameron & Shepherd

2 Avenue of the Republic,  
Georgetown, Guyana.

## BANKERS

### Bank of Nova Scotia

104 Carmichael Street,  
North Cummingsburg,  
Georgetown, Guyana.

### Republic Bank (Guyana) Limited

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

### Bank of Baroda (Guyana) Inc.

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

### Guyana Bank for Trade & Industry Limited

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

### Demerara Bank Limited

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

### Citizens Bank Guyana Inc.

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

## AUDITORS

### Maurice Soloman & Company

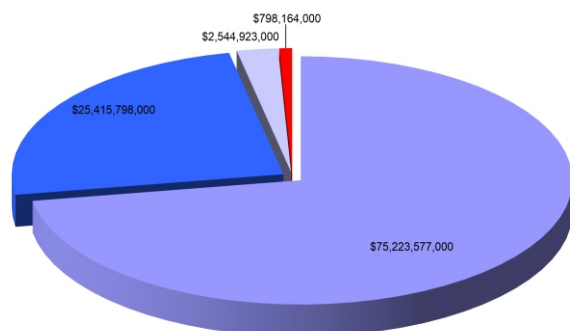
92 Oronoque Street, Queenstown,  
Georgetown, Guyana.  
Tel: 227-5568. Fax: 227-5564

# FIVE-YEAR STATISTICAL INFORMATION (2020 - 2024)

DESCRIPTION	2020 \$M	2021 \$M	2022 \$M	2023 \$M	2024 \$M
PROFIT	1,072	916	932	680	650
TOTAL ASSETS	72,345	77,146	81,788	91,319	103,982
TOTAL MORTGAGE BALANCE	42,273	43,821	50,179	65,001	75,224
INVESTMENTS	25,608	29,026	27,151	20,727	21,390
TOTAL SAVINGS BALANCE	54,404	58,309	61,976	70,779	82,206
RESERVES	17,787	18,710	19,694	20,401	21,622
MORTGAGE LOANS DISBURSED FOR YEAR	3,483	4,933	9,761	19,131	16,073

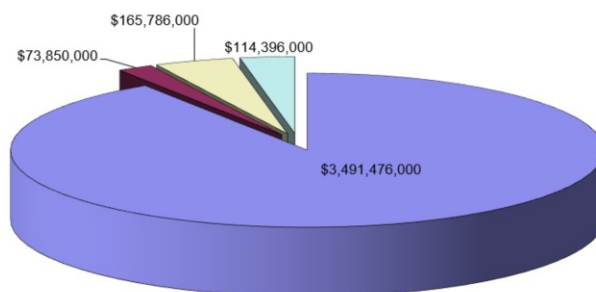
## FINANCIAL HIGHLIGHTS

Asset Composition - 31st December 2024



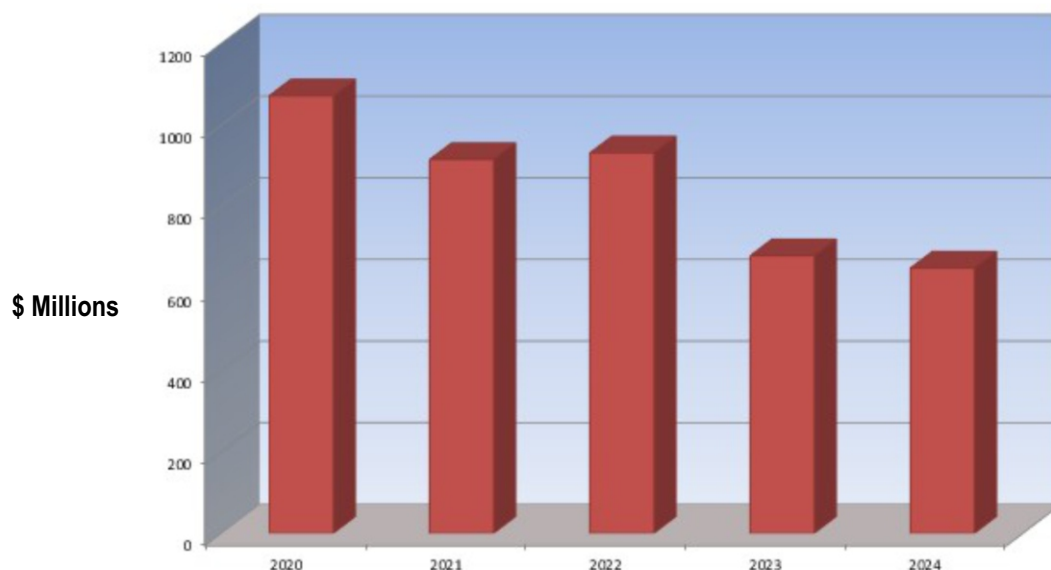
■ Loan Assets  
■ Investments and Cash  
■ Fixed Assets  
■ Other Assets

Income Distribution 2024



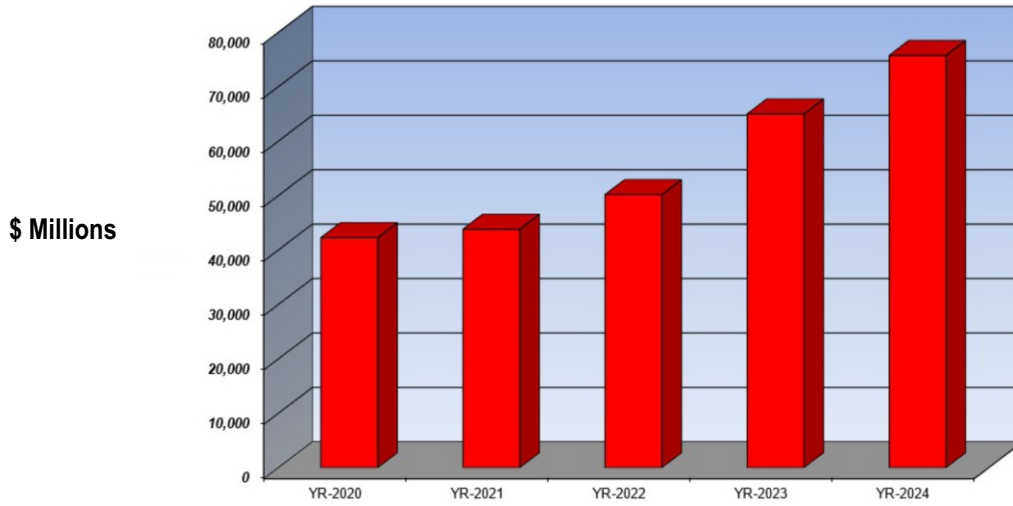
■ Loan Assets  
■ Investments  
■ Cash Resources  
■ Other Income

## PROFITABILITY - 2020-2024

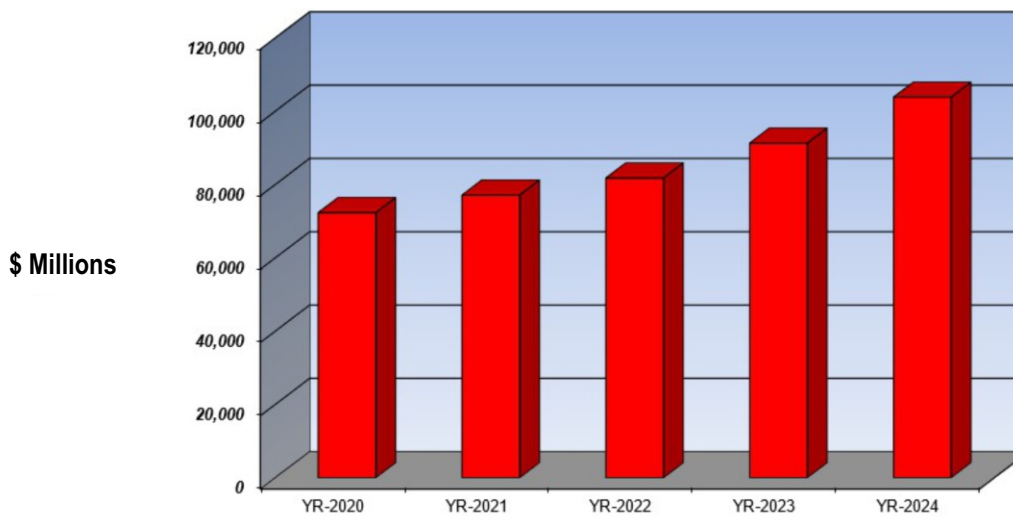


# FINANCIAL HIGHLIGHTS (Cont'd)

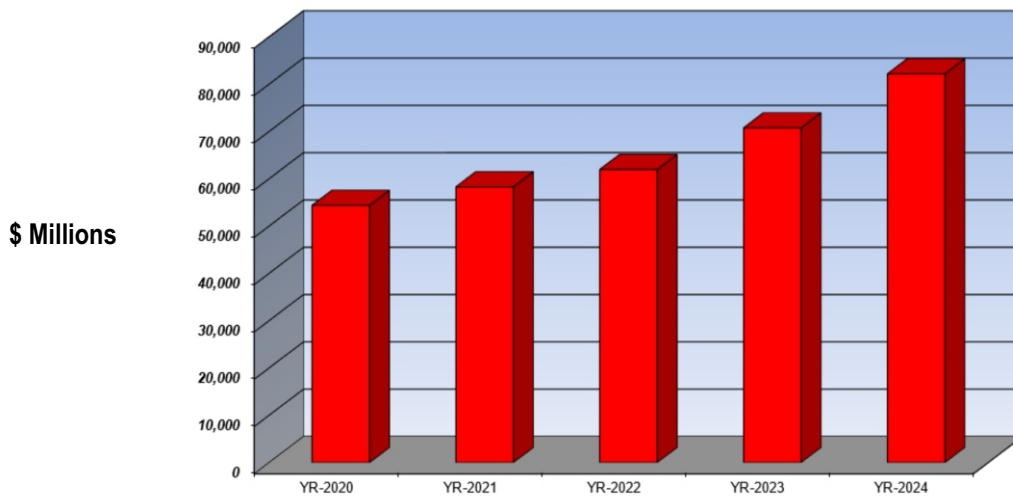
## MORTGAGE GROWTH 2020-2024



## ASSET GROWTH 2020-2024



## SAVINGS GROWTH -2020-2024





# CHAIRMAN'S REPORT 2024

“ The reduction in interest rates to a maximum of 5.70% and the lowest of 3.50% have been passed on to every single mortgagor past and present totaling 11,000 plus.”

As we commemorate the 85<sup>th</sup> Anniversary of the New Building Society, on behalf of the Board of Directors, I am pleased to report that the Society has demonstrated resilience and strong performance despite ongoing global and local challenges. For the year ended 2024, the Society recorded a profit of \$650M (2023:\$680M), reflecting our continued ability to navigate a competitive and emergent financial landscape. In 2024 we continue to put emphasis on homeownership by giving major concessions to borrowers.

The year just ended has been marked by significant accomplishments in the number of mortgages disbursed and savings deposits made throughout the year. The housing sector in Guyana remains vibrant, and the New Building Society has benefited from this growth, with a strengthened balance sheet, solid capital, and liquidity positions that are well above the required statutory levels. The constant drop in our profit margin over the last four (4) years was as a result of our deliberate attempt to assist our borrowers in a reduced interest rate on their mortgages both current borrowers and those existing.

Throughout 2024, the Society remained focus on supporting our valued members, particularly in light of the ongoing global economic downturn, resulting in increase in building materials. The Society remains committed to helping our members achieve homeownership as we disbursed in excess of \$16B to approximately 2,162 borrowers, marking yet another record year for the Society.

## BRIEF GLOBAL ECONOMIC PERSPECTIVES – VS- GUYANA ECONOMY

In 2024, the global economy continued to be stressed by persistent inflationary pressures, supply chain disruptions, and geopolitical uncertainties. According to the Global Economic Prospects Report (January, 2025), the global economy is expected to stabilize by 2026. The report noted that global growth is projected at 2.7% for both 2025 and 2026 resulting from the continuing decline in both inflation and interest rates. The report continued that progress in developing economies; which account for 45% of global GDP; is anticipated to be slower than in more advanced economies with growth forecasted at 4%. However, Latin America, the Caribbean region, Europe and Central Asia are all projected to experience growth at a rate of 2.5% for 2025.



However, despite these global challenges, Guyana's economy has shown remarkable resilience. The Honourable Dr. Ashni K. Singh, M.P. Senior Minister in the Office of the President with Responsibility for Finance and the Public Service, in his presentation of the National Budget 2025 announced that Guyana experienced 43.6% real GDP growth in 2024. This growth was driven largely by the oil and gas sector but was also supported by strong performances in the non-oil sectors, including agriculture, mining, quarrying, manufacturing, construction among others. These sectors continue to provide opportunities for growth, and the New Building Society is well-positioned to capitalize on these.

## FINANCIAL RESULTS

The Society's financial performance in 2024 reflects the strength of our business model and the trust placed in us by our members. We recorded a profit of \$650M for the year, a slightly lower sum than 2023. However, our success story was in the granting of the largest amount of home loans in any single year of the history of the Society. The reduction in interest rates to a maximum of 5.70% and the lowest of 3.50% have been passed on to every single mortgagor past and present totaling 11,000 plus. Thus, giving them a rebate in 2024 of nearly \$400M in mortgage relief.

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

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

## MORTGAGES

The mortgage portfolio at the end of 2024 was \$75.2B as against \$64.6B at the end of 2023 representing an increase of 16% highlighting the success of our commitment to making homeownership accessible to a growing number of Guyanese.

Our mortgage business continues to grow as the demand in the housing sector is rapidly increasing and as the government continued its acceleration of its housing program. This is reflected in our number of new loans approved for the year 2024 totaling 2,162 to a value of \$15.8B.

## REVENUE

Interest income for 2024 was \$3.7B compared to \$3.1B in 2023. Earnings on loan assets for 2024 were 94% of the total interest income (2023 - 92%).

## ASSETS

Total Assets grew by 14% to \$103.8B in 2024 when compared with 2023 which was \$91.3B.

## SAVINGS

The Society's Savings Portfolio as of December 31, 2024, was \$82.2B representing an increase of 16% when compared with 2023 which was \$70.8B.

## COMPLIANCE

The Society places the highest importance on managing risks, particularly those associated with non-performing loans (NPLs). The Board of Directors has implemented robust measures to monitor and manage these risks effectively. Our lending guidelines remain strong and are continually reviewed to ensure they meet the changing dynamics of the housing and financial markets.

In line with our commitment to maintaining the highest standards of governance and compliance, we continue to adhere to the regulatory framework and in strict compliance with the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) regulations and all associated amendments.

## CORPORATE SOCIAL RESPONSIBILITY

The Society's commitment to corporate social responsibility remains a cornerstone of our operations. In 2024, we continued our tradition of supporting educational, charitable, and community-focused initiatives. Our total donations and sponsorships amounted to \$5M, benefiting approximately 127 entities, including schools, sports clubs, and charitable groups.

We believe that giving back to the communities where we operate is essential to fostering sustainable development, and we remain dedicated to this cause for the future. We continue our sponsorship of the Georgetown Cricket Association second division cricket competition which we have been doing for several years.

## OUTLOOK TO THE FUTURE

Looking ahead, the Society remains optimistic about Guyana's continued economic growth and the opportunities this presents. We are confident that the oil and gas sector, along with the expanding construction industry, will continue to provide the foundation for growth. The Society is committed to playing a fundamental role in supporting Guyanese homeowners, offering competitive mortgage products and excellent customer service. We recognized that the 20 million loan ceiling needs to be moved upwards. This is manifest in the cost of the young professional homes which costs in excess of twenty- four million dollars to construct. It is in this regard that when we quantify other decent home options, we firmly believe that moving the 20 million ceiling to 35 million dollars is a realistic figure.

We have written to His Excellency the President Dr. Mohamed Irfaan Ali on June 26, 2024, requesting an increase in the ceiling to 35 million and repeated that request on the 11<sup>th</sup>, February 2025, highlighting the need for this increase. As more lands for housing becoming available there is an equal demand for housing mortgages to build homes catering for extended families. More requests are coming in for far in excess of the twenty million ceiling and for 2024 we have seen nearly 200 prospective mortgagors walking away to the commercial banks which charged higher rates than what we have proposed. Granting us the increase will obviously give home owners a cheaper option on their mortgage repayments and will result in the commercial banks adopting our rates. Please see attached to the Chairman's Address a copy of the letter sent to His Excellency the President.

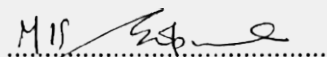
The Board of Directors remains focused on achieving our strategic goals, ensuring financial stability, and continuing to deliver value to our members while fostering a culture of excellence that prioritizes the needs of our members.

## ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to express my sincere gratitude to our CEO, the Management team, and all of our employees for their unwavering dedication and hard work throughout 2024.

I also extend my thanks to our valued members, borrowers, and stakeholders for their continued trust and support for the New Building Society.

As Chairman of the Board of Directors, I assure you that together we will continue to build on our successes and position the New Building Society for an even brighter future.



**Dr. Nanda K. Gopaul**

**Chairman**

**19<sup>th</sup> February, 2025**



# Letter to His Excellency

February 11, 2025

His Excellency,  
President Dr. Mohamed Irfaan Ali,  
President of the Co-operative Republic of Guyana,  
Office of the President,  
Shiv Chanderpaul Drive,  
Georgetown.

Your Excellency,

## **Re: Increase in Mortgage Ceiling to 35 Million Dollars**

May it please Your Excellency.

We are pleased to advise that the Society continues to achieve excellent results since the increase of its mortgage ceiling to \$20M in 2022 in terms of the number of mortgage applicants provided with housing loans.

In our letter addressed to you dated June 26, 2024, the Society's Directors sought your consideration for the approval to increase our mortgage ceiling from twenty million dollars (\$20M) to thirty-five million dollars (\$35M) to continue to boost the country's housing drive. To date, we have had no response from you although a promise was made that consideration would have been given to the request by the budget period of 2025. We have just concluded the ratification of the budget for 2025.

Our request is premised on the increased cost in the completion of a decent family home. Moreso, the construction of the Young Professional houses cost approximately \$24M now and with addition of the casting of the yard, construction of a bridge, other landscaping work and fence, it would cost approximately \$30M to complete these homes. This cost currently exceeds our lending limit of \$20M and as such the request for \$35M mortgage ceiling would be adequate enough to ensure that these houses are properly completed and allowed others to build more spacious dwelling houses for their families.

With the reduction in mortgage interest rates, the monthly repayment on a loan for \$35M would be \$219,130.00 for a term of 25 years at an interest rate of 5.70% per annum which is very affordable, as compared to \$293,718.00 at 9% for 25 years. In the past, a \$20M loan would cost \$167,000.00 at 9% for 25 years. The Society's rapid reduction of interest rate under your Government has made mortgages more affordable and allowed persons to be able to construct larger and more modern houses.

Any potential homeowner who currently wants to acquire a Young Professional Home for more than \$20M would have to engage a commercial bank at a far higher interest rate than NBS, in some cases as much as 9%.

NBS always supports the Government housing drive to make homeownership more affordable. Whenever there is a reduction in mortgage interest rates by NBS all our mortgagors, currently over 11,000, have benefitted from these reductions in repayment, as compared to the commercial banks, which only apply the reduced interest rates to their current customers and not the existing ones. Our last reduction in mortgage rates saw over 300 million dollars per year going back to our mortgagors resulting in significant, and deliberate reduction in our profit margin.

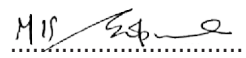
If the NBS is allowed this increase in the ceiling of 35 million dollars all the other commercial banks would be required to match our rate of 5.7% thus, giving all home owners an enormous benefit in reduced housing loans. The present 20 million ceiling allows the commercial banks to profit significantly in the housing market and placed the NBS at a disadvantageous position.

It is against this back ground and in the interest of promoting Government's affordable home ownership that our request is made.

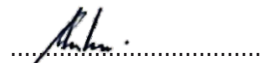
We look forward, Your Excellency, to your kind consideration and approval to the above request.

We have the honour to be:

Yours sincerely,



**Dr. Nanda K. Gopaul,**  
**Chairman**



**Anil Kishun,**  
**CEO/Director/Secretary**

# BOARD OF DIRECTORS



**Dr. Nanda K. Gopaul**  
Chairman



**Chandrawati Ramson**  
Vice Chairman



**Floyd Mc Donald**  
Director



# BOARD OF DIRECTORS



**Seepaul Narine**  
Director



**Kalyan Tiwari**  
Director



**Walter R. Persaud**  
Director



**Anil Kishun**  
CEO/Director/Secretary

# CEO/DIRECTOR/SECRETARY'S REPORT 2024



continues to build on its solid customer and financial foundation which has resulted in yet another year of strong financial performance. As a member-driven organization the Society has much to be proud of and our core purpose of lending affordable mortgages and offering high interest rates on savings has led to improved Assets growth, solid financial performance and a strong Capital position.

The year 2024 was another milestone in our journey of empowering homeowners as well as enhancing their financial security. Our focus of providing high quality customer service and delivering fair value to all of our

“  
**Total Assets have increased by 14% to reach \$104.0B at 31st December 2024 (2023: \$91.3B).**

”  
I am pleased to present the financial report for the year ended December 31, 2024. As a mutual organization the New Building Society Ltd. (NBS) is driven by its social purpose to make decisions that are in the best interest of all of our stakeholders. I am once again delighted to report that the Society

stakeholders continued to grow from strength to strength. The Society continued to invest and build capacity in our digital customer service processes to improve our efficiency. This customer-oriented approach has enabled the Society to record a sustainable profit of \$650M for the year.

Our strategy has remained steadfast as we endeavor to improve our customer delivery service. The Society has historically been successful in prioritizing the needs of our customers and work towards safeguarding their interest. As a long-term strategy the Society has adapted its products and services to remain relevant to its current as well as its future customers.

The Society has yet again delivered on all our strategic goals set for 2024. We had a balanced performance in both our Savings and Mortgage products through a combination of continuously improving customer service and competitively priced Mortgage and Savings products offerings which transferred great value to our customers and ensured their long-term financial growth. We maintained our competitive interest rates which returned greater financial benefits to our customers and further improved our financial robustness.

We continue to invest in the Society's technological and digital foundations as well and ongoing training of our human resources to stay relevant and resilient in a changing digital environment. The Society focused on continuing to digitize the mortgage process during the year which enhanced our mortgage process to better serve our mortgagors.

## **ECONOMY REVIEW**

The world economic outlook has reported that global growth is expected to be 3.2% for 2024 and forecast to be 3.3% for the year 2025. The global growth for 2024 has remained stable but underwhelming as disinflation continues. With monetary policy easing, shifting gears on fiscal policy to ensure sustainable debt dynamics and

rebuilding of buffers.

The Minister of Finance in his budget speech reported that Guyana's economy is estimated to have grown by 43.6% for 2024 with expansion of 13.1% in non-oil real GDP. The expansion of the economy is largely due to the continued growth in the oil and gas industry.

## **FINANCIAL RESULTS**

The Society's financial performance for 2024 has been consistent across all areas of our business. Our financial results reflect a robust performance and strategic alignment with our mission. These results were largely supported by the aggressive Government Housing Drive.

## **REVENUE**

Continuing to focus on improving of business process to drive our financial performance has resulted in the society surpassing all our strategic financial targets. Mortgage Revenue for 2024 was \$3.5B or 95% of Total Revenue of \$3.7B as compared to \$2.9B or 92% of \$3.1B (Total Revenue for 2023).

Cash resources, the other area of our investments was \$239M for 2024 as compared to \$259M for 2023. The return of 1% on liquid assets has remained consistent over the years. Cash resources are \$25.0B and are 24% of Total Assets.



# CEO/DIRECTOR/SECRETARY'S REPORT 2024

## ASSETS

Total Assets have increased by 14% to reach \$104.0B at 31st December 2024 (2023: \$91.3B). Our prudent investment strategies and focus on mortgage lending have contributed to the growth of our asset base, ensuring long-term financial stability for the Society. This growth underscores our ability to adapt to changing economic conditions while safeguarding the interests of our Members.

## SAVINGS

Our Savers are at the heart of our mutual business model. By offering attractive returns, we have encouraged a culture of saving while enabling our Members to achieve their financial goals. Our emphasis on maintaining competitive interest rates has been a cornerstone of our strategy, ensuring that members see tangible benefits from their relationship with the Society. Our Savers Balance was \$82.2B or 79% of our Total Assets at end of 2024 and had recorded a growth of 16% moving from \$ 70.7B as of 2023. Interest Expense for 2024 was \$1.7B or 43% of Total Revenue representing a significant share of Total Revenues.

## MORTGAGES

Society Mortgage Assets grew by 17% (30%:2023) to \$75.7B (\$64.6B: 2023).

Mortgage Advances disbursed were \$16.0B for 2024 as compared to \$19.0B in 2023. The new mortgage loans registered through the Courts numbered 2000. Our commitment to supporting first-time homeowners and advancing the government's housing agenda remains central to our operations. In 2024, we disbursed significant sums to first-time homeowners, demonstrating our dedication to addressing the housing needs. This achievement was complemented by streamlined processes and attractive interest rates that made homeownership more achievable. This growth is projected to continue for the year 2025 as the Government doubles their effort to provide more house lots.

Our arrears statistics remained firmly under control. Arrears Balances remained relatively stable and non-performing loans were 4.31% as at the end of 2024 as compared to 3.97% as at end of 2023. We have also continued to support borrowers in need and offered a range of forbearance options to support our defaulting mortgagors.

## LIQUIDITY

Liquid assets increased to \$25.4B (2023: \$24.0B) as we maintained a strong and prudent liquidity buffer, demonstrated by our Liquidity Coverage of 31% of member funds (2023:34%) Liquid assets are principally held in deposits at the local commercial Banks and government of Guyana treasury bills.

This means that liquid asset quality is very high. These Assets' maturity dates are throughout the year to cater to our daily cash flow requirements and high liquidity requests.

### **CAPITAL ADEQUACY**

We hold capital to protect members against unexpected future losses. As we grow our Mortgage book, the amount of General Reserve is 21% of our Total Assets which is above the regulatory requirements.

### **CUSTOMER FOCUS**

As a mutual business, our model is built on creating financial wealth for our members. This goal drives every aspect of our operations, ensuring that we provide accessible and competitive mortgage and savings products. We have prioritized enhancing customer service through training and development of our staff. Feedback mechanisms have been strengthened, enabling us to address member concerns more effectively. The changing technological environment has enabled the Society to leverage new technology and use new digital methods to create more efficient solutions to better serve our customers. We continued to invest in technology to streamline processes and improve Members' experience. Our new digital mortgage

application process is more convenient, user friendly and delivers improved customer service. This initiative represents a significant step forward in modernizing our operations, reducing processing times, and improving customer satisfaction.

### **EMPLOYEES**

Our staff members are the backbone of our success. In 2024, we prioritized fostering an environment that supports their professional development and well-being. Training programs were enhanced to equip our employees with the skills needed to thrive in the evolving digital world. This investment in our people ensures that we are not only prepared to meet today's challenges but are also positioned to anticipate and address the needs of tomorrow.

Employee satisfaction remains a priority. By listening to their feedback and implementing meaningful changes, we continue to build a workplace culture that is inclusive, empowering, and forward-thinking. This commitment to our employees translates into exceptional service for our members and contributes to the Society's overall success.

We continue to drive forward to ensure our people can be the best they can. Our policies focus on efforts to support their personal growth and development whilst maintaining our inclusive and vibrant culture.

# CEO/DIRECTOR/SECRETARY'S REPORT 2024

## OUTLOOK TO THE FUTURE

As we look to 2025 and beyond, we remain focused and will continue to align our strategies with the needs of our members, leveraging opportunities in an ever-changing environment while staying true to our mutual concept. The integration of digital solutions with our traditional values will be a key focus, ensuring that we remain relevant and effective in a rapidly evolving market.

The Society's continued growth and profitability provided the foundation for us to make investments, not only for the benefit of our current members, but also for those who will be our future members. We will maintain our core goal of continuously improving our customer service.

## ACKNOWLEDGEMENT

As we closed another successful year, I am grateful once again to the Board of Directors, Management and Staff Members for their continuing support. The accomplishments of the Society over the years are a testament to the sound and prudent strategies used to realize our

  
.....  
Anil Kishun  
CEO/Director/Secretary  
19<sup>th</sup> February, 2025

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

**Higher  
Income  
Residence**



**Middle  
Income  
Residence**



**Low  
Income  
Residence**





# MANAGEMENT TEAM



**Savitri Samaroo**  
Operations Manager



**David Gir**  
Information Technology Manager



**Noel Fernandes**  
Assistant Operations Manager



**Rana Persaud**  
Manager - Berbice Operations



**Simone Mohanlall**  
Assistant Mortgage Manager



**Nandanie Lallbeharry**  
Assistant Mortgage Manager



**Khemraj Udit**  
Internal Audit Manager



**Shanieza Tularam**  
Senior Savings and  
Accounts Supervisor

# MANAGEMENT TEAM



**Asif Mahamad**  
Systems Administrator



**Sewchan Raghunandan**  
Branch Manager - Essequibo



**Subrena Budhoo**  
Branch Manager - Rosehall



**Gleniss Ramsahoi**  
Branch Manager - Mackenzie



**Guwantie Hiralall**  
Branch Manager - Rosignol



**Sarojne Ramdat**  
Branch Manager - Corriverton



**Latchmi Beepat**  
Human Resource Officer

# REPORT OF THE DIRECTORS

## For the year ended December 31, 2024

The Directors are pleased to present the 85<sup>th</sup> Annual Report together with the audited Financial Statements of the New Building Society Limited (NBS) for the year ended December 31, 2024.

### Principal Business Activities

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

### Business Highlights:

Residential Mortgage Balances increased from \$65B in 2023 to \$75.2B at the end of the year 2024.

Investors Balances increased from \$70.8B in 2023 to \$82.2B in 2024.

### Financial Highlights

In the year 2024 NBS:-

	2024 \$ Millions	2023 \$ Millions	% Change
- Recorded a profit of	650	679	(4)
- Increased Total Reserves to	21,622	20,401	6
- Increased Assets under Management to	103,982	91,319	14
- Provided New Advances to Mortgagors totaling	16,073	19,131	(19)

### Mortgages:

As at December 31, 2024, there were 11,748 Mortgage Accounts totaling \$75,224M which represented 72 % of our Total Assets (2023 – 11,099 Mortgage Accounts totaling \$65,000M or 71.2% of our Total Assets).

### Savings:

The value of net receipts for the year was \$11,428 (2023- \$8,803). Our Total Investors' Balances as at December 31, 2024 amounted to \$82,206M (2023 - \$70,779M).

### Assets:

Total Assets as at December 31, 2024 were \$103,982M (2023 - \$91,319M), representing an increase of approximately 13.9%. All changes in tangible fixed assets during the year are detailed in the Financial Statements. Liquid Assets in the form of Cash and Short Term Securities were \$25,416M and represented 31% of our Investors' Balances as at December 31, 2024 (2023 – \$23,972M – 34%).

### Charitable Donations:

At the end of 2024, the Society made donations to several charitable and educational institutions in the communities across the country totaling \$4,956M.

### **Employees:**

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

### **Going Concern:**

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

### **Directorate:**

In accordance with Rule 47(1), the Directors whose names are listed below will retire after the 85<sup>th</sup> Annual General Meeting and are eligible for re-election.

- Mr. Floyd McDonald
- Mr. Walter Persaud

### **Auditors:**

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

By Order of the Board,



.....  
**Anil Kishun**  
CEO/Director/Secretary  
19<sup>th</sup> February, 2025



# REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE AND SUB COMMITTEES OF THE BOARD

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

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

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

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

### ROLE OF THE SUB COMMITTEES OF THE BOARD

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

#### AUDIT AND COMPLIANCE SUB COMMITTEE

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

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

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

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

#### HUMAN RESOURCES SUB COMMITTEE

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

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

## **PENSIONS SUB COMMITTEE**

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

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

## **FINANCE SUB COMMITTEE**

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

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

## **ASSETS AND LIABILITIES SUB COMMITTEE**

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

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

## **LOANS SUB COMMITTEE**

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

**Current Chair (Director): Mr. F. McDonald**  
**Director: Mr. K. Tiwari**  
**Director: Mrs. C. Ramson**

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

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

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# REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

**Current Chair (Director): Dr. N.K. Gopaul**

**Director: Mr. K. Tiwari**

**Director: Mr. W. Persaud**

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

## DIRECTORS' RESPONSIBILITIES FOR ACCOUNTING RECORDS AND INTERNAL CONTROLS

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

The Directors are also responsible for ensuring that the Society:

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

## BUSINESS OBJECTIVES AND ACTIVITIES

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

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

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

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

**On behalf of the Board of Directors**



**Dr. Nanda K. Gopaul**

**Chairman**

**19<sup>th</sup> February, 2025**

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

MSC 07/2025

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of The New Building Society Limited which comprise the Statement of Financial Position as at 31 December 2024, the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out in pages 35 to 67.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), The New Building Society Act 1940, as amended, the Financial Institutions Act 1995, as amended, the Anti-Money Laundering & Countering the Financing of Terrorism Act 2009 & Regulations 2010, as amended, Deposit Insurance Act No. 15 of 2018 and Credit Reporting Act No. 9 of 2010, as amended.

### Basis for Opinion

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

### Key Audit Matters

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



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

Key Audit Matters	How our audit procedures addressed the key audit matter
<p><b>Impairment Provision for Loans and Mortgages</b> The Society has mortgages outstanding of \$75.2 billion, or 72% of total asset net of provision as referred to in note 6.</p>	
<p>The Society adopted the accounting standard IFRS 9 'Financial instruments' during the financial year. The standard introduces new requirements around two main aspects of how financial instruments are treated – measurement and classification and impairment.</p> <p>IFRS 9 introduces a new classification and measurement approach for financial assets that reflects the business model in which the financial assets are managed and the underlying cashflow characteristics. IFRS 9 contains three principal classification categories for financial assets:</p> <ul style="list-style-type: none"> <li>- Measured at amortized cost,</li> <li>- Fair value through other comprehensive income (FVOCI); and</li> <li>- Fair value through profit and loss (FVPL).</li> </ul> <p>IFRS 9 introduces new impairment rules which prescribe a new forward looking expected credit loss ('ECL') impairment model which takes into account reasonable and supportable forward looking information which will generally result in the earlier recognition of impairment provisions.</p> <p>We have focused on this area, because there are a number of significant judgments which management will need to determine as a result of the requirements in measuring ECL under IFRS 9:</p> <ul style="list-style-type: none"> <li>- Determining the criteria for a significant increase in credit risk;</li> <li>- Techniques used to determine probability of default (PDs) and loss given default (LGD); and</li> <li>- Factoring in possible future economic scenarios.</li> </ul> <p>These judgments have required new models to be built and implemented to measure the expected credit losses on loans and investments. Management engaged a credit modeler expert to assist in the more complex aspects of the expected credit loss model.</p>	<p>With respect to the measurement and classification of the financial assets and liabilities, we read the relevant accounting policies adopted by the Society and compared them to the requirements of IFRS 9.</p> <p>We obtained an understanding of the Society's business model assessment and for a sample of instruments verified solely the inputs into payments of principal and interest test performed by the client with original contracts.</p> <p>We tested the opening equity adjustments in relation to the adoption of the new standard's classification and measurement requirements.</p> <p>With respect to the ECL model, our audit approach was as follows:</p> <ul style="list-style-type: none"> <li>- We obtained the Society's impairment provisioning policies and compared them to the requirements of IFRS 9;</li> <li>- We tested the ratings used in the ECL model for a sample of instruments. For investment, the Society made comparison to publically available data. For loans, source documents used in the Society's rating process were verified;</li> <li>- For a sample of instruments, we tested whether the significant increase in credit risk and default definitions were appropriately applied and the resulting impact of this on the staging of the instruments.</li> <li>- We tested the loss given default in the ECL calculation for a sample of instruments, including the value of collateral where appropriate.</li> <li>- In assessing the reasonableness of the probability of default, we verified the critical data inputs into the vintage analysis against source documents.</li> <li>- We tested the critical data fields used in the ECL model, such as origination date, date of maturity, credit rating, date of default if any, principal, interest rate, collateral type and value, by tracing data back to source documents.</li> <li>- We tested the completeness of the amounts assessed for impairment on Financial Assets.</li> </ul>

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

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

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

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

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

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

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

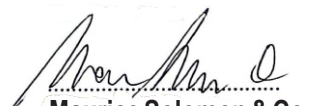
As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

## Report on Additional Requirement

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



**Maurice Solomon & Co.**  
Chartered Accountants  
February 20<sup>th</sup>, 2025

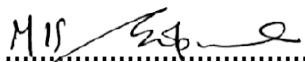
# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024


*Expressed in Thousands of Guyana Dollars*

	NOTE	2024	2023
<b>Assets</b>			
Cash Resources	5	16,633,195	16,290,813
Loan Assets	6	75,223,577	64,569,049
Investments	7	8,782,603	7,698,399
Property, Plant & Equipment	8	2,544,923	2,149,570
Other Assets	9	161,855	128,324
Defined Benefit Asset	12	636,309	483,153
		<u>103,982,462</u>	<u>91,319,308</u>
<b>Investors' Balances, Other Liabilities And Reserves</b>			
Investors' Balances	10	82,206,318	70,778,586
Other Liabilities	11	153,428	139,462
Assigned Capital	13 (b)	250,000	250,000
Risk Reserve		462,694	386,098
Revaluation Reserve		1,484,160	1,048,486
Retained Earnings		19,425,862	18,716,676
		<u>103,982,462</u>	<u>91,319,308</u>

The Board of Directors approved these financial statements for issue on February 19th, 2025

  
.....

Chairman

  
.....

Vice-Chairman

  
.....

CEO/Director/Secretary

The notes on pages 35 to 67 form an integral part of the Financial Statements.



# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

*Expressed in Thousands of Guyana Dollars*

	NOTE	2024	2023
<b>INTEREST INCOME ON:</b>			
Loan Assets		3,491,476	2,889,076
Investments		73,850	87,971
Cash Resources		165,786	170,884
		3,731,112	3,147,931
<b>INTEREST EXPENSES</b>	16	1,672,146	1,420,487
<b>INTEREST REVENUE</b>		2,058,966	1,727,444
<b>Other Income</b>			
Other Operating Income		113,563	213,727
Gain on Disposal of assets		833	-
<b>TOTAL NET INCOME</b>		2,173,362	1,941,171
<b>Operating Expenses</b>			
(Increase)/Decrease in Impairment on Loan Assets	14	(72,956)	21,883
Depreciation	15 (a)	(73,544)	(73,204)
General Administrative Expenses	15 (b)	(1,269,500)	(1,102,891)
Other Expenses	15 (c)	(107,706)	(107,151)
<b>Total Operating Expenses</b>		(1,523,706)	(1,261,363)
<b>PROFIT FOR THE YEAR</b>		649,656	679,808
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Remeasurement of Provision of Employee Benefits	12	136,126	27,391
<b>Total Other Comprehensive Income</b>		136,126	27,391
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		785,782	707,199

The notes on pages 35 to 67 form an integral part of the Financial Statements.

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

*Expressed in Thousands of Guyana Dollars*

	Risk Reserves	Assigned Capital	Revaluation Reserves	Retained Earnings	Total
<b>Balance as at 1 January 2024</b>	386,098	250,000	1,048,486	18,716,676	20,401,260
Profit for the year	-	-	-	649,656	649,656
Other Comprehensive Income for the year	-	-	-	136,126	136,126
Revaluation of Non- Current Assets	-	-	435,674	-	435,674
Transfer to Risk Reserve	76,596	-	-	(76,596)	-
<b>Balance as at 31 December 2024</b>	<b>462,694</b>	<b>250,000</b>	<b>1,484,160</b>	<b>19,425,862</b>	<b>21,622,716</b>
<b>Balance as at 1 January 2023</b>	487,249	250,000	1,048,486	17,908,326	19,694,061
Profit for the year	-	-	-	679,808	679,808
Other Comprehensive Income for the year	-	-	-	27,391	27,391
Transfer to Risk Reserve	(101,151)	-	-	101,151	-
<b>Balance as at 31 December 2023</b>	<b>386,098</b>	<b>250,000</b>	<b>1,048,486</b>	<b>18,716,676</b>	<b>20,401,260</b>

The notes on pages 35 to 67 form an integral part of the Financial Statements.

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

*Expressed in Thousands of Guyana Dollars*

	2024	2023
<b>OPERATING ACTIVITIES</b>		
<b>Net Profit for the year</b>	<b>649,656</b>	679,808
<b>Adjustments for:</b>		
Interest payable on Treasury bills and Fixed deposits	(85,783)	(100,205)
Depreciation	73,544	73,204
Net Provision and write offs for Impairment on Loan Assets	72,956	(19,334)
Movement in Retirement Benefit Plan Liability	(17,030)	(32,279)
(Profit )/Loss on Disposal of Property, Plant and Equipment	(833)	24,318
	<hr/>	<hr/>
<b>OPERATING INCOME BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES</b>	<b>692,510</b>	625,512
Loans Advances (net of repayments)	(10,727,484)	(14,954,305)
(Increase)/Decrease in Other Assets	(33,531)	55,078
Receipts from Investors Net of Withdrawals	11,427,731	8,802,758
Increase in Other Liabilities	13,966	21,370
	<hr/>	<hr/>
<b>NET CASH INFLOW/( OUTFLOW) - OPERATING ACTIVITIES</b>	<b>1,373,192</b>	(5,449,587)
<b>INVESTING ACTIVITIES</b>		
Acquisitions of Property, Plant and Equipment	(35,391)	43,472
Additions to Investments	(8,782,603)	(7,698,399)
Redemptions of Investments	7,698,399	8,744,404
Net Decrease in Restricted Cash Resources and Fixed Deposits	507,854	5,478,003
Proceeds from sale of non-current assets	3,000	-
	<hr/>	<hr/>
<b>NET CASH (OUTFLOW)/INFLOW - INVESTING ACTIVITIES</b>	<b>(608,741)</b>	6,480,536
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>764,451</b>	1,030,949
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR</b>	<b>3,261,770</b>	2,230,821
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AS AT END OF YEAR</b>	<b>4,026,221</b>	3,261,770
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 35 to 67 form an integral part of the Financial Statements.

### 1. ENTITY IDENTIFICATION

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

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

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

### 2. PRINCIPAL ACTIVITY

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 BASIS OF PREPARATION

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

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

**a) Standards, amendments and interpretations that are not yet effective and may not have an impact on the Society: -**

IFRS 18: Presentation and Disclosure in financial statements (effective 1 January 2027)

Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027)

Lack of Exchangeability (Amendments to IAS21) (effective 1 January 2025)

Annual Improvements to IFRS Accounting Standards - Volume 11 (effective 1 January 2026)

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

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

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

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

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information  
(effective 1

IFRS S2 Climate-related Disclosures (effective 1 January 2024)

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) (effective 1 January 2024)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

### 3.2 FOREIGN CURRENCIES

#### a) Functional and Presentation Currency

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

#### b) Transactions and Balances

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

### 3.3 LOAN ASSETS

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

### 3.3 LOANASSETS (cont'd)

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

##### (i) Impairment of Financial Assets

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

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

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

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

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

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

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

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

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

#### 3.3 LOAN ASSETS (cont'd)

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

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

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

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

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

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

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

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

### 3.3 LOAN ASSETS (Cont'd)

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

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

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

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

#### (b) Loans Provisioning and Classification

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

#### Provisioning

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

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

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

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

#### 3.4 INVESTMENTS

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

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

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

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

- Principal is the fair value of the instrument at initial recognition.
- Interest is the return within a basic lending arrangement and typically consists of consideration for the time value of money, and credit risk. It may also include consideration for other basic lending risks such as liquidity risk.

(b) Impairment on financial assets are mentioned in **Note 3.3 (a) (i)** for the requirements of IFRS 9.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

### 3.5 PROPERTY, PLANT & EQUIPMENT

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

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

The following rates are used:-

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

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

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

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

### 3.6 INTEREST RECOGNITION

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

#### Recognition of Interest Revenue Under IFRS 9

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

### 3.7 RECOGNITION OF FEES AND COMMISSION

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

### 3.8 INVESTORS' BALANCES

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

### 3.9 DEFINED BENEFIT PLAN

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

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

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

### 3.10 PROVISIONS AND CONTINGENT LIABILITIES

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

### 3.11 PROPERTIES IN POSSESSION

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

### 3.12 CASH AND CASH EQUIVALENTS

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

### 3.13 COMPARATIVES

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

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

### 4.1 IMPAIRMENT LOSSES ON LOAN ASSETS

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

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

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

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

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

### 4.3 RETIREMENT BENEFIT PLAN

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

*Expressed in Thousands of Guyana Dollars*

	2024	2023
<b>5. CASH RESOURCES</b>		
Redeemable on Demand:		
Cash in Hand	7,200	7,200
Cash at Bank, excluding Fixed Deposits	4,019,021	3,254,570
Classified as Cash and Cash Equivalents	<u>4,026,221</u>	<u>3,261,770</u>
Redeemable after 3 Months:		
Fixed Deposits	12,606,974	13,029,043
	<u>16,633,195</u>	<u>16,290,813</u>
<b>6. LOAN ASSETS</b>		
Mortgages	75,752,949	65,000,799
Provision for Impairment on Loan Assets (notes 6 (b) & 14)	(429,123)	(343,247)
Unearned Interest	(100,249)	(88,503)
	<u>75,223,577</u>	<u>64,569,049</u>

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

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

Stage 1: 12 Month ECL	91,330	86,069
Stage 2: Lifetime ECL	64,890	48,834
Stage 3: Lifetime Credit Impaired ECL for Financial Assets	272,903	208,344
	<u>429,123</u>	<u>343,247</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

*Expressed in Thousands of Guyana Dollars*

	2024		2023	
	No. of Securities	Value	No. of Securities	Value
<b>6. LOAN ASSETS (cont'd)</b>				
The table below shows the analysis of the mortgage portfolio by value bands				
Balances not exceeding \$1,000,000	1,004	505,328	1,069	554,664
Balances exceeding \$1,000,000 but not \$1,500,000	498	621,283	475	586,572
Balances exceeding \$1,500,000 but not \$2,000,000	572	997,441	602	1,058,322
Balances exceeding \$2,000,000 but not \$2,500,000	664	1,476,055	670	1,502,485
Balances exceeding \$2,500,000 but not \$3,000,000	634	1,729,566	639	1,756,725
Balances exceeding \$3,000,000 but not \$4,000,000	1,103	3,848,169	1,194	4,145,759
Balances exceeding \$4,000,000 but not \$5,000,000	1,058	4,774,146	1,029	4,616,156
Balances exceeding \$5,000,000 but not \$6,000,000	1,000	5,453,984	950	5,190,438
Balances exceeding \$6,000,000 but not \$7,000,000	878	5,653,051	857	5,543,572
Balances exceeding \$7,000,000 but not \$8,000,000	659	4,886,386	649	4,850,660
Balances exceeding \$8,000,000 but not \$9,000,000	761	6,511,158	592	5,049,931
Balances exceeding \$9,000,000 but not \$10,000,000	460	4,334,752	469	4,427,956
Balances exceeding \$10,000,000 but not \$11,000,000	398	4,129,332	349	3,658,892
Balances exceeding \$11,000,000 but not \$12,000,000	420	4,812,059	391	4,492,473
Balances exceeding \$12,000,000 but not \$13,000,000	228	2,835,052	189	2,343,539
<b>Bal C/F to next page</b>	<b>10,337</b>	<b>52,567,762</b>	<b>10,124</b>	<b>49,778,144</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

*Expressed in Thousands of Guyana Dollars*

	2024		2023	
	No. of Securities	Value	No. of Securities	Value
<b>6. LOAN ASSETS (cont'd)</b>				
The table below shows the analysis of the mortgage portfolio by value bands				
<b>Bal B/F from previous page</b>	<b>10,337</b>	<b>52,567,762</b>	10,124	49,778,144
Balances exceeding \$13,000,000 but not \$14,000,000	253	3,400,998	178	2,398,665
Balances exceeding \$14,000,000 but not \$15,000,000	391	5,682,117	276	4,021,674
Balances exceeding \$15,000,000 but not \$16,000,000	127	1,924,876	117	1,787,178
Balances exceeding \$16,000,000 but not \$17,000,000	84	1,387,597	44	727,991
Balances exceeding \$17,000,000 but not \$18,000,000	73	1,274,408	43	750,952
Balances exceeding \$18,000,000 but not \$19,000,000	87	1,611,196	34	624,606
Balances exceeding \$19,000,000 but not \$20,000,000	305	5,969,956	150	3,946,879
Balances exceeding \$20,000,000	91	1,833,790	93	1,876,207
<b>Total</b>	<b>11,748</b>	<b>75,652,700</b>	11,059	65,912,296



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

<i>Expressed in Thousands of Guyana Dollars</i>		2024	2023	
<b>7. INVESTMENTS</b>				
Government of Guyana Treasury Bills		<u>8,782,603</u>	<u>7,698,399</u>	
<b>8. PROPERTY, PLANT &amp; EQUIPMENT</b>				
	<b>Freehold Land and Buildings</b>	<b>Machinery, Furniture and Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
<b>Cost</b>				
As at 01 January, 2024	2,253,342	306,642	89,900	2,649,884
Additions	3,510	8,631	23,250	35,391
Disposals	-	(3,151)	(6,500)	(9,651)
Revaluation	199,340	-	-	199,340
As at 31 December, 2024	<u>2,456,192</u>	<u>312,122</u>	<u>106,650</u>	<u>2,874,964</u>
<b>Accumulated Depreciation</b>				
As at 01 January, 2024	196,725	250,878	52,711	500,314
Charges for the Year	39,608	17,022	16,914	73,544
Revaluation	(236,333)	-	-	(236,333)
Written back on Disposals	-	(3,151)	(4,333)	(7,484)
As at 31 December, 2024	<u>-</u>	<u>264,749</u>	<u>65,292</u>	<u>330,041</u>
<b>Net Book Value</b>				
As at 31 December, 2024	<u>2,456,192</u>	<u>47,373</u>	<u>41,358</u>	<u>2,544,923</u>
As at 1 January 2024	<u>2,056,617</u>	<u>55,764</u>	<u>37,189</u>	<u>2,149,570</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

*Expressed in Thousands of Guyana Dollars*

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

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

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

	2024	2023
Cost	1,315,995	1,312,485
Accumulated Depreciation	(346,579)	(320,259)
	<u>969,416</u>	<u>992,226</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

*Expressed in Thousands of Guyana Dollars*

<b>9. OTHER ASSETS</b>	<b>2024</b>	<b>2023</b>
Accrued Interest	85,783	100,205
Accounts Receivables and Prepayments	76,072	28,119
	<u>161,855</u>	<u>128,324</u>
<b>10. INVESTORS' BALANCES</b>		
Five Dollar Shares	32,690,709	28,893,640
Save and Prosper	48,161,440	40,637,478
Deposits	1,354,169	1,247,468
	<u>82,206,318</u>	<u>70,778,586</u>
<b>11. OTHER LIABILITIES</b>		
Withholding Taxes	46,753	41,625
Accounts Payables and Accruals	106,675	97,837
	<u>153,428</u>	<u>139,462</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

*Expressed in Thousands of Guyana Dollars*

2024

2023

## 12. DEFINED BENEFIT ASSET

The amount recognized in the Statement of Financial Position is as follows:

Fair Value of Plan Assets	2,965,618	3,312,761
Present Value of Obligations	(1,703,878)	(1,439,267)
Effect of Asset Ceiling	(625,431)	(1,390,341)
<b>Asset Recognized in the Statement of Financial Position</b>	<b>636,309</b>	<b>483,153</b>

The movement in the Present Value of the Obligation is:

As at Beginning of Year	1,439,268	1,300,695
Interest Expense	81,247	73,247
Current Service Cost	43,992	38,494
Contributions by Plan Participants	28,201	26,375
Benefits Paid	(68,477)	(67,607)
Past Service Cost	24,584	6,932
Actuarial losses	155,063	61,132
<b>As at End of Year</b>	<b>1,703,878</b>	<b>1,439,268</b>

The movement in the Fair Value of Plan Assets is:

As at Beginning of Year	3,312,761	3,772,709
Actual Return on Plan Assets	(367,429)	(474,439)
Contributions by the Society	61,102	57,146
Contributions by Plan Participants	28,201	26,375
Benefits Paid	(68,477)	(67,607)
Administrative Expenses	(540)	(1,423)
<b>As at End of Year</b>	<b>2,965,618</b>	<b>3,312,761</b>

The amount recognized in the Statement of Profit or Loss:

Current Service Cost	43,992	38,494
Past Service Cost	24,584	6,931
Interest Cost	81,247	73,247
Expected Return on Plan Assets	(182,760)	(207,897)
Administrative expenses	540	1,423
Interest on Effect of Asset Ceiling	76,469	112,669
<b>Total included in Staff Cost</b>	<b>44,072</b>	<b>24,867</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

<i>Expressed in Thousands of Guyana Dollars</i>	2024	2023
<b>12. DEFINED BENEFIT ASSET (Cont'd)</b>		
<b>Re-measurements recognized in other comprehensive income:</b>		
Loss from change in assumptions	169,570	-
Experience Gains - Demographic	(14,507)	61,132
Experience Gains - Financial	550,189	682,337
Effect of Asset Ceiling	(841,378)	(770,860)
	<u>(136,126)</u>	<u>(27,391)</u>
Expected Contributions in Upcoming Year	<u>96,575</u>	<u>87,422</u>

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

Opening defined benefit asset	(483,153)	(423,483)
Net pension costs	44,072	24,867
Re-measurements recognised in OCI	(136,126)	(27,391)
Society's contribution paid	(61,102)	(57,146)
	<u>(636,309)</u>	<u>(483,153)</u>

## The principal assumptions used were:

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

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

*Expressed in Thousands of Guyana Dollars*

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

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

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

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

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

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

	2024		2023	
<b>Plan Assets are comprised as follows:</b>				
Cash Resources	260,282	8.8%	279,620	8.4%
Stocks & Bonds	2,702,762	91.1%	3,032,370	91.5%
Other Assets	2,575	0.1%	771	0.1%
	<u>2,965,618</u>	<u>100%</u>	<u>3,312,761</u>	<u>100%</u>

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

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

	2024	2023	2022	2021	2020
Present Value of Obligation	1,703,878	1,439,268	1,300,695	1,106,820	975,894
Fair Value of Plan Assets	<u>2,965,618</u>	<u>3,312,761</u>	<u>3,772,709</u>	<u>2,809,619</u>	<u>2,107,567</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

### Impact of changes in significant actuarial assumptions

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

Scenario	Benefit Obligation	% Change in Benefit Obligation
<b>Valuation Results</b>	1,703,877	
Discount Rate -1%	2,070,113	21.49%
Discount Rate +1%	1,400,065	-17.83%
Salary Increases -1%	1,552,035	-8.91%
Salary Increases +1%	1,846,558	8.37%
Increase average life expectancy by 1 year	1,718,786	0.87%
Decrease average life expectancy by 1 year	1,689,053	-0.87%

## 13. RESERVES AND CAPITAL

### a) The Risk Reserve

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

The Risk Reserve increased to **\$462,694** at year end where the amount was transferred from Retained Earnings as shown in the Statement of Changes in Equity which was due to the requirement of the Supervision Guideline No. 5 and IFRS 9.

### b) Assigned Capital

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

<i>Expressed in Thousands of Guyana Dollars</i>	2024	2023
<b>14. CREDIT IMPAIRMENT ON LOAN ASSETS</b>		
Increase/(Reduction) for the year	57,956	(84,280)
Loss accounts written off for the year	15,000	62,397
As at End of Year	<u>72,956</u>	<u>(21,883)</u>
<b>15. NON-INTEREST EXPENSES BY NATURE</b>		
<b>(a) Depreciation</b>	73,544	73,204
<b>(b) General Administrative Expenses</b>		
Staff Costs (Note 17)	806,820	708,086
Electricity	50,838	39,862
Software License Fee	71,125	61,774
Advertising	3,803	3,192
Postage and Telephone	15,315	15,245
Deposits Insurance	131,025	122,219
Other	190,574	152,513
	<u>1,269,500</u>	<u>1,102,891</u>
<b>(c) Other Expenses</b>		
Security	60,433	60,166
Charitable and Educational Donations	4,956	5,334
Auditors' Remuneration	4,240	4,000
Dormancy Fees Refund	38,077	37,651
	<u>107,706</u>	<u>107,151</u>
<b>Total Non-Interest Expenses</b>	<u>1,450,750</u>	<u>1,283,246</u>
<b>16. INTEREST EXPENSES</b>		
Five Dollar Shares	447,907	401,174
Save and Prosper Shares	1,206,142	1,002,836
Deposits	18,097	16,477
	<u>1,672,146</u>	<u>1,420,487</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

*Expressed in Thousands of Guyana Dollars*

17. STAFF COSTS	2024	2023
Wages and Salaries	539,686	475,544
Social Security Costs	34,641	31,781
Pension Costs	44,072	24,867
Other Staff Costs	188,421	175,894
	<u>806,820</u>	<u>708,086</u>

## 18. RELATED PARTY TRANSACTIONS

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

	2024	2023
(a) MORTGAGES		
Balance as at Beginning of Year	45,348	50,222
Effect of changes in Key Management Personnel	(18,427)	-
Mortgage Interest Charged during the Year	749	1,406
Mortgage Payments during the Year	(3,072)	(6,280)
Balance as at End of Year	<u>24,598</u>	<u>45,348</u>

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

## (b) INVESTORS' BALANCES

Balance as at Beginning of Year	507,471	166,444
Effect of Changes in Key Management Personnel	(13,580)	124,049
Deposits Received during the Year	226,199	358,452
Interest earned during the Year (net of tax)	11,593	7,859
Withdrawals made during the Year	(78,106)	(149,333)
Balance as at End of Year	<u>653,577</u>	<u>507,471</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

*Expressed in Thousands of Guyana Dollars*

	2024	2023
<b>18. RELATED PARTY TRANSACTIONS (Cont'd)</b>		
<b>(c) KEY MANAGEMENT COMPENSATION</b>		
Short-Term Employee Benefits	171,755	155,242
Post-Employment Benefits	5,727	7,358
	<u>177,482</u>	<u>162,600</u>
<b>19. DIRECTORS' COSTS</b>		
Directors' Costs included in Key Management Compensation		
Directors' Fees	14,592	9,861
Directors' Travel	14,592	9,861
Directors' Pension	3,388	3,418
	<u>32,572</u>	<u>23,140</u>

## 20. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

### (a) CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

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

### (b) RISK ARISING FROM FINANCIAL INSTRUMENTS

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

### (c) CREDIT RISK

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

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

	2024		2023	
	Value	Default Rate	Value	Default Rate
Demerara, except Linden	62,895,708	0.38%	44,634,954	0.33%
Berbice	9,106,756	1.40%	7,249,788	1.18%
Essequibo	2,488,305	0.39%	2,017,620	0.29%
Linden	1,161,857	0.31%	865,087	0.25%
	<u>75,652,626</u>		<u>54,767,449</u>	

During the year there were loan assets totaling \$395,394 (2023-\$404,795) which were renegotiated and which would have otherwise been past due or impaired.

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

	2024	2023
<b>Past Due Accounts</b>		
Pass due up to 30 days	5,537,562	3,988,220
Pass due 30 to 90 days	4,304,363	3,577,780
Impaired (Over 90 days)	2,012,554	1,431,065
Total	<u>11,854,479</u>	<u>8,997,065</u>
Fair value of collateral	<u>31,035,956</u>	<u>23,039,466</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

The table below shows the geographic analysis of loan assets that are impaired as at the Statement of Financial Position date, along with the estimated fair value of the collateral held against these balances. All impaired loan assets exceeding 180 days and 365 days totalled \$860,294 (2023 - \$702,578) and \$559,510 (2023 - \$445,204) respectively.

	2024	2023
Demerara, except Linden	2,948,397	2,350,480
Berbice	495,936	435,712
Essequibo	144,492	118,374
Linden	25,901	43,459
	<u>3,614,726</u>	<u>2,948,025</u>
Fair value of collateral	<u>7,942,798</u>	<u>6,240,100</u>

### RENEGOTIATED LOANS

The carrying amounts of all renegotiated loans aggregated to:

Renegotiated Loans	<u>395,394</u>	<u>404,795</u>
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Renegotiations normally involve the deferral of repayments for members experiencing temporary cash flow problems. This request is usually considered by management and approved for the facilities to service satisfactorily by the borrower under revised conditions. The renegotiations were primarily refinancing of facilities or rescheduling of payments. These facilities continue to earn interest and are aged based on the original terms. Corresponding value of 2023 was amended as previously reported.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

*Expressed in Thousands of Guyana Dollars*

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

### (d) INTEREST RATE RISK

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

The Society's interest bearing instruments carry fixed rate of interest except cash resources totaling \$2,962,097 (2023 - \$1,063,743) with an effective interest rate of 0.5% (2023- 0.5%). Should the interest rates on the floating rate instruments increase/decrease by 50 basis points (2019 – 50 basis points), with all other variables held constant, the profit for the year would increase/decrease by \$14,810 (2023 – \$5,319).

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

	Up to one year	Over one year	Non-Interest Bearing	Total
<b>As at 31 December 2024</b>				
Cash Resources	15,569,070	-	1,064,125	16,633,195
Loan Assets	5,180,713	70,419,694	-	75,600,407
Investments	8,782,603	-	-	8,782,603
Other Assets	-	-	161,855	161,855
<b>Total Assets</b>	<b>29,532,386</b>	<b>70,419,694</b>	<b>1,225,980</b>	<b>101,178,060</b>
Investors' Balances	82,206,318	-	-	82,206,318
Other Liabilities	153,428	-	-	153,428
<b>Total Investors' Balances and Other Liabilities</b>	<b>82,359,746</b>	<b>-</b>	<b>-</b>	<b>82,359,746</b>
<b>Interest Sensitivity Gap</b>	<b>(52,827,360)</b>	<b>70,419,694</b>	<b>1,225,980</b>	



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

Expressed in Thousands of Guyana Dollars

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

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

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

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

	2024 %	2023 %
Fixed Deposits	1.32	1.30
Mortgages	4.6	4.4
Investments	0.85	1.2
Investors' Balances	2.0	2.0

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

*Expressed in Thousands of Guyana Dollars*

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

### (e) LIQUIDITY RISK

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

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

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

	Up to one year	One to five years	Over five years	Total
<b>As at 31 December 2024</b>				
Cash Resources	16,633,195	-	-	16,633,195
Loan Assets	5,180,713	14,273,766	56,145,928	75,600,407
Investments	8,782,603	-	-	8,782,603
Other Assets	161,855	-	-	161,855
<b>Total Assets</b>	<b>30,758,366</b>	<b>14,273,766</b>	<b>56,145,928</b>	<b>101,178,060</b>
Investors' Balances	82,206,318	-	-	82,206,318
Other Liabilities	153,428	-	-	153,428
<b>Total Investors' Balances and Other Liabilities</b>	<b>82,359,746</b>	<b>-</b>	<b>-</b>	<b>82,359,746</b>
<b>Net Liquidity Gap</b>	<b>(51,601,380)</b>	<b>14,273,766</b>	<b>56,145,928</b>	

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

### (f) FOREIGN EXCHANGE RISK

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

<b>Aggregate Assets denominated in Foreign Currencies amounted to:</b>	<b>2024</b>	<b>2023</b>
British Pound Sterling	62,956	62,956
United States Dollar	752,117	746,589

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

At 31 December 2024, if the Guyana dollar had weakened / strengthened by 2.5% against the British Pound Sterling, with all other variables held constant, profit for the year would have been \$ 1,574 higher / lower.

At 31 December 2023, if the Guyana dollar had weakened / strengthened by 2.5% against the US Dollar, with all other variables held constant, profit for the year would have been \$18,803 (2023 - \$18,665) higher / lower).

## 21. FAIR VALUE MEASUREMENTS

The Society assets and liabilities based on the following hierarchy contained in IFRS 13:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly.

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

### (a) Loans and Investments

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

Assets	IFRS 13 Level	2024 Fair value	2024 Carrying amount	2023 Fair value	2023 Carrying amount
Loan Assets	Level 2	82,490,266	75,223,577	72,084,600	64,569,049
Investments	Level 2	8,820,000	8,782,603	7,720,000	7,698,399

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

### (b) Cash Resources and Other Assets

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

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

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

There were no transfer between levels in the current year.

## 22. CONTINGENT MATTERS

### (a) CLAIMS FROM BUILDING CONSULTANTS

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

### (b) CLAIMS FROM FORMER EMPLOYEES

During 2010, the Society received writs from three (3) former employees seeking damages in excess of fifty million dollars in each case for wrongful dismissal and breach of contract of employment. Two (2) of these matters are currently engaging the attention of the Court.

### (c) OTHER MATTERS

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



# SIGNIFICANT CONTRIBUTIONS



The Hon. Prime Minister, Brigadier (Ret'd) Mark Anthony Phillips, M.S.S. and Hon. Minister of Housing and Water, Collin Croal, M.P are flanked by employees of the Society, at the Ministry of Housing and Water Annual International Building Expo, held under the theme “Building on the Foundation of Sustainability and Unity”, which ran from August 8<sup>th</sup> to 11<sup>th</sup>, 2024 at the Guyana National Stadium.



Scenes from the tenth final of Georgetown Cricket Association (GCA) / New Building Society (NBS) 40-over Second Division Cricket Tournament, which was held on Sunday, November 17, 2024 at the Demerara Cricket Club's (DCC) ground. The Muslim Youth Organization (MYO) defeated DCC to capture the Title.



# SIGNIFICANT CONTRIBUTIONS



A fun-filled day of sporting activities was held on November 23, 2024 at the Transport Sports Club Ground, between the New Building Society and Ministry of Labour. NBSs Chairman, Dr. Nanda Gopaul and Hon. Minister of Labour Mr. Joseph Hamilton (seated) posed with employees of the New Building Society and Ministry of Labour.

# CORPORATE SOCIAL RESPONSIBILITIES



**Ms. Melieca Phillips, Graduate Senior assistant Mistress, accepts a trophy from Mr. Asif Mahamad, Systems Administrator, for La Grange Primary School for their annual graduation exercise.**



**Ms. Shenisha Lutchman, Teacher of the Enmore Primary School accepts a trophy from Mrs. Preeta Bacchus, IT Supervisor, for the school's annual convocation exercise.**



**Mrs. Nandanie Lallbharay, Assistant Mortgage Manager, presents a donation to Mr. Rampaul Sukhdeo, President of the Enmore Shiv Mandir, for their annual Phagwah Mela.**



**Mr. Omesh Dhanram, Cricketer, from the Demerara Cricket Club accepts a donation from Mrs. Shanieza Tularam, Senior Savings and Accounts Supervisor for the 2023-24 NBS Trophy Competition.**



## CORPORATE SOCIAL RESPONSIBILITIES



Staff members of the Rosignol Branch office present a donation to members of the Regional Divisional Headquarter No. 5 for their annual Christmas tree light up and toy distribution program.



Ms. Richards of the Cumberland Primary School accepts a trophy for their annual graduation exercise from staff members of the New Amsterdam Branch office.



# STAFF MATTERS



The Society's administrative professionals (receptionists, secretaries and executive assistants) were honored for their hard work and excellent support provided throughout the year. In this photo, they were presented with tokens of appreciation on Administrative Professionals Day 2024.



In this photo, Driver, Mr. Preston Das (right) is presented with a long service award by the CEO/Director/Secretary, Mr. Anil Kishun for completing twenty-five (25) years of dedicated service to the Society.



In this photo, Management Staff, Mr. Atma Rajaram (right) is presented with a long service award by the Operations Manager, Mrs. Savitri Samaroo, for completing twenty (20) years of dedicated service to the Society.



## STAFF MATTERS



In this photo, Chief Accounts Clerk, Ms. Diana Kally (right) is presented with a long service award by the Rosignol Branch Manager, Mrs. Guwantie Hiralall, for completing twenty (20) years of dedicated service to the Society.



In this photo, Chief Cashier, Mrs. Shakuntala Bharat (right) is presented with a long service award by the Corriverton Branch Manager, Mrs. Sarojne Ramdat, for completing twenty (20) years of dedicated service to the Society.



In this photo, Supervisory Staff, Ms. Davina Rambissoon (right) is presented with a long service award by the Human Resource Officer, Ms. Latchmi Beepat, for completing fifteen (15) years of dedicated service to the Society.



In this photo, Senior Cashier, Ms. Mariam Zaman (right) is presented with a long service award by the Rosignol Branch Manager, Mrs. Guwantie Hiralall, for completing fifteen (15) years of dedicated service to the Society.



# STAFF MATTERS



In this photo, Mortgage Officer, Ms. Tonisha Bridglall (left) is presented with a long service award by the Mackenzie Branch Manager, Mrs. Gleniss Ramsahoi, for completing fifteen (15) years of dedicated service to the Society.



In this photo, Chief Cashier, Ms. Leena Ganese (right) is presented with a long service award by the Henrietta Branch Manager, Mr. Sewchan Raghunandan, for completing fifteen (15) years of dedicated service to the Society.

## STAFF MATTERS

The New Building Society (NBS) presented bursary awards to children of its employees, who were successful at the 2024 National Grade Six Assessment (NGSA) Examination. In this photo, Mas. Nathan Mohanlall, Ms. Annamika Ramdat, Mas. Jeremiah Budhoo, Ms. Tamina Smith and Ms. Safiya Cottam proudly displayed their awards. Bursary awards is one of several benefits offered by NBS to its employees.











# The New Building Society Limited

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