GBTI

ANNUAL REPORT 2022

GUYANA BANK FOR TRADE AND INDUSTRY LIMITED

WE SEE GUYANA THROUGH **YOUR** EYES

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CONTENT

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Our Journey

1994

1ST ATM KAIETEUR CLASSIC CARD

In 1994, GBTI launched the first ATM at the Water Street branch. Customers used the Kaieteur Classic card to access funds from their account through the ATM.

1987

WATER STREET

GBTI Water Street branch opened its doors in December 1987. Barclays bank ceased operations after 150 years.

1992

REGENT STREET BRANCH

This was the 1st branch established by GBTI. Regent Street branch opened its doors in January 1992 to serve the hub of Regent Street and its environs.

GBTI has grown and continues to solidify its presence throughout Guyana, positively impacting every sector and community we serve.

GBTI prides itself with many firsts; the first ATM in Guyana was established by GBTI in 1994, and then in 2010, the first drive-through ATM.

In 2006 and 2013, GBTI was the first bank in Regions 9 and 1, respectively. This gave the mining and hinterland areas a gateway to progress. Today, with its strategic focus and innovative business solutions, GBTI is becoming the bank for everyone.

2010

CORPORATE OFFICE & 1ST DRIVE THROUGH ATM

In July 2010, the GBTI Corporate Office was commissioned. It forged ahead its plans to continue its growth and development in banking and its service in Guyana. Also, it houses the 1st drive through ATM.

2006

1ST BANK IN REGION 9

GBTI Lethem branch was opened in August 2006. The bank's presence is pivotal to our country's trade with neighbouring Brazil and the expansion of business activities within the region.

2013

1ST BANK IN REGION 1

A gateway to the rich mining Region, GBTI opened the first bank in Port Kaituma in March 2013. This branch also serves residents of Mabaruma, Matthew's Ridge, Moruca and Arakaka in Region 1.

2022

UPGRADED CORE BANKING SOFTWARE & DIGITAL PLATFORM

The bank upgraded its core banking software and digital banking channels to improve customer experience. GO Banking is available online or via the GBTI Mobile App.

2001

EARLY SAVERS CALENDAR PROJECT

September 11, 2001 was a devastating day; The day the World Trade Center collapsed. GBTI believed and still believes that young people can make a difference in the world. The calendar idea was birthed using the Early Savers product line. Young people were given a chance to express their views on how they can make a difference through writing and art. The response was overwhelming. The calendar had become an annual feature until 2020.

2021

E-STATEMENT

Digital statement was implemented by GBTI in February 2021. No more paper clutter. Easy access 24/7.

Our Vision

To innovate, serve and deliver Value for generations to come, by embracing our rich and inclusive Guyanese heritage.

Our Mission

We will deliver the highest standard of integrity, respect and value to our clients by building strong, sustainable relationships, continuously improving efficiency and adopting leading technologies. We will attract, nurture, retain and empower a highly skilled, cohesive and engaged team that will operate in a culture of robust governance, environmental and social responsibility.

Corporate Objectives

To create a friendly banking environment through the effective structuring of business operations and the provision of the highest standard of service in a courteous, confidential and reliable manner. To keep abreast of modern technology in the areas of transaction processing, information provision and communication with a view to enhancing customer service and convenience.

To earn a reputation for ourselves as leaders in the areas of innovation and product diversification, and to increase our market share through the maintenance of a wide network of branches and an aggressive marketing policy.

To provide on-going training for staff at all levels in order to improve the quality of our human resources and ultimately the quality of our service.

To fulfill responsibilities of a good corporate citizen based on generally accepted corporate practices through the maintenance of standards of accountability and integrity.

To earn a reasonable return on capital employed primarily through the maintenance of strong deposit and loan portfolios to the end that the shareholders will be adequately rewarded for their investment, and staff attractively remunerated for their efforts.

Corporate Profile

GBTI has a rich and successful history of over 185 years that began with the establishment of the first commercial bank in British Guiana, the Colonial Bank, in May 1836, continuing with the operations of Barclays PLC.

In 1987, the assets and liabilities of Barclays PLC were acquired by the Government of Guyana and renamed Guyana Bank for Trade and Industry Limited, whose doors were opened to the public on 1st December the same year. In January 1990, GBTI merged with Republic Bank (Guyana) Ltd. formerly Chase Manhattan Bank N.A, and in 1991, the bank was privatised. With over 1,800 shareholders, the majority shareholder of the bank is Secure International Finance Company Inc. with 61% of the issued shares.

Notice of Meeting

Notice is hereby given that the 35th Annual General Meeting of Guyana Bank for Trade and Industry Limited will be held on Friday, 23rd June, 2023 , at the GBTI Corporate Office, High and Young Streets, Kingston, Georgetown at 18:00hrs for the following purposes:-

1. To receive the Report of the Directors and the Audited Accounts for the year ended 31st December, 2022.
2. To approve the declaration of a dividend.
3. To elect Directors.
4. To fix the remuneration of the Directors.
5. To appoint Auditors.
6. To empower the Directors to fix the remuneration of the Auditors.
7. To transact any other business of an Annual General Meeting.

BY ORDER OF THE BOARD

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NADIA SAGAR
SECRETARY
31st May, 2023

REGISTERED OFFICE:
High and Young Streets
Kingston, Georgetown

N.B. Only Shareholders may attend.

Any member entitled to attend and vote is entitled to appoint a proxy to do so for him/her. A proxy need not be a member of the company. The instrument appointing a proxy shall be in writing under the hand of the Appointer or of his/her Attorney, or if the Appointer is a Corporation, either under seal, or under the hand of an Officer or Attorney duly authorised, and shall be deposited at the registered office of the company not less than 36 hours before the time for holding the Meeting.

A Corporation which is a member of the company may, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its Representative at any or all meetings of the company.

Please bring this Notice to gain entry to the Meeting.

Corporate Information

CHAIRMAN
Mr. Robin Stoby, S.C.

CHIEF EXECUTIVE OFFICER
Mr. James Foster

DIRECTORS
Mr. Edward A. Beharry
Mr. Suresh E. Beharry
Mr. James Foster
Mrs. Kathryn Eytle-McLean
Mr. Carlton James
Mr. Basil D. R. Mahadeo
Mrs. Anna Lisa Fraser-Phang
Mr. Glenn Parmassar
Mr. Richard Isava

REGISTERED OFFICE
High & Young Streets
Kingston
Georgetown
Guyana
South America

P. O. Box # 10280
Telephone: 592-231-4400 – 8
Fax: 592-231-4411
Email: banking@gbtibank.com
Website: www.gbtibank.com
SWIFT ID: GUTIGYGE

ATTORNEYS AT LAW
Messrs. Hughes, Fields & Stoby
62 Hadfield Street
Werk-en-Rust
Georgetown

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

Messrs. Sievewright Stoby & Co.
Chancery Chambers
15 Ketley & Drysdale Streets
Charlestown
Georgetown

Messrs. Fraser and Housty
Attorneys-at-Law
260 Middle Street
North Cummingsburg
Georgetown

AUDITORS
TSD Lal & Co.
Chartered Accountants
77 Brickdam
Stabroek
Georgetown

REGISTRAR AND TRANSFER OFFICE
Guyana Americas Merchant Bank
GBTI Corporate Office
High and Young Streets
Kingston
Georgetown

BRANCHES

CORRIVERTON
211 No. 78 Village
Corriverton, Berbice
Tel.: 592-335-3399-3404

ANNA REGINA
2 Anna Regina
Essequibo Coast
Tel.: 592-771-4830-3

PARIKA
300 Parika Highway,
East Bank Essequibo
Tel.: 592-260-4400-5

VREED-EN-HOOP
Lot N Plaintain Walk
Vreed-en-Hoop
West Bank Demerara
Tel.: 592-264-2191/3-4

DIAMOND
Diamond Public Road
East Bank Demerara
Tel.: 592-265-3936/3943

LETHEM
Barrack Retreat
Lethem
Rupununi
Tel.: 592-772-2241/2270-3

PORT KAITUMA
Turn Basin
Port Kaituma
Tel.: 592-777-4087-9

PROVIDENCE
c/o Ramada Princess Hotel
Providence
East Bank Demerara
Tel.: 592-265-7064-5

PORT MOURANT
Lot 2, Area Q
Port Mourant
Berbice
Tel.: 336-6585-6/6652-3

BARTICA
Lot 59 Second Avenue
Bartica
Essequibo River
Tel.: 455-2011/2

WATER STREET
47- 48 Water Street
Robbstown
Georgetown
Tel.: 592-226-8430-9

REGENT STREET
138 Regent Street
Lacytown
Georgetown
Tel.: 592-225-5291-3/5

Leadership Team

JAMES FOSTER
Chief Executive Officer

SHAWN GURCHARRAN
Deputy Chief Executive Officer

NADIA SAGAR
Company Secretary/Legal Officer

TONIA GRIFFITH
Manager, Risk

KWABINA GRIIFFTH
Chief Operating Officer

HANCE THEODORE
Manager, Internal Audit

LALEETA SAHADEO-GUNRAJ
Manager, Human Resources & Training

RANDIR RAMKISSOON
Manager, Information Technology Services

RAWATTIE MOHANDEO
Manager, Business Development

CHRISTINA DE AGRELLA
Team Lead, Strategy and Channels

SHANTEL ADAMS
Officer-in-Charge, Administration

AMRITA PATTERSON
Manager, Remedial

NAZRUL AZEEZ
Manager, Finance and Treasury

MADHAVI HANIF
Manager, Card Centre

PERNELL CUMMINGS
Manager, Marketing

CHAIRMAN
ROBIN STOBY

Chairman's Report

Fiscal year 2022 continued to present challenges to our community, and also the world at large. The year had barely commenced when the outbreak of the Russian invasion of Ukraine occurred and Western Nations hastened to provide support to the Ukraine, in what was seen by many, as an act of bullyism by a larger neighbour against another smaller country. The resilience shown by Ukraine presents a lesson to us in fortitude, determination, and ingenuity, which shows us that one must not give in to the folly of complacency or inaction but must always be resolute and willing to take an extra step further to achieve the goal you had planned. So it is with us at GBTI, when we entered the uncertainty of 2022 following the effects of inflation and the lingering results of the pandemic which impacted all of us, not least in an economic way. We are happy to say that despite those setbacks, when the year began, we were able to say by dint of hard work, that 2022 was also the year that we started to return to "normal".

At GBTI, there are many encouraging signs that developed during the course of the year. Topping the list for the bank was the upgrade of our computer systems and online banking capabilities to a modern user-friendly platform without any negative impact to our clients – a herculean task completed with unsurpassed excellence by the team of dedicated young men and women who were able to complete the transfer into the new environment. The continued roll out of our digital strategy, ably led by our Chief Operating Officer, Kwabina Griffith and Manager, Information Technology Services, Randir Ramkissoon, have been transforming our bank's delivery of services to a more digital environment, which is both modern and enabling. Clients have taken notice and are expressing

Chairman's Report Cont'd

confidence and a desire to join us on this course we are charting for our bank and our country.

Despite the headwinds, felt though our region in 2022; Guyana's economy continued to grow with much aplomb. GBTI's competitive performance in 2022 was further fueled by an empowered team aligned to achieving our strategic priorities. Prudent management by the Board and our leadership team, together with a sound balance sheet, has delivered exemplary support to our clients through unprecedented times for the communities we serve.

Supported by ongoing investments in technology, talent and new capabilities, your bank continued to grow in 2022. GBTI team members offered trusted advice in helping thousands of households and businesses advance their goals in a rapidly changing economic environment.

The bank performed well with strong financial and operational performances, delivered through customer focus and discipline, by a team of never give up professionals. Net Profit after tax was 36% higher displaying strong performance growth in our core business; most importantly a decrease in the NPL portfolio to a net of 5.49%.

GBTI recorded a net income of $2,370 million during the period under review, and as a result, your Board of Directors has recommended a final dividend of $8 per share. This represents a total dividend of $20 per share, a 25% growth over the previous year.

These achievements are the direct result of the hard work of our dedicated team members. They demonstrated remarkable resilience during the pandemic and delivered consistent results and progress against our strategic goals throughout the year. They continue to live our purpose – to optimize the customer experience in an environment of transparency, equity, and recognition for excellence. We are committed to creating a workplace where Team GBTI can deliver on our purpose while bringing out the best of each other.

The Board's ongoing confidence in the strategic direction of GBTI, is underpinned by its leadership team, involved, and motivated team members, financial strength, growth strategy, diverse business mix, and loyal clients.

GBTI enters the new fiscal year in a position of improved strength. Our leadership team is performing, despite the many challenges they have faced – challenges they have met thoughtfully, with deliberation and with care.

The Board of Directors would like to recognize the Leadership Team for their exceptional guidance and direction, and all colleagues for their commitment to the bank and to the thousands we serve.

Good governance is a journey to a desired destination. GBTI will undoubtedly encounter new themes or issues that require the Board's engagement. As such the Board is continuously focused to align with regulatory requirements, stakeholders' expectations, evolving best practices as well as changes in the industry, economy, and region.

On behalf of the Board, I extend our thanks to all our team members who were instrumental in our continued success. Additionally, we extend our thanks to you, our fellow shareholders, for the trust you continue to place in us to represent your interests, and to the customers of the bank, who showed their confidence in our stewardship by firmly retaining and extending their business with the bank. The year ahead promises to be one full of opportunity. We are confident that your bank has the right strategy, right aptitude for delivering customer satisfaction, and the right team to take full advantage of the opportunities ahead.

Chief Executive Officer
Report 2022

Throughout fiscal year 2022, your bank continued to execute our client focused strategy. We expanded and improved our client's digital experience, with the launch of a new core banking system, digital channels and leading services, in addition to making other strategic investments to support continued growth. Our commitment to enhancing the client experience and developing our team members, who are the key asset to our success, remains steadfast.

2020 remains a period of historic change for the world economies and its citizens. Our clients and communities are anxious about rising inflation and the rate of change in our nation. The war in Ukraine has added to the post-pandemic economic challenges and further contributed to supply chain disruptions and global energy instability. As if these were not complex enough, our world continues to come to grip with the effects of climate change.

In these uncertain times, the leadership, stability, and guidance that GBTI brings to our clients and communities is more important than ever. Much like Guyana's future, GBTI's future is equally bright, supported by my colleagues whose imagination, passion and never give up attitude deliver for our clients and the communities we serve every single day. Their ideas range from industry changing initiatives to making things easier for a young person starting their career or a senior deciding on a retirement option.

The Global Economy

Global economic activity experienced a broad-based and sharper-than-expected slowdown, with inflation higher than seen in decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering effects of the COVID-19 pandemic all weighed heavily on economic activity. Global growth was forecasted to have slowed to 3.2% in 2022 down from 6.0% in 2021, further global inflation rose to 8.8% in 2022 from 4.7% in 2021.

In a context of external uncertainties and domestic restrictions, the countries of Latin America and the Caribbean grew by 3.7% in 2022, just over half of the 6.7% rate recorded in 2021. The region's economic activity slowed, reflecting an end to the rebound effect on the recovery from 2021, the effects of restrictive monetary policies, greater limitations on fiscal spending, lower levels of consumption and the deterioration of the external context.

The Local Economy

The Guyanese economy continued its rapid expansion, growing by 62.3% in real terms; the non-oil sectors recording 11.5% in real GDP with inflation at 7.2%.

The agriculture, forestry and fishing sectors are estimated to have expanded by 11.9% in 2022, with notable performances in the other crops, rice growing, livestock, and forestry industries. There was contraction in sugar while an expansion of 8.1% was estimated for the rice sector.

The mining and quarrying sector is estimated to have expanded by 109.7% driven by an expansion in the oil and gas and support services industry which, when combined with the projected growth in the other mining and bauxite industries, outweighs the contraction in gold mining activity. The manufacturing sector is estimated to have expanded by 3.9% in 2022.

The oil and gas sector is estimated to have expanded by 124.8% in 2022, with a total of 101.4 million barrels of oil produced, compared with 42.7 million barrels in 2021. This performance is attributed to the commencement of production on our country's second Floating Production Storage and Offloading (FPSO) vessel. Further, the construction sector grew by an extraordinarily strong 26.3%.

The overall balance of payments recorded an estimated surplus of US$128.3 million. The current account improved from a deficit of US$1,995 million in 2021 to an estimated surplus of US$4,262.4 million in 2022, supported by the trade balance moving from a deficit of US$19.9 million to a surplus of US$7,780.7 million.

The Local Banking Sector

Net domestic credit is estimated at $263.4 billion at the end of 2022, surpassing net lending of $224.6 billion in the prior year with a 19.1% expansion estimated in private sector credit to enterprises, primarily attributing to increased credit to businesses in the services, manufacturing, and agriculture sectors.

Lending for real estate mortgage loans and to households, increased by 9.8% and 8.8%, to $105 billion and $39.8 billion respectively.

Total reserves deposited with the Bank of Guyana, were in line with the expansive credit by commercial banks. Increased stock of money, declined by an estimated 6.7% to $109.5 billion with excess reserves estimated at $33.2 billion, 45% below the previous year. Total liquid assets of commercial banks were forecasted to contract by 5.2% to $244.2 billion.

The 364-day treasury bill yield, increased from 0.99% to 1.09%. Meanwhile the commercial banks small savings rate and weighted average lending rate declined from 0.83% and 8.88% to an estimated 0.81% and 8.54%, respectively.

GBTI Group in 2022

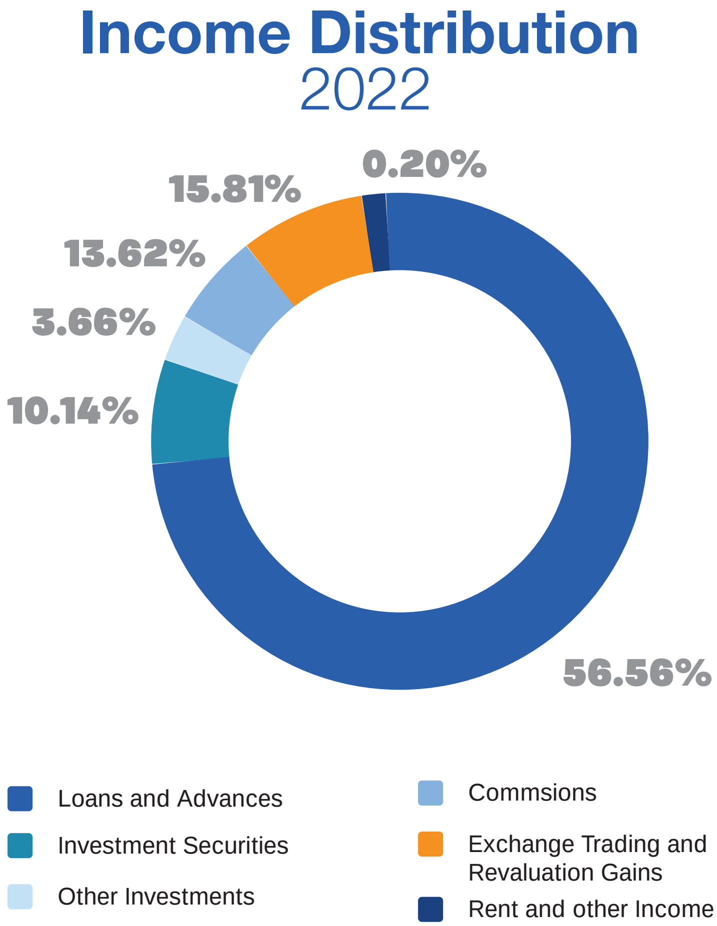
Driven by the rapid expansion in the local economy and improving internal capacity, the bank recorded a strong year's performance. Profit after Tax was $2,424M, an increase of 21%.

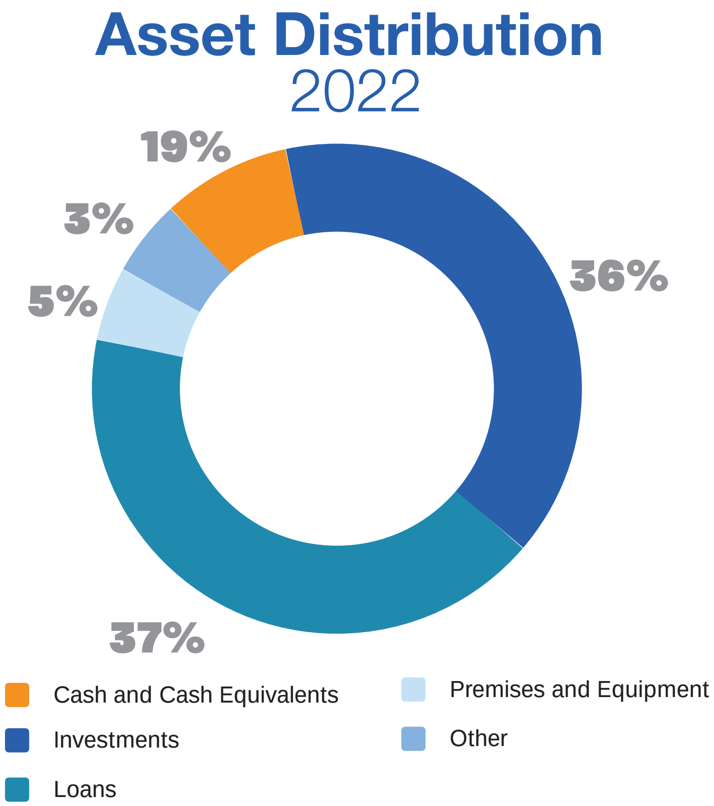
Total Assets

Assets as at year's end were $175B, up from $145B in 2021, recording a growth of 21% with Loans at 37% of Total Assets.

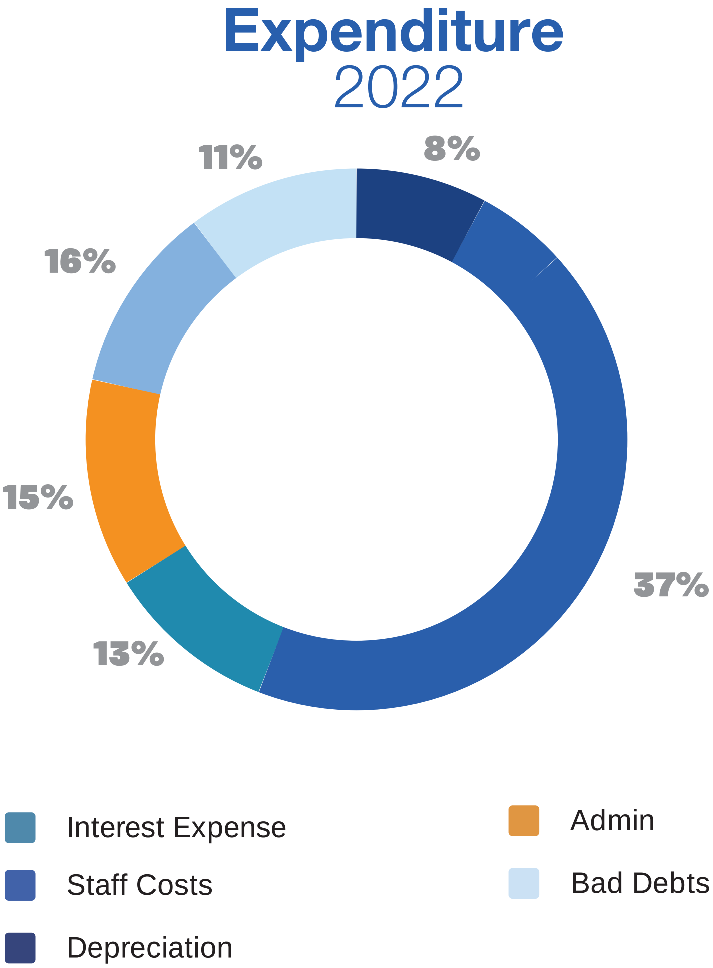
Profitability

Total Revenues for the bank were $9.3B, a 29% growth over 2021 with Loans and Advances contributing more than 56% to Revenues. Interest Income rose by 21% through significant loan growth and consistent investment activities. Non-Interest Income showed growth of 41% on account of increased volumes of business activity and turnover. This includes commissions, fees and foreign exchange trading income.





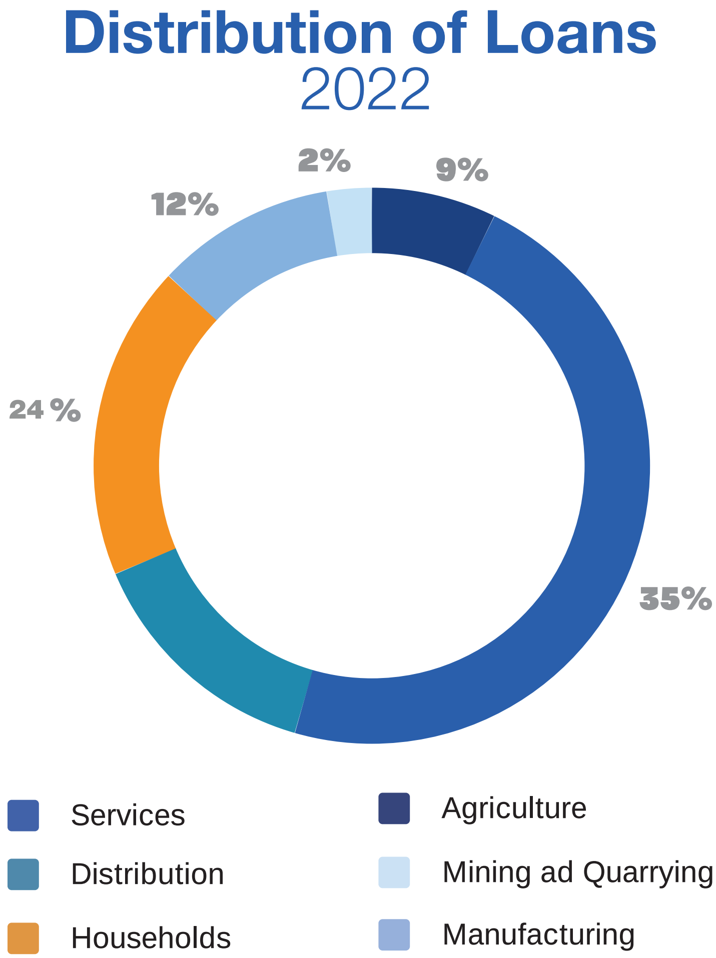
Total Expenses were recorded at $6B, an increase of 16% for the year and comprised as follows:



Operating Expenses were $4.5B, reflecting an increase of 13%; noteworthy, as the bank managed operational costs in a high inflation environment. Necessary provisions for Expected Credit Losses continued in line with acceptable international financial models and local market conditions.
The bank's Efficiency Ratio was improved at 47% and the Return on Average Assets and Equity was 1.51% and 12% respectively.

Loans and Advances

As a local commercial bank, our role is vital to the expansion of the local business sector. GBTI's loan portfolio grew by $15.5B or 31% for the fiscal year.



The bank's portfolio of loans and advances is composed of well diversified segments with exposure to all key sectors. We continue to be a major lender in the agriculture sector with $7B in exposure. Lending to Households represents 24% of Total Loans.

In line with national development, the bank has revised its lending policies and guidelines to be strategically positioned to leverage both the emerging and traditional sectors.

Non-Performing Loans were recorded at 11.13% at the end of the fiscal year, an improvement of 29% over 2021 reflecting the significant progress in the asset quality of the loan portfolio. Although stymied by delays in the judicial system, our recovery efforts have again yielded positive results; $254M was recovered from bad debts accounts; NPL coverage expanded to more than 50% and the bank's Net NPL ratio was reduced to 5%.

The bank's provisioning on bad loans is regulated by International Financial Reporting Standards and the local banking regulations. These standards require the bank to make provisions for credit losses based on credit history, status of exposures, expectations of default and the overall economic climate. The local tax authorities have raised assessments on these provisions disallowing the charges as a deductible expenditure from the computation of chargeable income. The bank has appealed this decision and remains confident that the treatment of the item is sound, reasonable, and founded in best practice.

Investments

The bank's investment portfolio comprises sovereign, quasi-sovereign, and corporate instruments with a short to medium term tenor recorded at $63.7B or 36% of Total Assets. The majority of our holdings represents Government of Guyana Treasury Bills at $45B. The bank continues to adopt a conservative and prudential approach to investments, in line with our risk appetite. Our main objective in investment decisions is capital preservation. We are cognizant of the interest rate environment and have adjusted our strategies accordingly.

Capital Adequacy and Stress Testing

The bank's capital adequacy ratio was 14% as at December 2022 above the Basel II requirements of 8%. In a rapidly growing economy, the bank is conscious of its capital requirements and monitors exposure consistently to ensure adequacy of capital.

Net Stable Funds and Liquidity Coverage Ratios are also above benchmarks and are consistently measured through the computations of Value at Risk. Further regular stress tests of our portfolio of assets are conducted to ensure acceptance against globally accepted industry standards.
The recent successful Trade Finance Facilitation Program (TFFP) partnership with IDB Invest will support us as we diversify our network of correspondent banks to offer trade products to more Small and Medium Enterprises (SMEs) clients in Guyana. This partnership reinforces the commitment of IDB Invest and GBTI to create a hub for investment and trade for the nation and region by creating opportunities for our communities.

GBTI Mutual Funds

GBTI Mutual Funds delivered strong performance in 2022 capitalizing on the growth of the local Stock Market while mitigating the effects of both local and global emerging risks.

The GBTI family of mutual funds continues to provide above bench market returns to unitholders. Returns for 2022 were recorded at $59M. In a challenging market scenario, our suite of mutual funds returned profitability of over $100M. Total Assets under Management were $1.85B.

Information Technology Systems

We continue to invest heavily in our IT infrastructure and capabilities. In 2022, we undertook a significant upgrade to our core banking system.

This upgrade sets the foundation for the rollout of many other enhanced capabilities, such as, our new online portal, GO Banking. Our clients can expect further improvements as we continue to offer new and improved business solutions. With the ever-growing threats to cyber security, our infrastructure is robust as the bank has invested heavily in technologies to provide security from such risks.

ATMs and Point of Sale Networks are constantly upgraded with new features such as Tap and Go capabilities and will soon have the ability to accept all major branded cards.

Our People

The bank's greatest asset is our cadre of committed and hardworking team members. In an environment where employee retention is a significant risk factor, the bank continued to invest heavily in the personal development of our team, both at the personal and professional levels. We believe our team members should be competitively compensated, based on their contributions, the performance of the bank and the changes in the labour market. Talent management policies have been enhanced to meet the needs of a changing work force and to allow the bank increased flexibility.

Our management team represents a well-diversified team of professionals who are equipped to embrace the challenges and opportunities that abound.

AML and Compliance

With Guyana being on the global forefront, it is essential that our financial systems are in line with international best practices. Our AML monitoring tools, and team members are all well trained and equipped to ensure our due diligence activities are in line with regulations and best practices.

Our proactive approach to the changing regulatory landscape has seen us adjust our risk management policies and procedures to remain compliant. Our team participated in annual National Risk Assessment Exercises, and we continue to play an integral role in ensuring our country meets expected standards and practices.

Compliance management ensures that all applicable laws and regulations are identified, and the implications of these laws and regulations for the bank's decisions and processes are assessed and understood. During the fiscal year, we consciously expanded the compliance function to meet these expanded requirements.

Risk and Governance

During 2022, the bank completed the implementation of its Enterprise Risk Management (ERM) Framework. This framework includes risk-management principles and processes to ensure the levels of risk-taking within the organization support the achievement of strategic objectives and is consistent with the risk preferences of stakeholders. It is anticipated, ERM will contribute significantly to the planning, decisioning and strategic directions, of both management and the Board of Directors, to provide a successful and sustainable operation over the long term.

Outlook 2023

The global economy is expected to expand at an even slower rate in 2023.

The economic outlook depends on a successful calibration of monetary and fiscal policies, the course of the war in Ukraine, and growth prospects in China. Risks remain unusually large; monetary policy could miscalculate the right stance to reduce inflation; diverging policy paths in the largest economies could exacerbate the US dollar's appreciation; tightening global financing could trigger emerging market debt distress.

Regional growth is expected to decelerate further to 1.9%, before picking up slightly to 2.4% in 2024. This slowdown reflects the maturing of the recovery from the pandemic-recession, tighter financial conditions, in part because of faster-than anticipated U.S. monetary tightening, weakening external demand growth, increased inflation, and high policy uncertainty in some countries.

After a period of consolidation, GBTI is well positioned to leverage the favorable local environment. Technological investments will provide the improved efficiencies necessary for an emerging economy. The bank's profitability for 2022 augers well as it provides the increases to our capital base and our capacity to lend .

2023 will see enhancement in our service delivery as we move to more efficient models of operations that will provide synergies and improved functionalities. We anticipate better results for all our stakeholders as continued growth in the bank is expected.

With an expanding GDP and more disposable income, we project growth in our family of Mutual Funds as they provide a safe and viable alternative form of investment for local and overseas investors. Education and improved activities to increase awareness of the funds are already in train.

The role of our Property Holdings subsidiary is expected to be expanded to leverage the strategic opportunities and alliances available that will provide positive returns in the flourishing real estate sector.

The year ahead will not be without its challenges. Dynamic growth nationally, demands continuous improvements and enhancements to our capacity and capabilities. In the global environment, where Environmental, Social and Governance (ESG) arrangements are gaining prominence, local institutions will be influenced to adopt best practice approaches as we engage with international partners. While challenges exist, we view them as opportunities to add long term value for all our stakeholders. Together we will!

It's difficult imagining a more complexed world, but we have great optimism and hope for the year ahead. GBTI's strength is our ability to adapt to the changing needs of our clients and communities. GBTI needs to be the catalyst for change and the anchor of strength to those we proudly serve. We demonstrated this throughout the pandemic, and I am confident we'll continue in this vein.

Appreciation

We wish to extend our gratitude to all our stakeholders that have contributed to a successful 2022. To our stakeholders and our clients, I thank you for your trust and belief in Team GBTI.

To our 560 plus team members, who continue to deliver beyond and live our culture; sincerest thank you.

To our board of directors, your vision and guidance remains a beacon for our success.

We have ambitious plans to further enhance our digital experiences for our clients and help play a significant role to solve our communities' biggest challenges.

I look forward to sharing our progress in the year ahead.

GBTI Manifesto

OUR COMMITMENT

At GBTI we commit to improving the growth and wellness of all team members, our customers and our community. We commit, as a team, to a culture of trust, accountability, compliance and being accessible to all.

OUR PROMISE

We promise to embrace an inclusive culture despite our diversity, and to respect each other in a manner that is caring and professional. We promise open communication, honest feedback and a clear path for escalation for all stakeholders.

OUR GOAL

Together, we will work diligently to maintain and protect our rich, warm Guyanese Brand. Our leaders and engaged team members will be proactive, innovative and agile. We will optimize customer experience through our highly skilled and trained team members in an environment of transparency, equity, and recognition for excellence. Our GBTI Culture will be the benchmark for customer experience and satisfaction in Guyana and all markets in which we operate.

CORE VALUES

Be Accountable

We take ownership for our actions, our organization and our community. We celebrate our successes and are responsible for results.

Act With Integrity

We're honest, transparent, and committed to doing what's best for our customers and our company.

Show Respect

We show appreciation for someone's traits or qualities and treat everyone with dignity and gratitude.

Efficiency

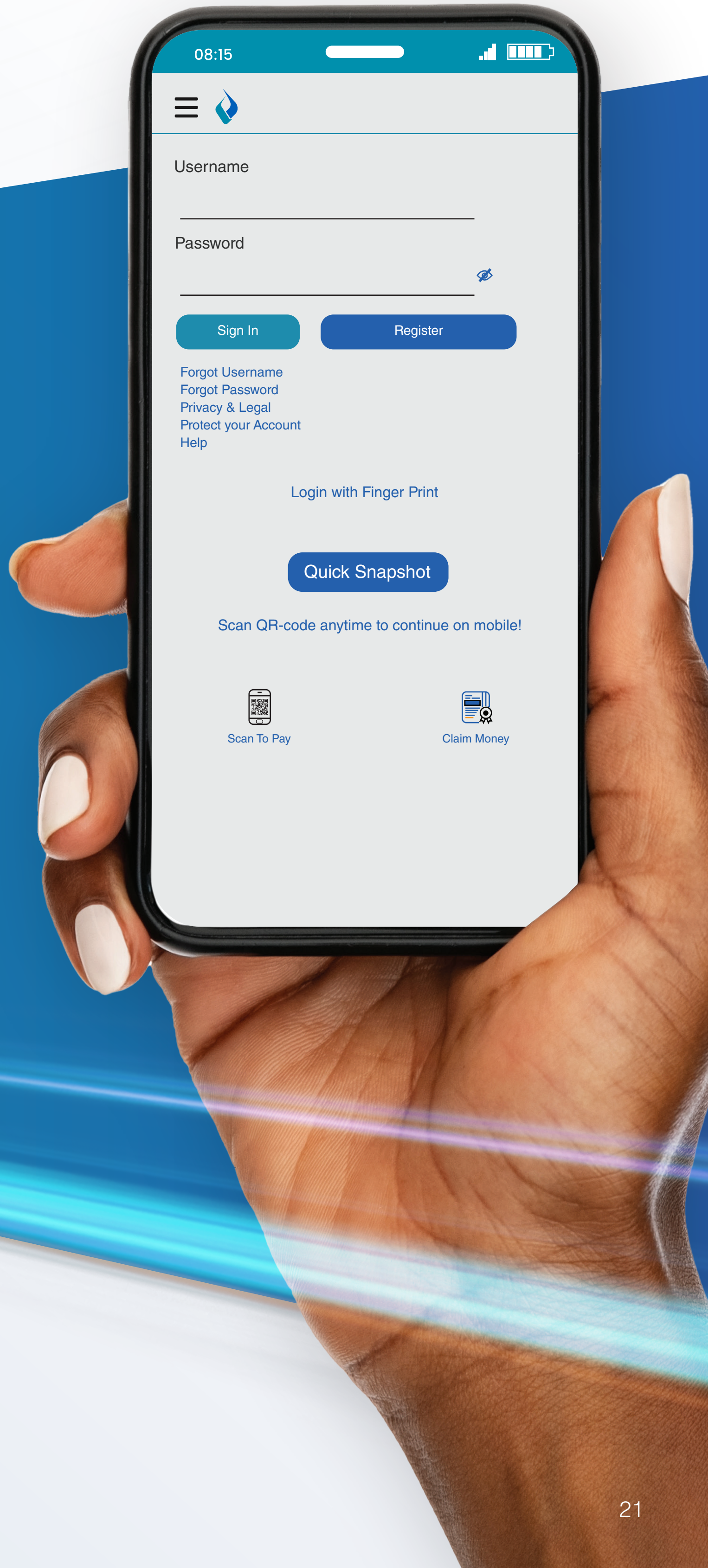
We use the most cost-efficient way to fulfill our customers' demands and work with continuous improvements.

Innovation

We are continually upgrading our use of technology along with new initiatives to provide our customers with excellent and efficient service.

GBTI Online
GO BANKING

Scan To Download



GBTI
We see Guyana through your eyes

Always Here to
SERVÜ

Our Commitment to ESG

569
Total Team Members

174
Total **Male** Team Members

395
Total **Female** Team Members

Who we are

GBTI is Guyana's oldest and largest indigenous bank.

Guyanese Connection

We are member of the Edward B. Beharry Group of companies, the largest conglomerate in Guyana comprising Guyana's Merchant Bank, Insurance, Stock Brokerage, Restaurant Holdings, Automobile Franchises amongst others.

Adaptable

Our aspiration is to help you meet your goals in a dynamic market. We are poised with a resilient and experienced team, customized banking and investment solutions.

Trusted

Our brand is deeply rooted in our **Guyanese** culture and trusted in every community.

Building Partnerships/Investing in our Country

“We are proud to host the regional Supercenter of the leading energy technology company, Baker Hughes. Our local banking partner, GBTI has eagerly and professionally collaborated with us, a 100% Guyanese company, to construct a world class facility.”
Omindra Persaud CEO, JOP Construction Services Inc.

"GAICO has been in business for almost 30 years and has only gotten this far due to our use of strategic partnerships and careful management. The relationships we've made over the years have been a huge part of our success, as this is how we intend to grow Guyana, not just our company.”
Komal Singh, Chief Executive Officer

“With the rapid transformational growth ongoing in Guyana, we chose GBTI for its proven reliability, assurance and super customer relationship.
We didn’t need a bank, we needed a friend, and we have that with GBTI.”
Geraldo Alphonso, Director, Arimu Investment Inc.

Living with Our People

We understand the everyday needs and aspirations of our people and we support and celebrate each other.

GBTI Buxton Pride Steel Orchestra

We identify with our Guyanese culture and the excitement and richness of music, and we nurture new talent every year supporting this homegrown group of young people, touching lives and igniting our culture.

Championing Sports

Our partnership with the Guyana Lawn Tennis Association keeps our young people disciplined and engaged in various communities, with access to our facilities and community resources.

Empowering Women & Girls

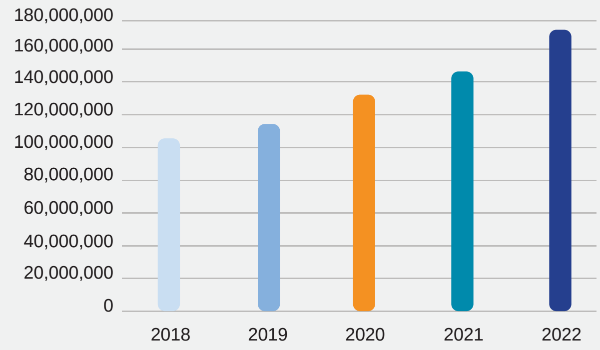
Our support, idealism and sense for women as equal partners is intrinsic in our culture and is exemplified in the winning spirit of the GBTI Women’s Hockey Team and as the first Guyanese bank, to endorse the United Nations Women Empowerment Principles.

We commit to providing financial support to women entrepreneurs and to review our value chain to promote procurement opportunities for women in business.

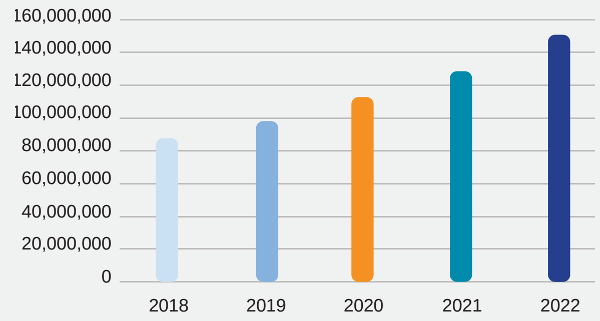
Financial Highlights

	2018 G$000	2019 G$000	2020 G$000	2021 G$000	2022 G$000
Total Assets	107,491,745	115,995,341	130,358,467	145,451,078	174,985,989
Shareholders' Equity	16,066,260	16,987,913	17,968,509	19,307,689	20,817,811
Reserves and Retained Earnings	15,266,260	16,187,913	17,168,509	18,507,689	20,017,811
Total Deposits	89,285,118	97,011,107	110,028,009	123,221,623	147,698,196
Loans and Advances	42,799,376	39,111,657	41,791,918	49,693,768	65,225,381
Profit before Taxation	1,588,029	1,709,280	1,324,096	2,430,051	3,544,721
Profit after Taxation	1,448,322	1,486,795	1,274,264	1,917,031	2,424,311
Return on Average Assets (%)	1.40%	1.33%	1.03%	1.39%	1.51%
Return on Average Equity (%)	9.18%	9.00%	7.29%	10.29%	12.08%
Earnings per Share ($)	36.21	37.17	31.86	47.93	60.61

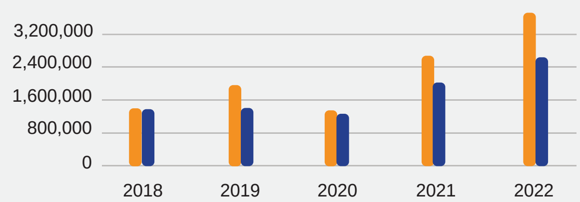
Total Assets
G$000



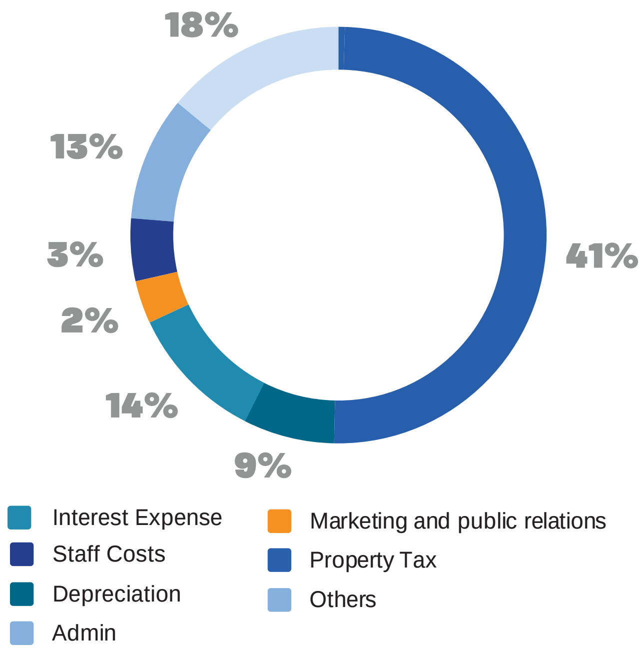
Total Deposits
G$000



Income
G$000



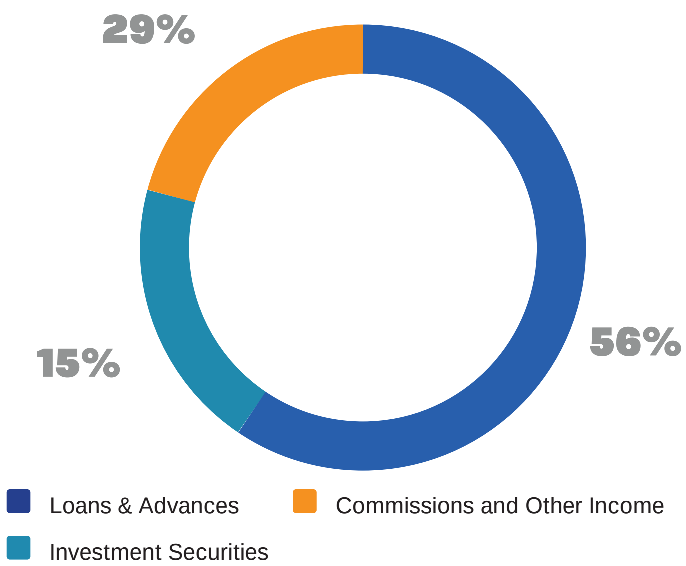
Profit before Taxation
Profit after Taxation



Expenses 2022

Amount in millions of Guyana Dollars

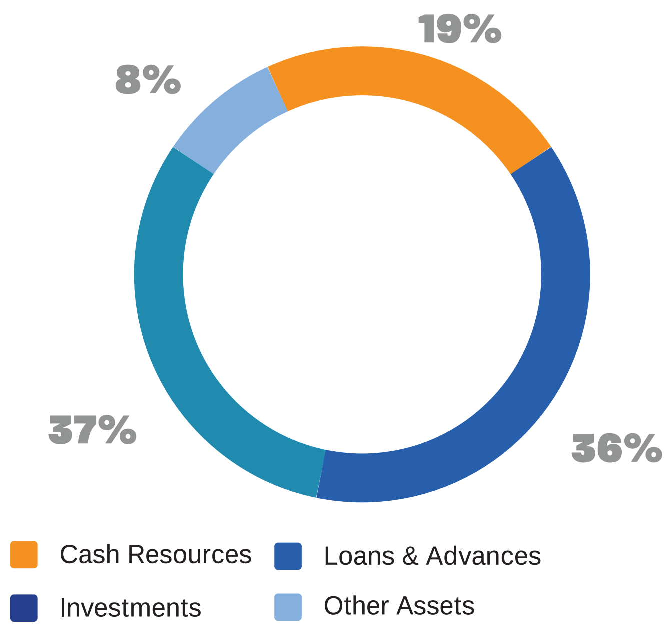
	Amount	%
Interest Expense	739	14
Staff Costs	2,174	41
Depreciation	470	9
Admin	928	18
Marketing and public relations	91	2
Property Tax	168	3
Others	691	13
	5,261	**100.00**



Sources of Income 2022

Amount in millions of Guyana Dollars

	Amount	%
Loans & Advances	5,297	55.74
Investment Securities	1,429	15.04
Commissions and Other Income	2,777	29.22
	9,503	**100.00**



Distribution of Assets & Liabilities

Amount in millions of Guyana Dollars

ASSETS	**Amount**	**%**
Cash Resources	32,408	18.52
Investments	63,515	36.30
Loans & Advances	65,225	37.27
Other Assets	**13,838**	**7.91**
	174,986	**100.00**

LIABILITIES	**Amount**	**%**
Deposits	147,698	83.12
Other Liabilities	6,470	7.45
Shareholders Equity	20,818	9.43
	174,986	**100.00**

Corporate Governance

The nature of the Corporate Governance of the Guyana Bank for Trade and Industry Limited is characterized by the strong commitment of the Board of Directors to various ethical and prudential guidelines in managing the affairs of the bank, and adherence to the principle of transparency in all decision making.

The Board of Directors comprises the Chief Executive Officer and nine (9) Non-Executive Directors from diverse backgrounds in business and finance, providing the Board with a wealth of knowledge and experience, enabling it to discharge its responsibilities effectively and to maintain a high degree of probity in the management of the affairs of the bank.

The Board exhibits true transparency by not allowing its members to participate in decision making where they may have an interest in the subject matter, and has made mandatory, full disclosure to the Board by all Directors of contracts with the bank, where they may be deemed parties or related parties.

The Board is led by a Non-Executive Chairman who along with the other Non-Executive Directors, promotes the accountability of the entire Board.

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance is an active committee within the bank which provides an independent reporting channel for the work of the Internal Audit, Risk and Compliance Departments.

This Committee comprises four (4) Non-Executive Directors: Mr Basil Mahadeo (Chairman), Mr Robin Stoby, S.C., Mr Suresh Beharry, Mr Glenn Parmassar and the Chief Executive Officer. The Committee holds bi-monthly meetings at which reports are presented by the Managers of the various departments.

The Committee through the Internal Audit Department reviews the bank's internal control procedures, monitors and reviews the bank's risk management processes and risk profile, and the bank's compliance with prudential regulations, anti-money laundering regulations, and other statutory and regulatory requirements.

The Committee also evaluates the effectiveness and independence of the External Auditors; the Manager, Internal Audit; and the Compliance Officer.

Human Resources and Compensation Committee

The Human Resources and Compensation Committee brings the desired degree of objectivity and transparency to decisions on all human resources matters.

The Committee approves key executive appointments and remuneration, monitors and reviews executive succession planning, and monitors the performance of the bank's Chief Executive Officer and Leadership Team.

The Human Resources and Compensation Committee comprises five (5) Non-Executive Directors: Mrs Kathryn Eytle-Mc Lean (Chairman), Mr Edward A. Beharry, Mr Richard Isava, Mr Robin Stoby, S.C., Mrs A. Fraser-Phang and the Chief Executive Officer.

Credit and Investment Committee

The Committee comprises the full Board, chaired by Mr. Robin Stoby, and plays a crucial role within the bank's sphere of credit appraisals and investment decisions.

The granting of credit is paramount among the bank's income generating activities, and the Committee makes all credit decisions involving amounts over a stipulated level. This Committee expends much effort in the analyzing of the risk related to credit decisions, and reviews and monitors the processes for the maintenance of credit quality, and gives direction on the areas where surplus funds may be invested after taking full account of the relevant risks. This Committee meets once per month and more frequently as necessary.

Building and Premises Committee

The Committee plays a monitoring and advisory role in relation to all major construction projects undertaken by the bank, and is active throughout the building process, from the appointment of an Architect to the handing over of the completed project. This Committee comprises three (3) Non-Executive Directors: Mr Edward A. Beharry (Chairman), Mr Richard Isava, Mr Basil Mahadeo, and the Chief Executive Officer. This Committee meets as the need arises.

External Auditors

The Board believes in the maintenance of the independence of its External Auditors and therefore does not use its External Auditors for 'other' services, to ensure conflicts of interest are obviated.

Strategy

The Board approves and reviews the bank's Strategic Plan and within the context of this plan, approves annual budgets, which include all capital and current expenditure, proposed developments in information technology and the provision of new products to customers.

The Board meets once per month and deliberates on matters concerning the strategic direction of the bank and seeks to arrive at consensus before approving implementation.

Directors' Report

The Directors have pleasure in submitting their Report and Audited Financial Statements for the year ended 31st December 2022.

Principal Activities

The bank provides a comprehensive range of commercial banking services. Banking operations are considered a single business operation that includes lending, investments, foreign exchange trading and deposit taking. The contribution of these activities to overall revenues is included in Note 30 of the financial statements.

Financial Results

Group Net Profit after Taxation	$2,424,311,000
Interim Dividend	$(480,000,000)
Retained Earnings	$1,944,311,000
Proposed Final Dividend	$ 320,000,000

Dividends

The Directors recommend a dividend of $20.00 per share, of which $12.00 per share has already been paid.

Reserves & Retained Earnings

The bank's Statutory Reserve Account equals its Paid-Up Capital thus no sum is transferred. The sum of $1,944,311,000 was placed to the Retained Earnings Account.

Share Capital

The authorized Share Capital for the bank is $500,000,000 divided into 50,000,000 shares of which 40,000,000 have been issued and fully paid.

Directors

At the 34th Annual General Meeting of the bank, the following persons retired and were re-appointed Directors of the bank:

Mr. Robin Stoby S.C,
Ms. Anna Lisa Fraser-Phang
Mr. Glenn Parmassar

In accordance with By-law 94 of the bank's By-laws, Mr. Suresh E. Beharry, Mrs. Kathryn Eytle-Mc Lean and Mr. Richard A. Isava retired from the board, and being eligible, offer themselves for re-election.

Directors' Interests

The interests of the Directors holding office as at December 31st, 2022, in the ordinary shares of Guyana Bank for Trade and Industry Limited were as follows:

Directors	Directors' Interest		Associate's Interest	
	Non Beneficial	Non Beneficial	Non Beneficial	Non Beneficial
Mr. Robin Stoby, SC	NIL	NIL	NIL	NIL
Mr. Edward A. Beharry	NIL	NIL	NIL	NIL
Mr. Suresh E. Beharry	NIL	NIL	NIL	NIL
Mrs. Kathryn Eytle-Mc Lean	NIL	NIL	NIL	NIL
Mr. Carlton James	NIL	NIL	NIL	NIL
Mr. Basil D.R. Mahadeo	NIL	NIL	NIL	NIL
Mrs. Anna Lisa Fraser-Phang	2,000	NIL	NIL	NIL
Mr. Glenn Parmassar	NIL	NIL	NIL	NIL
Mr. Richard A. Isava	NIL	NIL	NIL	NIL
Mr. James Foster	NIL	NIL	NIL	NIL

No Director or any associate of the Director has any right to subscribe to equity or debt securities of the bank.

Directors' Fees Per Annum

Directors			2022 $000
1	Mr. Robin Stoby S.C.	(Chairman/Non Executive)	3,750,472
2	Mr. Richard Isava	(Non-Executive)	1,277,301
3	Mr. Edward A Beharry	(Non-Executive)	1,277,301
4	Mr. Suresh E Beharry	(Non-Executive)	1,277,301
5	Mr. Basil D.R. Mahadeo	(Non-Executive)	1,277,301
6	Mr. Carlton James	(Non-Executive)	1,277,301
7	Mrs. Kathryn Eytle-Mclean	(Non-Executive)	1,277,301
8	Mrs. Anna Lisa Fraser-Phang	(Non-Executive)	1,277,301
9	Mr. Glenn Parmassar	(Non-Executive)	1,277,301
10	Mr. James Foster	(Non-Executive)	873,969
	Total		**14,842,849**

Geographical Analysis Of Revenue And Contribution To Results

Capitalised Interest

The amount of interest capitalized by the bank for the year was $49M 2021: $31M.

Capital Expenditure

The bank incurred a total of $1,041M on capital expenditure in 2022 in areas including core banking upgrade project and equipment upgrades.

Financial Highlights
Summary of Assets and Liabilities

	2022 $000	2021 $000
Total Assets	174,985,989	145,451,078
Liabilities	154,168,178	126,143,389
Shareholders’ Equity	20,817,811	19,307,689
	174,985,989	145,451,078
Summary of Income and Expenditure		
Net Interest Income	5,986,767	4,919,846
Other Income	2,776,539	1,968,023
	8,763,306	**6,887,869**
Loan Impairment Expenses	(680,991)	(454,313)
Operating Expense	(4,522,311)	(4,005,577)
Share of Associate Profit/ (Loss)	(15,283)	2,072
Net Profit Before Taxes	**3,544,721**	**2,430,051**
Taxation	(1,120,410)	(513,020)
Net Profit After Taxes	2,424,311	1,917,031
Interim Dividend Paid	(480,000)	(140,000)
Retained Earnings	**1,944,311**	**1,777,031**
Proposed Final Dividend	320,000	500,000

Substantial Shareholders

	2022 Amount	2022 %	2021 Amount	2021 %
Secure International Finance Company Incorporated	24,400,000	61	24,400,000	61

A substantial shareholder is defined as a person or entity entitled to exercise control of five (5%) or more of the voting power at any general meeting.

Pension Scheme

The valuation of the company's Defined Benefit Pension Plan was completed as at December 31st, 2022 in accordance with Section 111, (1) (2) and (3) of the Insurance Act of 1998. The status of the plan revealed that the valuation of the scheme's assets exceeded the value of its liabilities by $98M (2021: $112M surplus). The bank conducts annual actuarial valuations of the pension plan. IAS 19 disclosures are included in Note 24 of the audited financial statements.

Auditors

TSD Lal & Co. – Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

Principal Activity Of Our Subsidiary Companies

The bank owns 100% of the issued share capital of GBTI Property Holdings Inc. The principal activity of this subsidiary is real estate management. GBTI Property Holdings Inc. Operating Profit for the year 2022 was $2.8M.

The bank owns 78.86% of the issued share capital of GBTI Mutual Funds which returned an Operating Profit of $100M.

Principal Activity Of Our Associate Company

The bank owns 40% of the issued share capital of Guyana Americas Merchant Bank Inc. The principal activity of this associate company is the provision of investment management and advisory services. The Guyana Americas Merchant Bank Inc. Operating Loss for the year 2022 was $38.2M

Service Contracts

The bank has a retainer contract with the law firm; Sievewright Stoby and Co; headed by Mr. R. Stoby S.C. All other contracts between the bank and its directors or affiliated companies are disclosed in Note 26 of the Audited Financial Statements that forms part of the bank's Annual Report.

Transactions with Related Parties

Related Party transactions with the parent company are addressed in Note 26 of the financial statements.

The bank leases space in its Corporate Office to Guyana Americas Merchant Bank Inc., an associate company. The bank leases space in several of its branches to Nalico/Nafico.

Controlling Shareholder Contract

The bank maintains a non-contributory Defined Contribution Pension Plan which is administered under the terms of a Trust Deed by North American Life Insurance Company Limited, a wholly owned subsidiary of Edward B. Beharry and Company Limited. The bank also maintains a non-contributory Group Life and Accidental Death & Dismemberment Plan and Group Health Plan with North American Life Insurance Company Limited.

BY ORDER OF THE BOARD

NADIA SAGAR
SECRETARY

Independent Auditor's Report

TO THE MEMBERS OF
GUYANA BANK FOR TRADE AND INDUSTRY LIMITED AND SUBSIDIARIES
(SUBSIDIARY OF SECURE INTERNATIONAL FINANCE COMPANY INCORPORATED)
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of the Guyana Bank for Trade and Industry Limited and Subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31st December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated 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 37 to 109.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31st December 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 consolidated Financial Statements section of our report. We are independent of the Group 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 10 (c), which explains that the Guyana Revenue Authority (GRA) has issued additional assessments for corporation and property tax liabilities for the years of income 2010 to 2021 (years of assessment 2011 to 2022) totalling G$950,207,116. These additional taxes are currently in dispute in which they are at varying stages of the legal process (i.e. objection or appeal). Management is of the opinion that the bank will be successful on appeal and accordingly no provision has been recognized in these financial statements for the effect of the additional tax assessments. Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31st December 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Loans and advances

G$000 (Refer to note 13)

The bank's loans and advances of G$65,225,381 (2021 – G$49,693,768) is recorded net of provision. Provision is computed under two methods, one based on the requirement of the Financial Institutions Act 1995 (FIA) and the other based on the requirements of the International Financial Reporting Standards. Under the requirements of the Financial Institutions Act 1995, provisioning is made based on the classification of loans and advances as per the Bank of Guyana's Supervisory Guideline number 5. In relation to the latter, provision is computed by management's expert based on an expected credit loss basis. Where there are differences between the two computations, the excess provision under the FIA is transferred to the General Banking Risk Reserve from Retained Earnings. Differences arise because there are two separate bases used in computing provisions. Also, additional assessments for corporation tax liability were issued by Guyana Revenue Authority (GRA) with regards to the provision as per note 10 (c).

Both computations are significant to our audit and involve significant management judgement.

How our audit addressed the key audit matter:

Our audit tests were carried out on samples for both provisions computed as at 31st December 2022 to ensure that they comply with the requirements of both the Bank of Guyana's Supervisory Guideline and the International Financial Reporting Standards.

For loans and advances, our audit tests were not limited to but focused on the following procedures:

- Verifying that a sample of loans and advances are secured, active and monitored in accordance with the Bank of Guyana's Supervisory Guideline number 5 and evaluating management's compliance with this guideline. We verified whether these loans and advances were classified based on the criteria outlined in this guideline;

- Assessing the control environment for the processing, approval and monitoring of loans and advances;

- Direct confirmations were sent for certain loans and advances;

- Reviewing provisioning models for inconsistencies in data and checking accuracy of calculations;

- Reviewing models for compliance with FIA and IFRS 9 requirements;

- Reviewing and performing tests on the source data used by management's expert to ascertain its completeness and accuracy;

- We assessed the professional competence, including the qualifications, experience and reputation of management's expert.

Valuation of Investments
G$000 (Refer to note 12)

At 31st December 2022 the bank and Group's investments amounted to G$63,734,940 (2021 – G$54,357,246) and G$63,514,745 (2021 – G$53,901,144) respectively. Included in the Group's investments are structured financial instruments valued at amortised cost and fair value through profit/loss (FVPL) investments valued based on quoted prices in active markets.
Investments are also stated net of expected credit losses. These expected credit losses are computed using significant judgement by management's experts.

At 31st December 2022, there is significant measurement uncertainty involved in these valuations. As a result, the valuation of these investments was significant to our audit.

How our audit addressed the key audit matter:

Our procedures included but were not limited to the following:

- Ensuring valuation methodologies are consistent with the accounting policies;
- Ensuring fair value classification, measurement and disclosures are in accordance with International Financial Reporting Standards;
- Ensuring additions and disposals were approved by the appropriate level of management;
- We verified a sample of investments to quoted prices in active markets;
- Obtaining an understanding of the methodology and assumptions used by management's expert in calculating expected credit losses;
- Reviewing and performing tests on the source data used by management's expert to ascertain its completeness and accuracy.

Property and equipment
G$000 (Refer to note 14(a)

Property and equipment is stated at a net book value of G$8,265,021 (2021 – G$7,610,528) and G$8,265,945 (2021 – G$7,614,366) for the company and group respectively. No revaluation of property and equipment was done during the year.

Property and equipment is considered a key audit matter as significant management judgment was used to select depreciation rates for items of property and equipment. In addition, an annual impairment review of all property and equipment was done which involved significant management judgment.

How our audit addressed the Key Audit Matter:

Our procedures included but were not limited to the following:

- Testing depreciation rates for all property and equipment to ensure consistency with accounting standards;
- Assessing the methodology used by the Directors to carry out their impairment review;
- Verifying assets physically in current and prior years on a sample basis for existence;
- Testing of internal controls governing the procurement, monitoring and disposal of property and equipment and verifying samples of the material assets to supporting documents.

Other Information in the Annual Report

Management is responsible for the other information. The other information comprises all the information disclosed in the 2022 annual report but does not include the consolidated financial statements, notes to the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group'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 Group 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 Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements Cont'd

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the year ended 31st December, 2022 and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Rajiv Nandalal FCCA.

TSD Lal & Co.

TSD LAL & CO
CHARTERED ACCOUNTANTS

Date: March 14, 2023

77 Brickdam,
Stabroek, Georgetown
Guyana

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31st December 2022

		COMPANY		GROUP	
	Notes	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Interest income	4	6,590,076	5,316,093	6,726,179	5,555,897
Interest expense	5	(739,412)	(636,051)	(739,412)	(636,051)
Net interest income		5,850,664	4,680,042	5,986,767	4,919,846
Other income	6	2,775,509	1,962,974	2,776,539	1,968,023
Net interest and other income		8,626,173	6,643,016	8,763,306	6,887,869
Operating expenses	7	(4,462,031)	(3,951,690)	(4,522,311)	(4,005,577)
Loan provisioning net of recoveries		(680,991)	(454,313)	(680,991)	(454,313)
Associate company: share of profit/ (loss)	12	(15,283)	2,072	(15,283)	2,072
Profit before taxation		3,467,868	2,239,085	3,544,721	2,430,051
Taxation	10(a)	(1,097,694)	(490,457)	(1,120,410)	(513,020)
Profit after taxation		**2,370,174**	**1,748,628**	**2,424,311**	**1,917,031**
Attributable to:					
Equity holders of the parent		2,370,174	1,748,628	2,403,129	1,881,081
Non controlling interest		-	-	21,182	35,950
Basic earnings per share in dollars	9	59.25	43.72	60.08	47.03

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income - CONT'D

For the Year Ended 31st December 2022

		COMPANY		GROUP	
	Notes	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Profit for the year		**2,370,174**	**1,748,628**	**2,424,311**	**1,917,031**
Other Comprehensive Income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit asset (net of deferred tax)	10(b)	(4,547)	(2,920)	(4,547)	(2,920)
		(4,547)	(2,920)	(4,547)	(2,920)
Items that may be reclassified subsequently to profit or loss					
Share of comprehensive profit/(loss) of associate company	10(b)	(3,367)	5,287	(3,367)	5,287
		(3,367)	5,287	(3,367)	5,287
Other comprehensive income net of tax		(7,914)	2,367	(7,914)	2,367
Total comprehensive income for the year		**2,362,260**	**1,750,995**	**2,416,397**	**1,919,398**
Attributable to:					
Equity holders of the parent		2,362,260	1,750,995	2,395,215	1,883,448
Non controlling interest		-	-	21,182	35,950

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

Consolidated Statement of Changes in Equity
For the Year Ended 31st December 2022

		COMPANY						
	Note	Share Capital G$ 000	Retained Earnings G$ 000	Other Reserve G$ 000	Statutory Reserve G$ 000	Revaluation Reserve G$ 000	General Banking Risk Reserve G$ 000	Total G$ 000
Balance at 1st January 2021		**800,000**	**15,710,716**	**27,073**	**800,000**	**18,963**	**611,423**	**17,968,175**
Changes in equity 2021								
Dividends	28	-	(580,000)	-	-	-	-	(580,000)
Total comprehensive income for the year		-	1,748,628	2,367	-	-	-	1,750,995
Balance at 31st December 2021		**800,000**	**16,879,344**	**29,440**	**800,000**	**18,963**	**611,423**	**19,139,170**
Changes in equity 2022								
Dividends		-	(980,000)	-	-	-	-	(980,000)
Total comprehensive income for the year	28	-	2,370,174	(7,914)	-	-	-	2,362,260
Balance at 31st December 2022		**800,000**	**18,269,518**	**21,526**	**800,000**	**18,963**	**611,423**	**20,521,430**

Consolidated Statement of Changes in Equity - CONT'D

For the Year Ended 31st December 2022

		GROUP							
	Note	Share Capital G$ 000	Retained Earnings G$ 000	Non Controlling Interest G$ 000	Other Reserve G$ 000	Statutory Reserve G$ 000	Revaluation Reserve G$ 000	General Banking Risk Reserve G$ 000	Total G$ 000
Balance at 1st January 2021		**800,000**	**15,531,819**	**179,231**	**27,073**	**800,000**	**18,963**	**611,423**	**17,968,509**
Changes in equity 2021									
Adjustment		-	3	-	-	-	-	-	3
Dividends	28	-	(580,000)	(2,300)	-	-	-	-	(582,300)
Increase in unit holders capital		-	-	2,079	-	-	-	-	2,079
Total comprehensive income for the year		-	1,881,081	35,950	2,367	-	-	-	1,919,398
Balance at 31st December 2021		**800,000**	**16,832,903**	**214,960**	**29,440**	**800,000**	**18,963**	**611,423**	**19,307,689**
Changes in equity 2022									-
Adjustment		-	(1)	-	-	-	-	-	(1)
Dividends	28	-	(980,000)	(10,319)	-	-	-	-	(990,319)
Increase in unit holders capital		-	-	84,045	-	-	-	-	84,045
Total comprehensive income for the year		-	2,403,129	21,182	(7,914)	-	-	-	2,416,397
Balance at 31st December 2022		**800,000**	**18,256,031**	**309,868**	**21,526**	**800,000**	**18,963**	**611,423**	**20,817,811**

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

Consolidated Statement of Financial Position
For the Year Ended 31st December 2022

		COMPANY		GROUP	
		2022	2021	2022	2021
	Notes	$'000	$'000	$'000	$'000
ASSETS					
Cash resources	11	32,353,451	30,980,347	32,408,197	30,980,367
Investments	12	63,734,940	54,357,246	63,514,745	53,901,144
Loans and advances	13	65,225,381	49,693,768	65,225,381	49,693,768
Property and equipment	14(a)	8,265,021	7,610,528	8,265,945	7,614,366
Investment property	14(b)	-	-	360,844	367,122
Deferred tax	10	504,640	579,511	504,640	579,511
Defined benefit asset	24	98,030	111,994	98,030	111,994
Other assets	15	4,525,571	2,130,985	4,608,207	2,202,806
TOTAL ASSETS		**174,707,034**	**145,464,379**	**174,985,989**	**145,451,078**
LIABILITIES AND SHAREHOLDERS' EQUITY					
LIABILITIES					
Deposits	17	147,786,944	123,460,598	147,698,196	123,221,623
Other liabilities	18	6,398,660	2,864,611	6,469,982	2,921,766
TOTAL LIABILITIES		**154,185,604**	**126,325,209**	**154,168,178**	**126,143,389**
SHAREHOLDERS' EQUITY					
Equity attributable to equity holders of the parent company					
Share capital	19	800,000	800,000	800,000	800,000
Retained earnings		18,269,518	16,879,344	18,256,031	16,832,903
Non controlling interest		-	-	309,868	214,960
Other reserve	20(a)	21,526	29,440	21,526	29,440
Statutory reserve	20(b)	800,000	800,000	800,000	800,000
Revaluation reserve	20(c)	18,963	18,963	18,963	18,963
General banking risk reserve	20(d)	611,423	611,423	611,423	611,423
TOTAL SHAREHOLDERS' EQUITY		**20,521,430**	**19,139,170**	**20,817,811**	**19,307,689**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**174,707,034**	**145,464,379**	**174,985,989**	**145,451,078**

The Directors approved these financial statements for publication on 14th March, 2023.
On behalf of the Board:

Mr. Suresh Beharry
Director

Mr. Richard Isava
Director

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

Consolidated Statement of Cash Flows

For the Year Ended 31st December 2022

	COMPANY		GROUP	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Operating activities				
Profit before taxation	3,467,868	2,239,085	3,544,721	2,430,051
Adjustments for:				
IFRS 9 re-measurements	935,278	503,424	935,278	503,424
Expected credit loss/(gain) on investment	1,272	(3,082)	1,272	(3,082)
Share of profit/(loss) of Associate Company	15,283	(2,072)	15,283	(2,072)
Lease interest expense	5,450	5,351	5,450	5,351
Depreciation: Property and equipment	461,681	432,540	464,183	435,143
Investment property	-	-	6,278	6,270
Gain on sale of property and equipment	(2,788)	(9,870)	(3,176)	(9,870)
Unrealized (gains)/losses	-	-	(11,386)	(167,532)
Realized gains	-	-	(85,803)	(43,187)
Net increase in customers' loans	(16,466,891)	(8,405,274)	(16,466,891)	(8,405,274)
Net increase in customers' deposits	24,326,346	13,147,586	24,476,573	13,193,614
Increase in other assets	(2,394,586)	(125,814)	(2,404,758)	(128,277)
Increase in other liabilities	3,603,423	153,153	3,608,336	160,770
Decrease in defined benefit asset	6,386	5,322	6,386	5,322
Increase in required reserve with Bank of Guyana	(5,314,706)	(1,135,782)	(5,314,706)	(1,135,782)
Cash provided by operating activities	**8,664,016**	**6,804,567**	**8,777,040**	**6,844,869**
Taxation				
Taxes paid/adjusted	(1,058,761)	(169,866)	(1,072,867)	(205,344)
Net cash provided by operating activities	**7,585,255**	**6,634,701**	**7,704,173**	**6,639,525**
Investing activities				
Proceeds from sale of property and equipment	2,957	10,494	3,757	10,494
Investments(net)	(9,397,616)	(11,110,316)	(9,536,334)	(11,114,398)
Additions to property and equipment	(1,099,550)	(602,417)	(1,099,550)	(602,417)
Additions to investment property	-	-	-	(501)
Net cash used in investing activities	**(10,494,209)**	**(11,702,239)**	**(10,632,127)**	**(11,706,822)**
Financing activities				
Non controlling interest	-	-	84,045	2,080
Dividends paid	(980,000)	(580,000)	(990,319)	(582,301)
Lease interest expense	(5,450)	(5,351)	(5,450)	(5,351)
Repayment of lease liability	(47,198)	(41,466)	(47,198)	(41,466)
Net cash used in financing activities	**(1,032,648)**	**(626,817)**	**(958,922)**	**(627,038)**
Net decrease in cash and cash equivalents	(3,941,602)	(5,694,355)	(3,886,876)	(5,694,335)
Cash and short term funds at beginning of year	18,860,027	24,554,382	18,860,047	24,554,382
Cash and short term funds at end of year (Note 11)	**14,918,425**	**18,860,027**	**14,973,171**	**18,860,047**

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

Notes to the Financial Statements

1. Incorporation and activities

The bank was incorporated on the 27th November 1987 in Guyana as a limited liability company under the Companies Act, Chapter 89:01 continued under the Companies Act 1991 and is licensed as a banker under the Financial Institutions Act 1995.

On 30th November 1987 the Government of Guyana acquired the assets and liabilities of the Guyana banking operations of Barclays bank PLC and vested these assets and liabilities on 1st December 1987 in the Guyana bank for Trade and Industry Limited.

On 1st January 1990 the Guyana Bank for Trade and Industry Limited merged with Republic Bank (Guyana) Limited taking over their assets and liabilities at the net values at that date.

On 15th December 1995 a rights issue of 1 share for every share held was made at G$30.00 each. All shares were taken up increasing the issued capital to $800 million. Secure International Finance Company Incorporated owns 61% of the bank's shares. Secure International Finance Company Incorporated is a wholly owned subsidiary of Edward Beharry & Company Limited. Both companies are incorporated in Guyana.

2. New and amended standards and interpretations

<u>Amendments effective for the current year end</u>

New and Amended Standards	Effective for annual periods beginning on or after
Amendments to IFRS 3: Reference to the Conceptual Framework	1st January 2022
Amendments to IAS 16: Proceeds before intended use	1st January 2022
Amendments to IAS 37: Onerous Contracts – Cost of fulfilling a contract	1st January 2022
Annual Improvements 2018-2020	1st January 2022

<u>Amendments to IFRS 3: Reference to the Conceptual Framework</u>

The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

Notes to the Financial Statements - CONT'D

2. New and amended standards and interpretations – Cont'd

<u>Amendments to IAS 16: Proceeds before intended use</u>

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

<u>Amendments to IAS 37: Onerous Contracts – Cost of fulfilling a contract</u>

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

<u>Annual Improvements 2018-2020</u>

The following amendments were made from the 2018-2020 annual improvements cycle:

<u>IFRS 1 First-time Adoption of International Financial Reporting Standards</u>

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

<u>IFRS 9 Financial Instruments</u>

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's be-half.

<u>IFRS 16 Leases: Illustrative Examples</u>

The amendment removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

None of the foregoing amendments had a significant impact on the financial statements.

Notes to the Financial Statements - CONT'D

2. New and amended standards and interpretations – Cont'd

<u>Annual Improvements 2018-2020 - Cont'd</u>

The following amendments were made from the 2018-2020 annual improvements cycle:

<u>Pronouncements effective in future periods available for early adoption</u>

New and Amended Standards	Effective for annual periods beginning on or after
IFRS 17 Insurance contracts	1st January 2023
Amendments to IAS 1 and IFRS Practice statement 2:	
Disclosure of Accounting Policies	1st January 2023
Amendments to IAS 8: Definition of Accounting Estimates	1st January 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1st January 2023
Amendments to IAS 1: Presentation of financial statements on classification of liabilities	1st January 2024

The Company and Group have not opted for early adoption.

The standards and amendments that are expected to have a material impact on the Company's and Group's accounting policies when adopted are explained below.

<u>Amendments to IAS 1 and IFRS Practice statement 2: Disclosure of Accounting Policies</u>

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.

<u>Amendments to IAS 8: Definition of Accounting Estimate</u>

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.

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

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.

Notes to the Financial Statements - CONT'D

2. New and amended standards and interpretations – Cont'd

Annual Improvements 2018-2020 - 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 Board proposed to defer the effective date to no earlier than 1st January 2024 (from 1st January 2023).

3.1 Summary of significant accounting policies

(a) Accounting convention

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain investments, property and equipment, and conform with International Financial Reporting Standards. The principal accounting policies are set out below.

(b) 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 creditimpaired, the bank reverts to calculating interest income on a gross basis.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVPL is recognised using the contractual interest rate in net trading income and net gains/(losses) on financial assets at fair value through profit or loss, respectively.

Interest income is not recognized on non-accrual loans.

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:
- ATM – transaction charge for use of ATM service
- Commitment Fees – negotiation, application fees for new loan accounts
- Drafts and Transfers – cost of drafts, telegraphic transfer
- Ledger Fees – charge for new cheque books
- Safe Custody – annual rental of safe deposit boxes, Telephone Banking – transaction cost.

Rental income
Income from rental of property to third parties are recognized on an accrual basis.

Notes to the Financial Statements - CONT'D

3.1 Summary of significant accounting policies – Cont'd

(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 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.

The aggregate provisions, which are made during the year, (less recoveries for amounts previously written off) are charged against operating profit.

Upon classification of a loan to a non-accrual status, interest is not taken up in income on an accrual basis. In subsequent periods, interest is only recognised to the extent payments are received.

(d) 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: When loans are first recognised, the bank recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

• Stage 2: When a loan has shown a significant increase in credit risk since origination, the bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

• Stage 3: Loans considered credit-impaired. The bank records an allowance for the LTECLs.

The calculation of ECLs
The bank calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Notes to the Financial Statements - CONT'D

3.1 Summary of significant accounting policies – Cont'd

(d) Loan impairment – Cont'd

Collateral

It is the bank's policy that all facilities are fully and tangibly secured. However, under the current Quality Lifestyle Loan Plan some loans such as the Consumer Care, Personal and Automobile Loans are issued against Bills of Sale over movable assets, which are not considered as tangible collateral, hence these facilities can be considered as unsecured. In exceptional cases, depending on the customer's credit history, size, type of product and duration of credit, facilities may also be unsecured.

Classification

The bank follows the prescriptions of the Financial Institutions Act 1995 and classifies loans and overdrafts into the following categories: -

Grade 1 represents commercial loans and overdrafts demonstrating financial condition, risk factors and capacity to repay that are good to excellent; Quality Lifestyle loans with low to moderate loan to value ratios; and generally reflect 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 represents satisfactory risk and includes credit facilities which require closer monitoring or which operate 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 represents overdrafts with approved limits which have exceeded between 90 and 180 days for reasons such as shortfall in the borrower's cash flow and are being monitored, or which are between 90 and 179 days expired.

Grade 3 also represents loans for which principal and interest is due and unpaid between 90 and 179 days or, where interest charges for three to five months have been capitalized for reasons such as primary source 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 represents loans and advances 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 it is not considered practical nor desirable to defer write-off, for example, where litigation becomes protracted.

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.

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.

Notes to the Financial Statements - CONT'D

3.1 Summary of significant accounting policies – Cont'd

(d) Loan impairment – Cont'd

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.

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.

Loan losses

The Financial Institutions Act 1995 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 hardcore which was not converted into a term loan after 12 months or more.

3.1 Summary of significant accounting policies – Cont'd

(d) Loan impairment – Cont'd

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 becomes protracted.

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 mini-mum level:

Classification	Level of Provision
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 made.

Renegotiated loans

The bank's policy in relation to renegotiated loans is in accordance with the Financial Institutions Act (FIA) of 1995 -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 weaknesses 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.

A credit facility may also be renegotiated upon the request by the client, followed by a subsequent analysis and approval by the bank's approving committee, which may be due to the occurrence of one or both of the following conditions:

- The merging of total liabilities into one credit facility.
- The refinancing of a loan to facilitate the accessing of additional financing.

Renegotiated credit facilities are permitted subjected to the following conditions:

- The existing financial position of the borrower can service the debt under the new conditions.

3.1 Summary of significant accounting policies – Cont'd

(d) Loan impairment – Cont'd

Renegotiated loans - Cont'd

- An account classified as doubtful or loss shall not be renegotiated unless an upfront cash payment is made to cover, at the least, unpaid interest or there is an improvement in the collateral taken which will make the renegotiated account, including unpaid interest, a well secured account.

- A commercial facility shall not be renegotiated more than twice over the life of the original facility and mortgage or personal loans not more than twice in a five-year period.

A renegotiated facility shall not be reclassified upward for a minimum of one year following the new arrangements.

Renegotiating of selected credit facilities can be facilitated upon approval granted by the Bank of Guyana/ Ministry of Finance on the occurrence of natural disasters or exceptional circumstances.

Impairment losses

Impairment losses are calculated by discounting the expected future cash flows of a loan at its original effective interest rate and comparing the resultant present value with the loan's current carrying value.

The General Banking Risk Reserve Account is computed in accordance with the Financial Institutions Act. It carries the excess in the provisioning arrived at by the application of the requirements of the Financial Institutions Act over the impairment computed in accordance with the International Financial Reporting Standards.

The carrying amount of impaired loans on the financial statement is reduced through the use of a provisioning account in accordance with the Financial Institutions Act. Any loss is charged to the statement of profit or loss and other comprehensive income.

Assets acquired in exchange for loans

Non-financial assets acquired in exchange for loans in order to achieve an orderly realization are recorded as "Assets Held for Sale". No depreciation is provided in respect of such assets.

(e) Foreign currencies

Transactions in currencies other than Guyana dollars are recorded at the official or cambio rates of exchange prevailing on the dates of the transaction.

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

Notes to the Financial Statements - CONT'D

3.1 Summary of significant accounting policies – Cont'd

(f) Property, equipment and depreciation

Freehold land and buildings held for use in the supply of services or for administrative purposes are stated in the financial statements at their revalued amounts. Revalued amounts are taken as the fair value at the date of revaluation less any subsequent accumulated impairment losses and any subsequent accumulated depreciation.

Any revaluation increase arising on the revaluation of such land, buildings and equipment is credited to revaluation reserve.

Depreciation on revalued buildings and equipment is charged to profit or loss.

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

Buildings	-	50 years
Furniture and Equipment	-	4 to 10 years

Assets are reviewed for impairment whenever there is objective evidence to indicate that the carrying amount of an asset is greater than its estimated recoverable amount and is written down immediately to its recoverable amount.

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

(g) Acceptances, guarantees and letters of credit

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

(h) Balances excluded from the accounts

The financial statements 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 25 of the accounts.

(i) Pension plan

At 1st January, 2004 the defined benefit plan was changed to a defined contribution plan. However, employees in the scheme as of 31st December, 2003 will receive benefits accrued to them under the defined benefit plan up to 31st December, 2003. For service after 31st December, 2003 pensions and contributions will be in accordance with the defined contribution plan. This also applies to new employees, who joined the scheme after 1st January, 2004.

The Contribution Plan is administered by an insurance company under the terms of a trust deed dated 1st January, 1999 which makes it responsible to ensure that contributions are adequate to meet the liabilities of the plan. The bank's total contribution to the pension plan for the year amounted to G$115,560,000 (2021 - G$103,403,000) with a total of 556 members (2021 – 554 members).

Notes to the Financial Statements - CONT'D

3.1 Summary of significant accounting policies – Cont'd

(i) Pension plan - Cont'd

Defined benefit scheme
Pension accounting costs are assessed using the Projected Unit Credit Method as required by International Accounting Standard 19-Employee Benefits (Revised).

There is 1 (2021-1) employee remaining in this scheme.

(j) Statutory reserve

The Financial Institutions Act 1995 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.

This reserve account is now equal to the 'paid up' capital.

(k) Reserve requirement

Bank of Guyana requires each Commercial Bank to maintain a current account with a balance of 12% of their time and demand liabilities calculated on a weekly basis.

(l) Revaluation reserve

Surplus on revaluation of property and equipment (land, buildings and equipment) is credited to this reserve. This reserve is not distributable.

(m) Other Reserve

The bank's share of reserve of its associate company and re-measurements of the defined benefit asset are credited to this reserve. This reserve is not distributable.

(n) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The bank's liability for current tax is calculated using tax rates that have been enacted in Guyana at the reporting date.

3.1 Summary of significant accounting policies – Cont'd

(n) Taxation - Cont'd

Deferred tax

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized based on tax rates (and tax laws) that have been enacted or substantively been enacted by the end of the reporting period. Deferred tax is charged or credited to statement of profit or loss and other comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority, and the company intends to settle its current tax assets and liabilities on a net basis.

(o) Financial instruments

Financial assets and liabilities are recognized on the Group's statement of financial position when the Group 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 Group enters contractual arrangements with counter parties 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.

Other receivables

Other receivables are measured at amortised cost. Appropriate allowances for estimated unrecoverable amounts are recognized on an expected credit loss basis.

Cash and short-term funds

For the purpose of presentation in the statement of cash flows, cash and short-term funds comprised of cash and due by and to banks, deposits with Bank of Guyana in excess of the required reserve and cheques and other items in transit, bills discounted, bankers' acceptances with original maturities of three months or less.

Notes to the Financial Statements - CONT'D

3.1 Summary of significant accounting policies – Cont'd

(o) Financial instruments - Cont'd

Deposits and other payables
These are measured at amortised cost.

Derecognition
'Other receivables' and 'cash and short-term funds' are derecognized when the right to receive cash flows from the asset has expired.

Financial liabilities are derecognized when they are extinguished, i.e., when the obligation is discharged, cancelled or expired.

(p) Financial investments

Financial assets at amortised cost
The Group 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 out-standing. The Group 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 Group's own credit risk which are recorded through OCI and do not get recycled to the profit or loss.
Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other operating income when the right to the payment has been established.

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

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

Investment in subsidiaries
Investment in the subsidiary companies is stated at cost in the bank's financial statements.

Notes to the Financial Statements - CONT'D

3.1 Summary of significant accounting policies – Cont'd

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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.

(r) Non-current assets held for sale

A non-current asset is classified as held for sale when: its carrying amount will be recovered principally through a sale transaction rather than through continuing use; the asset is available for immediate sale in its present condition; and its sale is highly probable.

Assets classified as held for sale are not depreciated or amortised and are carried at the lower of carrying amount and fair value less costs to sell. Fair values of these assets are determined by independent valuators.

(s) Impairment of tangible assets

At the end of the financial period, the Group 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

(t) 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.

Notes to the Financial Statements - CONT'D

3.1 Summary of significant accounting policies – Cont'd

(u) Investment in associate company

An associate is an entity over which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not in control or in joint control over those policies.

The results and assets and liabilities of the Associate Company are incorporated in these financial statements using the equity method of accounting. Under the equity method, investment in associate is carried in the statement of financial position at cost as adjusted for post-acquisition changes in the bank's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of the associate in excess of the bank's interest in the associate (which includes any long-term interests that, in substance, form part of the bank's net investment in the associate) are not recognized, unless the bank has incurred legal or constructive obligations or made payments on behalf of the associate.

(v) Segment reporting

A business segment is a group of assets and operations engaged in providing similar products and 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 of segments operating in other economic environments.

The Group analyses its operations by both business and geographic segments. The primary format is business reflecting ''retail and commercial banking" and ''treasury". Its secondary format is that of geographic segments reflecting the primary economic environments in which the Group has exposure.

(w) Earnings per share

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

(x) Intangible asset

Intangible assets are recognized at amortized cost and tested annually for impairment.

<u>Software</u>
The software is for a period of 5 years and is amortized at a rate of 20% over the useful life of the software.

(y) Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved through share ownership. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition or up to effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.

Notes to the Financial Statements - CONT'D

3.1 Summary of significant accounting policies – Cont'd

(y) Consolidation - Cont'd

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interest in the net assets of consolidated subsidiary is identified separately from the group's equity therein. Non-controlling interest consists of the amount of those interests at the date of the original business combination and non-controlling interest's share of changes in equity since the date of the combination.

Profit and losses applicable to the non-controlling interest in the subsidiary's equity are allocated against the interests of the group except to the extent that the non-controlling interest has a binding obligation and is able to make an additional investment to cover the losses.

(i) The consolidated accounts incorporate the accounts as at 31st December 2022 of the following:

Name of company	Country of Registration	% Shareholding	Main Business
GBTI Property Holdings Inc.	Guyana	100	Real estate management
GBTI Mutual Funds	Guyana	78.86	Investment

The financial statement of GBTI Property Holdings Inc in summary form as at 31st December is presented below:
Statement of Financial Position

	2022 G$000	2021 G$000
Total assets	443,736	441,122
Total Liabilities	43,171	43,363
Equity	535,016	535,016
Accumulated loss	(134,450)	(137,257)

The financial statement of GBTI Mutual Funds in summary form as at 31st December is presented below:
Statement of Financial Position

	2022 G$000	2021 G$000
Total assets	1,854,244	1,665,961
Total Liabilities	28,151	13,792
Unitholders capital	1,676,907	1,543,995
Accumulated Profit	149,186	108,174

Notes to the Financial Statements - CONT'D

3.1 Summary of significant accounting policies – Cont'd

(y) Consolidation - Cont'd

(ii) Associate company
The Guyana Bank for Trade and Industry Limited owns 40% of the share capital of the Guyana Americas Merchant Bank Inc. The company's main business is investment management.

(z) Investment properties and lease contracts

Investment properties
Properties which are held to earn rentals and or capital appreciation are stated at cost less accumulated depreciation at each reporting date.

After initial recognition, investment properties are measured at cost.

Depreciation is charged on premises using the straight-line method at 2 % per annum.

No depreciation is charged on work in progress.

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the lessee's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- Amounts payable by the lessee under residual value guarantees;
- Value of purchase options if the lessee is reasonably certain to exercise the options; and termination options, if the lease term reflects the exercise of an option to terminate the lease.

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

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

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Notes to the Financial Statements - CONT'D

3.1 Summary of significant accounting policies – Cont'd

(z) Investment properties and lease contracts - Cont'd

Leases as lessor

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contain an initial non-cancellable period of five years, with annual rent as listed below. Subsequent renewals are negotiated with the` lessee and historically the average renewal period is two years. No contingent rent is charged.

3.2 Critical accounting judgements and key sources of estimation uncertainty

It is the Directors' responsibility to select suitable accounting policies and to make judgements and estimates that are reasonable and prudent.

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimated.

Critical accounting estimates and judgements in applying accounting policies

(i) Impairment losses on loans and advances

The bank on a regular basis reviews its portfolio of loans and advances with a view of assessing impairment. This is done in addition to what is required under the Financial Institutions Act 1995 with respect to provisioning. Certain judgements are made that reflect the bank's assessment of several critical factors that can influence future cash flows.

(ii) Useful lives of property and equipment

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

(iii) Impairment of financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The bank's ECL calculations are outputs of complex models with a number of under-lying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

3.2 Critical accounting judgements and key sources of estimation uncertainty - Cont'd

(iii) Impairment of financial assets – Cont'd

- The bank's internal credit grading model, which assigns probabilities of default (PDs) to the individual grades;
- The bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, exposure at default and loss given default;
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

(vi) Lease liability

Lease liability which represents the present value of all future lease payments is discounted at an appropriate interest rate. At the end of each reporting period, management reviews the appropriateness of such rate used and determines whether a revision is necessary.

Notes to the Financial Statements - CONT'D

		COMPANY		GROUP	
		2022 G $'000	2021 G $'000	2022 G $'000	2021 G $'000
4	**Interest Income**				
	Loans and advances	5,297,388	3,965,706	5,297,388	3,965,706
	Investment securities:				
	-Amortised Cost	949,488	1,002,277	949,488	1,002,277
	-FVPL	-	-	184,970	281,346
	Other	343,200	348,110	294,333	306,568
		6,590,076	**5,316,093**	**6,726,179**	**5,555,897**
5	**Interest Expense**				
	Savings deposits	321,690	358,000	321,690	358,000
	Term deposits	380,165	252,331	380,165	252,331
	Other	37,557	25,720	37,557	25,720
		739,412	**636,051**	**739,412**	**636,051**
6	**Other Income**				
	Commissions	1,275,572	1,053,417	1,275,572	1,053,406
	Exchange trading and revaluation gains	1,480,817	876,473	1,480,817	876,473
	Rental and other income	20,392	30,002	21,422	35,062
	Expected credit gain/(loss)	(1,272)	3,082	(1,272)	3,082
		2,775,509	**1,962,974**	**2,776,539**	**1,968,023**
7	**Operating Expenses**				
	Staff costs (Note 8)	2,171,411	1,830,511	2,174,441	1,834,423
	Depreciation	461,681	432,540	470,461	441,414
	General administrative expenses	894,027	854,447	927,658	854,447
	Marketing and public relations	90,150	59,838	90,150	70,136
	Auditor remuneration	24,000	23,121	24,000	23,751
	Directors' fees	14,787	13,236	14,787	13,236
	Other operating expenses	657,613	599,247	652,439	622,254
	Property taxes	148,362	138,750	168,375	145,916
		4,462,031	**3,951,690**	**4,522,311**	**4,005,577**

Notes to the Financial Statements - CONT'D

	COMPANY		GROUP	
	2022 G $'000	2021 G $'000	2022 G $'000	2021 G $'000
8 **Staff Costs**				
Salaries and wages	1,384,122	1,148,992	1,387,152	1,152,904
Other staff costs	671,729	572,779	671,729	572,779
Pension	115,560	108,740	115,560	108,740
	2,171,411	1,830,511	2,174,441	1,834,423
9 **Basic Earnings Per Share**				
Calculated as follows:				
Profit after taxation	2,370,174	1,748,628	2,403,129	1,881,081
Number of ordinary shares issued and fully paid	40,000,000	40,000,000	40,000,000	40,000,000
Basic earnings per share in dollars	**59.25**	**43.72**	**60.08**	**47.03**

Notes to the Financial Statements - CONT'D

		COMPANY		GROUP	
		2022 G $'000	2021 G $'000	2022 G $'000	2021 G $'000
10 (a)	**Taxation**				
	Reconciliation of Tax Expense and Accounting Profit				
	Accounting profit	3,467,868	2,239,085	3,544,721	2,430,051
	Share of Associate Company's profit/(loss)	15,283	(2,072)	15,283	(2,072)
		3,483,151	2,237,013	3,560,004	2,427,979
	Corporation tax at 40%/25%	1,393,260	894,805	1,431,040	976,868
	Add:				
	Tax effect of expenses not deductible in determining taxable profits				
	Depreciation for accounting purposes	184,673	173,016	186,868	175,234
	Other	29,593	4,675	30,784	5,592
	Property tax	59,345	55,500	66,924	57,940
		1,666,871	1,127,996	1,715,616	1,215,634
	Deduct:				
	Tax effect of depreciation for tax purposes	160,663	144,130	163,058	146,673
	Other	21,059	18,727	1,318	1,243
	Tax exempt income	465,357	356,126	508,732	445,443
	Corporation tax	1,019,792	609,013	1,042,508	622,275
	Prior year's adjustment	-	(549)	-	8,752
	Deferred tax	77,902	(118,007)	77,902	(118,007)
		1,097,694	490,457	1,120,410	513,020
	Components of deferred tax asset				
	Property and equipment	543,852	624,310	543,852	624,310
	Defined benefit asset	(39,212)	(44,799)	(39,212)	(44,799)
		504,640	579,511	504,640	579,511

Movement in temporary differences

	COMPANY AND GROUP		
	Defined Benefit Asset/(Liability) G$ 000	Property and Equipment G$ 000	Total G$ 000
At 1st January 2021	(48,874)	508,432	459,558
Movement during the year:-			
Statement of profit or loss	2,129	115,878	118,007
Statement of other comprehensive income	1,946	-	1,946
At 31st December 2021	(44,799)	624,310	579,511
Movement during the year:-			
Statement of profit or loss	2,556	(80,458)	(77,902)
Statement of other comprehensive income	3,031	-	3,031
At 31st December 2022	**(39,212)**	**543,852**	**504,640**

10 (b) Disclosure of tax effects relating to each component of other comprehensive income and statement of changes in equity

	2022 COMPANY AND GROUP			2021 COMPANY AND GROUP		
	Before tax amount G$'000	Tax(expense)/ benefit G$'000	Net of tax amount G$'000	Before tax amount G$'000	Tax(expense)/ benefit G$'000	Net of tax amount G$'000
Remeasurement of defined benefit pension plan	(7,578)	3,031	(4,547)	(4,866)	1,946	(2,920)
Share of other comprehensive profit/(loss) of associate company	(3,367)	-	(3,367)	5,287	-	5,287
	(10,945)	**3,031**	**(7,914)**	**421**	**1,946**	**2,367**

10 (c) Tax Assessments

i. On December 17, 2018, the Company received Notice of Assessment ("Assessments") from the Guyana Revenue Authority ("GRA") claiming additional corporation taxes of GY$63,528,300 as a result of the disallowance of the Company's claim for deduction for impairment losses on financial assets in relation to the year of income ended December 31st, 2010.

On December 31st, 2019, the Company files objections in relation to this assessment.

Notes to the Financial Statements - CONT'D

10 (c) Tax Assessments - Cont'd

ii. On August 20th, 2019, the Company received Notices of Assessment ("Assessments") from the Guyana Revenue Authority ("GRA") claiming additional corporation taxes of GY$318,096,059 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 December 31st, 2012, 2014, 2015 and 2016.

On August 31st, 2019, The Company filed objections in relation to these assessments.

On January 25th, 2023, the GRA reviewed the assessments and issued letters in disagreement of the objections filed with a total sum now payable of $419,124,700.

On February 22nd, 2023, the Company appealed this matter through the High Court. In order to hear the appeal G$419,124,700 taxes by way of a bond were lodged to the GRA in accordance with the Income Tax Act

iii. On January 27th, 2019, the Company received Notices of Assessment ("Assessments") from the Guyana Revenue Authority ("GRA") claiming additional corporation taxes of GY$388,817,636 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 December 31st, 2017, 2020 and 2021.

The company also received assessments for the above years relating to property taxes for G$142,264,780 for financial years ended 31st December 2017, 2018, 2019, 2020 and 2021 which related to the disallowance of deductions of impairment losses in relation to the Company's advances in determining chargeable net assets.

On February 09th, 2023, the Company filed objections in relation to these assessments.

On February 23rd, 2023, the GRA acknowledged the objection and the tax in dispute is being held in abeyance.

The accounting policy on impairment losses on financial assets, as described in Note 3.1 (d) to these financial statements, recognizes the Company's obligation to comply with provisioning requirements contained in the International Financial Reporting Standards (IFRS) and in the Supervision Guidelines issued by the Bank of Guyana. For purposes of its corporation and property tax computations , the Company's impairment losses on financial assets were computed and claimed as deductions in accordance with sections 16(l)(e) of the Income Tax Act, which provides for the deduction of provisions for bad and doubtful debts incurred in a trade or business.

A summary of the above is presented below:-

Years of income (financial year)	Years of assessment (tax year)	Tax type	Taxes assessed (G$)	Current status
2010, 2012, 2014, 2015, 2016	2011, 2013, 2015, 2016, 2017	Corporation tax	419,124,700	Appealed
2017, 2020, 2021	2018, 2021, 2022	Corporation tax	388,817,636	Objection filed
2017, 2018, 2019, 2020, 2021	2018, 2019, 2020, 2021, 2022	Property tax	142,264,780	Objection filed
Total tax in dispute			950,207,116	

The Company has been advised by its attorneys that its objection is based on valid grounds.

Notes to the Financial Statements - CONT'D

11 Cash Resources

	COMPANY		GROUP	
	2022	**2021**	**2022**	**2021**
	G$ 000	**G$ 000**	**G$ 000**	**G$ 000**
Cash in hand	3,831,279	2,435,363	3,886,025	2,435,383
Balance with Bank of Guyana in excess of required reserves	3,615,068	1,554,859	3,615,068	1,554,859
Balances with other banks	6,969,748	14,462,187	6,969,748	14,462,187
Cheques and other items in transit	502,330	407,618	502,330	407,618
Total Cash and Short Term Funds	14,918,425	18,860,027	14,973,171	18,860,047
Reserve requirement with Bank of Guyana	17,435,026	12,120,320	17,435,026	12,120,320
Total Cash Resources	**32,353,451**	**30,980,347**	**32,408,197**	**30,980,367**

12 Investments

Amortised cost	61,669,045	52,320,296	61,669,045	52,320,296
FVPL	-	-	1,710,081	1,425,307
Expected credit loss	(60,656)	(59,384)	(60,656)	(59,384)
	61,608,389	**52,260,912**	**63,318,470**	**53,686,219**
Investment in Subsidiary's shares:				
GBTI Property Holdings Inc.	535,016	535,016	-	-
GBTI Mutual Funds	1,395,260	1,346,393	-	-
	1,930,276	1,881,409	-	-
Investment in Associate Company				
Non Current Asset - Associate Company (i)	**196,275**	**214,925**	**196,275**	**214,925**

The bank holds 40% (2021-40%) of the share capital of the Guyana Americas Merchant Bank Inc.

Total Investments	**63,734,940**	**54,357,246**	**63,514,745**	**53,901,144**

(i) Associate Company

At 1st January				
Share of profit/(loss) of associate company	214,925	207,566	214,925	207,566
	(15,283)	2,072	(15,283)	2,072
Share of investment reserve of associate company				
At 31st December	199,642	209,638	199,642	209,638
	(3,367)	5,287	(3,367)	5,287
	196,275	214,925	196,275	214,925

Notes to the Financial Statements - CONT'D

12 Investments - Cont'd

(i) Associate Company

The financial statements of Guyana Americas Merchant Bank Inc. in summary form as at 31st December is presented below:

	COMPANY & GROUP	
	2022 G$ 000	2021 G$ 000
Statement of Income		
Income	118,257	99,294
Profit/(loss) after taxation	(38,208)	5,179
Statement of Financial Position		
Total assets	618,212	653,487
Equity and liabilities		
Capital and reserves	589,041	635,666
Liabilities	28,220	17,227
Tax liability	951	594
Total equity and liabilities	618,212	653,487

Notes to the Financial Statements - CONT'D

13 (a) Loans and advances

	COMPANY & GROUP			
	Agriculture & Other	**Personal & Services**	**Real Estate**	**Total**
	G$ 000	**G$ 000**	**G$ 000**	**G$ 000**
2022				
Gross Loans and advances	23,431,160	44,016,618	1,696,791	69,144,569
Stage 1: 12 Month ECL	(418,630)	(744,805)	(7,187)	(1,170,622)
Stage 2: Lifetime ECL	(71,122)	(402,135)	-	(473,257)
Stage 3: Credit impaired financial assets - Lifetime ECL	(1,100,477)	(1,114,603)	(60,229)	(2,275,309)
Net loans and advances	**21,840,931**	**41,755,075**	**1,629,375**	**65,225,381**
Stage 1: 12 Month ECL				
ECL allowance as at January 1st, 2022	(343,329)	(354,274)	(24,120)	(721,723)
Movement for the year	(75,301)	(390,531)	16,933	(448,899)
At December 31st, 2022	**(418,630)**	**(744,805)**	**(7,187)**	**(1,170,622)**
Stage 2: Lifetime ECL				
ECL allowance as at January 1st, 2022	(52)	(6,734)	-	(6,786)
Movement for the year	(71,070)	(395,401)	-	(466,471)
At December 31st, 2022	**(71,122)**	**(402,135)**	**-**	**(473,257)**
Stage 3: Credit-impaired financial assets – Lifetime ECL				
ECL allowance as at January 1st, 2022	(1,913,079)	(1,565,737)	(76,162)	(3,554,978)
Movement for the year	812,602	451,134	15,933	1,279,669
At December 31st, 2022	**(1,100,477)**	**(1,114,603)**	**(60,229)**	**(2,275,309)**
Total	**(1,590,229)**	**(2,261,543)**	**(67,416)**	**(3,919,188)**

Notes to the Financial Statements - CONT'D

13 (a) Loans and advances - Cont'd

	COMPANY & GROUP			
	Agriculture & Other	**Personal & Services**	**Real Estate**	**Total**
	G$ 000	**G$ 000**	**G$ 000**	**G$ 000**
2021				
Gross Loans and advances	17,740,130	29,167,214	7,069,911	53,977,255
Stage 1: 12 Month ECL	(343,329)	(354,274)	(24,120)	(721,723)
Stage 2: Lifetime ECL	(52)	(6,734)	-	(6,786)
Stage 3: Credit impaired financial assets - Lifetime ECL	(1,913,079)	(1,565,737)	(76,162)	(3,554,978)
Net loans and advances	**15,483,670**	**27,240,469**	**6,969,629**	**49,693,768**
Stage 1: 12 Month ECL				
ECL allowance as at January 1st, 2021	(434,767)	(152,243)	(24,775)	(611,785)
Movement for the year	91,438	(202,031)	655	(109,938)
At December 31st, 2021	**(343,329)**	**(354,274)**	**(24,120)**	**(721,723)**
Stage 2: Lifetime ECL				
ECL allowance as at January 1st, 2021	(156)	(1,570)	(2,548)	(4,274)
Movement for the year	104	(5,164)	2,548	(2,512)
At December 31st, 2021	**(52)**	**(6,734)**	**-**	**(6,786)**
Stage 3: Credit-impaired financial assets – Lifetime ECL				
ECL allowance as at January 1st, 2021	(1,516,611)	(1,529,956)	(131,356)	(3,177,923)
Movement for the year	(396,468)	(35,781)	55,194	(377,055)
At December 31st, 2021	**(1,913,079)**	**(1,565,737)**	**(76,162)**	**(3,554,978)**
Total	**(2,256,460)**	**(1,926,745)**	**(100,282)**	**(4,283,487)**

Notes to the Financial Statements - CONT'D

13 (b) Provision for loan losses by economic sectors

	Gross Performing	Gross Non-Performing	Expected Credit Loss	Net amount
	G$ 000	G$ 000	G$ 000	G$ 000
2022				
Agriculture & Other	19,078,080	4,353,080	(1,590,229)	21,840,931
Personal & Services	40,799,257	3,217,361	(2,261,543)	41,755,074
Real Estate	1,573,981	122,810	(67,416)	1,629,375
	61,451,318	**7,693,251**	**(3,919,188)**	**65,225,381**
2021				
Agriculture & Other	12,140,532	5,599,598	(2,256,460)	15,483,670
Personal & Services	25,171,504	3,995,710	(1,926,745)	27,240,469
Real Estate	5,853,926	1,215,985	(100,282)	6,969,629
	43,165,962	**10,811,293**	**(4,283,487)**	**49,693,768**

14 (a) Property and Equipment

	COMPANY				
	Land and buildings G$ 000	Right-of-use assets G$ 000	Equipment G$ 000	Capital work-in-progress G$ 000	Total G$ 000
Cost/valuation					
At 1st January 2021	7,233,520	208,420	3,316,295	763,910	11,522,145
Additions	-	-	-	655,621	655,621
Disposals	-	-	(62,859)	(53,204)	(116,063)
Transfers	15,352	-	181,823	(197,175)	-
At 31st December 2021	7,248,872	208,420	3,435,259	1,169,152	12,061,703
Additions	-	16,793	-	1,244,349	1,261,142
Disposals	-	-	(48,975)	(144,799)	(193,774)
Transfers	17,708	-	1,517,989	(1,535,697)	-
At 31st December 2022	**7,266,580**	**225,213**	**4,904,273**	**733,005**	**13,129,071**
Comprising:	7,245,286	225,213	4,904,273	733,005	13,107,777
Cost	21,294	-	-	-	21,294
Valuation	**7,266,580**	**225,213**	**4,904,273**	**733,005**	**13,129,071**

Notes to the Financial Statements - CONT'D

14 (a) Property and Equipment - Cont'd

	COMPANY				
	Land and buildings G$ 000	**Right-of-use assets G$ 000**	**Equipment G$ 000**	**Capital work-in-progress G$ 000**	**Total G$ 000**
Accumulated Depreciation					
At 1st January 2021	1,612,304	79,348	2,389,217	-	4,080,869
Charge for the year	134,432	41,684	256,424	-	432,540
Writeback on disposals	-	-	(62,234)	-	(62,234)
At 31st December 2021	1,746,736	121,032	2,583,407	-	4,451,175
Charge for the year	134,589	50,280	276,812	-	461,681
Write back on disposals	-	-	(48,806)	-	(48,806)
At 31st December 2022	**1,881,325**	**171,312**	**2,811,413**	**-**	**4,864,050**
Net book values:					
At 31st December 2021	**5,502,136**	**87,388**	**851,852**	**1,169,152**	**7,610,528**
At 31st December 2022	**5,385,255**	**53,901**	**2,092,860**	**733,005**	**8,265,021**

(i) Refer to note 18(b) for details of lease liabilities

Notes to the Financial Statements - CONT'D

14 (a) Property and Equipment - Cont'd

	GROUP				
	Land and buildings G$ 000	Right-of-use assets G$ 000	Equipment G$ 000	Capital work-in-progress G$ 000	Total G$ 000
Cost/valuation					
At 1st January 2021	7,233,659	208,420	3,343,722	765,256	11,551,057
Additions	-	-	-	655,621	655,621
Disposals	-	-	(62,859)	(53,204)	(116,063)
Transfers	15,352	-	181,823	(197,175)	-
At 31st December 2021	7,249,011	208,420	3,462,686	1,170,498	12,090,615
Additions	-	16,793	-	1,244,349	1,261,142
Disposals	-	-	(52,065)	(144,799)	(196,864)
Transfers	17,708	-	1,517,989	(1,535,697)	-
At 31st December 2022	**7,266,719**	**225,213**	**4,928,610**	**734,351**	**13,154,893**
Comprising:					
Cost	7,245,425	225,213	4,928,610	734,351	13,133,599
Valuation	21,294	-	-	-	21,294
	7,266,719	**225,213**	**4,928,610**	**734,351**	**13,154,893**
Accumulated depreciation					
At 1st January 2021	1,612,304	79,348	2,411,688	-	4,103,340
Charge for the year	134,432	41,684	259,027	-	435,143
Write back on disposals	-	-	(62,234)	-	(62,234)
At 31st December 2021	1,746,736	121,032	2,608,481	-	4,476,249
Charge for the year	134,589	50,280	279,314	-	464,183
Write back on disposals	-	-	(51,484)	-	(51,484)
At 31st December 2022	**1,881,325**	**171,312**	**2,836,311**	**-**	**4,888,948**
Net book values:					
At 31st December 2021	**5,502,275**	**87,388**	**854,205**	**1,170,498**	**7,614,366**
At 31st December 2022	**5,385,394**	**53,901**	**2,092,299**	**734,351**	**8,265,945**

Refer to note 29 for details of revaluation of property and equipment.

Notes to the Financial Statements - CONT'D

	COMPANY AND GROUP	
	2022 G$ 000	2021 G$ 000
Intangible assets		
Net Book Value of acquired software (Included in equipment)	2,142,300	440,022

14 (b) Investment Property

	GROUP	
	Premises G$'000	Total G$'000
COST		
At 1st January 2021	408,370	408,370
Additions	501	501
At 31st December 2021	408,871	408,871
Additions	-	-
At 31st December 2022	**408,871**	**408,871**
ACCUMULATED DEPRECIATION		
At 1st January 2021	35,479	35,479
Charge for the year	6,270	6,270
At 31st December 2021	41,749	41,749
Charge for the year	6,278	6,278
At 31st December 2022	**48,027**	**48,027**
NET BOOK VALUES		
At 31st December 2021	**367,122**	**367,122**
At 31st December 2022	**360,844**	**360,844**

Notes to the Financial Statements - CONT'D

15 Other Assets

	COMPANY		GROUP	
	2022 G$ 000	2021 G$ 000	2022 G$ 000	2021 G$ 000
Interest and commissions accrued	375,621	204,908	375,621	204,908
Interest Receivable - Loans	2,515,731	446,547	2,542,568	446,547
Prepaid expenses	176,695	164,969	176,695	164,969
Prepaid stationery/inventory	83,452	69,964	83,452	69,964
Sundry receivables	35,258	39,115	35,258	39,115
Agriculture diversification fund	22,576	22,576	22,576	22,576
Assets classified as held for sale (See note 16)	67,660	85,703	67,660	85,703
Taxes recoverable	659,613	659,613	714,523	713,879
Other	588,965	437,590	589,854	455,145
	4,525,571	**2,130,985**	**4,608,207**	**2,202,806**

16 Assets classified as held for sale Properties on hand

	COMPANY		GROUP	
	2022 G$ 000	2021 G$ 000	2022 G$ 000	2021 G$ 000
At 1st January	85,703	101,096	85,703	101,096
Additions	44,005	50,682	44,005	50,682
Disposals	(62,048)	(66,075)	(62,048)	(66,075)
At 31st December	**67,660**	**85,703**	**67,660**	**85,703**

17 Deposits

	COMPANY		GROUP	
	2022 G$ 000	2021 G$ 000	2022 G$ 000	2021 G$ 000
Demand	42,256,700	33,497,210	42,167,952	33,258,235
Savings	72,677,096	66,309,689	72,677,096	66,309,689
Term	32,853,148	23,653,699	32,853,148	23,653,699
	147,786,944	**123,460,598**	**147,698,196**	**123,221,623**

Notes to the Financial Statements - CONT'D

18 Other Liabilities

	COMPANY		GROUP	
	2022 G$ 000	2021 G$ 000	2022 G$ 000	2021 G$ 000
Agriculture diversification fund (a)	180,863	180,863	180,863	180,863
Due to banks	29	29	29	29
Accrued interest on deposits	241,954	144,586	241,954	144,586
Unpresented drafts	4,057	3,751	4,057	3,751
Accrued expenses	635,161	321,580	674,291	360,698
Lease liability (b)	61,910	92,314	61,910	92,314
Taxes Payable	410,787	449,757	431,643	449,763
ATM Contra Account	384,292	123,413	384,292	123,413
Visa Customer Card Account	414,809	367,559	414,809	367,559
Funds Payable to 4'c	1,347,603	702,515	1,347,603	702,515
Unearned Interest on Loans	2,201,191	424,947	2,201,191	424,953
Others	516,004	53,297	527,340	71,322
	6,398,660	**2,864,611**	**6,469,982**	**2,921,766**

(a) On June 14th, 2011, the bank entered into a contract with the Ministry of Agriculture to carry out the implementation of a Financial Facility of US$1.7M which was funded by the Inter American Development Bank (IDB). The Financial Facility aims to increase Guyana's export growth rate in the agricultural sector by making financial resources through loans and grants available to eligible beneficiaries in three (3) clusters of non traditional agricultural exports, aquaculture, fruits and vegetables, and livestock (beef).

In 2011, two (2) tranches of funds totalling US$1,130,090 were disbursed to the bank. Interest earned on the loans are exempted from Corporation Tax. The Financial Facility came to an end on 31.08.2021. The bank and the Ministry of Agriculture have agreed to an interest rate of 5% to 8% per annum.

	COMPANY		GROUP	
	2022 G$ 000	2021 G$ 000	2022 G$ 000	2021 G$ 000
Lease liabilities analysed as:				
Current	52,449	43,124	52,449	43,124
Non-current	9,461	49,190	9,461	49,190
	61,910	92,314	61,910	92,314

The above represents rental for ATMs at various locations and building space for Port Mourant, Bartica, Providence and Port Kaituma branches. The interest charge is 4% for the duration of these leases.

The Group does not face a significant liquidity risk with regard to its lease liabilities.

Notes to the Financial Statements - CONT'D

19 Share Capital

	COMPANY & GROUP	
	2022	**2021**
Authorised		
Number of ordinary shares	50,000,000	50,000,000
	G$ 000	**G$ 000**
Issued and fully paid		
40,000,000 ordinary shares	800,000	800,000

These shares are all ordinary shares with equal voting rights and no par value

20 Reserves

(a) Other Reserve

	COMPANY & GROUP	
	2022	**2021**
(i) Re-measurement of defined benefit asset:		
At 1st January	79,417	82,337
Movement	(4,547)	(2,920)
At 31st December	74,870	79,417
(ii) Share of reserve of associate company:		
At 1st January	(49,977)	(55,264)
Share of comprehensive profit/(loss)	(3,367)	5,287
At 31st December	(53,344)	(49,977)
Total	**21,526**	**29,440**

(b) Statutory Reserve

At 1st January and 31st December	**800,000**	**800,000**

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

(c) Revaluation Reserve

At 1st January and 31st December	**18,963**	**18,963**

This represents revaluation increase of land, buildings and equipment

(d) General Banking Risk Reserve

At 1st January and 31st December	**611,423**	**611,423**

Notes to the Financial Statements - CONT'D

21 Capital Risk Management

The Group 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 Group's overall strategy remains unchanged from 2021.

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

Capital Adequacy

The Group 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 8%.

GBTI remains well capitalised with the bank's Tier 1 Capital Adequacy Ratio standing at 13.56% as at 31st December, 2022.

Total Tier 1 and Tier 11 Capital was 13.6% of risk-adjusted assets at 31st December, 2022 compared to 28.07% at the end of the previous year.

The Group did not have a fixed rate or range to distribute dividends but its dividends policy is based on the performance of the bank and future development plans.

Gearing ratio

The gearing ratio at the year end was as follows:

	COMPANY		GROUP	
	2022 G$ 000	2021 G$ 000	2022 G$ 000	2021 G$ 000
Debt (i)	147,848,854	123,552,912	147,760,106	123,313,937
Cash and cash equivalents	(32,353,451)	(30,980,347)	(32,408,197)	(30,980,367)
Net debt	115,495,403	92,572,565	115,351,909	92,333,570
Equity (ii)	20,521,430	19,139,170	20,817,811	19,307,689
Net debt to equity ratio	5.63:1	4.84:1	5.54:1	4.78:1

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

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

22 Financial Risk Management

Financial risk management objectives

The Group's Management monitors and manages the financial risks relating to the operations of the Group 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 Group 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.

The Group's Management reports monthly to the Board of Directors on matters relating to risk and management of risk.

(a) Market risk

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

Price risk
(i) Other price risk
Other 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 in order to minimize the risk.

Cross-border risk though relatively minimal, exists in relation to investments in Caricom Sovereign Bonds and such risk is mitigated by the application of prudent selection and stringent monitoring of the Group's investment portfolio by its intermediary Guyana Americas Merchant Bank Inc.

The Group does not actively trade in equity investments.

(ii) Interest rate sensitivity analysis
The following analyses the sensitivity of interest rates exposure for both financial assets and liabilities at the end of the reporting period. For floating rate instruments, the analysis is prepared assuming the amount of the instrument outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate.

Apart from the foregoing with respect to the other financial assets and liabilities, it was not possible to determine the expected impact of a reasonable possible change in interest rates on profit or equity as other factors such as credit risks, market risks, political and disaster risks can affect the value of the assets and liabilities.

Notes to the Financial Statements - CONT'D

(a) **Market Risk - Cont'd**

(ii) **Interest rate sensitivity analysis - Cont'd**

The impact on the profit for the year is the effect of changes in interest rates on the floating interest rates of financial assets and liabilities.

This impact is illustrated on the following table.

	GROUP		
	Impact on profit for the year		
	Increase/ Decrease in Basis Point	**2022 Increase/(Decrease) G' 000**	**2021 Increase/(Decrease) G' 000**
Local Currency	+/-50	174,814	146,002
Foreign Currencies	+/-50	120,852	95,925

(iii) **Interest rate risk**

The Group is exposed to interest rate risk but the Group's sensitivity to interest is immaterial as its financial instruments are substantially at fixed rates. The Group's exposures to interest rate risk on financial assets and financial liabilities are listed below:

		GROUP				
		Maturing 2022				
	Average Interest rate %	**Within 1 year G$ 000**	**1 to 5 years G$ 000**	**Over 5 years G$ 000**	**Non-interest bearing G$ 000**	**Total G$ 000**
Assets						
Cash resources	0.00 to 4.50	31,921,747	486,450	-	-	32,408,197
Investments	1.00 to 9.00	49,081,579	3,968,902	10,267,989	196,275	63,514,745
Loans and advances (net)	0.00 to 27.00	24,824,376	11,497,474	28,903,531	-	65,225,381
Other assets	-	-	-	-	4,608,207	4,608,207
		105,827,702	**15,952,826**	**39,171,520**	**4,804,482**	**165,756,530**
Liabilities						
Deposits	0.50 to 0.90	105,530,244	-	-	42,167,952	147,698,196
Other liabilities	4.00	52,449	9,461	-	6,408,072	6,469,982
		105,582,693	**9,461**	**-**	**48,576,024**	**154,168,178**
Interest sensitivity gap		**245,009**	**15,943,365**	**39,171,520**		

Notes to the Financial Statements - CONT'D

		GROUP				
		Maturing 2021				
	Average Interest rate %	Within 1 year G$ 000	1 to 5 years G$ 000	Over 5 years G$ 000	Non-interest bearing G$ 000	Total G$ 000
Assets						
Cash resources	0.00 to 2.00	30,472,767	507,600	-	-	30,980,367
Investments	2.80 to 8.00	36,957,718	7,838,554	8,889,947	214,925	53,901,144
Loans and advances (net)	0.00 to 27.00	20,323,550	15,054,822	14,315,396	-	49,693,768
Other assets	-	-	-	-	2,202,806	2,202,806
		87,754,035	**23,400,976**	**23,205,343**	**2,417,731**	**136,778,085**
Liabilities						
Deposits	0.75 to 1.20	96,069,563	-	-	27,152,060	123,221,623
Other liabilities	4.00	43,124	49,190	-	2,829,452	2,921,766
		96,112,687	**49,190**	**-**	**29,981,512**	**126,143,389**
Interest sensitivity gap		**(8,358,652)**	**23,351,786**	**23,205,343**		

Notes to the Financial Statements - CONT'D

(a) Market Risk - Cont'd

(iv) Currency risk

The Group's exposure to the effects of fluctuations in foreign currency exchange rates arose mainly from investments and foreign bank balances. The currencies which the bank is mainly exposed to are Euro , United States Dollars, Pounds Sterling and Canadian Dollars.

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

	GROUP					
	Euro € **G$ 000**	**US $** **G$ 000**	**GBP £** **G$ 000**	**Cdn $** **G$ 000**	**Others** **G$ 000**	**Total** **G$ 000**
31st December 2022						
Assets	26,269	31,005,829	47,432	31,577	2,295	31,113,401
Liabilities	46,437	6,288,931	65,245	5,259		6,405,873
31st December 2021						
Assets	88,485	35,370,439	108,651	43,315	3,178	35,614,068
Liabilities	48,781	6,613,103	69,627	94	-	6,731,605

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 2.5% increase or decrease in the Guyana dollar (GYD) against the relevant currencies. 2.5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

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 below indicates an increase in profit and other equity where the foreign currency strengthens 2.5% against the GYD. For a 2.5% weakening of the relevant foreign currency against the Guyana dollar, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

	Euro Impact		**US Dollar Impact**		**£ Sterling Impact**		**Canadian Dollar Impact**	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
	$M	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
Profit or (loss)	(0.50)	0.99	617.92	718.93	(0.45)	0.98	0.66	1.08

Notes to the Financial Statements - CONT'D

22 Financial Risk Management - Cont'd

(b) Liquidity risk

The Group maintains a diversified and stable funding base comprising core retail and corporate customer deposits and institutional balances, coupled with wholesale funding and portfolios of liquid assets which are diversified by currency and maturity, in order to be able to respond quickly and smoothly to unforeseen liquidity requirements.

The Group'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 are fundamental to the management of the Group.

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

	GROUP Maturing 2022			
	Within 1 year			
	On Demand G$ 000	Due in three Months G$ 000	Due within 3 to 12 Months G$ 000	Total G$ 000
Liabilities				
Deposits	114,845,048	11,995,615	20,857,533	147,698,196
Other liabilities	6,346,211	4,041	119,730	6,469,982
Total liabilities	**121,191,259**	**11,999,656**	**20,977,263**	**154,168,178**

	GROUP Maturing 2021			
	Within 1 year			
	On Demand G$ 000	Due in three Months G$ 000	Due within 3 to 12 Months G$ 000	Total G$ 000
Liabilities				
Deposits	99,567,924	9,374,025	14,279,674	123,221,623
Other liabilities	2,864,611	4,036	53,119	2,921,766
Total liabilities	**102,432,535**	**9,378,061**	**14,332,793**	**126,143,389**

Notes to the Financial Statements - CONT'D

22 Financial Risk Management - Cont'd

(c) Credit risk

Credit risk exposures arise principally in lending and investment activities. Credit risk also occurs in off balance sheet financial instruments such as guarantees and letters of credit. This risk relates to the possibility that a counter party will cause a financial loss to the Group by failing to discharge an obligation. The Group's lending and investing activities are conducted with various counterparties and in pursuing these activities the Group is exposed to credit risk. These are the principal areas of activity for the Group and it is expected that such exposures will continue to exist for the foreseeable future. The management of credit risks is of utmost importance and an appropriate organizational structure has been put in place to ensure that this function is effectively discharged. Management carefully manages its exposure to credit risk through appropriate policies, procedures, practices and audit functions together with approved limits.

Credit risk management
In its management of credit risk, the organisational structure supports the lending philosophy of the Group. This structure comprises the Board of Directors, the Board Credit Committee (BCC), the Executive Director, Head of Credit, Senior Management of Risk and Compliance and the Internal Audit Function.

To facilitate day to day decision making and timely implementation of decisions, the Board has delegated authority for specific areas to specific committees and/or officers with an appropriate reporting system to the Board. The Board's Credit Committee focuses primarily on credit risk appetite and in so doing sanction amendments to credit policies, delegation of lending authority to senior management and credit requests exceeding the authority of management.

The Executive Director along with the Senior Manager of Risk monitors the effectiveness of credit procedures and policies and may direct changes to strategies to improve the effectiveness of policies. Policies are established and communicated through the bank's written Credit Policy Manual. This document sets out in detail the current policies governing the lending function and provides a comprehensive framework for prudent risk management of the credit function. Major areas of focus are: General Credit Criteria; Credit Risk Rating; Control Risk Mitigants over the Credit Portfolio and Credit Concentration among others. The bank's policies and procedures are dedicated to controlling and monitoring risk from such activities. Compliance with credit policies and exposure limits is reviewed by the Internal Auditors on a continuous basis.

Risk limit control and mitigation policy
The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or group of borrowers, industry and country segments. The bank monitors its concentration of credit exposure so that no single borrower or industry default will have a material impact on the Group.

(a) Single borrower and bank borrower exposure limits
Limits established by regulatory authorities have been incorporated into the credit policies where concentration is restricted by limiting credit amounts to a fraction of the capital base. This is supported by a stringent reporting requirement and is further enhanced by policies requiring periodic review of all commercial credit relationships.

(b) Industry exposure limits
These limits have been established based on a ranking of the riskiness of various industries. The ranking is guided by a model developed for the bank for this purpose. The model utilizes a scale incorporating scores of 1 to 8 with 1 being the least risky. These have been consolidated into four (4) bands of exposure limits which have been set in relation to the total credit portfolio with a smaller limit being assigned to the riskier industries.

Notes to the Financial Statements - CONT'D

22 Financial Risk Management - Cont'd

(c) Credit risk - Cont'd

Risk limit control and mitigation policy - cont'd

These policies include but are not limited to:

i. Conducting interviews to obtain an overall impression of the applicant's ability to manage its finances and service the credit facility.

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

iii. Adherence to a loan to equity ratio policy that conforms to the tenets of sound banking.

iv. Loans and overdrafts are generally collateralised with some or all of the following:

- Cash
- Mortgages
- Debentures
- Bills of Sale
- Guarantees
- Assignment of Traded Shares
- Assignment of Salary or Crop proceeds
- Assignment of Insurance Policies
- Promissory Notes

v. Security structures and legal conditions are reviewed from time to time to ensure they continue to fulfil their intended purpose and remain in line with current banking practice.

vi. Generally, funds are not disbursed unless mortgages or debentures are duly executed in the High Court.

vii. Loan Officers are required to continually track loans recommended or approved by themselves to ensure projects are implemented as conceptualized, approved and scheduled; repayments are made in accordance with loan agreements; potential problems are identified and appropriate actions are taken to avoid the performance of the loans being adversely affected; and generally to maintain and improve the healthiness of the bank's credit portfolio.

viii. Credit exposure is controlled by lending limits that are reviewed and approved by the Credit Committee and the Board of Directors.

ix. Ongoing training is conducted for Credit Officers to enhance their skills and techniques in assessing credit.

x. Compliance with the "single borrower" or "group borrower's" limit as set out in the Financial Institutions Act (1995), other regulatory guidelines and the Group's own prudential judgements.

xi. Authorized lending limits utilizing the hierarchical structure of the Group.

xii. Generation of daily and monthly management exception reports.

xiii. The avoidance of being one of multiple lenders to a borrower. In the event this occurs, the Group seeks to rank in priority to the other lenders.

xiv. Monthly credit meetings are conducted to review loans and overdrafts at varying degrees of default so that actions are taken in a timely manner.

xv. Non-performing accounts are provided for or written-off in accordance with accepted banking principles and the Financial Institutions Act (1995).

Notes to the Financial Statements - CONT'D

22 Financial Risk Management - Cont'd

(c) Credit risk - Cont'd

Risk limit control and mitigation policy - Cont'd

xvi. Interest on non-accrual/impaired accounts is not taken to income.

xvii. Observation of the market trends, both local and global, which may be affecting a particular industry or sector.

xviii. Diversification of the Group's lending portfolio so as to spread the risk and stabilise financial results.

Credit risk measurement

As part of the on-going process of prudent risk management, the Group's policy is to risk rate credit facilities at the time of approval and on a regular basis. The Credit Classification System is in place to assign risk indicators to credits in the portfolio and engages the traditional categories utilized by regulatory authorities.

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

	COMPANY		GROUP	
	2022 Maximum Exposure G' 000	2021 Maximum Exposure G' 000	2022 Maximum Exposure G' 000	2021 Maximum Exposure G' 000
Cash and short term funds	11,087,146	16,424,664	11,087,146	16,424,664
Deposit with Bank of Guyana	17,435,026	12,120,320	17,435,026	12,120,320
Investments:				
FVTPL	-	-	1,710,081	1,425,307
Amortised cost	61,669,045	52,320,296	52,320,296	52,320,296
Loans and advances	65,225,381	49,693,768	65,225,381	49,693,768
Total	155,416,598	130,559,048	147,777,930	131,984,355
Customer liability under acceptances, guarantees and letters of credit	6,308,240	3,111,580	6,308,240	3,111,580
Total credit risk exposure	**161,724,838**	**133,670,628**	**154,086,170**	**135,095,935**

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

Notes to the Financial Statements - CONT'D

22 Financial Risk Management - Cont'd

(c) Credit risk

Credit quality loans & advances	COMPANY		GROUP	
	2022 G$ 000	2021 G$ 000	2022 G$ 000	2021 G$ 000
Neither past due nor impaired	59,850,467	41,857,967	59,850,467	41,857,967
Past due but not impaired	1,600,851	1,307,995	1,600,851	1,307,995
Impaired	7,693,251	10,811,293	7,693,251	10,811,293
	69,144,569	53,977,255	69,144,569	53,977,255

The collateral held are in excess of 95% of total loans and advances

The undiscounted fair value of collateral that the bank held relating to loans individually determined to be impaired at 31st December 2022 amounted to G$21,722,496,927 (2021 - G$28,998,000,171)

During the year, the bank realised collateral amounting to G$80,716,219 (2021 - G$28,860,161)

The table below shows the credit quality and the maximum exposure to credit risk based on the bank's credit rating system, aging and year-end stage classification.

Loans and advances	COMPANY AND GROUP			
	Stage 1 (12 Month ECL) G$ 000	Stage 2 (Lifetime ECL) G$ 000	Stage 3 Credit impaired financial assets (Lifetime ECL) G$ 000	Total G$ 000
2022				
Gross exposure	55,113,630	4,979,077	9,051,862	69,144,569
ECL	(1,170,622)	(473,258)	(2,275,308)	(3,919,188)
Net Exposure	**53,943,008**	**4,505,819**	**6,776,554**	**65,225,381**
2021				
Gross exposure	43,059,303	350,941	10,567,011	53,977,255
ECL	(721,723)	(6,786)	(3,554,978)	(4,283,487)
Net exposure	**42,337,580**	**344,155**	**7,012,033**	**49,693,768**

Notes to the Financial Statements - CONT'D

22 Financial Risk Management - Cont'd

(c) Credit risk - Cont'd

Investments - Amortised Cost — **COMPANY AND GROUP**

	Stage 1 (12 Month ECL) G$ 000	Stage 2 (Lifetime ECL) G$ 000	Stage 3 Credit impaired financial assets (Lifetime ECL) G$ 000	Total G$ 000
2022				
Gross exposure	61,331,879	95,545	241,621	61,669,045
ECL	(28,178)	(2,197)	(30,281)	(60,656)
Net Exposure	**61,303,701**	**93,348**	**211,340**	**61,608,389**
2021				
Gross exposure	51,970,178	254,573	95,545	52,320,296
ECL	(36,064)	(4,080)	(19,240)	(59,384)
Net exposure	**51,934,114**	**250,493**	**76,305**	**52,260,912**

There are a variety of reasons why certain loans and advances designated as 'past due' are not regarded as impaired. Unless other information is available to the contrary, all loans and advances between 90 and 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 on the creditworthiness of the borrower. Further, past 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 past due but not impaired as at 31st December can be assessed by reference to the bank's credit grading system. The following information is based on that system.

	2022 G$000	2021 G$000
Grade 1- Satisfactory risk	59,850,467	41,857,967
Grade 2- Monitor list		
Past Due up to 29 days	1,179,966	986,690
Past Due up 30-59 days	321,110	242,445
Past Due 60-89 days	99,775	78,860
	1,600,851	**1,307,995**

The security held for these loans are the same as those stated in Note 22 (c) (iv).

Notes to the Financial Statements - CONT'D

(d) Impaired loans and advances

The bank's rating process for credit facilities extends across its Branches and is designed to detect exposure requiring greater management attention based on a higher probability of default and potential loss. Management particularly focuses on facilities with delinquencies 90 days and above with a view to taking action such as working with the borrowers to restore their performing status, or instituting legal or recovery action if considered necessary.

The bank's risk response strategy also includes regular evaluation of the adequacy of provision allocated for impaired loans and advances by conducting detailed half-yearly reviews of the total loan portfolio, comparing performance and delinquency statistics with historical trends and prevailing economic conditions.

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.

Reduction or reversals on calculated impairment allowances are recognized when the Group has reasonable evidence that the established estimate of loss has been reduced.

Impaired loans and advances by product type (includes corporate facilities)

		COMPANY AND GROUP	
		2022 **G$ 000**	**2021** **G$ 000**
Grade 3	- Sub-standard		
	- Past due 90 - 179 days	21,336	37,525
Grade 4	- Doubtful and loss		
	- Past due 180 - 359 days	17,840	393,093
	- Past due 360 days and over	7,654,075	10,380,675
		7,671,915	10,773,768
	Total impaired loans and advances	**7,693,251**	**10,811,293**
	Impaired loans and advances by product type (includes corporate facilities)		
	Quality lifestyle loans	178,631	262,152
	Commercial loans and advances (includes corporate facilities)	7,514,620	10,549,141
		7,693,251	**10,811,293**

Notes to the Financial Statements - CONT'D

22 Financial Risk Management - Cont'd

(d) Impaired loans and advances - Cont'd

The tables below depict the Group's exposure to credit risk based on the geographic region where financial instruments are held.

	GROUP					
As at December 2022	**Guyana G$' 000**	**Caricom G$' 000**	**North America G$' 000**	**Europe G$' 000**	**Others G$' 000**	**Total G$' 000**
On Statement of Financial Position						
Cash resources	25,383,718	3,921,060	2,949,736	153,683		32,408,197
Investments	48,284,866	12,117,839	1,887,880	156,923	1,067,237	63,514,745
Loans and advances (net)	64,249,964	975,417				65,225,381
	137,918,548	**17,014,316**	**4,837,616**	**310,606**	**1,067,237**	**161,148,323**
Off Statement of Financial Position						
Acceptances, guarantees and letters of credit	6,308,240	-	-	-	-	6,308,240
	6,308,240	**-**	**-**	**-**	**-**	**6,308,240**
Total	**144,226,788**	**17,014,316**	**4,837,616**	**310,606**	**1,067,237**	**167,456,563**
As at 31st December 2021						
On Statement of Financial Position						
Cash resources	16,518,180	4,407,574	9,657,896	396,717	-	30,980,367
Investments	39,783,948	13,504,631	210,509	-	402,056	53,901,144
Loans and advances (net)	48,933,607	760,161	-	-	-	49,693,768
	105,235,735	**18,672,366**	**9,868,405**	**396,717**	**402,056**	**134,575,279**
Off Statement of Financial Position						
Acceptances, guarantees and letters of credit	3,111,580	-	-	-	-	3,111,580
	3,111,580	**-**	**-**	**-**	**-**	**3,111,580**
Total	**108,347,315**	**18,672,366**	**9,868,405**	**396,717**	**402,056**	**137,686,859**

Notes to the Financial Statements - CONT'D

22 Financial Risk Management - Cont'd

(e) Investment securities

The Group utilizes external ratings such as international credit rating agencies or their equivalent in managing credit risk exposures for investments.

The table below represents an analysis of debt securities, treasury bills and other eligible bills by rating agency designation.

	GROUP		
31st December 2022	**Treasury Bills G$'000**	**Other Securities G$'000**	**Total G$'000**
A- to AAA	1,180,474	338,663	1,519,137
BBB- to BBB+	-	1,749,116	1,749,116
Lower than BBB-	673,223	11,288,403	11,961,626
Unrated	44,664,825	3,620,041	48,284,866
	46,518,522	**16,996,223**	**63,514,745**

31st December 2022	**Treasury Bills G$'000**	**Other Securities G$'000**	**Total G$'000**
A- to AAA	-	1,080,342	1,080,342
BBB- to BBB+	-	325,751	325,751
Lower than BBB-	-	7,661,136	7,661,136
Unrated	37,864,153	6,969,762	44,833,915
	37,864,153	**16,036,991**	**53,901,144**

The carrying value of past due or impaired loans and advances whose terms have been renegotiated.

	COMPANY AND GROUP	
	2022 G$ 000	**2021 G$ 000**
Renegotiated loans/overdrafts	3,969,190	5,570,346

<u>Commitment fees</u>

There has been no deferral of commitment fees on the grounds that the amount calculated for possible deferral has been deemed immaterial.

Notes to the Financial Statements - CONT'D

22 Financial Risk Management - Cont'd

(f) Diversification of exposure

The bank provides a wide range of financial services to borrowers in over 7 (seven) sectors within Guyana. As a result, its portfolio of financial instruments with credit risk is highly diversified with no exposure to individual borrowers and group borrowers totaling more than 25% and 40% respectively of the bank's capital base.

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. At the reporting date there were no significant concentrations of credit risk for loans. There is no special collateral requirement relating to concentration of risks.

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

	COMPANY & GROUP	
	2022 G$ 000	2021 G$ 000
Loans and Advances		
Agriculture	6,248,701	6,940,782
Services and distribution	35,340,713	27,147,174
Manufacturing	7,947,917	5,432,858
Household	18,216,829	13,142,909
Mining and quarrying	1,390,409	1,313,532
	69,144,569	53,977,255
Impairment allowances	(3,919,188)	(4,283,487)
Net loans and advances	**65,225,381**	**49,693,768**
Concentration of deposits		
Deposits		
State entities	31,147,094	20,212,177
Commercial sector	34,845,957	30,535,225
Personal sector	76,247,263	69,372,966
Other enterprises	4,532,340	2,425,346
Non residents	1,014,290	914,884
	147,786,944	**123,460,598**

Notes to the Financial Statements - CONT'D

23 Contingencies

(i) Contingent liabilities

(a) Pending litigations
There are several pending litigations against the bank. The Directors are of the view that no provision for any contingency is necessary.

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

	COMPANY & GROUP			
	2022			
	Under 3 mths G$'000	3 to 12 mths G$'000	Over 12 mths G$'000	Total G$'000
State entities	-	-	26	26
Commercial sector	684,984	3,705,045	1,870,685	6,260,714
Personal sector	18,000	29,500	-	47,500
	702,984	**3,734,545**	**1,870,711**	**6,308,240**

	COMPANY & GROUP			
	2021			
	Under 3 mths G$'000	3 to 12 mths G$'000	Over 12 mths G$'000	Total G$'000
State entities	-	-	26	26
Commercial sector	1,724,386	792,428	527,642	3,044,456
Personal sector	33,098	34,000	-	67,098
	1,757,484	**826,428**	**527,668**	**3,111,580**

Notes to the Financial Statements - CONT'D

24 Defined Benefit Asset

The most recent actuarial valuation of the plan assets and the present value of the defined benefit asset were carried out as at 31st December, 2022 by Bacon Woodrow & De Souza Limited. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method.

	COMPANY & GROUP	
	2022 G$ 000	2021 G$ 000
(a) Amounts in the statement of financial position:		
Defined benefit obligation	1,259,701	1,138,740
Fair value of plan assets	(1,357,731)	(1,250,734)
Surplus	(98,030)	(111,994)
Effect on asset ceiling	-	-
Defined benefit asset	**(98,030)**	**(111,994)**
(b) Changes in the present value of the defined benefit obligation		
Defined benefit obligation at the start of the year	1,138,740	1,010,890
Current service cost	123,042	116,524
Interest cost	50,579	45,192
Transfer payments received	8,066	
Remeasurements		
- Experience adjustments	(22,805)	(20,487)
Members' contribution		
Benefits paid	(37,921)	(13,379)
Defined benefit obligation at the end of the year	**1,259,701**	**1,138,740**
(c) Changes in the fair value of the plan assets		
Plan assets at start of year	1,250,734	1,133,072
Interest income	58,048	52,991
Return on plan assets, excluding interest income	(30,383)	(25,353)
Bank contributions	109,187	103,403
Transfer payments received	8,066	-
Benefits paid	(37,921)	(13,379)
Plan assets at the end of the year	**1,357,731**	**1,250,734**

Notes to the Financial Statements - CONT'D

24 Defined Benefit Asset - Cont'd

	COMPANY & GROUP	
	2022	**2021**
	G$ 000	**G$ 000**
(d) Asset allocation		
Deposit administration contract	1,216,209	1,150,996
Annuity policies	141,522	99,738
Fair value of plan asset at the end of the year	**1,357,731**	**1,250,734**

The value of the plan's assets is equal to the face value of the deposit administration contract provided by the insurance company provider, NALICO plus an estimate of the value of the plan's immediate annuity policies which was calculated using the same assumptions used to calculate the defined benefit obligation. The value of these policies is not quoted and is reliant on NALICO's financial strength.

The plan's assets are invested in a strategy agreed with the plan's trustees which is largely driven by statutory constraints and asset availability. There are no asset-liability matching strategies used by the plan other than the decision to purchase immediate annuity policies to match pensions in payments.

	COMPANY & GROUP	
	2022	**2021**
	G$ 000	**G$ 000**
(e) Expense recognised in profit or loss		
Current service cost	123,042	116,524
Net interest on net defined benefit asset	(7,469)	(7,799)
Net pension cost	**115,573**	**108,725**
(f) Re-measurements recognised in other comprehensive income		
Experience (gains)/losses	7,578	4,866
Effect of asset ceiling	-	-
Total amount recognised in other comprehensive income	**7,578**	**4,866**
(g) Reconciliation of opening and closing balance sheet entries		
Opening defined benefit asset	(111,994)	(122,182)
Net pension cost	115,573	108,725
Re-measurements recognised in other comprehensive income	7,578	4,866
Bank's contributions paid	(109,187)	(103,403)
Closing defined benefit asset	**(98,030)**	**(111,994)**

Notes to the Financial Statements - CONT'D

24 Defined Benefit Asset - Cont'd

(h) Summary of principal assumptions as at 31st December

	2022 Per annum %	2021 Per annum %
Discount rate	4.5	4.5
Average individual salary increases	N/A	N/A
Future pension increases	0.0	0.0

Assumptions regarding future morality are based on published morality tables. The life expectancies underlying the value of the defined benefit obligation as at 31st December are as follows:

	2022	2021
Life expectancy for current pensioner in years		
- Male (aged 60)	21.9	21.8
- Female (aged 55)	30.9	30.9
Life expectancy for current members age 40 in years		
- Male (aged 60)	22.7	22.7
- Female (aged 55)	31.6	31.6

(i) Sensitivity analysis

Since the majority of the plan's liabilities are defined contribution in nature and pensions in payment are insured, the surplus or deficit in the Plan is not very sensitive to the actuarial assumptions used in the calculations.

(j) Funding

The bank meets the cost of funding the pension plan. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the plan and the assumptions used to determine the funding required may differ from those set out above. The bank expects to pay G$114M to the pension plan during 2023.

(k) Experience history	2018 G$ 000	2019 G$ 000	2020 G$ 000	2021 G$ 000	2022 G$ 000
Defined benefit obligation	833,412	954,685	1,010,890	1,138,740	1,259,701
Fair value of plan assets	(911,973)	(1,021,892)	(1,133,072)	(1,250,734)	(1,357,731)
Surplus	**(78,561)**	**(67,207)**	**(122,182)**	**(111,994)**	**(98,030)**

25 Balances excluded from the accounts

	COMPANY AND GROUP	
	2022 G$ 000	2021 G$ 000
	9,379	9,379

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 Group from any liability.

26 Related party transactions and balances

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

A number of banking transactions are entered into with related parties in the normal course of business. Such transactions were executed at rates of interest and charges that are similar to transactions involving third parties in the normal course of business. Transactions were both secured and unsecured.

Employees in the Group are granted loans, advances and other banking services at preferential rates.

(a) Group companies

	GROUP	
	2022 G$ 000	2021 G$ 000
(i) Loans and advances		
Balances at end of year	7,208,140	5,212,482
Interest income	57,817	26,173
(ii) Deposits		
Balance at end of year	3,855,324	2,991,639
Interest expense	23,152	31,151
(iii) Commissions	3,195	2,937
(iv) Insurance coverage	8,379,632	8,362,894
(v) Insurance premiums paid	94,506	88,627

The nature of these contracts relate to policies held for fire insurance, cash on premises, public liability, fidelity guarantee, employers liability, computer all risk, cash-in-transit and various risks

(vi) Rental of locations-NALICO	2,052	1,800

(vii) All pension payments have been secured by annuities from NALICO.

Notes to the Financial Statements - CONT'D

26 Related party transactions and balances - Cont'd

(b) Parent Company

	GROUP	
	2022 **G$ 000**	**2021** **G$ 000**
Deposits		
Balance at end of year	166,886	300,129
Interest expense	1,077	-

(c) Associate Company

	GROUP	
	2022 **G$ 000**	**2021** **G$ 000**
(i) Deposits		
Balance at end of year	112,448	59,517
(ii) Investments		
Investments effected through associate company (fair value)	2,636,833	1,281,735
(iii) Fees paid to associate company- Guyana Americas Merchant Bank Inc.	2,941	2,496
(iv) Annual rental income received- Guyana Americas Merchant Bank Inc.	6,336	5,760
(v) Annual rental paid - Guyana Americas Merchant Bank Inc.	1,691	-

(d) Subsidiary Company

	GROUP	
	2022 **G$ 000**	**2021** **G$ 000**
(i) Deposits		
Balance at end of year - GBTI Mutual Funds	47,719	88,876
Balance at end of year - GBTI Property Holdings Inc	41,142	29,969
(ii) Rental paid - GBTI Property Holdings Inc	9,000	9,000
(iii) Property Management Fee paid - GBTI Property Holdings Inc	3,903	3,566

(e) Key management personnel

(i) Compensation

The Group's 83 (2021-74) key management personnel comprise its Directors, its Executive Director and Managers. The remuneration paid to key management for the year was as follows:

Notes to the Financial Statements - CONT'D

26 Related party transactions and balances - Cont'd

(e) Key management personnel - Cont'd

	GROUP	
	2022	**2021**
	G$ 000	**G$ 000**
Short-term employee benefits	628,519	446,234
Post-employment benefits	38,500	36,733
	667,019	482,967

(ii) Directors emoluments

Amounts represents fees paid to individuals in respect of their services as Directors (included in key management compensation)

Chairman	3,750	3,553
Executive Director	-	-
Non-Executive Director	11,093	9,680
	14,843	13,233

(iii) Loans and advances

Balance at end of year	1,598,151	711,087
Interest income	18,322	3,028

(iv) Deposits

Balance at end of year	498,710	375,739
Interest expense	961	502

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

No provision was made for loan losses to related parties.

(v) **Sievewright Stoby & Co.**

Fees	1,315	1,125

Sievewright Stoby & Co. provides a range of legal services to the Group which include the preparation, filing and registration of mortgages, debentures and bills of sale; preparation and filing of cancellation of mortgages and debentures; conveyance of transported properties, and transfer of titles; issues demand letters; represents the Group in actions filed by the Group against defaulting customers, as well as in actions filed against the Group; follows through on the entering of judgements obtained and levy proceedings commenced; and generally provides legal advice on miscellaneous Group related matters. The fees charged for these services are paid directly to Sievewright Stoby & Co. by the customer.

Notes to the Financial Statements - CONT'D

27 Capital commitments

	COMPANY AND GROUP	
	2022 G$ 000	2021 G$ 000
Authorized and not contracted for	1,223,804	283,432
Authorized and contracted for	1,041,251	579,925
	2,265,055	**863,357**

28 Dividends

	COMPANY AND GROUP	
	2022 G$ 000	2021 G$ 000
Amounts recognised as distributions to shareholders in the year:		
Final dividend for year ended 31st December 2021		
G$12.50 per share (2020- G$11.00)	500,000	440,000
Interim dividend of G$12 per share (2021 - G$3.50)	480,000	140,000
	980,000	**580,000**
Proposed final dividend of G$8 per share (2021- G$12.50)	**320,000**	**500,000**

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

29 Fair value estimation

Fair value measurement recognised in the statement of financial position.

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).

Notes to the Financial Statements - CONT'D

29 Fair value estimation - Cont'd

The following assets and liabilities are not carried at fair value. However, fair values have been stated for disclosure purposes

		2022 GROUP	
	IFRS 13 Level	Carrying amount G$'000	Fair value G$'000
ASSETS			
Investment property	2	360,844	360,844
Cash resources	1	32,408,197	32,408,197
Investments - amortised cost	2	61,669,045	61,669,045
Loans and advances	2	65,225,381	65,225,381
Other assets	2	4,608,207	4,608,207
		164,271,674	**164,271,674**
LIABILITIES			
Deposits	2	147,698,196	147,698,196
Other liabilities	2	6,469,982	6,469,982
		154,168,178	**154,168,178**

		2021 GROUP	
	IFRS 13 Level	Carrying amount G$'000	Fair value G$'000
ASSETS			
Investment property	2	367,122	367,122
Cash resources	1	30,980,367	30,980,367
Investments - amortised cost	2	52,320,296	52,320,296
Loans and advances	2	49,693,768	49,693,768
Other assets	2	2,202,806	2,202,806
		135,564,359	**135,564,359**
LIABILITIES			
Deposits	2	123,221,623	123,221,623
Other liabilities	2	2,921,766	2,921,766
		126,143,389	**126,143,389**

Notes to the Financial Statements - CONT'D

29 Fair value estimation - Cont'd

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

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

(a) Investment properties fair values were measured primarily at cost less accumulated depreciation. Management's judgment was used to determine that fair value approximates the carrying value.

(b) Loans and advances are net of specific and other provisions for impairment. The fair value of loans and advances is based on expected realisation of outstanding balances taking into account the bank's history with respect to delinquencies.

(c) Financial instruments where the carrying amounts are equal to fair value:- Due to their short-term maturity, the carrying amounts of certain financial instruments are assumed to approximate their fair values. These include cash resources, customer's deposits accounts, other assets, defined benefit assets and other liabilities.

(d) Defined benefit assets were measured by management on the advice from the Actuary.

Assets carried at fair value

Property and equipment

Land and buildings vested in the bank on 1st December 1987 were revalued in 1988 by professional valuer and the surplus arising out of this revaluation is shown as Revaluation Reserve.

Equipment taken over on the merger with Republic Bank (Guyana) Limited was previously valued by their Directors on 1 June 1985 and the surplus is also included in the Revaluation Reserve.

A revaluation of land, building and erections of the properties was done by Mr. David Patterson from Patterson Associates, a qualified valuer in 2014 which resulted in no change. The revalued amount approximated the carrying value in the financial statements.

During 2018 a revaluation of the bank's properties was done by Mr. Peter R. Green, a qualified valuer. The revalued amount approximated the carrying value in the financial statements.

All valuations were based on open market value. The most significant input of these valuation approaches is the value or replacement cost per square foot which is considered to be observable. The valuation of property is classified at level 2.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 and 2 based on the degree to which the value is observable.

Investments

	GROUP	
	2022	**2021**
	G$000	**G$000**
FVPL		
Level 1	700,048	627,130
Level 2	1,010,033	798,177
	1,710,081	**1,425,307**

Notes to the Financial Statements - CONT'D

30 Segment Information

The accounting policies of the operating segments are the same as those described in note 3.1(v) of the summary of significant accounting policies except that pension expenses for each operating segments are recognised and measured on the basis of cash payments to the pension plan. The Group evaluates performance on the basis of profit or loss from operations before tax expense not including non-recurring gains and losses and foreign exchange gains and losses.

The Group accounts for intersegment revenue and transfers as if the revenue or transfers were with third parties at current market prices.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technologies and marketing strategies. Most of the business were acquired as individual units, and the management at the time of the acquisition was retained.

Operating segments are being identified on the basis of internal reports maintained by components of the Group that are regularly reviewed by management in order to allocate resources to the segments and to assess their performance.

Effective from 1st January 2021 the Group's business has been classified primarily into three main segments, namely Retail and Commercial Banking, Treasury and Investment Property.

The table below shows segment information by class of business

	GROUP			
	2022			
	Retail and Commercial Banking $'000	Treasury $'000	Investment Property $'000	Total $'000
Interest income	5,297,388	1,428,791	-	6,726,179
Interest expense	(739,412)	-	-	(739,412)
Net interest income	4,557,976	1,428,791		5,986,767
Loan impairment expense net of recoveries	(680,991)	-	-	(680,991)
	3,876,985	1,428,791		5,305,776
Other income	2,767,459	-	9,080	2,776,539
Share of loss of associate company	(15,283)	-	-	(15,283)
Operating expenses	(4,516,663)	-	(5,648)	(4,522,311)
Profit before taxation	**2,112,498**	**1,428,791**	**3,432**	**3,544,721**

Notes to the Financial Statements - CONT'D

30 Segment Information - Cont'd

	GROUP			
	2022			
	Retail and Commercial Banking $'000	Treasury $'000	Investment Property $'000	Total $'000
Segment assets				
Cash resources	32,408,197	-	-	32,408,197
Investments:-				
FVPL	-	1,710,081	-	1,710,081
Amortised cost	-	61,608,389	-	61,608,389
Non current assets-associate company		196,275	-	196,275
Loans and advances	65,225,381	-	-	65,225,381
Property and equipment	8,265,021	-	924	8,265,945
Investment property	-	-	360,844	360,844
Deferred tax assets	504,640	-	-	504,640
Other assets	-	4,608,207	-	4,608,207
Defined benefit asset	98,030	-	-	98,030
Total segment assets	**106,501,269**	**68,122,952**	**361,768**	**174,985,989**
Segment liabilities				
Deposits:-				
D emand	42,167,952	-	-	42,167,952
Savings	72,677,096	-	-	72,677,096
Term	32,853,148	-	-	32,853,148
Due to banks	29	-	-	29
Other	6,469,953	-	-	6,469,953
Total segment liabilities	**154,168,178**	**-**	**-**	**154,168,178**

Notes to the Financial Statements - CONT'D

30 Segment Information - Cont'd

	GROUP			
	2021			
	Retail and Commercial Banking $'000	Treasury $'000	Investment Property $'000	Total $'000
Interest income	3,965,706	1,590,191	-	5,555,897
Interest expense	(636,051)	-	-	(636,051)
Net interest income	3,329,655	1,590,191		4,919,846
Loan impairment expense net of recoveries	(454,313)	-	-	(454,313)
	2,875,342	1,590,191		4,465,533
Other income	1,953,584	-	14,439	1,968,023
Share of loss of associate company	2,072	-	-	2,072
Operating expenses	(4,005,577)	-	-	(4,005,577)
Profit before taxation	**825,421**	**1,590,191**	**14,439**	**2,430,051**
Segment assets				
Cash resources	30,980,367	-	-	30,980,367
Investments:-				
FVPL	-	1,425,307	-	1,425,307
Amortised cost	-	52,260,912	-	52,260,912
Non current assets-associate company		214,925	-	214,925
Loans and advances	49,693,768	-	-	49,693,768
Property and equipment	7,610,528	3,838	-	7,614,366
Investment property	-	-	367,122	367,122
Deferred tax assets	579,511	-	-	579,511
Other assets	-	2,202,806	-	2,202,806
Defined benefit asset	111,994	-	-	111,994
Total segment assets	**88,976,168**	**56,107,788**	**367,122**	**145,451,078**
Segment liabilities				
Deposits:-				
Demand	33,258,235	-	-	33,258,235
Savings	66,309,689	-	-	66,309,689
Term	23,653,699	-	-	23,653,699
Due to banks	29	-	-	29
Other	2,921,737	-	-	2,921,737
Total segment liabilities	**126,143,389**	**-**	**-**	**126,143,389**

30 Segment Information - Cont'd

(a) The classification shown below is followed by a secondary classification into geographical segments.

	Additions to non current assets			
	Company		Group	
	2022 G$ 000	2021 G$ 000	2022 G$ 000	2021 G$ 000
Retail and commercial lending	1,244,349	655,621	1,244,349	655,621
Other	16,793	-	16,793	-
	1,261,142	**655,621**	**1,261,142**	**655,621**

(b) Revenue from major services

The following is an analysis of the Group's revenue from its major services

	Group	
	2022 G$ 000	2021 G$ 000
Retail and commercial lending	5,297,388	3,965,706
Treasury	1,428,791	1,590,191
	6,726,179	**5,555,897**

(c) Geographical information

(i) The Group operates in three principal geographical areas-Retail Commercial Banking, Treasury and Investment Property.

The Group's revenue derived from operations from external customers and information about its non current assets by geographical location are detailed below

	GROUP			
	Revenue		Non Current Assets	
	2022 G$ 000	2021 G$ 000	2022 G$ 000	2021 G$ 000
Retail and commercial banking (other branches)	8,064,847	5,919,290	5,440,715	4,714,263
Treasury (corporate office)	1,428,791	1,590,191	2,825,230	2,900,103
Investment Property	9,080	14,439	360,844	367,122
	9,502,718	**7,523,920**	**8,626,789**	**7,981,488**

Notes to the Financial Statements - CONT'D

30 Segment Information - Cont'd

(c) Geographical information - Cont'd

Revenue by geographic location

2022

	Guyana G$ 000	Caricom G$ 000	Others G$ 000	Total G$ 000
Interest income	6,726,179	-	-	6,726,179
Other income	2,776,539	-	-	2,776,539
Total revenue	**9,502,718**	**-**	**-**	**9,502,718**

2021

	Guyana G$ 000	Caricom G$ 000	Others G$ 000	Total G$ 000
Interest income	5,555,897	-	-	5,555,897
Other income	1,968,023	-	-	1,968,023
Total revenue	**7,523,920**	**-**	**-**	**7,523,920**

Major customer

There were no revenues earned from an individual or group of customers that exceeded 10% of total revenues.

Notes to the Financial Statements - CONT'D

31 Analysis of financial assets and liabilities by measurement basis

	COMPANY		
ASSETS	**Financial Assets and Liabilities at amortised cost G$ 000**	**Total G$ 000**	**2021 Total G$ 000**
2022			
Cash resources	32,353,451	32,353,451	30,980,347
Investments	61,669,045	61,669,045	52,320,296
Loans & advances (net)	65,225,381	65,225,381	49,693,768
Other assets	4,525,571	4,525,571	2,130,985
Total assets	**163,773,448**	**163,773,448**	**135,125,396**
LIABILITIES			
2022			
Deposits	147,786,944	147,786,944	123,460,598
Other liabilities	6,398,660	6,398,660	2,864,611
Total liabilities	**154,185,604**	**154,185,604**	**126,325,209**

	GROUP			
ASSETS	**FVPL G$ 000**	**Financial Assets and Liabilities at amortised cost G$ 000**	**Total G$ 000**	**2021 Total G$ 000**
2022				
Cash resources	-	32,408,197	32,408,197	30,980,367
Investments	1,710,081	61,669,045	63,379,126	53,745,603
Loans & advances (net)	-	65,225,381	65,225,381	49,693,768
Other	-	4,608,207	4,608,207	2,202,806
Total Assets	**1,710,081**	**163,910,830**	**165,620,911**	**136,622,544**
LIABILITIES				
2022				
Deposits	-	147,698,196	147,698,196	123,221,623
Other	-	6,469,982	6,469,982	2,921,766
Total liabilities	**-**	**154,168,178**	**154,168,178**	**126,143,389**

Notes to the Financial Statements - CONT'D

32 Pending litigations

The bank is the claimant in several litigation matters involving defaulting customers. These matters are currently receiving the attention of the High Court and the outcome cannot be determined at this date.

33 Reclassification

Certain prior year amounts were reclassified to conform with current year presentation.

34 Approval of financial statements

The financial statements were approved by the Board of Directors and authorised for issue on March 14, 2023

ONLINE BANKING

GO Banking allows all registered customers a real time view of their financial worth, spend and financial standing among other things in one place.

- Check Account Balances
- View Account History
- Transfer funds between GBTI accounts
- Peer to Peer Transfers
- Make Bill/Utility Payments
- Requesting Bank Drafts/Account Statements
- Request Cheque Books
- Initiate and amend Term Deposit Instructions
- Mobile top up

STATEMENT SAVINGS ACCOUNT

- Minimum opening balance of $5,000
- Interest is calculated quarterly and paid semi-annually
- ATM, POS and utility bills payment facilities
- Withdrawals at ATM up to $200,000 per day
- Transact business at any branch

PERSONAL CHEQUING ACCOUNTS

- No minimum balance
- Personalised cheque books
- Free online statement
- Transact business at any branch

EARLY SAVERS CLUB ACCOUNT

- From birth to 17 years
- Minimum opening balance of $1,000
- Interest is calculated quarterly and paid semi-annually
- Access to ATM facilities
- Withdrawals at ATM per day:
  - $10,000 – 12-14 years
  - $15,000 – 15-17 years
- Annual Rewards
- National Grade Six Assessment Bursary Award

PRIMELIFE CLUB SAVINGS ACCOUNT

- Available to persons 55 years and over
- Minimum opening balance of $5,000
- Interest is calculated quarterly and paid semi-annually
- Higher exchange rates for foreign currency deposits
- Free access to ATM/POS services

Our Services

TERM DEPOSIT ACCOUNT

- Available to persons 55 years and over
- Minimum opening balance of $5,000
- Interest is calculated quarterly and paid semi-annually
- Higher exchange rates for foreign currency deposits
- Free access to ATM/POS services
- Self initiated through GO Banking

SPECIAL INVESTMENT ACCOUNTS

- Monthly and quarterly terms
- No notice of withdrawal
- Easy access to funds
- Competitive interest rates

BUSINESS CHEQUING ACCOUNTS

- No minimum opening balance
- Customised cheque books
- Overdraft facilities available
- Flexible statement period at no cost
- Transact business at any branch

MOBILE BANKING

GBTI Mobile App is available 24/7 on Apple and Android devices.

View
- Account balances
- Transaction history
- e-Statements

Execute
- Transfers between personal, third party GBTI and other local bank accounts
- Peer To Peer Transfers using user Email or Facebook ID
- Wire Transfers
- Cardless Cash transactions such as Merchant Payments
- Real time credit card payments
- Loans Payments
- Bill/utility payments
- New Term Deposit

Initiate
- Service Requests for various Account Statements
- Goals to save towards

LOANS AND ADVANCES

RETAIL LOANS
- Housing Loan
- Automobile Loan
- Personal Loan
- Express Loan

BUSINESS FINANCING
COMMERCIAL LOAN PLANS
- Corporate Loan
- Manufacturing Loan
- Agriculture Loan
- Rice Farming Loan
- Trading & Services Loan
- Green Loan
- Women Of Worth Loan
- POWER Loan
- Express Loan
- Overdrafts
- US$ Loans
- Small Business Bureau Loans (SME Loans)
- Invoice Backed financing

OTHER FACILITIES

- Bonds and Guarantees

BENEFITS
- Competitive rates
- Fast approval
- Flexible repayment schedule

CREDIT CARDS

- Visa Classic up to US$5,000
- Visa Gold up to US$10,000

PREPAID CARD

- GBTI Visa Travel Classic up to US$5,000

BENEFITS
- Secure alternative to cash
- Shop anywhere, anytime
- Flexible repayment schedules

Our Services

AUTOMATED TELLER MACHINES

- Easy access to funds 24 hours a day
- Available at GBTI branches and other convenient locations
- Withdrawal at ATM up to $200,000 per day
- Allows balance enquiries, deposits and transfer of funds between accounts
- Easy payment of utility bill

POINT OF SALE TERMINALS

- Eliminates the need to carry cash
- Convenient payment for purchases at over 200 locations countrywide

FOREIGN TRADE

- Bills for Collection
- Letters of Credit
- Shipping Guarantees
- Export Trade Financing/ Discounting Facilities

FOREIGN EXCHANGE

- Competitive currency exchange rates
- Issue US, CAN
- Negotiation of CAN drafts
- SWIFT Transfers – US, CAN, STG and EURO
- Fund Transfers
- Foreign currency accounts

SAFE DEPOSIT BOXES

- Available in three sizes
- Foolproof security system

NIGHT DEPOSITORY

- Security bags: Canvas and Disposable bags
- Secure fireproof chute
- Convenient

PAYMENT OF UTILITY BILLS

- Over-the-counter facilities for the payment of G.P.L and G.W.I Bills
- GRA Road License

PAYROLL PROCESSING

- Eliminates preparation of pay cheques and pay envelopes.
- Electronic Funds Transfer:
- Transfer between bank Accounts
- Convenient
- Self-initiated/managed through GBTI Online

MUTUAL FUNDS

The GBTI Mutual Funds pools money from people with similar investment objectives. People who invest money become unitholders of the mutual fund. Unitholders share the mutual fund's income, expenses, and any gains or losses the mutual fund makes on its investments in proportion to the number of units they own. GBTI Mutual Funds are managed by Guyana Americas Merchant Bank.

Invest in any of the Funds offered based on your risk tolerance and time horizon:

- G$ Income and Growth Fund
- US$ Income and Growth Fund
- G$ Growth and Income Fund

Proxy
Form

GBTI

We see Guyana through your eyes

I/We ....

of ....

being a member/members of the Guyana Bank for Trade and Industry Limited,

hereby appoint ....

of .... or failing him/her

....

of ....

as my/our proxy to attend and act on my/our behalf at the 35th Annual General Meeting of the said Company to be held on Friday, 23rd June, 2023, and at any adjournment thereof.

Dated this .... day of 2023

Signature of Member ....

Shareholder's Notes

Shareholder's Notes

GBTI

We see Guyana through your eyes

GUYANA BANK FOR TRADE & INDUSTRY LIMITED
HIGH & YOUNG STREETS, KINGSTON, GEORGETOWN, GUYANA
SOUTH AMERICA
P. O. BOX # 10280. TELEPHONE: 592-231-4400 – 8. FAX: 592-231-4411
EMAIL: BANKING@GBTIBANK.COM.
WEBSITE: WWW.GBTIBANK.COM