

BANKING SECTOR DEVELOPMENT IN GUYANA

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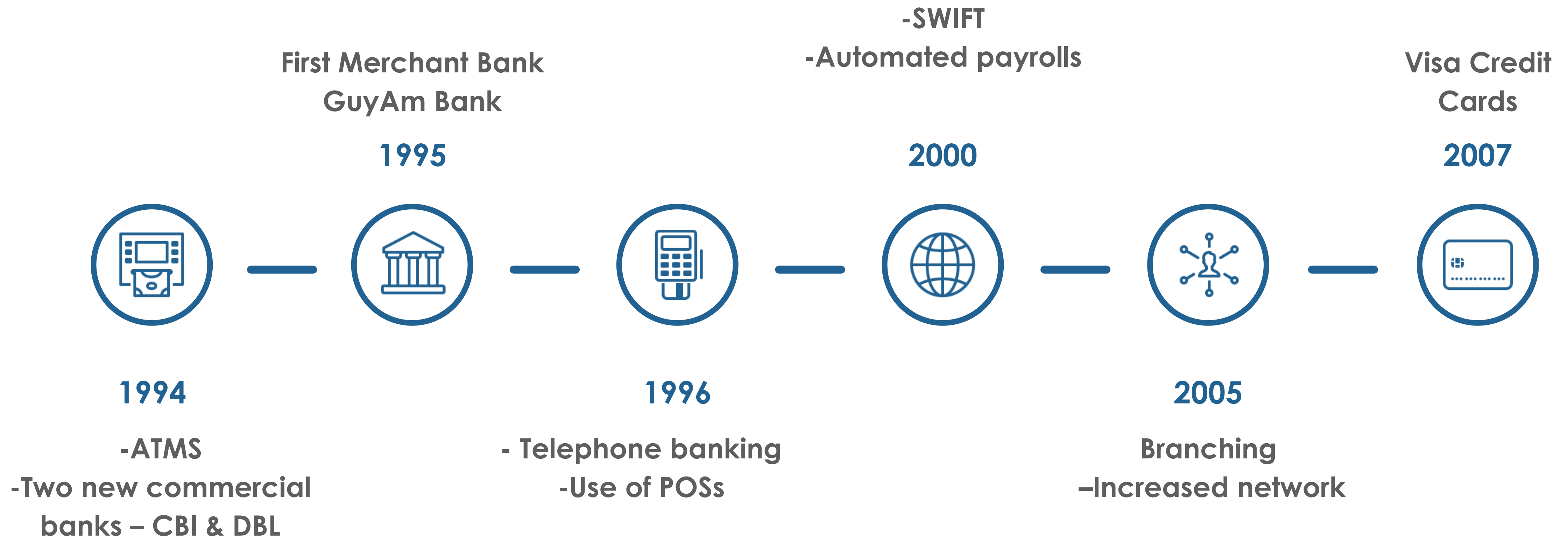
MANAGING DIRECTOR –OPULENT CONSULTANCY INC



OUTLINE OF PRESENTATION

- ▶ OVERVIEW OF BANKING SECTOR AND DEVELOPMENTS OVERS THE YEARS
- ▶ COMMERCIAL AND MERCHANT BANKS IN GUYANA
- ▶ PERTINENT ACTS AND BANKING GUIDELINES
- ▶ DEMAND FOR FINANCE
- ▶ SELECTIVE REVIEW OF BANK ASSETS AND PRIVATE SECTOR LOANS AND DEPOSITS, BANKS SOURCE OF INCOME
- ▶ SYNDICATED LENDING OPPORTUNITY/TICKET SIZE RESTRICTION
- ▶ PROSPECTIVE AREAS FOR FINANCIAL DEVELOPMENT

BANKING SECTOR DEVELOPMENT OVER THE YEARS



BANKING SECTOR DEVELOPMENT OVER THE YEARS



✓ Online banking
✓ Loss of
Correspondent
Banks

2013

E-Clearings

2015

Electronic Funds Transfer (EFT)

2019



2010

Credit Reporting
Act



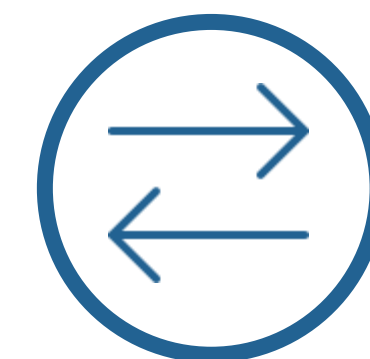
2014

-IFC Trade
Finance
-Mobile banking

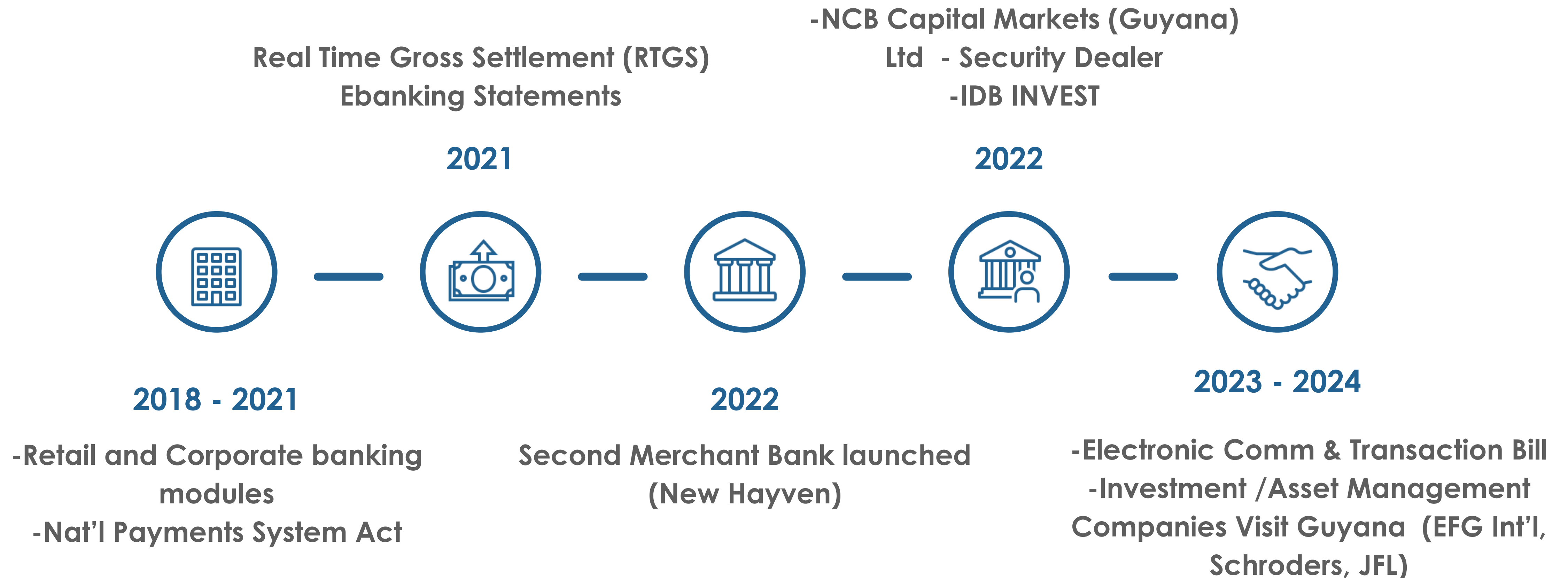


2017 - 2018

Common Visa Card Cash
Dispensers



BANKING SECTOR DEVELOPMENT OVER THE YEARS



COMMERCIAL BANKS IN GUYANA



NAME	ATMs in 2000	ATMs in 2010	ATMS IN 2023	HO/BRANCHES in 2010	HO/BRANCHES in 2023	POSs in 2023
(GBTI) -1836	8	17	25	10	13	235
(RBL) -1836	7	33	51	9	13	>470
(BNS) - 1968	3	13	10	5	4	>285
(BOB) -1966	0	0	0	1	2	0
(CBI) 1994	2	6	11	4	6	98
(DBL) 1994	1	7	9	5	9	<20
TOTAL	21	76	106	34	46	~1106

MERCHANT BANKS

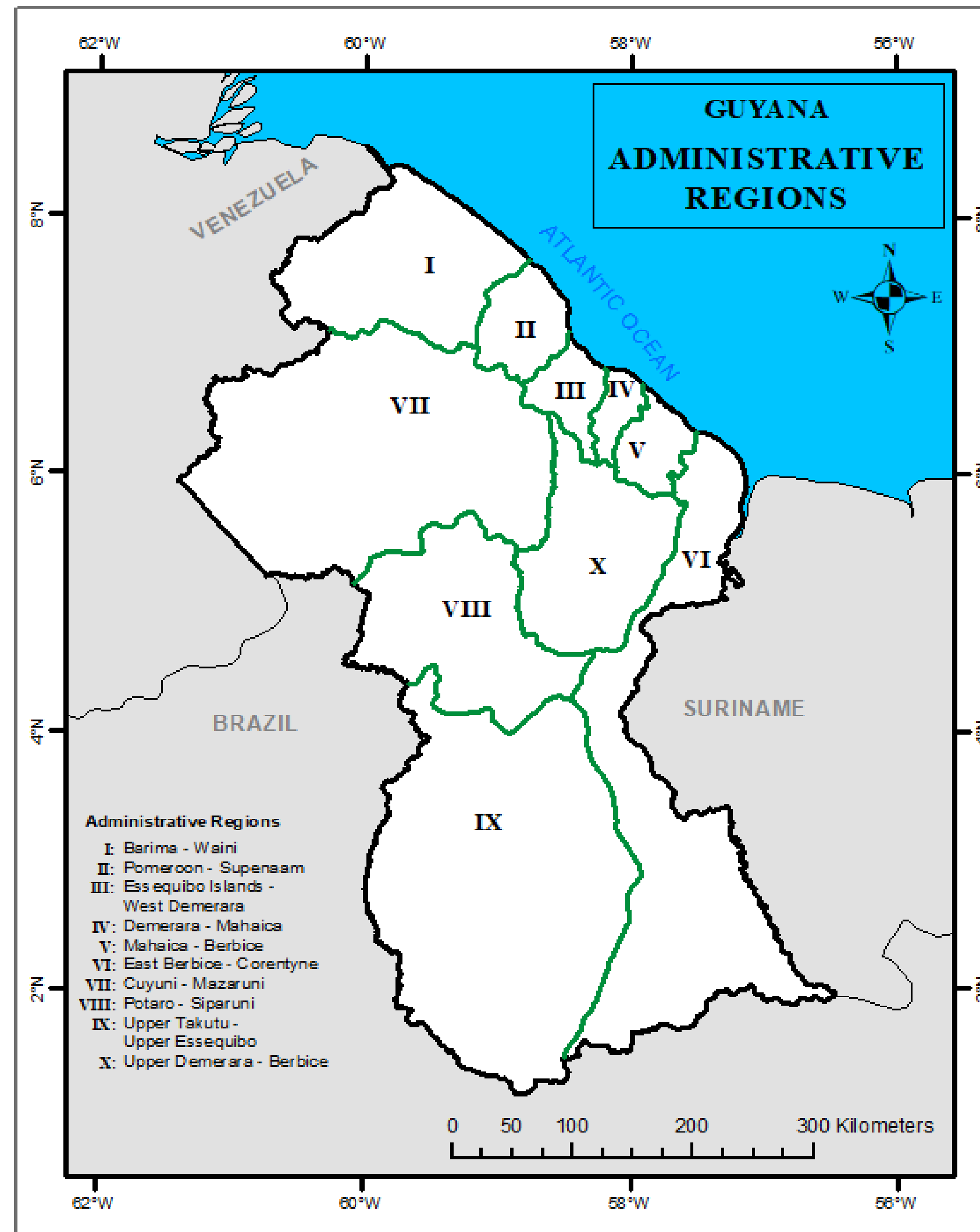
**GUYAMERICAS
MERCHANT BANK**

LAUNCHED 1995

**NEW HAYVEN
MERCHANT BANK**

LAUNCHED 2022

THE TEN (10) ADMINISTRATIVE REGIONS OF GUYANA.



COMMERCIAL BANKS IN GUYANA

Commercial Banks	Date Established	Branches in 2023	Regional Locations	ATMs 2023	POINT OF SALES IN 2023
Guyana Bank for Trade and Industry(GBTI) (Indigenous)	1836	13	1,2,3,4,6,8,9 (7 regions)	25	235
Republic Bank Limited (RBL) International	1836	13	2,3,4,5,6,9,10 (7 regions)	51	>470
Bank of Nova Scotia (BNS) International	1968	4	3,4,6 (3 regions)	10	>285
Citizens Bank Limited (CBI) (Indigenous)	1994	6	3,4,6,8,10 (5 regions)	11	98
Demerara Bank Limited (DBL) (Indigenous)	1994	9	2,3,4,6 (4 regions)	9	<20
Bank of Baroda (BOB) Indian- International	1966	2	4 (1 region)	0	

IMPORTANT LEGISLATIVE PIECES AND FINANCIAL REGULATIONS

- ▶ **COMPANIES ACT 1991**
- ▶ **FINANCIAL INSTITUTIONS ACT OF 1995 (FIA)**
- ▶ **SUPERVISION GUIDELINES –PARTICULARLY SG5 WHICH RELATES TO CREDIT**
- ▶ **BANK OF GUYANA ACT OF 1998.**
- ▶ **THE SECURITIES INDUSTRY ACT OF 1998 (BUSINESSES WHICH PROVIDE ADVICE ON TRADE SECURITIES TO BE REGISTERED WITH THE GUYANA SECURITIES COUNCIL)**
- ▶ **AML-CFT ACT OF 2009**
- ▶ **THE CREDIT REPORTING BILL OF 2010 (AMENDED IN 2016)**
- ▶ **FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)**
- ▶ **NATIONAL PAYMENTS SYSTEM ACT NO. 13 OF 2018**
- ▶ **ELECTRONIC COMMUNICATIONS AND TRANSACTIONS BILL NO.12 OF 2023.**

BANK OF GUYANA SUPERVISION GUIDELINES

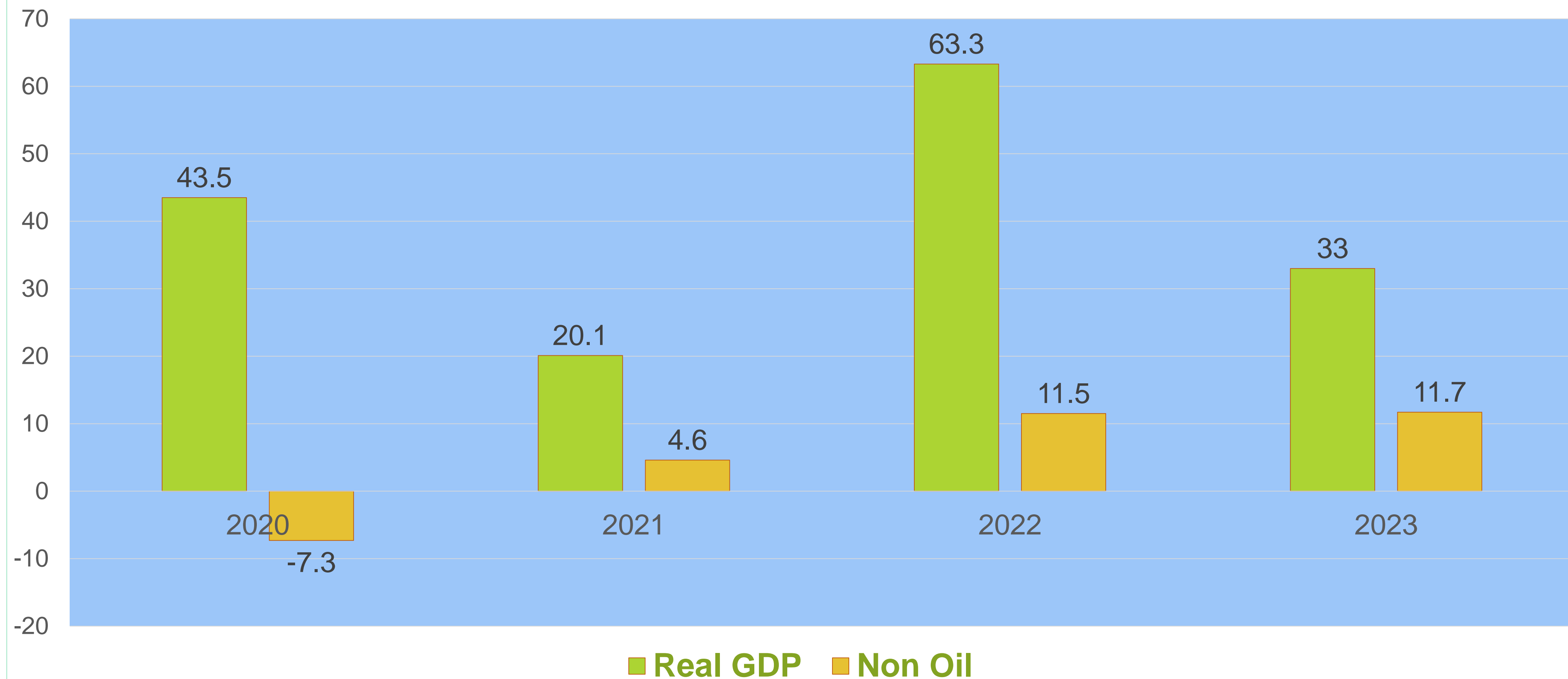
1	Inspection Fees and Cost
2	Licensing of Financial Institutions
3	Branching
4	Capital Adequacy Ratio
5	Credit Exposure Review, Classification, Provisioning, and Other Related Requirements
6	Limits On Large Loans and on Loans to Shareholders, Directors, Officers, and Other Related Persons
7	Acquisition of Control of Financial Institutions
8	Corporate Governance
9	Risk Management
10	Public Disclosure of Information (revised)
11	Intervention Policy
12	Money Transfer Agencies And Cambios (Amended 2023)
13	Anti-Money Laundering And Countering The Financing Of Terrorism (Amended 2023)
14	Capital Adequacy Framework
15	Technology Risk Management

DEMAND FOR FINANCE

- ▶ SURVEY CONDUCTED BY GEORGETOWN CHAMBER OF COMMERCE AND INDUSTRY AND CENTRE FOR LOCAL BUSINESS DEVELOPMENT IN 2022 SHOWS AN AGGREGATE CREDIT DEMAND OVER THE NEXT 3 YEARS IS US\$326M
- ▶ EXTRAPOLATING OUT TO THE LARGER ECONOMY - CONSERVATIVELY DEMAND IS US\$2.2 BILLION -

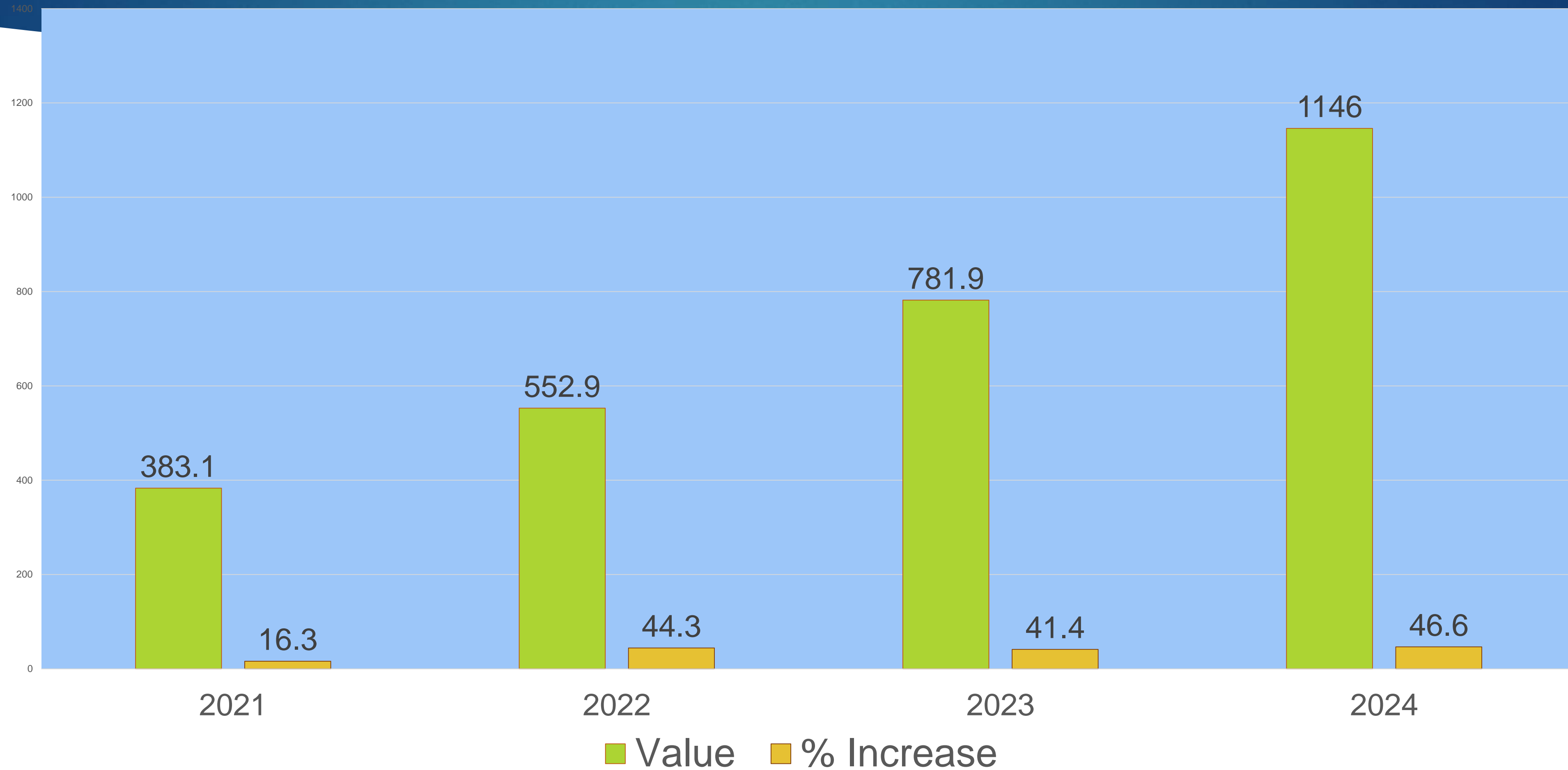
MASSIVE ECONOMIC GROWTH

GDP GROWTH RATE



HUGE BUDGET GROWTH

NATIONAL BUDGET GROWTH



COMMERCIAL BANKS, PRIVATE SECTOR LOANS & PRIVATE SECTOR DEPOSITS (GYD MILLIONS)



YEAR	BANK ASSETS	PRIVATE SECTOR LOANS	LOAN TO ASSET RATIO	BANK DEPOSITS	PRIVATE SECTOR DEPOSITS	PS DEPOSIT TO ASSET RATIO	PS DEPOSIT TO BANK DEP RATIO
2010	296,125	78,307	26%	248,129	182,722	62%	74%
2015	442,903	142,561	32%	356,411	250,636	57%	70%
2020	630,067	168,944	27%	513,154	364,324	58%	71%
2023	949,460	247,276	26%	793,150	572,195	60%	72%

Source: Bank of Guyana Quarterly Reports & Statistical Bulletins

COMMERCIAL BANKS, PRIVATE SECTOR LOANS & PRIVATE SECTOR DEPOSITS (GYD BILLIONS)

YEAR	BANK ASSETS	BANK DEPOSITS	PRIVATE SECTOR DEPOSITS	PS DEPOSIT TO ASSET RATIO	PS DEPOSIT TO BANK DEP RATIO	PS DEM DEPOSITS	PS DEM DEP TO BANK DEPOSITS
2010	296	248	183	62%	74%	31	12%
2015	443	356	251	57%	70%	46	13%
2020	630	513	364	58%	71%	142	27%
2023	949	793	572	60%	72%	243	31%

Source: Bank of Guyana Quarterly Reports & Statistical Bulletins

ASSETS AND INCOME

(Source: Annual Reports 2023)



BANK	RBL	GBTI	DBL	CBI	SCOTIA	BOB
(ASSETS-MILLIONS)						
Loans & Advs	110,079 (38%)	77,038 (38%)	71,375 (45%)	51,974 (46%)	51,581 (49%)	9,087 (31%)
Investments	129,124 (44%)	70,194 (35%)	53,521 (33%)	23,884 (21%)	6,771 (6%)	10,420 (36%)
Total Assets	291,563	200,508	159,598	111,841	104,160	29,172
(SOURCE OF INCOME –MILLIONS)						
Loans & Advs	9,940 (57%)	6,077 (56%)	5,173 (54%)	4,172 (74%)	4,230 (54%)	741 (63%)
Investments	486 (3%)	1,848 (17%)	1,622 (17%)	472 (9%)	73 (1%)	78 (7%)
Other	6,887 (40%)	2,974 (27%)	2,746 (29%)	985 (17%)	3,469 (45%)	351 (30%)

SYNDICATED LENDING/FIA S14 TICKET SIZE

- ▶ UNSECURED(PERSON) LENDING LIMIT – 10% OF CAPITAL BASE (DIRECTORS, AFFILIATES, STAFF)
- ▶ UNSECURED(GROUP)) LENDING LIMIT – 20% OF CAPITAL BASE (DIRECTORS, AFFILIATES, STAFF)
- ▶ SINGLE BORROWER'S LIMIT – 25% OF CAPITAL BASE
- ▶ GROUP BORROWER'S LIMIT – 40% OF CAPITAL BASE

THE CAPITAL BASE OF LOCAL BANKS IS NOT THAT SUBSTANTIAL –HENCE SYNDICATED LENDING CAN BE A CONSIDERATION FOR LARGE PROJECTS AND RISK SHARING (LOCAL AND REGIONAL BANKS)

LIQUIDITY AVAILABLE

LICENSED DEPOSITORY FINANCIAL INSTITUTIONS (LDFIS) CONTINUE TO SHOW HIGH LEVELS OF CAPITAL AND GOOD PROFITS MARGINS WITH THE CAPITAL ADEQUACY RATIO (CAR) REMAINING ABOVE THE PRUDENTIAL 8% BENCHMARK. HENCE THERE IS LIQUIDITY IN THE SYSTEM.

OIL AND GAS, AGRICULTURE, INFRASTRUCTURE, FORESTRY, HEALTH CARE, MINING, TOURISM, REAL ESTATE AND TRADING AND DISTRIBUTION ARE KEYS SECTORS FOR LENDING.

MANUFACTURING HAS SHOWN UPSWING SINCE 2022

PROSPECTIVE AREAS FOR FINANCIAL DEVELOPMENT

- ▶ **GREATER USE OF TECHNOLOGY - INTEGRATION/MOBILE APPS/VIRTUAL TERMINALS**
- ▶ **INTEGRATION OF LOCAL PAYMENT SYSTEMS - TO FACILITATE EDUCATION FEES, PAYMENTS TO GRA, GGMC, ETC**
- ▶ **IN BANK KIOSKS-SELF SERV BANKING TRANSACTIONS USING LINKED ATM CARDS/BIOMETRICS**
- ▶ **RESTORATION OF FOREIGN CORRESPONDENT BANKS**
- ▶ **WEALTH MANAGEMENT-FINANCIAL PLANNING, ASSET ALLOCATION, ASSET MANAGEMENT, ESTATE PLANNING, AND TAX ACCOUNTING**
- ▶ **INVESTMENT BANKING – MERGERS, PUBLIC OFFERINGS**
- ▶ **DEVELOPMENT BANK**
- ▶ **ISLAMIC BANKING**



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