

BANK OF BARODA (GUYANA) INC.

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 2022
AN INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BANK OF BARODA (GUYANA) INC.
(SUBSIDIARY OF BANK OF BARODA (INDIA))
FOR THE YEAR ENDED 31 MARCH 2022

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Bank of Baroda (Guyana) Inc., which comprise the statement of financial position as at 31 March 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 2 to 42.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2022, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Guyana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 5 (c), which explains that the Guyana Revenue Authority (GRA) has issued additional assessments for Corporation Tax liability of G\$138,586,832 for the years of income ended 31 March 2012, 2013 2015 and 31 March 2016. The Bank has objected to the GRA's assessment and has written to the Board of Review for an appeal since the GRA maintained its position after the objection. Based on legal and professional advice, Management is of the opinion that the Bank will be successful on appeal and accordingly no provision has been recognised in these financial statements for the effect of the additional Corporation Tax assessments. Our opinion is not modified in respect of this matter.

Responsibilities of those Charged with Governance for the Financial Statements

The Directors/Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, 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.

Responsibilities of those Charged with Governance for the Financial Statements- cont'd

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. The Audit Committee assists the Directors in discharging their responsibilities for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Report on Other Legal and Regulatory Requirements

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

TSD Lal & Co.
TSD LAL & CO.
CHARTERED ACCOUNTANTS

Date: April 26, 2022

77 Brickdam,
Stabroek, Georgetown
Guyana

BANK OF BARODA (GUYANA) INC.
(SUBSIDIARY OF BANK OF BARODA (INDIA))
STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

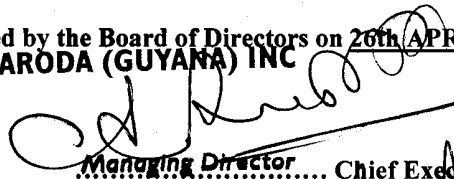

		2021/2022	2020/2021
	Notes	G\$ 000	G\$ 000
Interest income			
Loans and advances		540,133	408,966
Investments: Treasury Bills	9(b)	24,997	22,163
Local bank deposits		8,494	13,412
Foreign bank deposits		18,373	35,480
		<u>591,997</u>	<u>480,021</u>
Interest expense			
Savings deposits		33,177	42,514
Term deposits		89,229	62,602
Other		8,693	-
		<u>131,099</u>	<u>105,116</u>
Net interest income		460,898	374,905
Other income	6	185,998	171,805
Net interest and other income		<u>646,896</u>	<u>546,710</u>
Non-interest expenses			
Salaries and other staff costs		114,221	105,591
Premises and equipment		86,918	90,504
Provision for bad debt		115,849	(69,672)
Bad debt written off		24,517	15,883
Others		114,975	92,904
Loss allowances - expected credit losses (ECLs)		(4,714)	2,033
		<u>451,766</u>	<u>237,243</u>
Profit before taxation	7	195,130	309,467
Taxation	5 (a)	(86,795)	(127,495)
Profit for the year		<u>108,335</u>	<u>181,972</u>
Total comprehensive income for the year		<u>108,335</u>	<u>181,972</u>

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

BANK OF BARODA (GUYANA) INC.
(SUBSIDIARY OF BANK OF BARODA (INDIA))
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Notes	31.03.2022 G\$ 000	31.03.2021 G\$ 000
ASSETS			
Cash Resources			
Cash and due by banks	8 (a)	4,744,993	2,919,524
Deposits with Bank of Guyana	8 (b)	4,030,250	2,207,116
		<u>8,775,243</u>	<u>5,126,640</u>
Investments			
Treasury bills	9 (a)	4,669,052	2,900,156
Loans and advances	10	6,232,033	5,825,423
		<u>10,901,085</u>	<u>8,725,579</u>
Property and equipment	11	163,777	150,359
Deferred tax	5 (b)	67,079	52,684
Tax recoverable		180,780	148,107
Other assets	12	39,372	52,751
		<u>451,008</u>	<u>403,901</u>
		<u>20,127,336</u>	<u>14,256,120</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	750,000	750,000
Retained earnings		2,139,312	2,092,227
Statutory reserve	20	417,296	401,046
Risk reserve		1,098	5,812
		<u>3,307,706</u>	<u>3,249,085</u>
Deposits			
Demand		6,277,327	3,496,650
Savings		3,233,735	2,761,606
Term		7,128,692	4,549,088
		<u>16,639,754</u>	<u>10,807,344</u>
Other payables	13	144,409	156,996
Taxation payable		35,467	42,695
		<u>179,876</u>	<u>199,691</u>
		<u>20,127,336</u>	<u>14,256,120</u>

These financial statements were approved by the Board of Directors on 26th APRIL, 2022.
On behalf of the Board: **BANK OF BARODA (GUYANA) INC**


..... Managing Director Chief Executive Officer and Director

..... Director

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

BANK OF BARODA (GUYANA) INC.
(SUBSIDIARY OF BANK OF BARODA (INDIA))
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Share Capital	Retained Earnings	Statutory Reserve	Risk Reserve	Total
		<u>G\$ 000</u>	<u>G\$ 000</u>	<u>G\$ 000</u>	<u>G\$ 000</u>	<u>G\$ 000</u>
Balance at 1 April 2020		750,000	1,982,551	373,750	3,779	3,110,080
Changes in equity 2020/2021						
Total comprehensive income for the period		-	181,972	-	-	181,972
Dividends paid	24	-	(45,000)	-	-	(45,000)
Transfer from/(to)		-	(27,296)	27,296	-	-
ECL Provision -Note 10a		-	-	-	2,033	2,033
Balance as at 31 March 2021		<u>750,000</u>	<u>2,092,227</u>	<u>401,046</u>	<u>5,812</u>	<u>3,249,085</u>
Changes in equity 2021/2022						
Total comprehensive income for the period		-	108,335	-	-	108,335
Dividends paid	24	-	(45,000)	-	-	(45,000)
Transfer from/(to)		-	(16,250)	16,250	-	-
ECL Provision -Note 10a		-	-	-	(4,714)	(4,714)
Balance as at 31 March 2022		<u><u>750,000</u></u>	<u><u>2,139,312</u></u>	<u><u>417,296</u></u>	<u><u>1,098</u></u>	<u><u>3,307,706</u></u>

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

BANK OF BARODA (GUYANA) INC.
(SUBSIDIARY OF BANK OF BARODA (INDIA))
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2021/2022	2020/2021
	<u>G\$ 000</u>	<u>G\$ 000</u>
Operating activities		
Profit before taxation	195,130	309,467
Adjustment for:		
Depreciation	13,825	13,469
Loss/adjustment on disposal of assets	309	-
Loss allowances - expected credit losses (ECLs)	<u>(4,714)</u>	<u>2,033</u>
Operating profit before working capital changes	204,550	324,969
Increase in loans and advances	(406,610)	(1,102,458)
Increase in customers' deposits	5,832,410	1,953,042
Decrease/(increase) in other assets	13,379	(4,401)
Increase/(decrease) in other liabilities	(12,587)	59,603
Decrease/(increase) in required reserve with Bank of Guyana	<u>(1,823,134)</u>	<u>1,084,234</u>
Cash provided by operating activities	3,808,008	2,314,989
Taxes paid/adjusted (net)	<u>(141,091)</u>	<u>(141,122)</u>
Net cash provided by operating activities	<u>3,666,917</u>	<u>2,173,867</u>
Investing activities		
Movement in treasury bills	(1,768,896)	(1,415,306)
Additions to property and equipment	<u>(27,552)</u>	<u>(10,313)</u>
Net cash used in investing activities	<u>(1,796,448)</u>	<u>(1,425,619)</u>
Financing activities		
Dividends paid	<u>(45,000)</u>	<u>(45,000)</u>
Net cash used in Financing activities	<u>(45,000)</u>	<u>(45,000)</u>
Net increase in cash and short term funds	1,825,469	703,248
Cash and short term funds at beginning of year	2,919,524	2,216,276
Cash and short term funds at end of year	<u>4,744,993</u>	<u>2,919,524</u>
Cash and due by Banks	<u>4,744,993</u>	<u>2,919,524</u>

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

BANK OF BARODA (GUYANA) INC.
(SUBSIDIARY OF BANK OF BARODA (INDIA))
NOTES TO THE FINANCIAL STATEMENTS

1. Incorporation and activities

The company was registered as a banking institution in Guyana on 1 March 1999 and commenced operations on 25 May 1999. The registered office of the company is Lot 10 Regent and Avenue of the Republic, Georgetown, Guyana.

The company is licensed to carry on the business of banking operations in accordance with the provisions of the Financial Institutions Act 1995.

2. New and amended standards and interpretations

Amendments effective for the current year end

New and Amended Standards	Effective for annual periods beginning on or after
Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January, 2021
Amendments to IFRS 16 Leases: Covid-19-Related rent concessions beyond 30 June 2021	1 April, 2021
<u>Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)</u>	

The amendments in Interest Rate Benchmark Reform — Phase 2 introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

Amendments to IFRS 16 Leases: Covid-19-Related rent concessions beyond 30 June 2021

The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

None of the foregoing amendments had an impact on the current year financial statements.

**BANK OF BARODA (GUYANA) INC.
(SUBSIDIARY OF BANK OF BARODA (INDIA))
NOTES TO THE FINANCIAL STATEMENTS**

2. New and amended standards and interpretations - cont'd

Pronouncements effective in future periods available for early adoption

	Effective for annual period beginning on or before
New and Amended Standards	
Annual Improvements 2018-2020	1 January, 2022
Narrow scope amendments to IFRS 3, IAS 16 and IAS 37	1 January, 2022
IFRS 17 Insurance contracts	1 January, 2023
Amendments to IFRS 4 (Deferral of effective date of IFRS 9) available	Immediately
Amendments to IAS 1: Presentation of financial statements on classification of liabilities	1 January, 2023
Narrow scope amendments to IAS 1, IAS 8 and IFRS Practice statement 2	1 January, 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January, 2023

The company has not opted for early adoption.

The standards and amendments that are expected to have an impact on the company's accounting policies when adopted are explained below.

Annual Improvements 2018-2020

Makes amendments to the following standards:

IFRS 9 – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Narrow scope amendments to IFRS 3, IAS 16 and IAS 37

IAS 37: The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

**BANK OF BARODA (GUYANA) INC.
(SUBSIDIARY OF BANK OF BARODA (INDIA))
NOTES TO THE FINANCIAL STATEMENTS**

2. New and amended standards and interpretations - cont'd

Amendments to IAS 1: Presentation of financial statements on classification of liabilities

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The effective date of the amendments was deferred to 1 January 2023.

Narrow scope amendments to IAS 1 and IFRS Practice statement 2

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

Amendments to IAS 8

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

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

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

BANK OF BARODA (GUYANA) INC.
(SUBSIDIARY OF BANK OF BARODA (INDIA))
NOTES TO THE FINANCIAL STATEMENTS

3. Summary of Significant Accounting Policies

3.1 Accounting convention

The financial statements have been prepared under the historical cost convention and conform with the International Financial Reporting Standards adopted by the Institute of Chartered Accountants of Guyana. The principal accounting policies are set out below.

3.2 Interest income and the effective interest rate method:

Under IFRS 9 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost.

The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Bank recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

The Bank calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Bank calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

Interest income is not recognized on non-accrual loans.

3.3 Non-interest income

The bank earns income from a diverse range of services provided to its customers. Income earned from the provision of services is recognized as revenue as the services are provided. Fees and commissions are recognized as earned. Examples of these types of accounts are:

- Commitment Fees - negotiation, application fees for new loan accounts
- Drafts and Transfers - cost of drafts, telegraphic transfer
- Ledger Fees - charge for new cheque book
- Safe Custody - annual rental of safe deposit boxes

3.4 Foreign currency transactions

Transactions in currencies other than Guyana dollars are recorded at the official or Cambio rates of exchange prevailing on the dates of the transaction. At each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the official or Cambio rates prevailing on that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised in the statement of comprehensive income.

BANK OF BARODA (GUYANA) INC.
(SUBSIDIARY OF BANK OF BARODA (INDIA))
NOTES TO THE FINANCIAL STATEMENTS

3. Summary of Significant Accounting Policies (cont'd)

3.5 Property, plant and equipment

Property, plant and equipment are stated generally at historical cost, except for those measured at fair value, when they are tested for impairment. Historical cost includes expenditure directly attributable to the acquisition of the items.

At the end of each reporting period, the Bank reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Bank estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

Freehold building and computer equipment are depreciated on straight line method to write off the assets over their useful estimated lives. All other property and equipment are depreciated on the reducing balance method at rates sufficient to write off the cost of these assets to their residual values over their estimated useful lives as follows:-

Freehold building	2% - 5 %
Computer equipment	33 (1/3) %
Equipment including furniture and fixtures	10 - 20 %
Motor vehicles	20% - 30 %

The gain or loss arising on disposal or retirement of an item of property and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income.

BANK OF BARODA (GUYANA) INC.
(SUBSIDIARY OF BANK OF BARODA (INDIA))
NOTES TO THE FINANCIAL STATEMENTS

3. Summary of Significant Accounting Policies (cont'd)

3.6 Financial Instruments

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

These instruments are intended to be held on a continuing basis and are recognized when the Bank enters into contractual arrangements with the counterparties to purchase securities.

Financial instruments carried on the statement of financial position include investment securities, loans and overdrafts, receivables, customer's deposits, payables, accruals, borrowing and cash resources. The recognition methods adopted for loans and overdrafts and investment securities are disclosed in the individual policy statements.

Cash and short term funds

Cash and short term funds comprise of cash due by and to banks and deposits with the Bank of Guyana in excess of the required reserve.

These are readily convertible to a known amount of cash, with maturity dates of less than three (3) months.

Other receivables

Other receivables are measured at amortised cost. Appropriate allowances for estimated unrecoverable amounts are recognized in the statement of profit or loss and other comprehensive income when there is objective evidence that the asset is impaired. The allowance recognized is based on management's evaluation of the collectability of the receivables.

Deposits and other payables

Deposits and other payables are measured at amortised cost.

BANK OF BARODA (GUYANA) INC.
(SUBSIDIARY OF BANK OF BARODA (INDIA))
NOTES TO THE FINANCIAL STATEMENTS

3. Summary of Significant Accounting Policies (cont'd)

3.6 Financial Instruments - cont'd

Financial assets at amortised cost

The company only measures loans and advances and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives.

Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit or loss with the exception of movements in fair value of liabilities designated at FVPL due to changes in the company's own credit risk which are recorded through OCI and do not get recycled to the profit or loss.

Reclassification of financial assets and liabilities

The company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the company acquires, disposes of, or terminates a business line.

Financial liabilities are never reclassified. The Bank did not reclassify any of its financial assets or liabilities in 2021/2022.

3.7 Derecognition of provisions

Provisions are derecognized when it is no longer probable that an outflow of economic resources will be required to settle the obligation.

3.8 Reporting Divisions

The bank's operations are considered a single business unit with certain operations carried out within Guyana and outside of Guyana.

BANK OF BARODA (GUYANA) INC.
(SUBSIDIARY OF BANK OF BARODA (INDIA))
NOTES TO THE FINANCIAL STATEMENTS

3. Summary of Significant Accounting Policies (cont'd)

3.9 Taxation

Tax expense for the period comprises current and deferred Tax. Tax is recognised in the statement of profit or loss and other comprehensive income.

Current tax

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

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the assets realized based on tax rates (tax laws) that have been enacted by the end of the reporting period. Deferred tax is charged or credited to profit and loss.

3.10 Acceptances, guarantees and letters of credit

The Bank's potential liability under acceptances, guarantees and letters of credit is reported as a contingent liability.

3.11 Balances excluded from the accounts

The accounts do not include certain balances where, in the opinion of management, the Bank bears no financial responsibility as it acts merely as an intermediary. These balances are instead disclosed in note 15 of the financial statements.

3.12 Statutory reserve

The Financial Institutions Act 1995 of Guyana requires that a minimum of 15% of the net profit after deduction of taxes in each year must be transferred to a statutory reserve account until the balance on this reserve is not less than the paid up capital. This reserve is not distributable.

3.13 Reserve requirement

The Bank of Guyana requires that each commercial bank maintain a current account with a balance of 12% of their demand liabilities calculated on a weekly basis. The balance at period end is GUY\$ 4.03b (31.03.2021 - G\$2.2b) disclosed in note 8(b) of the financial statement.

BANK OF BARODA (GUYANA) INC.
(SUBSIDIARY OF BANK OF BARODA (INDIA))
NOTES TO THE FINANCIAL STATEMENTS

3. Summary of Significant Accounting Policies (cont'd)

3.14 Impairment losses on loans and advances:

The Bank on a regular basis reviews its portfolio of loans with a view of assessing impairment. This is done in addition to what is required under the Bank of Guyana Supervision Guideline No.5 and IFRS 9 with respect to provisioning. Certain judgments are made that reflect the Bank's assessment of several critical factors that can influence future cash flows.

3.15 Risk reserve

The risk reserve is created as an appropriation of retained earnings to account for the difference between the requirements of IFRS 9 (ECLs) adopted by the Bank and the provisions as required under Bank of Guyana Supervision Guideline No.5.

The Bank has adopted the requirements of IFRS 9 and makes specific provisions on loans and advances. The provisions booked as at 31 March, 2022 amounted to **G\$1.098m** (2021- \$5.812m) compared with the provision of **G\$348.315m** (2021- \$234,183m) as required under Bank Of Guyana Supervision Guideline No. 5.

The risk reserve as at 31 March, 2022 was **G\$1.098m** (2021- G\$5.812m). The decrease of **G\$4.714m** (2021- G\$2,033m) is shown as a transfer to risk reserve for the increase in loan impairment.

3.16 Dividends

Dividends that are proposed and declared are recorded as an appropriation of retained earnings in the statement of changes in equity in the period in which they have been approved. Dividends that are proposed and declared after the financial year end are disclosed as a note to the financial statements.

3.17 Leases

The Bank has assessed the lease and due to the short -term nature and low value, it applied exemption to treat the leases as an expense on a straight- line basis over the lease term.

3.18 Provisions

Provisions are recognised when the Bank has a present obligation (legal or constructive) as a result of a past event, it is probable that the Bank will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

BANK OF BARODA (GUYANA) INC.
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NOTES TO THE FINANCIAL STATEMENTS

3 Summary of Significant Accounting Policies (cont'd)

3.19 Critical accounting judgments and key sources of estimation uncertainty

a) Useful lives of plant and equipment:

Management reviews the estimated useful lives of plant and equipment at the end of each year to determine whether the useful lives of plant and equipment should remain the same.

b) Impairment of financial assets:

Management makes judgment at the end of each reporting period to determine whether financial assets are impaired. Financial assets are impaired when the carrying amount is greater than the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

c) Loans and advances

It is the Bank's policy to provide for impaired loans on a consistent basis in accordance with the Financial Institutions Act (FIA) 1995 and established International Accounting Standards and practices.

Loans and advances to customers comprise of loans and advances originated by the bank and are classified as financial assets as per IFRS 9.

All loans and advances are recognised when cash is advanced to borrowers and are derecognised when borrowers repay their obligation and when the loan is written off. Loans are written off when all necessary legal procedures have been completed and the amount of the loss is finally determined.

Upon classification of a loan of non-accrual status, interest ceased to accrue and all previously accrued and unpaid interest is reversed in the current period.

Loans and advances are generally returned to accrual status when both principal and interest is reasonably assured and all delinquent principal and collection of interest payments are brought current.

d) Loan Impairment

It is the Bank's policy to provide for impaired loans on a consistent basis in accordance with the Bank of Guyana Supervision Guideline no.5 and established International Accounting Standards and Practices. Loans and advances to customers include loans and advances originated by the Bank and are classified as Financial Assets at amortised cost. Loans and advances are recognized when cash is advanced to borrowers and are derecognized when borrowers repay their obligations or when written off.

Losses for impaired loans are recognized promptly when there is objective evidence that impairment of a loan or portfolio of loans has occurred. Impairment losses are calculated on individual loans and on loans assessed collectively.

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NOTES TO THE FINANCIAL STATEMENTS

3. Summary of Significant Accounting Policies (cont'd)

Critical accounting judgments and key sources of estimation uncertainty (cont'd)

e) Loan Impairment

The Bank records the allowance for expected credit losses for all loans, loan commitments and financial guarantee contracts. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Bank groups its loans into Stage 1, Stage 2, and Stage 3 as described below:

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 Bank 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.

The calculation of ECLs

The provisions or in other words "Impaired loss" are being calculated on standard Advances and for sub-standard Advances (explained below), the calculations were being carried out as per the Supervisory guidelines No.5 of Bank of Guyana.

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NOTES TO THE FINANCIAL STATEMENTS

3. Summary of Significant Accounting Policies (cont'd)

3.19 Critical accounting judgments and key sources of estimation uncertainty (cont'd)

e) Loan impairment -cont'd

The Bank 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 Bank 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 for 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 and investments that default. The PD is then assigned to the risk level, and each risk level has one PD percentage.

For corporate exposures, 12 months PD is determined based on the matrix migration approach which considers migration of internal ratings done by the Bank based on the RAM model. The Lifetime-PD for the time horizon is computed using the basic exponentiation formula based on the average residual maturity of the respective rating grade.

Loss Given Default (LGD) - measures the expected loss and is shown as a percentage of exposure of default (EAD). LGD represents the amount unrecovered by the lender after selling the underlying asset if a default was to occur on a loan and investment.

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

Exposure at Default (EAD) is seen as an estimation of the extent to which the Bank may be exposed to in the event and at the time of, the borrower's and investment's was to default. The loan and investment repayments patterns and EAD value for each financial assets are then used to determine the overall default risk.

Collateral

It is the Bank's policy that all facilities are fully and tangibly secured. A insignificant portion of the loans are secured below 100% of the loans and advances values.

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NOTES TO THE FINANCIAL STATEMENTS

3. Summary of Significant Accounting Policies (cont'd)

3.19 Critical accounting judgments and key sources of estimation uncertainty (cont'd)

e) Loan Impairment cont'd

Classification

The Bank follows the prescription of the Bank of Guyana Supervision Guideline no.5 and classifies loans into the following categories:-

Grade 1/Pass: represents loans demonstrating financial condition, risk factors and capacity to repay that are good to excellent and generally reflects accounts which are not impaired and are up-to-date in repayments or operating within approved limits as per the Bank's policy guidelines.

Grade 2/Special mention: represents satisfactory risk and includes credit facilities which require closer monitoring or which operates outside product guidelines, or which require various degrees of special attention, where the collateral is not fully in place; where current market conditions are affecting a sector or industry; and that are progressively between 30 and 90 days past due.

Grade 3/Sub-Standard: represents loans for which principal and interest is due and unpaid between 90 to 179 days or, where interest charges for the three to five months have been capitalized for reasons such as primary sources of repayment has become insufficient, and where appropriate, mortgages in arrears by greater than 90 days where the value of the collateral is sufficient to repay both principal and interest in the event the account is identified for recovery action.

Grade 4/Doubtful/loss: represents loans accounts which are considered uncollectible or for which the collection of the full debt is improbable; accounts which have shown little or no improvement over the twelve months period prior to its present classification; principal or interest is due and unpaid for twelve months or more; or an account which may have some recovery value but is not considered practical nor desirable to defer write-off, for example, where litigations becomes protracted.

The Act further states that the principal balance (and not the amount of delinquent payments) shall be used in calculating the aggregate amount of past-due or non-performing accounts.

Past due

A loan is classified as past due when:

- (i) Principal or interest is due and unpaid for one month to less than three months or
- (ii) Interest charges for one to two months have been capitalized, refinanced or rolled over

An overdraft is classified as past due when:

- (i) The approved limit has been exceeded for one month to less than three months.
- (ii) The interest charges for one month to two months have not been covered by deposits.
- (iii) The account had turnovers which did not conform to the business Cycle.

Non-performing loans

For individually assessed accounts, loans are required to be designated as non-performing as soon as there is objective evidence that an impairment loss has incurred. Objective evidence of impairment includes observable data such as when contractual payments of principal or interest are 90 days overdue. Portfolios of loans are designated as non-performing if facilities are 90 days or more overdue.

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NOTES TO THE FINANCIAL STATEMENTS

3. Summary of Significant Accounting Policies (cont'd)

3.19 Critical accounting judgments and key sources of estimation uncertainty (cont'd)

e) Loan Impairment cont'd

Loan Accounts reported as past due are reclassified and reported as non- performing when:

Loans

- (i) Principal or interest is due and unpaid for three months or more, or
- (ii) Interest charges for three months or more have been capitalized, refinanced or rolled over.

Overdrafts

- (i) The approved limit has been exceeded for three months or more into a term loan after three months or more.
- (ii) Interest charges for three months or more have not been covered by deposits.
- (iii) The account has developed a hardcore which was not converted.

f) Loan losses

The Bank of Guyana Supervision Guideline no.5 prescribes that a loan be classified as loss where one or more of the following conditions apply:

- (i) An account is considered uncollectible.
- (ii) An account classified as doubtful with little or no improvement over the twelve month period.
- (iii) The unsecured portion of a loan with fixed repayment dates when:-
 - (1) Principal or interest is due and unpaid for twelve months or more, or
 - (2) Interest charges for twelve months or more have been capitalized, refinanced or rolled over
- (iv) The unsecured portion of an overdraft when:-
 - (1) The approved limit has been exceeded for six months or more, or
 - (2) Interest charges for six months or more have not been covered by deposits, or
 - (3) The account has developed a hard core which was not converted into a term loan after 12 months or more.
 - (4) Interest charges for twelve months or more have been capitalized, refinanced or rolled over.

Loans under this category include accounts which are considered uncollectible or for which the collection of the full debt is improbable; accounts which have shown little or no improvement over the twelve months period prior to its present classification; principal or interest is due and unpaid for twelve months or more; or an account which may have some recovery value but is not considered practical nor desirable to defer write-off, for example, where litigations becomes protracted.

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NOTES TO THE FINANCIAL STATEMENTS**

3. Summary of Significant Accounting Policies (Cont'd)

3.19 Critical accounting judgments and key sources of estimation uncertainty (cont'd)

f) Loan losses- cont'd

Loans and advances under this category include accounts which are considered uncollectible or for which the collection of the debt is highly improbable; accounts which have shown little or no improvement over the twelve months period prior to its present classification; principal or interest is due and unpaid for twelve months or more; or an account which may have some recovery value but it is not considered practical nor desirable to defer write-off, for example, where litigation

The Bank follows the prescriptions of the Financial Institutions Act 1995 and writes off such a loan three months after being so classified unless it shows a definite and significant improvement which indicates recovery within the next six months.

Provisioning

Provisioning for each classification categories is made based on the following minimum level:

<u>Classification</u>	<u>Level of Provision</u>
Pass	0%
Special Mention	0%
Sub-standard	0 - 20%
Doubtful	20 - 50%
Loss	100%

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

h) Renegotiated Loans:

The Bank's policy in relation to renegotiated loans is in accordance with the Bank of Guyana Supervision Guideline No.5, paragraph No.14. This Act states that a renegotiated facility may be a facility which has been refinanced, rescheduled, hived-off, rolled-over, or otherwise modified because of weakness in the borrower's financial position or the non-servicing of the debt as arranged, where it has been determined by the Bank that the terms of the renegotiated loan are such as to remedy the specific difficulties faced by the borrower. There were no renegotiated loans during the year.

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NOTES TO THE FINANCIAL STATEMENTS

5. Taxation

(a) Reconciliation of tax expense and accounting profit

	2021/2022 G\$ 000	2020/2021 G\$ 000
Accounting profit	195,130	309,467
Corporation tax at 40%	78,052	123,787
Add:		
Management fees	15,765	2,436
Property tax	9,376	18,754
Depreciation for accounting purposes	5,530	5,388
Loss allowance-Ecl	(1,885)	-
	<u>106,838</u>	<u>150,364</u>
Deduct:		
Tax effect of depreciation for tax purposes	2,936	2,891
Tax effect of tax exempt income	13,396	14,230
	<u>90,506</u>	<u>133,243</u>
Tax period basis	<u>10,684</u>	<u>(1,186)</u>
	101,190	132,057
Deferred taxation	<u>(14,395)</u>	<u>(4,562)</u>
	<u>86,795</u>	<u>127,495</u>
Taxation:		
-Current	101,190	132,057
-Deferred	<u>(14,395)</u>	<u>(4,562)</u>
	<u>86,795</u>	<u>127,495</u>

(b) Components of deferred tax liabilities/(assets)

	2021/2022 G\$ 000	2020/2021 G\$ 000
Property and equipment	(56,395)	(53,870)
Tax period basis	<u>(10,684)</u>	<u>1,186</u>
	<u>(67,079)</u>	<u>(52,684)</u>

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NOTES TO THE FINANCIAL STATEMENTS

5. Taxation cont'd

(b) Movement in temporary differences

	<u>Tax Period Basis G\$ 000</u>	<u>Property and Equipment G\$ 000</u>	<u>Total G\$ 000</u>
At 31 March 2020	3,671	(51,793)	(48,122)
Movement during the year	(2,485)	(2,077)	(4,562)
At 31 March 2021	<u>1,186</u>	<u>(53,870)</u>	<u>(52,684)</u>
Movement during the year	<u>(11,870)</u>	<u>(2,525)</u>	<u>(14,395)</u>
At 31 March 2022	<u>(10,684)</u>	<u>(56,395)</u>	<u>(67,079)</u>

(c) Tax assessed

On 21 June, 2018, the Company received Notices of Assessment ("Assessments") from the Guyana Revenue Authority claiming additional corporation taxes of G\$138,586,832 as a result of the disallowance of the Company's claim for deduction for impairment losses on financial assets in relation to the years of income ended March 31, 2012, 2013, 2015 and 2016. Assessments were not received for the years 2014, 2017 to 2021 where provisions were also made.

6. Other Income

	<u>2021/2022 G\$ 000</u>	<u>2020/2021 G\$ 000</u>
Exchange earned	5,752	4,823
Commission earned	29,953	31,952
Profit on exchange	124,361	120,951
Incidental charges	15,363	14,078
Bad debt recoveries	10,569	-
	<u>185,998</u>	<u>171,805</u>

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	2021/2022 G\$ 000	2020/2021 G\$ 000
7. Profit before taxation	<u>195,130</u>	<u>309,467</u>
After charging:		
Auditor's remuneration	2,567	2,567
Depreciation	13,469	13,469
Provision for impairment (Note 10(a))	114,132	(69,672)
Loss allowance (Expected credit losses (ECLs))	<u>(4,714)</u>	<u>2,033</u>
8. (a) Cash and Due by banks		
Cash	61,344	51,893
Balances with other banks	<u>4,683,649</u>	<u>2,867,631</u>
	<u>4,744,993</u>	<u>2,919,524</u>
(b) Deposits with Bank of Guyana		
Statutory deposit and other balances	<u>4,030,250</u>	<u>2,207,116</u>
	31.03.2022	31.03.2021
	Fair Value	Fair Value
	Cost	Cost
	G\$ 000	G\$ 000
9. (a) Investments		
Treasury Bills	<u>4,669,052</u>	<u>4,669,052</u>
	<u>2,900,156</u>	<u>2,900,156</u>

These are Government of Guyana treasury bills and were valued at amortised cost which approximates the fair value.

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NOTES TO THE FINANCIAL STATEMENTS

9. Investment (cont'd)	2022/2021	2021/2020
(b) Income from investment	G\$ 000	G\$ 000
Treasury Bills	<u>24,997</u>	<u>22,163</u>
10. Loans and advances		
Mortgages	3,667,118	3,280,595
Demand loans	88,672	76,816
Term	168,457	103,183
Overdrafts	2,508,727	2,438,078
Staff loan	3,191	3,397
Others	<u>144,183</u>	<u>157,537</u>
	6,580,348	6,059,606
Provision for impairment (a)	<u>(348,315)</u>	<u>(234,183)</u>
	<u>6,232,033</u>	<u>5,825,423</u>
(a) Provision for Impairment		
At beginning	234,183	303,855
Increase / (reduction) in provisions as per Bank of Guyana Supervision Guideline No.5	<u>114,132</u>	<u>(69,672)</u>
At End	<u>348,315</u>	<u>234,183</u>
(b) Loss allowances - Expected Credit Losses (ECLs)		
At Beginning	5,812	3,779
Movement for the period - ECLs	<u>(4,714)</u>	<u>2,033</u>
As at period end	<u>1,098</u>	<u>5,812</u>

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NOTES TO THE FINANCIAL STATEMENTS

11. Property and equipment

	Freehold Land and Buildings G\$ 000	Leasehold Structure G\$ 000	Furniture and Fittings G\$ 000	Motor Vehicles G\$ 000	Total G\$ 000
Cost					
At April 1, 2020	257,312	5,185	57,571	17,625	337,693
Additions	-	-	10,313	-	10,313
At March 31, 2021	257,312	5,185	67,884	17,625	348,006
Additions	21,634	-	5,918	-	27,552
Disposals	-	-	(1,998)	-	(1,998)
Transfer/adjustment	1,050	-	(1,050)	(1)	(1)
At March 31, 2022	279,996	5,185	70,754	17,624	373,559
Accumulated depreciation					
At April 1, 2020	123,245	4,664	42,759	13,509	184,178
Charge for the year	6,756	518	6,195	-	13,469
Depreciation written back	-	-	-	-	-
At March 31, 2021	130,001	5,182	48,954	13,509	197,647
Charge for the year	7,499	-	4,549	1,777	13,825
Adjustment	-	3	-	(1)	2
Depreciation written back	-	-	(1,692)	-	(1,692)
At March 31, 2022	137,500	5,185	51,811	15,285	209,782
Net book values					
At March 31, 2022	142,496	-	18,943	2,339	163,777
At March 31, 2021	127,311	3	18,930	4,116	150,359

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NOTES TO THE FINANCIAL STATEMENTS

12. Other assets

	31.03.2022 G\$ 000	31.03.2021 G\$ 000
Interest and commission accrued	36,703	49,706
Sundry Receivables	2,669	3,045
	39,372	52,751

13. Other payables

Sundry Payables	67,359	101,570
Property tax	23,442	24,023
Accrued interest on deposits	53,608	31,403
	144,409	156,996

14. Share capital

	31.03.2022	31.03.2021
Authorised:		
Number of Ordinary Shares	75,000,000	75,000,000
	G\$ 000	G\$ 000
Issued and fully paid		
75,000,000 Ordinary Shares	750,000	750,000
	31.03.2022	31.03.2021
Ordinary shares held by:		
Bank of Baroda (India)	74,999,998	74,999,998
Chairman	1	1
A. K. Gupta	1	1
	75,000,000	75,000,000

These are all ordinary shares with equal voting rights, a right to dividend and par value of \$10.

	31.03.2022 G\$ 000	31.03.2021 G\$ 000
15. Balances excluded from the accounts	3,538	3,538

Monies received on behalf of customers and deposited in the External Payments Deposits Scheme with the Bank of Guyana, in accordance with the terms of agreement signed with each customer which specifically exclude the Bank from any liability.

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NOTES TO THE FINANCIAL STATEMENTS

16. Capital risk management

The Bank manages its capital structure on an on-going basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. The Bank's overall strategy remains unchanged from the previous year.

The Capital structure of the Bank consists of equity, comprising issued capital, reserves and retained earnings.

Capital Adequacy

The company monitors its capital Adequacy with reference to the risk-based capital adequacy guidelines issued by the Bank of Guyana in keeping with the BASEL convention. The guidelines evaluate Capital Adequacy based upon the perceived risk associated with balance sheet assets, as well as certain off balance sheet exposures, and stipulate a minimum ratio of qualifying capital (Tier 1 and Tier 11) to risk-weighted assets of 52.70%.

BOB remains well capitalised with the Bank's Tier 1 Capital Adequacy Ratio standing at 52.70% as at 31 March, 2022 (31 March, 2021 -58.94%).

Total Tier 1 and Tier 11 Capital was 52.70% of risk-adjusted assets at 31 March, 2022 compared to 58.94% at the end of the previous year.

Gearing ratio

The gearing ratio at the year end was as follows:

	31.03.2022 G\$ 000	31.03.2021 G\$ 000
Debt (i)	16,639,754	10,807,344
Cash & treasury bills	(13,444,295)	(8,026,795)
Net debt	<u>3,195,459</u>	<u>2,780,549</u>
Equity (ii)	<u>3,307,706</u>	<u>3,249,085</u>
Net Debt to Equity Ratio	<u>0.97:1</u>	<u>0.85:1</u>

(i) Debt is defined as long-term and short-term deposits.

(ii) Equity includes all capital and reserves of the bank.

BANK OF BARODA (GUYANA) INC.
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NOTES TO THE FINANCIAL STATEMENTS

17. Financial Risk Management

The Bank's activities expose it to a variety of financial risks: market risk (including price risk, interest rate risk and currency risk), liquidity risk and credit risk. The Bank's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Bank's performance.

Management is responsible for the overall risk management approach and for approving the risk strategies and principles.

The Bank's management monitor and manages the financial risks relating to the operations of the Bank through internal risk reports which analyse exposures by degree and magnitude of risks. The Bank's risks are measured using methods which reflect the expected loss likely to arise in normal circumstances.

Monitoring and controlling risks is primarily performed based on limits established by the Bank. These limits reflect the business strategy and market environment of the Bank as well as the level of risk that the Bank is willing to accept.

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NOTES TO THE FINANCIAL STATEMENTS

17 Financial risk management

Financial risk management objectives.

(a) Market risk

The Bank's activities expose it to financial risks of changes in foreign currency, exchange rates and interest rates. The Bank uses gap analysis, interest rate sensitivity and exposure limits to financial instruments to manage its exposure to interest and foreign currency risk. There has been no change in the Bank's exposure to market risks or the manner in which it manages these risks.

(i) Interest rate risk

The Bank is exposed to interest rate risk and its sensitivity to interest is considered material since its financial instruments are at varying rates.

The table below summarises the bank's exposure to interest rate risks:

	Maturing 31.03.2022				Total G\$ 000
	Interest Rate %	Within 1 Year G\$ 000	Over 5 Years G\$ 000	Non-Interest bearing G\$ 000	
Assets					
Cash resources	1.1 - 1.3	4,683,649	-	4,091,594	8,775,243
Investments	1.00	4,669,052	-	-	4,669,053
Loans and advances (net)	6.8 - 18	2,906,760	3,325,273	-	6,232,033
Tax recoverable		-	-	180,780	180,780
Other assets		-	-	39,372	39,372
		<u>12,259,461</u>	<u>3,325,273</u>	<u>4,311,746</u>	<u>19,896,481</u>
Liabilities					
Demand deposits		-	-	6,277,327	6,277,327
Term deposits	1-1.80	7,128,692	560,099	-	7,688,791
Savings	1	3,233,735	-	-	3,233,735
Taxation payable		-	-	35,467	35,467
Other payables		-	-	144,409	144,409
		<u>10,362,427</u>	<u>560,099</u>	<u>6,457,203</u>	<u>17,379,729</u>
Interest sensitivity gap		<u>1,897,034</u>	<u>2,765,174</u>		

BANK OF BARODA (GUYANA) INC.
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NOTES TO THE FINANCIAL STATEMENTS

17. Financial risk management (Cont'd)

(i) *Interest rate risk cont'd*

	Maturing 31.03.2021				Total G\$ 000
	Interest Rate %	Within 1 Year G\$ 000	Over 5 Years G\$ 000	Non-Interest bearing G\$ 000	
Assets					
Cash resources	1.1 - 1.3	2,867,631	-	2,259,009	5,126,640
Investments	1.20	2,900,156	-	-	2,900,156
Loans and advances (net)	6.8 - 18	2,675,914	3,149,509	-	5,825,423
Tax recoverable		-	-	148,107	148,107
Other assets		-	-	52,751	52,751
		<u>8,443,701</u>	<u>3,149,509</u>	<u>2,459,867</u>	<u>14,053,077</u>
Liabilities					
Demand deposit		-	-	3,496,650	3,496,650
Term deposit	1 - 1.25	4,549,088	-	-	4,549,088
Savings	1	2,761,606	-	-	2,761,606
Taxation payables		-	-	42,695	42,695
Other payables		-	-	156,996	156,996
		<u>7,310,694</u>	<u>-</u>	<u>3,696,341</u>	<u>11,007,035</u>
Interest sensitivity gap		<u>1,133,007</u>	<u>3,149,509</u>		

BANK OF BARODA (GUYANA) INC.
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NOTES TO THE FINANCIAL STATEMENTS

17. Financial risk management Cont'd

(a) Market risk cont'd

(ii) Currency risk

Assets and liabilities in foreign currencies

The Bank's exposure to the effects of fluctuations in foreign currency exchange rates arise mainly from foreign bank balances. The currencies which the Bank is mainly exposed to are EURO, United States Dollars, Pounds, and Indian Rupees.

The aggregate amounts of assets and liabilities denominated in currencies other than Guyana dollars are as shown:

	Euro G\$'000	USD G\$'000	£ G\$'000	Rupees G\$'000	Total G\$'000
As at 31 March 2022					
Assets	8,550	2,476,862	8,510	9,958	2,503,880
As at 31 March 2021					
Assets	17,356	2,134,841	648	6,620	2,159,463

Foreign currency sensitivity analysis

The following table details the company's sensitivity to a 2.5% increase and decrease in Guyana dollars (G\$) against the relevant currencies.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2.5% change in foreign currency rates. A positive number indicates an increase in profit where the relevant currencies strengthens 2.5% against the Guyana dollar for a 2.5% weakening of those currencies against the Guyana dollar there would be an equal and opposite impact on the profit, and balances below would be a negative.

	2021/2022 G\$ 000	2020/2021 G\$ 000
Profit	62,597	53,987

(iii) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security of its issuer or factors affecting all securities traded in the market. Management continually identifies the risk and diversifies the portfolio to minimise the risks. The Bank does not actively trade in equity instruments.

The Bank's exposure to price risk is considered to be minimal.

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NOTES TO THE FINANCIAL STATEMENTS

17. Financial risk management (continued)

(b) Liquidity Risk

The Bank's policy is to maintain a strong liquidity position and to manage the liquidity profile of assets, liabilities and commitments so that cash flows are appropriately balanced and all funding obligations met when due. It is unusual for banks to have the maturities of its assets and liabilities completely matched since business transacted is often of uncertain term and differing types. As such the matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Bank.

The information given below relates to the major financial liabilities based on the remaining period at 31 March 2022 to the contractual maturity dates.

	Maturing 31.03.2022					Total G\$ 000
	Within One Year					
	On Demand G\$ 000	Due in 3 Months G\$ 000	Due in 3-12 Months G\$ 000	1 to 5 years G\$ 000	Over 5 years G\$ 000	
LIABILITIES						
Demand deposits	6,277,327	-	-	-	-	6,277,327
Term deposits	-	623,050	5,945,543	560,099	-	7,128,692
Saving deposits	3,233,735	-	-	-	-	3,233,735
Other payables	144,409	-	-	-	-	144,409
Taxation payable	35,467	-	-	-	-	35,467
	9,690,938	623,050	5,945,543	560,099	-	16,819,630

	Maturing 31.03.2021					Total G\$ 000
	Within One Year					
	On Demand G\$ 000	Due in 3 Months G\$ 000	Due in 3-12 Months G\$ 000	1 to 5 years G\$ 000	Over 5 years G\$ 000	
LIABILITIES						
Demand deposits	3,496,650	-	-	-	-	3,496,650
Term deposits	-	1,249,135	3,299,953	-	-	4,549,088
Saving deposits	2,761,606	-	-	-	-	2,761,606
Other payables	156,996	-	-	-	-	156,996
Taxation payable	42,695	-	-	-	-	42,695
	6,457,947	1,249,135	3,299,953	-	-	11,007,035

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17. Financial risk management (Cont'd)

(c) Credit risk

Credit risk is the risk that financial loss arises from the failure of a customer to meet its obligations under a contract. It arises principally from lending.

- Balances due by Banks include balances held with correspondent Banks. These Banks have been assessed by the Directors as being credit worthy, with very strong capacity to meet their

- Investments in Government of Guyana Treasury Bills and the Statutory deposits with the Bank of Guyana are assets for which the likelihood of default is extremely low and have therefore been considered virtually risk-free by the Directors.

The other cash resource is held with financial institution and the directors have been advised that the risk exposure to the Bank is considered minimal on account of the fact that this investment is for a very short duration, and the institution have been assessed by the directors to be creditworthy.

The objective of the bank's credit risk management is to optimally manage its credit risk exposure so as to:

- Not adversely affect its profitability and continue as a going concern.
- Comply with the requirements of the prevailing laws and bank regulations

The bank have standard policies and procedures dedicated to controlling and monitoring risk from such activities.

Compliance with credit policies and exposure limits is reviewed on a continuous basis. These policies include but are not limited to:

i) Collateral offered is subjected to inspection/field visit to enable the Bank to decide whether it concurs with the valuation's opinion. Valuations are assessed conservatively and reviewed regularly with the support of empirical evidence.

ii) Loans and overdrafts are generally collateralised with some or all of the following:

- Cash
- Mortgages
- Bill of Sale
- Guarantees
- Promissary Notes

iii) Security structures and legal conditions are reviewed from time to time to ensure they continue

BANK OF BARODA (GUYANA) INC.
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NOTES TO THE FINANCIAL STATEMENTS

17. Financial risk management (Cont'd)

(c) Credit risk

The table below shows the Bank's maximum exposure to credit risk.

	Maximum Exposure	
	31.03.2022 G\$ 000	31.03.2021 G\$ 000
Cash and due by banks	4,744,993	2,919,524
Deposit with Bank of Guyana	4,030,250	2,207,116
Treasury bills	4,669,052	2,900,156
Loans and advances(net)	6,232,033	5,825,423
Total	19,676,328	13,852,218
Customer liability under bill collections, guarantees and letters of credit.	290,337	290,337
Total credit risk exposure	19,966,665	14,142,555

The above table represents a worst case scenario of credit risk exposure to the bank without taking account of any collateral held or other credit enhancements attached.

<u>Credit quality</u>	31.03.2022	31.03.2021
<u>Loans and advances</u>	G\$ 000	G\$ 000
Neither pass due nor impaired	5,291,496	4,521,080
Pass due but not impaired	504,325	441,536
Impaired	786,243	1,096,990
	6,582,064	6,059,606

The collateral held are in excess of 100% of total loans and advances

The undiscounted fair value of collateral that the Bank held relating to loans individually determined to be impaired at 31 March 2022 amounted to G\$5,435.20m (31.03.2021 - G\$3,596.55m)

During the year, the Bank realised collateral amounting to G\$123,200,000 (31.03.2021 - nil)

	Stage 1 (12 Month ECL)/Stage 2 (Lifetime ECL)	Stage 3 Credit impaired financial assets (Lifetime ECL)	Total
2021			
Gross exposure	5,794,105	786,243	6,580,348
ECL	(1,098)	(347,217)	(348,315)
Net Exposure	5,793,007	439,026	6,232,033
2020			
Gross exposure	4,962,616	1,096,990	6,059,606
ECL	(5,812)	(228,371)	(234,183)
Net Exposure	4,956,804	868,619	5,825,423

BANK OF BARODA (GUYANA) INC.
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NOTES TO THE FINANCIAL STATEMENTS

17. Financial risk management (Cont'd)

(c) Credit risk (cont'd)

Loans and advances which were pass due but not impaired

There are a variety of reasons why certain loans and advances designated as 'pass due' are not regarded as impaired. Unless other information is available to the contrary, all loans and advances between 90 to 180 days are not considered impaired as they may be well-secured. In addition, renewals may be delayed due to pending submission of required documentation and as such do not reflect any concern to the creditworthiness of the borrower. Further, pass due loans and advances secured in full by cash collateral are not considered impaired, and where appropriate, neither are mortgages in arrears by greater than 90 days where the value of the collateral is sufficient to repay both principal and interest in the event the account is identified for recovery action.

Loans and advances which were pass due but not impaired as at 31 March can be assessed by reference to the Bank's credit grading system. The following information is based on that system.

	31.03.2022 G\$ 000	31.03.2021 G\$ 000
Grade 1- Satisfactory risk	5,291,496	4,521,080
Grade 2- Monitor risk		
- Pass due up to 90 days	504,325	441,536

The security held for these loans are the same as those stated in Note 17 (c) (ii).

(d) Impaired loans and advances

The Bank's policy in its reviews of the level of impairment allowances for loans and advances includes a review of collateral held (e.g. reconfirmation of its enforceability) and an assessment of actual and anticipated receipts. For significant commercial and corporate debts, specialized credit committees with experience in insolvency and specific market factors are used to determine likely losses.

	31.03.2022 G\$ 000	31.03.2021 G\$ 000
<u>Sub-standard</u>		
-Pass Due 90-179 days	9,579	165,896
<u>Doubtful and loss</u>		
- 180-359 days	74,820	7,757
- 360 days	701,844	923,337
Total	786,243	1,096,990

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NOTES TO THE FINANCIAL STATEMENTS

17. Financial risk management (Cont'd)

(d) Impaired loans and advances cont'd

The table below depict the Bank's exposure to credit risk where financial instruments are held:

As at 31 March 2022

	Guyana G\$ 000	Outside of Guyana G\$ 000	Total G\$ 000
On Statement of Financial Position			
Cash resources	6,618,612	2,156,631	8,775,243
Treasury bills	4,669,052	-	4,669,052
Loans and advances (net)	6,232,033	-	6,232,033
Other assets	39,372	-	39,372
Taxes recoverable	180,780	-	180,780
	<u>17,739,849</u>	<u>2,156,631</u>	<u>19,896,480</u>
Off Statement of Financial Position			
Bill collection, guarantees, letters of credit	<u>290,337</u>	<u>-</u>	<u>290,337</u>
Total	<u>18,030,186</u>	<u>2,156,631</u>	<u>20,186,817</u>

As at 31 March 2021

	Guyana G\$ 000	Outside of Guyana G\$ 000	Total G\$ 000
On Statement of Financial Position			
Cash resources	2,970,008	2,156,631	5,126,639
Treasury bills	2,900,156	-	2,900,156
Loans and advances (net)	5,825,423	-	5,825,423
Other assets	52,751	-	52,751
Taxes recoverable	148,107	-	148,107
	<u>11,896,445</u>	<u>2,156,631</u>	<u>14,053,076</u>
Off Statement of Financial Position			
Bill collection, guarantees, letters of credit	<u>290,337</u>	<u>-</u>	<u>290,337</u>
Total	<u>12,186,782</u>	<u>2,156,631</u>	<u>14,343,413</u>

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NOTES TO THE FINANCIAL STATEMENTS

17. Financial risk management (Cont'd)

(e) Diversification of exposure

The Bank provides wide range of services to borrowers in over seven sectors within Guyana. As a result its portfolio of financial instruments with credit risk is highly diversified with no exposure to individual borrowers totalling more than 25% of the Bank's capital base (Group borrowers-40%).

The major activity of the Bank is in providing banking services to commercial, industrial and domestic consumers. The risk is spread over a cross-section of clients.

The carrying amount below represents the Bank's maximum exposure to credit risk for such loans.

	31.03.2022	31.03.2021
	G\$ 000	G\$ 000
<u>Loans and advances:</u>		
Agriculture	316,249	325,460
Services	1,846,709	2,164,354
Manufacturing	746,681	769,961
Household	230,910	167,009
Construction and engineering	442,760	300,720
Mining and quarrying	449,428	512,899
Housing loan and commercial real estate	2,547,611	1,819,203
	<u>6,580,348</u>	<u>6,059,606</u>
Provision for impairment (note 10 a)	<u>(348,315)</u>	<u>(234,183)</u>
	<u>6,232,033</u>	<u>5,825,423</u>

(f) Renegotiated loans and overdraft

The Bank renegotiated no facilities (2021- 3) for the year.

18. Related party transactions

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

Listed below are transactions and balances with related parties:

	31.03.2022	31.03.2021
	G\$ 000	G\$ 000
(a) <u>Due from related party</u>		
Bank of Baroda Mumbai (i)	9,959	6,620
Bank of Baroda New York (i)	2,455,321	859,989
Bank of Baroda London (i)	8,511	648
Bank of Baroda Brussels (i)	8,548	17,352
	<u>2,482,339</u>	<u>884,608</u>
Bank of Baroda London (ii)	-	264
Bank of Baroda New York (ii)	<u>1,490,311</u>	<u>7,676</u>

BANK OF BARODA (GUYANA) INC.
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18. Related party transactions (cont'd)

- (i) The above balances represents current accounts held with Subsidiaries of Bank of Baroda
(ii) This balance represents placements held with Bank of Baroda London at a value of nil (31.03.2021 - US\$150,000) and accrued interest income of nil (31.03.2021 - US\$113,918 and with the Bank of Baroda New York at a value of US\$7,130,676 (31.03.2021 - US\$4,500,000) and accrued interest income of US\$7,131 (31.03.2021 - US\$88,492).

(b) Key Management personnel

(i) Compensation

The Bank's 6 (2020/2021 - 6) key management personnel comprise its Chairman, Directors, Compliance officer and three Branch Managers. The remuneration paid to key management.

	31.03.2022 G\$ 000	31.03.2021 G\$ 000
Short term employee benefits	66,179	41,736
(ii) Directors fees		
Chairman	320	320
(iii) Management fees to parent company		
Bank of Baroda (India)	46,857	12,251
This represents allocation of management fees for work done on behalf of Bank of Baroda Guyana by the parent company.		
(iv) Loans and advances		
Balance at end of the year	24,089	220

Employees of the Bank are granted loans at concessionary rates of interest.

No provision was made for loan losses to related parties.

19. Litigations/Contingent Liabilities

- (a) The Bank is the claimant in several litigation matters involving defaulting customers. The Directors are of the view that no provision for any contingency is necessary.

- (b) Customers' liability under acceptances, guarantees and letters of credit

	31.03.2022			
	Under 3 Months G\$ 000	3 to 12 Months G\$ 000	Over 12 Months G\$ 000	Total G\$ 000
Commercial Sector	289,314	106,168	-	395,482

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19. Contingent liabilities (Cont'd)

	31.03.2021			
	Under 3 Months G\$ 000	3 to 12 Months G\$ 000	Over 12 Months G\$ 000	Total G\$ 000
	Commercial sector	7,673	51,200	224,995

20. Statutory reserve

	31.03.2022 G\$ 000	31.03.2021 G\$ 000
At beginning	401,046	373,750
Movement	16,250	27,296
At end	417,296	401,046

This is computed in accordance with the Financial Institutions Act 1995.

21. Analysis of financial assets and liabilities by measurement basis

	31.03.2022	
	Financial assets and liabilities at amortised costs G\$ 000	Total G\$ 000
ASSETS		
Cash and due by banks	4,744,993	4,744,993
Deposits with Bank of Guyana	4,030,250	4,030,250
Treasury Bills	4,669,052	4,669,052
Loans and advances	6,232,033	6,232,033
Other assets	39,372	39,372
	<u>19,715,700</u>	<u>19,715,700</u>
LIABILITIES		
Demand deposits	6,277,327	6,277,327
Savings deposits	3,233,735	3,233,735
Term deposits	7,128,692	7,128,692
Other payables	144,409	144,409
	<u>16,784,163</u>	<u>16,784,163</u>

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NOTES TO THE FINANCIAL STATEMENTS

21. Analysis of financial assets and liabilities by measurement basis (Cont'd)

	31.03.2021	
	Financial assets and liabilities at amortised costs	Total
	G\$ 000	G\$ 000
ASSETS		
Cash and due by banks	2,919,524	2,919,524
Deposits with Bank of Guyana	2,207,116	2,207,116
Treasury bills	2,900,156	2,900,156
Loans and advances	5,825,423	5,825,423
Other assets	52,751	52,751
	<u>13,904,970</u>	<u>13,904,970</u>
LIABILITIES		
Demand deposits	3,496,650	3,496,650
Savings deposits	2,761,606	2,761,606
Term deposits	4,549,088	4,549,088
Other payables	156,996	156,996
Taxation payable	42,695	42,695
	<u>11,007,035</u>	<u>11,007,035</u>

22. Fair value of financial instruments

Fair values have been determined as follows:

	IFRS 13 Level	31.03.2022		31.03.2021	
		Carrying value G\$ 000	Fair value G\$ 000	Carrying value G\$ 000	Fair value G\$ 000
Assets					
Treasury Bills	2	4,669,052	4,669,052	2,900,156	2,900,156
Loans and Advances	2	6,232,033	6,232,033	5,825,423	5,825,423
Other Assets	2	39,372	39,372	52,751	52,751
Cash and due by banks	1	4,744,993	4,744,993	2,919,524	2,919,524
Deposits with Bank of Guyana	1	4,030,250	4,030,250	2,207,116	2,207,116
		<u>19,715,700</u>	<u>19,715,700</u>	<u>14,053,076</u>	<u>14,053,076</u>
Liabilities					
Deposits	2	16,639,754	16,639,754	10,807,344	10,807,344
Other payables	2	144,409	144,409	156,996	156,996
		<u>16,784,163</u>	<u>16,784,163</u>	<u>11,007,035</u>	<u>11,007,035</u>
Property and Equipment		<u>163,777</u>	<u>163,777</u>	<u>150,359</u>	<u>150,359</u>

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22. Fair value of financial instruments (cont'd)

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

- Level 1- Fair value determination is with reference to quoted prices in active markets for identical assets and liabilities. Quotation from recognised stock exchange was used to value financial assets under this ranking.
- Level 2- Fair value measurement are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial assets and financial liabilities were determined as follows:

- a) Loans and advances are net of specific and other provisions for impairment. The fair value of loans and advance is based on expected realisation of outstanding balances taking into account the company's history with respect to delinquencies.
- b) Financial instruments where the carrying amounts are equal to fair value:- Due to the short maturity, the carrying amount of certain financial instruments are assumed to approximate their fair value. These include cash resources, treasury bills, other assets, deposits, other payables and taxation.
- c) Property, plant and equipment were measured primarily at cost less accumulated depreciation.

23. Segment reporting

A business segment reporting is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those segments operating in other economic environments. Management considers its operations to be a single business unit. All business is done in Guyana except for certain activities.

	31.03.2022			31.03.2021		
	Guyana G\$ 000	Outside of Guyana G\$ 000	Total G\$ 000	Guyana G\$ 000	Outside of Guyana G\$ 000	Total G\$ 000
Fair value of treasury bills	4,669,052	-	4,669,052	2,900,156	-	2,900,156
Investment Income	24,997	-	24,997	22,163	-	22,163
	<u>4,694,049</u>	<u>-</u>	<u>4,694,049</u>	<u>2,922,319</u>	<u>-</u>	<u>2,922,319</u>
Cash resources:						
Local	6,618,612	-	6,618,612	2,970,008	-	2,970,008
Foreign	-	2,156,631	2,156,631	-	2,156,631	2,156,631
	<u>6,618,612</u>	<u>2,156,631</u>	<u>8,775,243</u>	<u>2,970,008</u>	<u>2,156,631</u>	<u>5,126,640</u>
Income from cash resources:						
Local	13,412	-	13,412	13,412	-	13,412
Foreign	-	20,750	20,750	-	20,750	20,750
	<u>13,412</u>	<u>20,750</u>	<u>34,162</u>	<u>13,412</u>	<u>20,750</u>	<u>34,162</u>

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24. Dividends

Amounts recognised as distributions to shareholders in the year:

	<u>31.03.2022</u>	<u>31.03.2021</u>
	<u>G\$</u>	<u>G\$</u>
Dividends paid	<u>45,000,000</u>	<u>45,000,000</u>
Proposed dividend of G\$0.50 per share (31.03.2021- G\$0.50)	<u>37,500,000</u>	<u>45,000,000</u>

The proposed dividend is subject to approval at the annual general meeting and has not been included as a liability in the financial statements.

25. Approval of financial statements

The financial statements were approved by the board of directors on April 26, 2022.