BANK OF BARODA (GUYANA) INC.

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 2021
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 2021

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 2021, 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 2021, 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.

Other Matter

The financial statements of Bank of Baroda (Guyana) Inc. for the year ended 31 March 2020 were audited by another auditor who expressed an unmodified opinion on those statements on the 29 May 2020.

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.

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 requirement of the Financial Institutions Act 1995 and the Companies Act 1991.

TSD Lal & Co.
TSD LAL & CO
CHARTERED ACCOUNTANTS

Date: April 30, 2021

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 2021

	Notes	2020/2021 G$ 000	2019/2020 G$ 000
Interest income			
Loans and advances		408,966	375,034
Investments: Treasury Bills	9(b)	22,163	11,958
Local bank deposits		13,412	28,581
Foreign bank deposits		35,480	3,718
		480,021	**419,291**
Interest expense			
Savings deposits		42,514	42,293
Term deposits		62,602	44,163
Other		-	808
		105,116	**87,264**
Net interest income		374,905	332,027
Other income	6	171,805	211,568
Net interest and other income		**546,710**	**543,595**
Non-interest expenses			
Salaries and other staff costs		105,591	95,569
Premises and equipment		90,504	87,552
Provision for bad debt		(69,672)	(20,978)
Bad debt written off		15,883	27,357
Others		92,904	56,413
Loss allowances - expected credit losses (ECLs)		2,033	(17,227)
		237,243	**228,687**
Profit before taxation	7	**309,467**	**314,908**
Taxation	5	(127,495)	(147,108)
Profit for the year		**181,972**	**167,800**

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
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2020/2021 G$ 000	2019/2020 G$ 000
ASSETS			
Cash Resources			
Cash and due by banks	8 (a)	2,919,524	2,216,276
Deposits with Bank of Guyana	8 (b)	2,207,116	3,291,350
		5,126,640	**5,507,626**
Investments			
Treasury bills	9 (a)	2,900,156	1,484,850
Loans and advances	10	5,825,423	4,722,965
		8,725,579	**6,207,815**
Property and equipment	11	150,359	153,515
Deferred tax	5	52,684	48,122
Tax recoverable		148,107	131,814
Other assets	12	52,751	48,350
		403,901	**381,801**
		14,256,120	**12,097,242**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	750,000	750,000
Retained earnings		2,092,227	1,982,551
Statutory reserve		401,046	373,750
Risk reserve		5,812	3,779
		3,249,085	**3,110,080**
Deposits			
Demand		3,496,650	3,008,734
Savings		2,761,606	2,485,710
Term		4,549,088	3,359,858
		10,807,344	**8,854,302**
Other payables	13	156,996	97,393
Taxation payable		42,695	35,467
		199,691	**132,860**
		14,256,120	**12,097,242**

These financial statements were approved by the Board of Directors on 30-04-2021

On behalf of the Board: FOR **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 2021

	Note	Share Capital	Retained Earnings	Statutory Reserve	Risk Reserve	Total
		G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
Balance at 1 April 2019		750,000	1,905,927	348,580	21,006	3,025,513
Changes in equity 2019/2020						
Profit for the year		-	167,800	-	-	167,800
Dividends paid	**25**	-	(45,000)	-	-	(45,000)
Transfer from/(to)		-	(25,170)	25,170	-	-
ECL Provision -Note 10a		-	(21,006)	-	(17,227)	(38,233)
Balance as at 31 March 2020		750,000	1,982,551	373,750	3,779	3,110,080
Changes in equity 2020/2021						
Profit for the year		-	181,972	-	-	181,972
Dividends paid	**25**	-	(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		750,000	2,092,227	401,046	5,812	3,249,085

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 2021

	2020/2021	2019/2020
	G$ 000	G$ 000
Operating activities		
Profit before taxation	309,467	314,908
Adjustment for:		
Depreciation	13,469	13,156
Loss on disposal of non-current asset	-	337
Loss allowances - expected credit losses (ECLs)	2,033	(17,227)
Operating profit before working capital changes	324,969	311,174
Decrease/(increase) in loans and advances	(1,102,458)	30,922
Increase in customers' deposits	1,953,042	533,503
Decrease/(increase) in other assets	(4,401)	21,545
Increase/(decrease) in other liabilities	59,603	(89,239)
Decrease in required reserve with Bank of Guyana	1,084,234	817,583
Cash provided by operating activities	2,314,989	1,625,489
Taxes paid/adjusted (net)	(141,122)	(145,318)
Net cash provided by operating activities	2,173,867	1,480,171
Investing activities		
Movement in treasury bills	(1,415,306)	(495,050)
Additions to property and equipment	(10,313)	(5,020)
Net cash used in investing activities	(1,425,619)	(500,070)
Financing activities		
Dividends paid	(45,000)	(45,000)
Net cash used in Financing activities	(45,000)	(45,000)
Net increase in cash and short term funds	703,248	935,101
Cash and short term funds at beginning of year	2,216,276	1,281,175
Cash and short term funds at end of year	2,919,524	2,216,276
Cash and due by Banks	2,919,524	2,216,276

The accompanying notes form an integral part of these 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 acordance with the provisions of the Financial Institution 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
Amendments to IFRS 3, 'Business combinations' Definition of a business	1 January 2020
Amendments to IAS 1 and IAS 8 – Definition of material	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7 Interest rate benchmark reform	1 January 2020
Amendments to the Conceptual framework	1 January 2020

Amendments to IFRS 9, 'Financial instruments', IAS 39, 'Financial instruments', and IFRS 7,'Financial instruments: disclosures' – Interest rate benchmark reform

The IASB has a two-phase project to consider what, if any, reliefs to give from the effects of inter-bank offered rates (IBOR) reform. Phase 1, which considers reliefs to hedge accounting in the period before the reform, has led to these amendments.

The Phase 1 amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by IBOR reform. The reliefs have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement under both IAS 39 and IFRS 9. Furthermore, the amendments set out triggers for when the reliefs will end, which include the uncertainty arising from interest rate benchmark reform no longer being present.

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

Amendments to the Conceptual framework

The IASB has revised its Conceptual Framework. The Framework is not an IFRS standard and does not override any standard. The revision will not result in any immediate change to IFRS however the revised Framework will be used in future standard-setting decisions. Preparers may also use the framework to develop accounting policy where an issue is not addressed by an IFRS.

Key changes include:

- Increasing the prominence of stewardship in the objective of financial reporting, which is to provide information that is useful in making resource allocation decisions.
- Reinstating prudence, defined as the exercise of caution when making judgements under conditions of uncertainty, as a component of neutrality.
- Defining a reporting entity, which might be a legal entity or a portion of a legal entity.
- Revising the definition of an asset as a present economic resource controlled by the entity as a result of past events.
- Revising the definition of a liability as a present obligation of the entity to transfer an economic resource as a result of past events.
- Removing the probability threshold for recognition, and adding guidance on derecognition.
- Adding guidance on the information provided by different measurement bases, and explaining factors to consider when selecting a measurement basis.
- Stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where the relevance or faithful representation of the financial statements would be enhanced.

Pronouncements effective in future periods available for early adoption

New and Amended Standards	Effective for annual periods beginning on or after
Amendments to IFRS 16 – Covid-19-related Rent Concessions	1 June 2020
Amendments to IAS 16 – Proceeds before intended use	1 January 2022
Amendments to IFRS 3 – Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to IFRS Standards 2018–2020	1 January 2022
Amendments to IAS 1 – 'Presentation of financial statements' on classification of liabilities	1 January 2022
Amendments to IFRS 10 and IAS 28 –Sale or contribution of assets between an investor and its associate or joint venture	Deferred indefinitely

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

Pronouncements effective in future periods available for early adoption - cont'd

The company has not opted for early adoption.

The standards and amendments are not expected to have a material impact on the company's accounting policies when adopted.

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 fee 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.

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.

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

3.6 Financial Instruments

Financial assets and liabilties are recognized on the Bank's statement of financal 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. Appropiate 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

Other payables are measured at amortised cost.

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 2020/2021.

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.

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 year end is GUY$ 2.2b disclosed in note 8(b) of the financial statement.

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 have adopted the requirements of IFRS 9 and makes specific provisions on loans and advances. The provisions booked as at 31 March, 2021 amounted to **$5.812m** compared with the provision of **$234.183m** as required under Bank Of Guyana Supervision Guideline No. 5.

The risk reserve as at 31 March, 2021 was **$5.812m**. The increase of **$2.033m** is shown as a transfer to risk reserve for the increase in loan impairment.

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

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

Loans and advances to customers comprise of loans and advances originated by the bank and are classifed 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 delinqent 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.

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

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

e) Provisions and adoption of IFRS 9 - Expected Credit Losses (ECLs)

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

The Bank adopt the requirements of IFRS 9 which recognise a loss allowance on a forward-looking expected credit loss model using the general approach.

The Bank uses reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that the financial instrument was initially recognised for loan commitments and investments, compare that to the credit risk at the date of initial application of IFRS 9.

Classification and recognition of IFRS 9 - Expected Credit Losses (ECLs)

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

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.

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.

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.

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.

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

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

e) Classification and recognition of IFRS 9 - Expected Credit Losses (ECLs) - (cont'd)

The Financial Institutions Act 1995 requires that a Financial Institution shall report in its monthly statement of assets and liabilities, the outstanding balance of its loan portfolio considered to be past due and those considered to be non-performing.

Pass 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.

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 been incurred. Objective evidence of impairment includes observable data such as when contractual payments of principal or interest are 90 days overdue. Portfolio of loans are designed as non- performing if facilities are 90 days or more overdue.

Loan accounts reported as pass due are reclassified and reported as non-performing when:
(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.

Under the general approach adopted by the Bank, 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 (3) stages would determine the amount of impairment to be recognised as expected credit losses (ECLs) 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.

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

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

e) Provisions and adoption of IFRS 9 - Expected Credit Losses (ECLs) - cont'd

The stages under ECLs are as follows:-

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 occuring 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.

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 Bank elects an accounting policy of recognising lifetime expected credit losses for all contract assets, including those that contain a significant financing component.

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 months 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
3) Principal or interest is due and unpaid for twelve months or more, or

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

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

f) Loan Losses (Cont'd)

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.

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

Classification	Level of Provision
Pass	0%
Special mention	0%
Sub-standard	0-20%
Doubtful	20% - 50%
Non performing	20% - 100%

g) Calculation of Expected Credit Losses (ECLs)

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.

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

g) Calculation of Expected Credit Losses (ECLs) - cont'd

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.

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.

5. Taxation

Reconciliation of tax expense and accounting profit

	2020/2021 G$ 000	2019/2020 G$ 000
Accounting profit	309,467	314,908
Corporation tax at 40%	123,787	125,963
Add:		
Others	-	(3,671)
Management fees	2,436	-
Property tax	18,754	22,863
Depreciation for accounting purposes	5,388	5,263
	150,364	150,418
Deduct:		
Tax effect of depreciation for tax purposes	2,891	2,721
	147,473	147,697
Tax period basis	(994)	2,081
	146,479	149,778
Deferred taxation	(2,077)	(2,670)
	144,402	147,108
Taxation:		
-Current	132,057	147,697
-Deferred	(4,562)	(589)
	127,495	147,108

Components of deferred tax liabilities/(assets)	2020/2021 G$ 000	2019/2020 G$ 000
Property and equipment	(53,870)	(51,793)
Income	1,186	3,671
	(52,684)	(48,122)

5. Taxation cont'd

Movement in temporary differences

	Tax Period Basis G$ 000	Property and Equipment G$ 000	Total G$ 000
At 31 March 2019	1,590	(49,123)	(47,533)
Movement during the year	2,081	(2,670)	(589)
At 31 March 2020	3,671	(51,793)	(48,122)
Movement during the year	(2,485)	(2,077)	(4,562)
At 31 March 2021	1,186	(53,870)	(52,684)

6. Other Income

	2020/2021 G$ 000	2019/2020 G$ 000
Exchange earned	4,823	5,658
Commission earned	31,952	25,270
Profit on disposal	-	19
Profit on exchange	120,951	159,853
Incidental charges	14,078	15,204
Bad debt recoveries	-	5,564
	171,805	211,568

	2020/2021 G$ 000	2019/2020 G$ 000
7. Profit before taxation	309,467	314,908
After charging:		
Auditor's remuneration	2,567	2,355
Depreciation	13,469	13,157
Provision for impairment (Note 10(a))	(69,672)	(20,978)
Loss allowance (Expected credit losses (ECLs))	2,033	(17,227)
8. (a) Cash and Due by banks		
Cash	51,893	75,415
Balances with other banks	2,867,631	2,140,861
	2,919,524	2,216,276
(b) Deposits with Bank of Guyana		
Statutory deposit and other balances	2,207,116	3,291,350

	31.03.2021		**31.03.2020**	
	Fair Value G$ 000	**Cost G$ 000**	**Fair Value G$ 000**	**Cost G$ 000**
9. (a) Investments				
Treasury Bills	2,900,156	2,900,156	1,484,850	1,484,850

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

9. *Investment (cont'd)*

(b) Income from investment	2021/2020 G$ 000	2019/2020 G$ 000
Treasury Bills	22,163	11,958

10. Loans and advances

Mortgages	3,280,595	2,912,578
Demand loans	76,816	73,410
Term	103,183	55,433
Overdrafts	2,438,078	1,901,072
Staff loan	3,397	3,638
Others	157,537	80,689
	6,059,606	5,026,820
Provision for impairment (a)	(234,183)	(303,855)
	5,825,423	4,722,965

(a) Provision for Impairment

At beginning	303,855	303,827
Increase / (Reduction) in provisions as per Bank of Guyana Supervision Guideline No.5	(69,672)	(20,978)
Provision Reversal	-	21,006
At End	234,183	303,855

(b) Loss allowances - Expected Credit Losses (ECLs)

At Beginning	3,779	21,006
Movement for the year - ECLs	2,033	(17,227)
As at year end	5,812	3,779

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, 2019	257,312	5,185	61,670	17,625	341,792
Additions	-	-	5,020	-	5,020
Disposals	-	-	(9,119)	-	(9,119)
At March 31, 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
Accumulated depreciation					
At April 1, 2019	116,189	4,146	47,423	12,045	179,803
Charge for the year	7,056	518	4,118	1,464	13,156
Depreciation written back	-	-	(8,782)	-	(8,782)
At March 31, 2020	123,245	4,664	42,759	13,509	184,178
Charge for the year	6,756	518	6,195	-	13,469
At March 31, 2021	130,001	5,182	48,954	13,509	197,647
Net book values					
At March 31, 2021	127,311	3	18,930	4,116	150,359
At March 31, 2020	134,067	521	14,812	4,116	153,515

12. Other assets

	31.03.2021 G$ 000	31.03.2020 G$ 000
Interest and commission accrued	49,706	38,001
Sundry Receivables	3,045	10,349
	52,751	48,350

13. Other payables

Sundry Payables	101,570	68,001
Property tax	24,023	-
Accrued interest on deposits	31,403	29,392
	156,996	97,393

14. Share capital

Authorised:		
Number of Ordinary Shares	75,000,000	75,000,000
Issued and fully paid	G$ 000	G$ 000
75,000,000 Ordinary Shares	750,000	750,000
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.

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.

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 58.94%.

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

Total Tier 1 and Tier 11 Capital was 58.94% of risk-adjusted assets at 31 March, 2021 compared to 63.91% at the end of the previous year.

Gearing ratio

The gearing ratio at the year end was as follows:

	31.03.2021 G$ 000	31.03.2020 G$ 000
Debt (i)	10,807,344	8,854,302
Cash & treasury bills	(8,026,795)	(6,992,476)
Net debt	2,780,549	1,861,826
Equity (ii)	3,249,085	3,110,080
Net Debt to Equity Ratio	0.85:1	0.60:1

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

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

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.

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 obligations as they fall due. The related risk is therefore considered very low.

- 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.

17. Financial Risk Management (Cont'd)

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 to fulfill their intended purpose and remain in line with current banking practice.

18. Financial risk management

Financial risk management objectives.

The Bank's management monitors 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. These risks include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The bank seeks to minimise the effects of these risks by the use of techniques that are governed by management's policies on foreign exchange risk, interest rate risk and credit risk which are approved by the Board of Directors.

(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 it's 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 31.03.2021				
	Interest Rate %	Within 1 Year G$ 000	Over 5 Years G$ 000	Non-Interest bearing G$ 000	Total G$ 000
Assets					
Cash resources	1.1 - 1.3	2,867,631	-	2,259,009	5,126,640
Investments	1.20	2,900,156	-	-	2,900,157
Loans and advances (net)	6.8 - 18	2,675,914	3,383,692	-	6,059,606
Tax recoverable		-	-	148,107	148,107
Other assets		-	-	48,350	48,350
		8,443,701	3,383,692	2,455,466	14,282,859
Liabilities					
Demand deposits		-	-	3,496,650	3,496,650
Term deposits	1.25-1.80	4,549,087	-	-	4,549,087
Savings	1	2,761,606	-	-	2,761,606
Taxation payable		-	-	42,695	42,695
Other liabilities		-	-	156,996	156,996
		7,310,693	-	3,696,341	11,007,034
Interest sensitivity gap		1,133,008	3,383,692		

18. Financial risk management (Cont'd)

(i) *Interest rate risk cont'd*

	Maturing 31.03.2020				
	Interest Rate %	Within 1 Year G$ 000	Over 5 Years G$ 000	Non-Interest bearing G$ 000	Total G$ 000
Assets					
Cash resources	1.1 - 1.3	2,140,861	-	3,366,765	5,507,626
Investments	1.20	1,484,850	-	-	1,484,850
Loans and advances (net)	6.8 - 18	1,944,969	2,777,996	-	4,722,965
Tax recoverable		-	-	131,814	131,814
Other assets		-	-	48,350	48,350
		5,570,680	2,777,996	3,546,929	11,895,605
Liabilities					
Demand deposit		-	-	3,008,734	3,008,734
Term deposit	1 - 1.25	2,264,109	1,095,749	-	3,359,858
Savings	1	2,485,710	-	-	2,485,710
Taxation payables		-	-	35,467	35,467
Other liabilities		-	-	97,393	97,393
		4,749,819	1,095,749	3,141,594	8,987,162
Interest sensitivity gap		820,861	1,682,247		

18. 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 $'000	USD $'000	£ $'000	Rupees $'000	Total $'000
As at 31 March 2021					
Assets	17,356	2,134,841	648	6,620	2,159,463
As at 31 March 2020					
Assets	286.35	1,740	24	1,832	3,882

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.

	2020/2021 G$ 000	2019/2020 G$ 000
Profit	53,987	97

(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 not material to the financial statements.

18. 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 appropiately balanced and all funding obligations met when due. It is unusual for banks to have the maturities of its assets and liabilties 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 assets and liabilities based on the remaining period at 31 March 2021 to the contractual maturity dates.

Maturing 31.03.2021

	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	Total G$ 000
LIABILITIES						
Demand deposits	3,496,650	-	-	-	-	3,496,650
Term deposits	-	1,249,135	3,299,952	-	-	4,549,087
Saving deposits	2,761,606	-	-	-	-	2,761,606
Other liabilities	156,996	-	-	-	-	156,996
Taxation payable	42,695	-	-	-	-	42,695
	6,457,947	**1,249,135**	**3,299,952**	-	-	**11,007,034**

Maturing 31.03.2020

	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	Total G$ 000
LIABILITIES						
Demand deposits	3,008,734	-	-	-	-	3,008,734
Term deposits	-	596,896	1,667,213	1,095,749	-	3,359,858
Saving deposits	2,485,710	-	-	-	-	2,485,710
Other liabilities	97,393	-	-	-	-	97,393
Taxation payable	35,467	-	-	-	-	35,467
	5,627,304	**596,896**	**1,667,213**	**1,095,749**	-	**8,987,162**

18. Financial risk management (Cont'd)

(c) Credit risk

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

	Maximum Exposure	
	31.03.2021 G$ 000	31.03.2020 G$ 000
Cash and due by banks	2,919,524	2,216,276
Deposit with Bank of Guyana	2,207,116	3,291,350
Treasury bills	2,900,156	1,484,850
Loans and advances(net)	5,825,423	4,722,965
Total	13,852,218	11,715,441
Customer liability under bill collections, guarantees and letters of credit.	290,337	183,821
Total credit risk exposure	14,142,555	11,899,262

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.

Credit quality Loans and advances	31.03.2021 G$ 000	31.03.2020 G$ 000
Neither pass due nor impaired	4,521,080	3,515,863
Pass due but not impaired	441,536	96,904
Impaired	1,096,990	1,414,053
	6,059,606	5,026,820

18. 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.

	31.03.2021 G$ 000	31.03.2020 G$ 000
Grade 1- Satisfactory risk	4,521,080	3,515,863
Grade 2- Monitor risk		
- Pass due up to 90 days	441,536	96,904

The security held for these loans are the same as those stated in Note 18 (c) i.(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 it 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.

	31.03.2021 G$ 000	31.03.2020 G$ 000
Sub-standard		
-Pass Due 90-179 days	165,896	320,280
Doubtful and loss		
- 180-359 days	7,757	9,232
- 360 days	923,337	1,084,541
Total	1,096,990	1,414,053

18. 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 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	5,126,640
Treasury bills	2,900,156	-	2,900,156
Loans and advances (net)	5,825,423	-	5,825,423
Other assets	52,751	-	52,751
	11,748,338	2,156,631	13,904,969
Off Statement of Financial Position			
Bill collection, guarantees, letters of credit	290,337	-	290,337
Total	12,038,675	2,156,631	14,195,306

As at 31 March 2020

	Guyana G$ 000	Outside of Guyana G$ 000	Total G$ 000
On Statement of Financial Position			
Cash resources	4,077,765	1,429,861	5,507,626
Treasury bills	1,484,850	-	1,484,850
Loans and advances (net)	4,772,965	-	4,772,965
Other assets	48,350	-	48,350
	10,383,930	1,429,861	11,813,791
Off Statement of Financial Position			
Bill collection, guarantees, letters of credit	183,821	-	183,821
Total	10,567,751	1,429,861	11,997,612

18. 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.

	31.03.2021 G$ 000	31.03.2020 G$ 000
Loans and advances:		
Agriculture	325,460	227,775
Services	2,164,354	1,951,049
Manufacturing	769,961	903,975
Household	167,009	105,295
Construction and engineering	300,720	540,216
Mining and quarrying	512,899	32,388
Housing loan and commerial real estate	1,819,203	1,266,122
	6,059,606	5,026,820
Provision for impairment (note 10 a)	(234,183)	(303,855)
	5,825,423	4,722,965

(f) Renegotiated loans and overdraft

The Bank renegotiated three (3) facilities which were primarily due to re-scheduling of repayment period and the restructing of an overdraft facilitiy.

19. 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 finanacial or operating decisions.

Listed below are transactions and balances with related parties:

	31.03.2021 G$ 000	31.03.2020 G$ 000
(a) Due from related party		
Bank of Baroda Mumbai (i)	6,620	5,644
Bank of Baroda New York (i)	859,989	363,638
Bank of Baroda London (i)	648	6,750
Bank of Baroda Brussels (i)	17,352	70,729
	884,608	446,761
Bank of Baroda London (ii)	264	264
Bank of Baroda New York (ii)	7,676	7,676

19. 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 $150,000 and accrued interest income of $113,918 and with the Bank of Baroda New York at a value of $4,500,000 and accrued interest income of $3,176,227.

(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.

	31.03.2021 G$ 000	31.03.2020 G$ 000
Short term employee benefits	41,736	42,720
(ii) Directors fees Chairman	320	320
(iii) Management fees to parent company Bank of Baroda (India)	12,251	3,137

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	220	20,400

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

No provision was made for loan losses to related parties.

20. Litigations/Contingent Liabilities

(a) The Bank is the claimant in several ligitation 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

	31.03.2021			
	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	283,868

20. Contingent liabilities (Cont'd)

	31.03.2020			
	Under 3 Months G$ 000	3 to 12 Months G$ 000	Over 12 Months G$ 000	Total G$ 000
Commercial sector	-	-	-	-

21. Statutory reserve

	31.03.2021 G$ 000	31.03.2020 G$ 000
At beginning	373,750	348,579
Movement	27,296	25,170
At end	401,046	373,750

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

22. Analysis of financial assets and liabilities by measurement basis

	31.03.2021	
ASSETS	Financial assets and liabilities at amortised costs G$ 000	Total G$ 000
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
Tax recoverable	148,107	148,107
Other assets	52,751	52,751
	14,053,076	14,053,076
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 liabilities	156,996	156,996
Taxation Payable	42,695	42,695
	11,007,035	11,007,035

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

	31.03.2020	
ASSETS	Financial assets and liabilities at amortised costs G$ 000	Total G$ 000
Cash and due by banks	2,216,276	2,216,276
Deposits with Bank of Guyana	3,291,350	3,291,350
Treasury Bills	1,484,850	1,484,850
Loans and advances	4,722,965	4,722,965
Tax recoverable	131,814	131,814
Other Assets	48,350	48,350
	11,895,605	11,895,605
LIABILITIES		
Demand deposits	3,008,734	3,008,734
Savings deposits	2,485,710	2,485,710
Term deposits	3,359,858	3,359,858
Other liabilities	97,393	97,393
Taxation Payable	35,467	35,467
	8,987,162	8,987,162

23. Fair value of financial instruments

Fair values have been determined as follows:

		31.03.2021		31.03.2020	
	IFRS 13 Level	**Carrying value G$ 000**	**Fair value G$ 000**	**Carrying value G$ 000**	**Fair value G$ 000**
Assets					
Treasury Bills	2	2,900,156	2,900,156	1,484,850	1,484,850
Loans and Advances	2	5,825,423	5,825,423	4,722,965	4,722,965
Tax Recoverable	2	148,107	148,107	131,814	131,814
Other Assets	2	52,751	52,751	48,350	48,350
Cash and due by banks	1	2,919,524	2,919,524	2,216,276	2,216,276
Deposits with Bank of Guyana	1	2,207,116	2,207,116	3,291,350	3,291,350
		14,053,076	14,053,076	11,895,605	11,895,605
Liabilities					
Deposits	2	10,807,344	10,807,344	8,854,302	8,854,302
Other Liabilities	2	156,996	156,996	97,393	97,393
Taxation Payable	2	42,695	42,695	35,467	35,467
		11,007,035	11,007,035	8,987,162	8,987,162
Property and Equipment		150,359	150,359	153,515	153,515

23. 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. Management's judgment was used to determine that fair value approximates the carrying value.

24. 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.

	31.03.2021			31.03.2020		
	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	2,900,156	-	2,900,156	1,484,850	-	1,484,850
Investment Income	22,163	-	22,163	11,958	-	11,958
	2,922,319	-	2,922,319	1,496,808	-	1,496,808
Cash resources:						
Local	2,970,008	-	2,970,008	4,077,765	-	4,077,765
Foreign	-	2,156,631	2,156,631	-	1,429,861	1,429,861
	2,970,008	2,156,631	5,126,640	4,077,765	1,429,861	5,507,626
Income from cash resources:						
Local	13,412	-	13,412	28,581	-	28,581
Foreign	-	20,750	20,750	-	3,718	3,718
	13,412	20,750	34,162	28,581	3,718	32,300

25. Dividends

Dividends of G$0.50 per share amounting to G$37.50M for every common share is to be proposed at the annual general meeting.

26. Approval of financial statements

The financial statements were approved by the board of directors on April 30, 2021.