

# BANK OF GUYANA

Annual Report



2017





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# **BANK OF GUYANA**

## **STATEMENT OF PURPOSE**

The role of the Bank of Guyana is to act as the Central Bank for Guyana. Its primary purpose is to formulate and implement monetary policy so as to achieve and maintain price stability. The other major purpose is to foster a sound, progressive and efficient financial system. In the discharge of its functions, the Bank strives to:

- promote a sustained and non-inflationary growth of the economy;
- maintain the integrity and value of the Guyana dollar; and
- secure the credibility of the financial system, including payments arrangement, through supervision and oversight.

## **CORPORATE PHILOSOPHY**

The Bank's corporate philosophy in relation to its customers, staff and people of Guyana, is to adopt a consultative and a constructive approach, seek market-based solutions, generate greater awareness and understanding of issues directly related to the Bank's functions, maintain transparency and public accountability and provide the highest quality output possible.

***LETTER OF TRANSMITTAL***

*June 11, 2018*

*Honourable Mr. Winston Jordan, M.P.  
Minister of Finance  
Ministry of Finance  
Main Street  
GEORGETOWN*

*Dear Minister,*

*As required under Section 58 of the Bank of Guyana Act 1998, No.19 of 1998, I have the honour to submit to you the Bank's Report on its operations in 2017, together with the Statement of Financial Position and Statement of Income as certified by the external auditors appointed in accordance with Section 60 of the Act. A review of economic developments in Guyana in 2017 and an assessment of Guyana's financial stability are also incorporated in the Report.*

*The original of the auditors' report and certificate is also attached.*

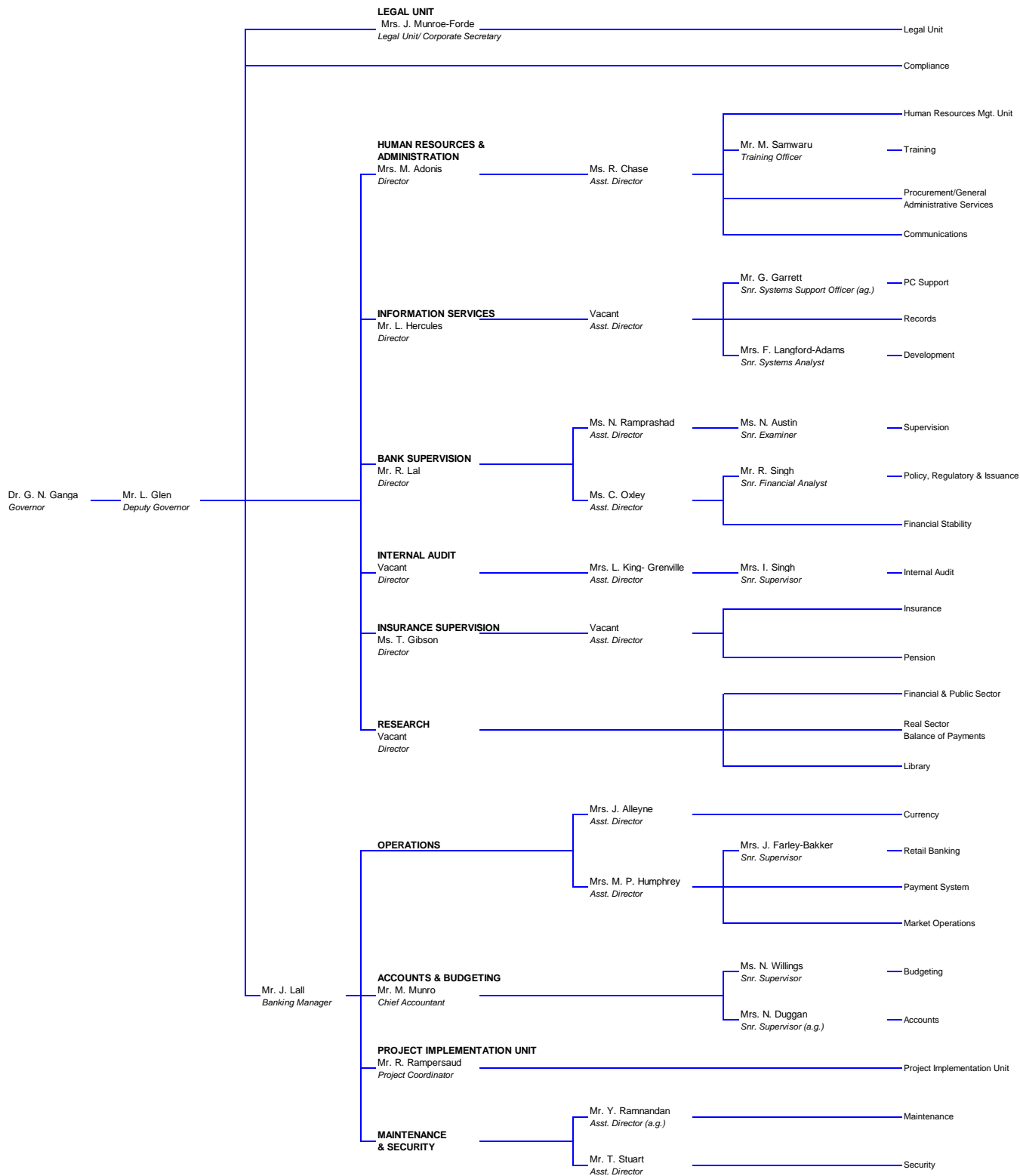
*Yours sincerely,*

*Signed  
Dr. Gobind N. Ganga  
Governor*

## BOARD OF DIRECTORS DURING 2017

Dr. G. N. Ganga (Chairman)  
Mr. L. Glen (Deputy Chairman)  
Dr. M. Odle  
Dr. N. Modeste  
Mr. R. Lucas  
Mrs. S. Roopchand-Edwards  
Mrs. S. Roopnauth (Ex-Officio Member)  
Mrs. J. Munroe-Forde (Corporate Secretary)

## ORGANISATION OF THE BANK as at December 31, 2017



## ***INTRODUCTION***

*The fifty-second Annual Report of the Bank is presented in accordance with Section 58 of the Bank of Guyana Act. Developments in the domestic economy are described in Part I, which is complemented by annexed statistical tables. An assessment of Guyana's financial stability is compiled in Part II. The international economic environment is overviewed in Part III. The functions, policies and activities of the Bank that were undertaken against the economic background outlined in Parts I and II are summarized in Parts IV & V. The Bank's financial statements are presented in Part VI.*

# I

## THE GUYANA ECONOMY

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### 1. SUMMARY

Global economic growth rose from 3.2 percent in 2016 to 3.8 percent in 2017 and is projected to be 3.9 percent in 2018. Growth in advanced economies spiked (except in the UK) and is reflected by an increase in global demand, stronger exports, and supportive fiscal and monetary policy. The United Kingdom experienced declining growth as the effects of Brexit continue to take a toll on the economy. Emerging and developing economies' growth improved due to increased exports and domestic demand. Inflation rate increased while unemployment rate were largely unchanged in most of the world economies.

Real Gross Domestic Product (GDP) grew by 2.1 percent, somewhat lower than the 3.4 percent in 2016. This outturn was due to improved performances in the rice, construction and services sectors, as well as higher private and public investments. Other drivers of growth include forestry, fishing and manufacturing activities. In contrast, the output of sugar, gold, bauxite, diamond and financial & insurance activities declined due to adverse weather conditions, operational costs and economic uncertainty. The urban inflation rate, as measured by the Consumer Price Index (CPI), increased by 1.5 percent, reflecting moderate increases in food and fuel prices.

The overall balance of payments deficit widened due to a relatively larger current account deficit than the increase in the capital account surplus. The current account position was largely due to an expansion in both the merchandise trade and services deficits. The capital account surplus resulted from higher inflows to the private sector in the form of foreign direct investment (FDI) and to the Non-Financial Public Sector in the form of disbursements. The overall deficit was financed by the gross foreign reserves of the Bank of Guyana and debt forgiveness. Gross international reserves was equivalent to approximately 3.1 months of import cover.

The total volume of foreign exchange transactions increased by 3.2 percent to US\$7,149.3 million. The market was impacted by increases in transactions in most segments of the market – hard currency, foreign currency accounts and CARICOM currency. Money transfer transactions were valued at US\$278.5 million or 47.9 percent above 2016 level. There was a net purchase of US\$50.2 million which caused the Guyana dollar to remain stable against the United States dollar at G\$206.50.

The public sector total financial operations recorded a larger deficit due to the widening of the Central Government and the Non-Financial Public Enterprises (NFPEs) overall balances at end-2017. The performance of the Central Government was due to an expansion in the capital account deficit, which overshadowed the expansion in the current account surplus, resultant of increased current and capital expenditures. Similarly, the NFPEs deficit was due to higher current and capital expenditures.

The total stock of government's public debt increased by 4.3 percent, representing 46.1 percent of GDP. The stock of government's domestic bonded debt, which represented 11.9 percent of GDP, declined by 1.9 percent during the review period. This outturn reflected a reduction in the issuance of treasury bills as well as the redemption of the first NIS debenture certificate. The stock of external debt, which amounted to 34.3 percent of GDP, increased by 6.7 percent on account of greater disbursements received mainly from the Export-Import Bank (EximBank) of China and the Inter-American Development Bank (IADB) for project financing.



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The monetary aggregates of reserve and broad money grew by 2.7 percent and 4.6 percent, respectively. The former is attributed to an increase in net domestic assets while the latter resulted primarily from a growth in net domestic credit. Credit to the private sector increased by 2.3 percent while net credit to the public sector increased by G\$21,182 million. Commercial banks' interest rates were lower during the review period. The financial resources of Non-Bank Financial Institutions (NBFIs), which include depository, non-depository, licensed and unlicensed financial institutions, increased by 6.0 percent or G\$12,365 million to G\$218,178 million, on account of higher pension funds, deposits and other liabilities.

Guyana's financial stability framework covers financial stability across several agencies with the Central Bank playing the major co-ordinating and regulatory roles. Bank of Guyana views microprudential, stress testing, macroprudential and macroeconomic analyses to be critical for all Licensed Depository Financial Institutions (LDFIs) in the comprehensive framework. In addition, the Bank extended the framework to include analyses of the soundness indicators for the insurance and pension sectors. The LDFIs recorded high levels of capital and profits with the Capital Adequacy Ratio (CAR) remaining well above the prudential 8.0 percent benchmark in keeping with the microprudential framework. The results of the stress testing indicated that the industry's and individual institutions' shock absorptive capacities remained adequate under the various scenarios, save for vulnerability in the investment portfolios.

The macro-prudential/systemic risk indicators largely signalled improved resilience and reduced vulnerabilities to the domestic financial system. The Micro- and Macro-prudential indices signalled reduced risks and the Banking Stability Index (BSI) showed an improved stability in the fourth quarter, following three consecutive quarters of deterioration. Observed from the financial sector's cobweb, relative volatility in the domestic economy remained the greatest threat to financial stability. The Aggregate Financial Stability Index (AFSI) registered an improved position relative to Dec-2016; however, a weaker performance in the financial vulnerability index resulted in a deterioration of the AFSI from the previous quarter. The overall macroeconomic analysis showed that the domestic financial system remained relatively sound from few macroeconomic risks. Improvements in the global economy favourably impacted the Guyanese economy through enhanced trade, commodity prices and foreign investments. Most sectors in the domestic economy expanded, and many of the macroeconomic indicators were promising. Notwithstanding, there were setbacks in sugar, gold and mining & quarrying, while high interest rate spreads and uncertainty in the international financial market remain major downside risks to domestic financial stability.

The insurance sector, which comprises long-term insurance and general insurance, accounted for 6.7 percent of total financial assets and 26.6 percent of non-bank assets as at December 2017. The sector was adequately capitalised as both the long-term and general insurance sectors' assets exceeded their respective solvency requirements in keeping with the Insurance Act 1998. The insurance sector's assets accounted for 8.2 percent of the country's GDP. The long-term and general insurance sectors' assets exceeded liabilities by 33.4 percent and 123 percent, respectively. The sector experienced increases in both its penetration and density in the domestic market when compared with the previous year. Its average per capita spending on insurance improved which indicated that there has been an increase in the density of the insurance products in the market. The sector's penetration into the domestic market has also seen improvement as its total gross written premium now represents 1.8 percent (December 2016 – 1.77 percent) of the economy's GDP. Reinsurance for the long-term insurance sector increased marginally to 6.7 percent, indicating that more risks were transferred to reinsurers. In contrast, reinsurance for the general insurance sector decreased to 22.5 percent from 25.6 percent. Potential risks the industry was exposed to were prudently managed resulting in no adverse effect despite the volatility of the global financial conditions.

The private pension sector continued to grow consistently, accounting for 5.8 percent of the total financial sector's assets and 22.1 percent of that of the non-bank financial institutions (NBFIs) – a reflection of its low penetration rate

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and diminutive systemic risk. Nonetheless, the sector remained an important institutional investor as reflected in the marginal increase in the assets to GDP ratio to 7.1 percent from 6.5 percent in December 2016. Real returns were positive but still low, mainly due to the adverse effects of inflation, below par available investments and the high fees charged to pension funds. Defined Benefit (DB) plans were sensitive to market risk, mainly because of the composition of their investment portfolios – large proportions were held in capital-uncertain assets: predominantly equities, bonds and real estate. Likewise, Defined Contribution (DC) plans were vulnerable to the Deposit Administration Contracts (DACs) offered by the life insurance companies. Further, while investments in foreign assets were below the regulatory threshold, the unavailability of suitably diversifiable local investments also exposed pension funds to market risk. Regardless, the sector's exposure to credit risk remained insignificant. The sector continued to have high liquidity levels that far surpassed the long-term nature of pension liabilities. Notwithstanding, the private pensions sector maintained its more than sufficient funding level with an average of 131.5 percent.

The Bank of Guyana (BoG) received support from the World Bank to the tune of US\$6 million to modernize Guyana's Payment System. This would entail adopting a new Payment System Act, Payment System Strategy and modernization of the Payment System infrastructure. Modernization efforts from paper based instruments to electronic payments will result in significant cost saving and efficiency improvements while reducing operational, credit, legal, liquidity investment and custody risks.

The conduct of monetary policy continued to focus on price and exchange rate stability while ensuring adequate level of liquidity in the system and creating an enabling environment for economic growth. The Bank continued to use treasury bills as its primary open market operation for the effective management of liquidity. The Bank may also purchase and sell foreign currency to achieve its primary objective. At the end of 2017, there was a net redemption of G\$1.5 billion in treasury bills. The Bank continued to facilitate efficient intermediation through the issuance of notes and coins as well as the promotion of an enhanced payment system.

The economy is projected to grow by 3.8 percent at the end of 2018 on account of growth in most of the economic sectors, except the agriculture sector. The inflation rate is forecasted at 2.4 percent from moderate increases in food and fuel prices. Against this background, the Bank will continue to manage the expansion in base money through its Open Market Operations (OMOs) and seek to maintain price and exchange rate stability. The Bank will also seek to ensure that credit to the private sector is encouraged to facilitate growth in the economy. □

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## 2. PRODUCTION, AGGREGATE EXPENDITURE, EMPLOYMENT AND INFLATION

**R**eal GDP grew by 2.1 percent, somewhat lower than the 3.4 percent in 2016. This outturn was due to improved performances in the rice, construction and services sectors, as well as higher private and public investments. Other drivers of growth include forestry, fishing and manufacturing activities. In contrast, the output of sugar, gold, bauxite, diamond and financial & insurance activities declined due to adverse weather conditions, operational costs and economic uncertainty. The urban inflation rate, as measured by the CPI, increased by 1.5 percent, reflecting moderate increases in food and fuel prices.

### GROSS DOMESTIC PRODUCT (GDP)

The economy experienced increases in the production of rice, forestry, fishing and manufactured products, as well as increases in the activities of construction, transportation & storage and wholesale & retail trade. There were declines in the output of sugar, gold, bauxite, diamond, and financial & insurance activities. Overall, GDP grew in real terms by 2.1 percent; while, in nominal terms it grew by 2.2 percent.

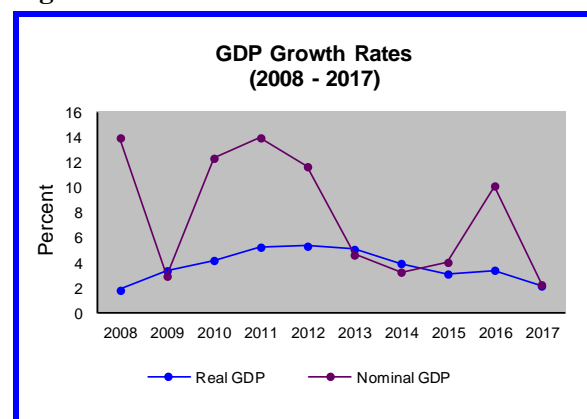
In terms of the sectoral composition of real GDP, there were marginal movements in the major industries from the 2016 level. The contributions of services, construction and manufacturing activities increased to 53.6 percent, 11.0 percent and 6.6 percent relative to 52.9 percent, 10.1 percent and 6.5 percent respectively at end-2016. The electricity & water industry remained 1.8 percent. Conversely, the agriculture and mining sectors' contribution fell to 16.6 percent and 13.7 percent after registering 16.9 percent and 15.4 percent respectively in 2016.

### PRODUCTION

#### Agriculture, Fishing and Forestry

The agriculture sector experienced a marginal increase of 0.4 percent, an improvement from the 10.3 percent decline in 2016. This performance was owed to higher output of rice, forestry, fishing, and other crops that offset the shortfalls in the sugar and livestock industries.

**Figure I**



#### Sugar

Sugar output decreased by 25.2 percent to 137,307 tonnes and was 84.8 percent of the downward revised targeted amount of 162,000 tonnes. This outturn was due to the downsizing of Guyana Sugar Corporation's (GUYSUCO's) operations and industrial unrest that led to 24,892 man-days lost. Output was lower in both the first half and latter half of 2017 by 12.4 percent at 49,607 tonnes and 30.9 percent at 87,700 tonnes respectively.

#### Rice

Rice output increased by 17.9 percent to 630,104 tonnes, which was 106.8 percent of the targeted amount of 590,000 tonnes. This outturn was due to better grades and varieties of rice, increased access to new markets in Latin America (Mexico and Cuba), and greater yield per hectare (4.1 tonnes in 2017 relative to 2.9 tonnes in 2016). Acreage sown increased from 151,311 hectares in 2016 to 172,973 hectares in 2017.

In the first half of 2017, output of rice was 29.4 percent higher than the 2016 level and was 54.3 percent of the overall production. Acreage sown increased by 23.7 percent to 90,784 hectares compared with 73,405 hectares in 2016. During the second half of 2017, production was 287,748 tonnes. Acreage sown increased by 5.5 percent to 82,189 hectares compared with 77,906 hectares in 2016.

### Fishing and Livestock

The fishing sub-sector grew by 1.0 percent compared with 18.1 percent in 2016. The amount of prawns and small shrimp catches expanded by 45.0 percent and 8.9 percent respectively, owing to improved regulations in cross-border fishing and implementation of the sea vessel monitoring system.

**Table I**

Selected Production Indicators Agriculture, Fishing & Forestry			
Commodity	2015	2016	2017
Sugar (tonnes)	231,145	183,491	137,307
Rice (tonnes)	687,784	534,450	630,104
Fish (tonnes)	16,838	20,296	18,777
Shrimp (tonnes)	18,997	21,351	23,399
Poultry (tonnes)	30,678	32,763	30,668
Eggs ('000)	26,136	20,052	28,673
Total logs (cu.mt.)	336,318	272,309	280,889
Sawnwood (cu.mt)	70,945	42,082	47,935
Plywood (cu. mt.)	14,617	14,956	7,334

The livestock sub-sector declined by 2.8 percent from a decline of 5.7 percent in 2016. This was due to lower output of poultry meat by 6.4 percent, which was affected by illegal imports of chicken. On the other hand, output of eggs, pork, and mutton estimated to have increased, owing to higher consumer demand and improved standards.

### Forestry

Output of roundwood, sawnwood and total logs increased by 41.5 percent, 13.9 percent and 3.2 percent respectively, due to strong production, favourable demand and redistribution of state forest

authorisations. However, the output of plywood declined by 51.0 percent owing to increased competition.

### Mining and Quarrying

The mining sector contracted by 8.8 percent after a 46.1 percent growth in 2016. This performance was due to adverse weather conditions, operational challenges, and volatile commodity prices.

**Table II**

Selected Production Indicators Mining & Quarrying			
Commodity	2015	2016	2017
Bauxite (Tonnes)	1,526,467	1,479,090	1,459,223
RASC	123,722	145,725	165,404
CGB	276,891	260,865	135,827
MAZ	986,062	955,499	1,036,579
Gold (oz)	451,058	712,706	653,753
Diamond (mt.ct.)	118,451	139,890	52,161
Stone (Tonnes)	373,162	412,177	448,161
Sand (Tonnes)	1,077,555	1,687,658	1,674,490

### Bauxite

Output of bauxite decreased by 1.3 percent and represented 92.3 percent of the revised targeted amount of 1,581,478 tonnes for 2017. Chemical Grade (CGB) bauxite declined by 47.9 percent due to mechanical issues, adverse weather conditions and lower transaction times. On the upside, Calcined Grade (RASC) and Metal Grade (MAZ) bauxite increased by 13.5 percent and 8.5 percent respectively due to favourable demand.

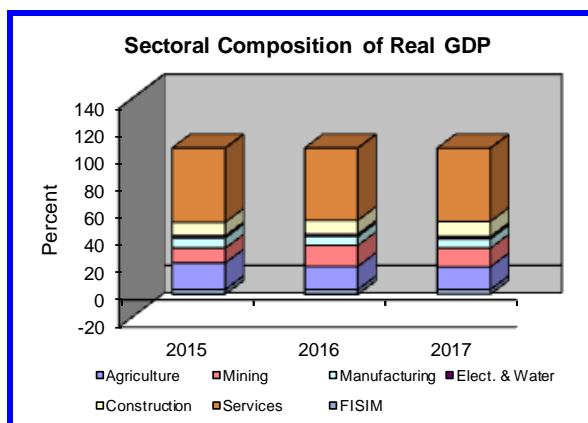
### Gold and Diamonds

Total gold declaration was recorded at 653,753 troy ounces and was 90.2 percent of the targeted amount of 725,000 troy ounces for 2017. This level of declaration was due to reduced output of 13.1 percent by small and medium scale miners (who represent nearly two-third of total declarations). The two large gold mining companies combined to produce 234,136 ounces compared with 230,094 ounces in 2016, on account of expansions in the Guyana Goldfields'

production by 4.7 percent; while, Troy Resources' production decreased by 4.9 percent. The average export price of gold increased by 0.3 percent to US\$1,229.6 per ounce at end-Dec 2017 from US\$1,225.6 per ounce at end-Dec 2016.

Total diamond declaration decreased by 62.7 percent to 52,161 carats due to weak demand, gradual increases in labour costs, fuel & other operational costs and reduced investments in machinery & equipment. The average export price for diamond increased to US\$170.3 per metric carat from US\$142.8 per metric carat at end-2016.

**Figure II**



### Manufacturing

Manufacturing output increased by 4.0 percent, relative to 9.5 percent decline in 2016. This outturn was due to increased rice milling and other manufactured goods by 17.3 percent and 3.1 percent respectively. However, sugar value added was lower by 25.2 percent.

Other manufacturing goods grew on account of higher output of fibre tech products, liquid pharmaceuticals, paints and alcoholic beverages by 31.5 percent, 6.6 percent, 5.1 percent and 2.8 percent respectively, attributed to efficiency gains in production and favourable sales.

**Table III**

Selected Production Indicators			
Manufacturing			
Commodity	2015	2016	2017
Alcoholic Beverages ('000 litres)	25,397	26,176	26,907
Malta ('000 litres)	518	558	544
Non-Alcoholic Beverages ('000 litres)	48,335	53,853	56,040
Liquid Pharmaceuticals ('000 litres)	535	481	512
Paints ('000 litres)	2,450	2,666	2,802
Oxygen ('Million litres)	39	568	409
Electricity ('000 MWH)	720	790	809

### Construction

The construction industry experienced growth of 11.4 percent after registering a 6.3 percent increase in 2016, primarily due to increases in public investments. However, private construction was relatively subdued.

### Electricity and Water

The electricity & water industry expanded by 4.5 percent relative to a 9.5 percent expansion for 2016. Electricity generation increased by 1.5 percent to 809,411 megawatts per hour.

### Services

The services sector, which accounted for 53.6 percent of GDP in 2017, grew by 3.6 percent relative to 0.7 percent growth the previous year. This outcome was due to increased activities for wholesale & retail trade, transportation & storage, public administration, information & communication, education, health & social services, real estate activities, and other services. In contrast, financial & insurance activities dwindled.

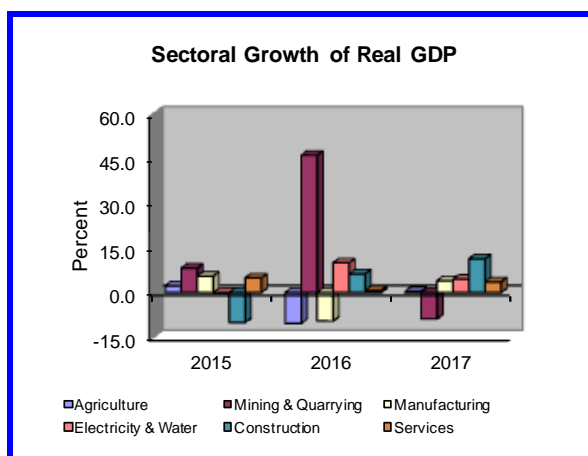
Wholesale & retail trade grew by 8.7 percent compared with 1.8 percent contraction in 2016. This was due to increased imports of consumption goods by 11.7 percent.

The transportation & storage sector expanded by 3.9 percent from 0.7 percent growth in 2016, attributed to steady mobility and activities in the transport (domestic air and ferry passenger services) industry.

Information & communication activities increased by 2.3 percent relative to 1.2 percent in 2016. This was on account of greater coverage and added services to enhance productivity and competitiveness.

Conversely, financial & insurance activities decreased by 2.0 percent compared with 2.5 percent growth at end-2016. This performance reflected lesser loans for manufacturing and construction & engineering activities.

**Figure III**



## AGGREGATE EXPENDITURE

Aggregate expenditure increased by 9.8 percent to G\$863.9 billion from G\$786.6 billion in 2016. Total consumption expenditure as a share of aggregate expenditure increased to 73.4 percent from 72.7 percent in 2016. In contrast, the share of investment expenditure fell to 26.6 percent from 27.3 percent at end-2016.

The resource gap (the difference between GDP at purchaser prices and aggregate expenditure as a percentage of GDP at purchaser prices) widened to 15.4 percent from 8.7 percent end-2016.

## Total Consumption Expenditure

Total consumption expenditure increased by 10.9 percent to G\$634.5 billion and represented 84.7 percent of GDP at purchaser prices. Private and public consumption expenditure represented 58.8 percent and 14.6 percent respectively of aggregate expenditure.

**Table IV**

Aggregate Expenditure (Base Year: 2006=100)			
	G\$ Billion		
	2015	2016	2017
GDP at Market Price	660.2	723.6	747.7
Expenditure	782.8	786.6	863.9
Investment	154.3	214.4	229.4
Private	129.2	157.3	163.2
Public	25.1	57.1	66.2
Consumption	628.5	572.3	634.5
Private	517.2	448.4	508.2
Public	111.3	123.9	126.3
Resource Gap	122.5	63.1	115.1

## Private Consumption Expenditure

Private consumption expenditure increased by 13.3 percent to G\$508.2 billion, attributed to gradual increases in consumer confidence coupled with higher income earnings in rice, construction and distribution. Household deposits increased by 4.8 percent compared with 3.8 percent increase at end-2016.

## Public Consumption Expenditure

Public consumption expenditure increased by 2.0 percent to G\$126.3 billion from G\$123.9 billion in 2016. This was attributed to increased expenditure on employment costs, goods & services and transfer payments.

## Total Investment Expenditure

Total investment expenditure increased by 7.0 percent to G\$229.4 billion and represented 30.6 percent of GDP at purchaser prices. Private and public investment expenditure as a share of aggregate expenditure represented 18.9 percent and 7.7 percent



respectively.

### Private Investment Expenditure

Private investment expenditure increased by 3.8 percent to G\$163.2 billion. This performance was the result of improved investments in the productive, housing and distribution sectors.

### Public Investment Expenditure

Public investment expenditure increased by 15.9 percent to G\$66.2 billion from G\$57.1 billion in 2016. There was capital spending on roads, bridges, drainage & irrigation, and schools during the review period.

## EMPLOYMENT, EARNINGS & INFLATION

### Employment

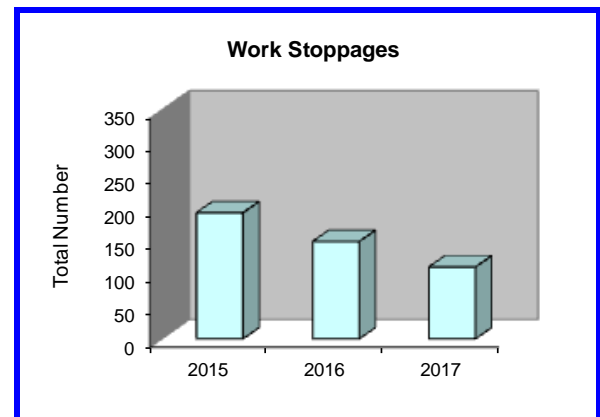
Public sector employment grew by 7.0 percent at end-2017. This position reflected an increase in employment within core civil services by 19.9 percent while public corporations fell by 9.7 percent. Employment in public corporations declined on account of estimated lower recruitment by GUYSUCO, financial institutions and Guyana National Newspapers Limited (GNNL) by 7.7 percent, 4.2 percent and 4.1 percent respectively. Conversely, Guyana State Corporations (GUYSTAC Group) and Linden Mining Enterprise (LINMINE) are estimated to increase recruitment by 10.9 percent and 1.1 percent respectively.

Although private sector employment data is unavailable, there were indications of job creation to some extent in the construction, distribution, light manufacturing, transportation & communications, restaurants, security services and entertainment industries.

Industrial unrest decreased in 2017; the number of strikes decreased to 110 from 149 in 2016. GUYSUCO was accountable for most strikes, which were related to wages, working conditions and other disputes. When compared with 2016, there were lower total man-days lost by 44.0 percent to 24,892

from 44,472 and wages lost fell by 42.8 percent to G\$66.5 million from G\$116.3 million. The reduced loss of man-days and wages in 2017 was attributed to the downsizing of the Wales Sugar Estate operations.

**Figure IV**



### Earnings

During late 2017, the government awarded an 8.0 percent increase to public sector employees who were earning less than G\$100,000 per month, retroactive to January 1, 2017. Public servants who earned salaries between G\$100,000 and G\$299,999 per month gained an increase of 6.0 percent, while those earning salaries between G\$300,000 and G\$999,999 per month earned increases ranging from 0.5 percent to 5.0 percent.

The public sector monthly minimum wage was increased to G\$60,000 per month. The income tax threshold remained at G\$60,000. Central Government wages as a percent of GDP at purchaser prices was recorded at 7.2 percent at end-2017 compared with 6.8 percent at end-2016.

### Inflation

Consumer prices measured by the Urban Consumer Price Index (CPI) registered an inflation of 1.5 percent relative to 1.4 percent end-2016. The monthly average inflation rate was 1.1 percent. The monthly change in the Consumer Price Index ranged from as low as 0.5 percent in April to a high of 1.5 percent in September.

**Table V**

<b>Consumer Price Index</b>			
<b>December 2009 = 100</b>			
	<b>Dec 2016</b>	<b>June 2017</b>	<b>Dec 2017</b>
All Items	113.5	114.7	115.2
Food	130.7	133.7	134.4
<i>Meat, Fish &amp; Eggs</i>	<i>166.0</i>	<i>166.1</i>	<i>170.3</i>
<i>Cereals &amp; Cereal Products</i>	<i>113.9</i>	<i>117.5</i>	<i>118.4</i>
<i>Milk &amp; Milk Products</i>	<i>104.3</i>	<i>105.3</i>	<i>105.2</i>
<i>Vegetables &amp; Vegetable Products<sup>1</sup></i>	<i>129.1</i>	<i>137.9</i>	<i>142.7</i>
<i>Sugar, Honey &amp; Related Products</i>	130.6	130.6	128.6
Housing	98.8	98.9	99.3
Transport & Communication	116.7	117.2	118.0
Education	94.7	97.7	97.7
Medical Care & Health Services	123.5	126.2	126.9
Furniture	91.3	91.8	91.9
Misc. Goods & Services	120.9	120.0	119.8

The domestic basket of food cost increased by 2.8 percent reflecting mainly increases in the prices of vegetables, cereals and meat, fish & eggs by 10.5 percent, 4.0 percent and 2.6 percent respectively. Agricultural shortages from adverse weather conditions in the first half of 2017 contributed to the spike in the domestic basket of food cost. Conversely, there were declines in the prices of condiment & spices, sugar & honey related products and prepared meals & refreshments by 8.7 percent, 1.5 percent and 0.2 percent respectively due to changes in consumer preferences.

There was an increase in the price index of housing by 0.4 percent compared to a 0.02 percent rise for 2016. This was due to the upward movement in the prices of fuel & power by 1.9 percent compared to a 0.2 percent increase in 2016.

The transportation & communications category

registered an increase of 1.1 percent relative to 0.4 percent decline in 2016. The sub-category of operation/personal transport increased by 8.3 percent compared to a 4.7 percent decline in 2016.

Prices also increased for education & recreational services attributed to a rise in private tuition fees.

Conversely, there was a decline in the price index of miscellaneous goods & services by 0.9 percent as a result of lower consumer demand.

### **Outlook for 2018**

The economy is projected to grow by 3.8 percent at the end of 2018 on account of growth in most of the economic sectors, except the agriculture sector. The mining & quarrying sector is forecasted to expand by 6.4 percent due to increases in the production of gold by 7.1 percent and bauxite by 4.1 percent. The services industry is estimated to grow by 2.8 percent on account of higher outturns of transportation & storage activities by 5.3 percent and wholesale & retail trade by 1.1 percent. The construction and other manufacturing industries are projected to increase by 14.5 percent and 2.4 percent respectively. The agriculture sector is expected to decline by 0.9 percent due to the decline in the output of sugar by 15.9 percent while the rice industry is projected to grow by 2.0 percent. The inflation rate is forecasted at 2.4 percent from moderate increases in food and fuel prices. □



### 3. INTERNATIONAL TRADE AND BALANCE OF PAYMENTS

The overall balance of payments deficit widened due to a relatively larger current account deficit than the increase in the capital account surplus. The current account position was largely due to an expansion in both the merchandise trade and services deficits. The capital account surplus resulted from higher inflows to the private sector in the form of FDI and to the Non-Financial Public Sector in the form of disbursements. The overall deficit was financed by the gross foreign reserves of the Bank of Guyana and debt forgiveness. Gross international reserves was equivalent to approximately 3.1 months of import cover.

#### CURRENT ACCOUNT

The current account deficit expanded to US\$287.4 million compared with a deficit of US\$12.4 million in 2016. This outturn was mainly due to an expansion in the merchandise trade and services deficits.

#### Merchandise Trade

The merchandise trade deficit amounted to US\$196.2 million, US\$165.4 million above the 2016 level. This position was on account of an 11.4 percent or US\$166.9 million increase in the value of imports. Exports earnings increased marginally by 0.1 percent or US\$1.5 million.

#### Exports

Total export receipts increased marginally by 0.1 percent or US\$1.5 million to US\$1,435.9 million from US\$1,434.4 million in 2016. Receipts from rice, bauxite and “other exports” increased by 12.4 percent, 11.0 percent and 5.4 percent respectively. Lower receipts were from sugar, timber and gold by 33.9 percent, 11.5 percent and 1.6 percent respectively.

#### Sugar

Sugar export earnings amounted to US\$48.5 million, 33.9 percent less than the 2016 earnings. This outturn was attributed to a 31.8 percent decline in the volume of sugar exported which amounted to 107,986 metric tonnes or 50,465 metric tonnes less than the level exported in 2016. As a percent of total sugar exports, those to the EU under the ACP/EU Sugar Protocol was 57.2 percent compared with the 68.5 percent recorded in 2016. Exports to the CARICOM region amounted to 23.7 percent compared with 19.7 percent recorded at end-2016.

Average export price for sugar decreased by 3.1 percent or US\$14.2 to US\$449.1 per metric tonne, compared to US\$463.3 per metric tonne in 2016.

Table VI

<b>Balance of Payments</b>			
<b>US\$ Million</b>			
<b>January – December</b>			
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>CURRENT ACCOUNT</b>	<b>(181.5)</b>	<b>(12.4)</b>	<b>(287.4)</b>
Merchandise Trade	(340.3)	(30.8)	(196.2)
Services (Net)	(257.6)	(302.1)	(372.8)
Transfers	416.5	320.4	281.7
<b>CAPITAL ACCOUNT</b>	<b>71.4</b>	<b>(13.2)</b>	<b>228.0</b>
Capital Transfers	18.5	14.8	23.2
Non-Financial Public Sector	(94.8)	(21.8)	43.9
Private Capital	125.1	(1.8)	159.3
Other	(25.2)	(0.0)	(0.0)
Short term Capital	22.7	(4.4)	1.6
<b>ERRORS &amp; OMISSIONS</b>	<b>2.3</b>	<b>(27.7)</b>	<b>(10.2)</b>
<b>OVERALL BALANCE</b>	<b>(107.7)</b>	<b>(53.3)</b>	<b>(69.5)</b>

#### Rice

Rice export earnings amounted to US\$201.0 million, 12.4 percent above the 2016 level as a result of higher export volume as well as higher average export prices for the commodity. The volume of rice exports amounted to 539,387 metric tonnes, 8.1 percent or 40,195 metric tonnes more than the 499,192 metric tonnes exported in 2016. The EU's share of rice exports decreased to 30.7 percent from 44.5 percent in 2016 while CARICOM's share decreased to 21.2 percent from 22.2 percent in 2016. Latin America and the rest of the world's share was

33.9 percent compared with 33.4 percent in 2016 due to the loss of the Venezuelan market. The new Mexico market accounted for 14.2 percent of total rice exported.

The average export price of rice increased by 4.1 percent or US\$14.5 to US\$372.7 per metric tonne compared to US\$358.2 per metric tonne in 2016.

**Table VII**

Exports of Major Commodities		January – December		
Product	Unit	2015	2016	2017
Sugar	Tonnes	212,691	158,451	107,986
	US\$Mn.	78.4	73.4	48.5
Rice	Tonnes	537,334	499,192	539,387
	US\$Mn.	220.8	178.8	201.0
Bauxite	Tonnes	1,501,387	1,493,678	1,400,613
	US\$Mn.	104.3	92.1	102.3
Gold	Ounces	448,248	677,788	664,848
	US\$Mn.	501.1	830.7	817.5
Timber	Cu. Metres	137,625	118,565	115,172
	US\$Mn.	43.7	40.4	35.8

### Bauxite

Bauxite export earnings amounted to US\$102.3 million, 11.0 percent above the 2016 level of US\$92.1 million due to favourable export prices. Export volume declined by 6.2 percent or 93,065 metric tonnes from 1,493,678 metric tonnes in 2016 to 1,400,613 metric tonnes. This outturn was as a result of lower export volumes of dried and metal grade bauxite, which decreased by 11.8 percent and 2.6 percent from the 2016 level.

The average export price of bauxite increased by 18.4 percent or US\$11.3 from US\$61.7 to US\$73.0 per metric tonne in 2017.

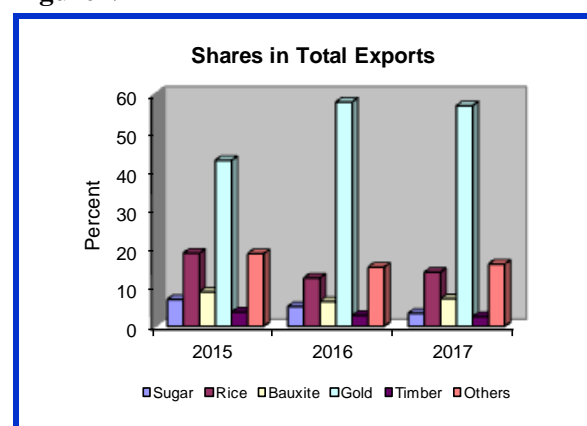
### Gold

Gold export receipts was US\$817.5 million, 1.6 percent or US\$13.2 million lower than the 2016 level of US\$830.7 million. This outturn was attributable to lower export volume for the metal which declined by 1.9 percent or 12,940 ounces to 664,848 ounces in

2017.

The average export price per ounce of gold was higher by 0.3 percent or US\$4.0 moving to US\$1,229.6 per ounce from US\$1,225.6 per ounce in 2016.

**Figure V**



### Timber

The value of timber exports amounted to US\$35.8 million, 11.5 percent below the 2016 value on account of lower export price. The average export price per cubic metre decreased by 8.9 percent or US\$30.2 to US\$310.4 in 2017.

Receipts from plywood exports declined by 5.8 percent to US\$1.2 million from US\$1.3 million in 2016, while that from other timber exports also declined by 11.6 percent to US\$34.5 million from US\$39.1 million in 2016.

### Other Exports

Total earnings from all other exports, which included re-exports, were US\$230.8 million, 5.4 percent higher than the value in 2016. The increase reflected higher receipts for wood products, fish & shrimps, rum & other spirits and fruits and vegetables as shown in Table VIII.

**Table VIII**

Other Exports US\$ Million			
January - December			
Commodities	2015	2016	2017
Beverages	2.0	3.4	2.5
Fish & Shrimp	76.8	82.8	99.7
Fruits & Vegetables	4.8	7.8	8.7
Pharmaceuticals	3.4	3.3	3.1
Garments & Clothing	2.4	1.1	0.4
Wood Products	2.7	2.1	3.5
Prepared Foods	22.6	29.3	28.5
Rum & Other Spirits	30.3	37.0	43.1
Diamond	16.7	18.2	13.6
Molasses	8.4	8.2	6.0
Re-Exports	16.9	12.8	11.2
Others <sup>1)</sup>	16.0	13.0	10.6
<b>Total</b>	<b>202.9</b>	<b>219.0</b>	<b>230.8</b>

<sup>1)</sup> - This category includes exports of wild life, personal effects, handicrafts and nibbi-furniture.

## Imports

The value of merchandise imports increased by 11.4 percent or US\$166.9 million to US\$1,632.1 million. This increase was on account of higher imports of capital goods, intermediate goods and consumption goods. In the consumption goods sub-category, imports amounted to US\$471.1 million, 11.7 percent or US\$49.3 million above the 2016 level. This position was due to a higher value of imports of other non-durable goods, clothing & footwear, food for final consumption, other semi-durable goods, other durable goods and motor cars by 35.1 percent, 34.7 percent, 9.8 percent, 6.7 percent, 0.8 percent and 0.2 percent respectively. Import value of beverages & tobacco decreased by 9.5 percent.

In the intermediate goods sub-category, imports rose by 15.3 percent or US\$113.9 million to US\$855.6 million from US\$741.8 million in 2016. This outturn was due to an increase in imports of parts and accessories, other intermediate goods, fuel & lubricants and chemicals, by 37.1 percent, 23.8 percent, 14.4 percent and 12.7 percent respectively.

Lower imports were realised for food for intermediate use and textiles & fabrics by 13.5 percent and 10.5 percent respectively.

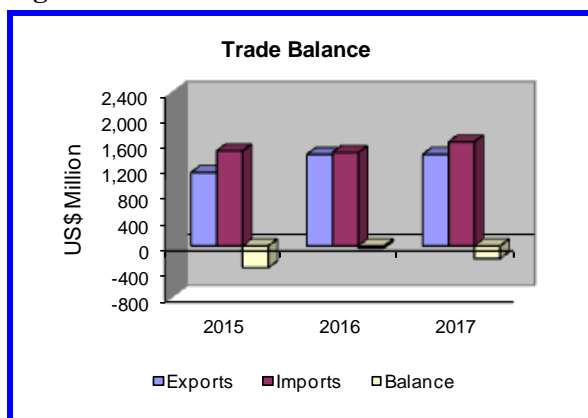
**Table IX**

Imports US\$ Million			
January – December			
Items	2015	2016	2017
<b>Consumption Goods</b>			
Food-Final Consumption	144.3	143.9	158.0
Beverage & Tobacco	37.6	42.2	38.2
Other Non-Durables	80.1	85.5	115.4
Clothing & Footwear	15.5	19.0	25.6
Other Semi-Durables	26.8	31.2	33.3
Motor Cars	35.3	34.6	34.7
Other Durables	64.7	65.4	66.0
<b>Sub-total</b>	<b>404.4</b>	<b>421.8</b>	<b>471.1</b>
<b>Intermediate Goods</b>			
Fuel & Lubricants	367.4	344.7	394.5
Food-Intermediate use	73.9	78.2	67.7
Chemicals	66.2	83.0	93.6
Textiles & Clothing	6.1	5.9	5.3
Parts & Accessories	79.8	75.4	103.4
Other Intermediate Goods	157.1	154.5	191.2
<b>Sub-total</b>	<b>750.5</b>	<b>741.8</b>	<b>855.6</b>
<b>Capital Goods</b>			
Agricultural Machinery	44.4	41.1	35.8
Industrial Machinery	32.0	24.0	23.6
Transport Machinery	63.4	52.2	46.0
Mining Machinery	30.7	34.7	59.4
Building Materials	94.0	82.3	81.7
Other Goods	64.6	59.7	51.8
<b>Sub-total</b>	<b>329.0</b>	<b>294.0</b>	<b>298.3</b>
<b>Miscellaneous</b>	<b>7.7</b>	<b>7.6</b>	<b>7.0</b>
<b>Total Imports</b>	<b>1,491.6</b>	<b>1,465.2</b>	<b>1,632.1</b>

In the sub-category of capital goods, imports expanded by 1.4 percent or US\$4.3 million to US\$298.3 million. This outturn was due to an increase in imports of mining machinery by 71.0 percent. Lower imports were realized in the

categories of other capital goods, agricultural machinery, transport machinery, industrial machinery and building materials by 13.3 percent, 12.8 percent, 11.9 percent, 1.5 percent and 0.7 percent, respectively, as shown in Table IX.

**Figure VI**



### Services and Unrequited Transfers

Net payments for services amounted to US\$372.8 million, 23.4 percent or US\$70.8 million above the level in 2016. This increase was due to higher net outflows of both factor and non-factor services.

Factor services recorded a higher net outflow of US\$11.5 million, compared to US\$4.6 million last year. This was mainly the result of lower investment income and higher interest payments.

Net payment for non-factor services increased by 21.5 percent or US\$63.9 million to US\$361.4 million from US\$297.5 million in 2016, on account of higher payments for transportation, consulting & management services, advertising & marketing research, other business services and financial services by 75.0 percent, 50.0 percent, 50.0 percent, 18.0 percent and 10.5 percent respectively.

Net current transfers decreased by 12.1 percent to US\$281.7 million, reflecting higher outflows of other current transfers. Outflows of current transfers were higher at US\$395.0 million from US\$271.8 million in 2016. Inflows of current transfers were higher at US\$676.7 million from US\$592.2 million in 2016. Inflows of workers' remittances increased by 19.9

percent or US\$52.6 million to US\$317.2 million while receipts from bank accounts abroad increased by 3.4 percent or US\$8.7 million to US\$267.1 million. The main sources of outflows were remittances to bank accounts abroad, and workers' remittances which amounted to US\$222.0 million and US\$105.1 million respectively.

### CAPITAL ACCOUNT

The capital account recorded a surplus of US\$228.0 million from a deficit of US\$13.2 million in 2016. This outturn reflected higher inflows to the private sector in the form of foreign direct investment inflows which increased by US\$180.2 million to US\$212.2 million compared to US\$32.0 million in 2016. The Non-Financial Public Sector's disbursements amounted to US\$84.1 million.

**Table X**

	Disbursements		
	US\$ Million		
	January - December		
	2015	2016	2017
IDA	4.6	5.6	8.37
CDB	5.9	9.8	11.0
IFAD	0.4	0.0	0.0
IDB	9.7	8.1	25.1
INDIA	0.0	0.0	0.0
CHINA	4.3	32.4	37.3
OTHER	0.7	1.8	2.3
BOP Support	3.0	0.0	0.0
PetroCaribe	25.6	0.0	0.0
<b>Total</b>	<b>53.6</b>	<b>57.7</b>	<b>84.1</b>

Short-term private capital recorded a decline of US\$1.6 million in the net foreign assets of the commercial banks.

Capital grants and debt relief received by the combined public sector increased by US\$8.4 million to US\$23.2 million from US\$14.8 million in 2016. The other grants were associated with projects under the Public Sector Investment Programme (PSIP).

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### **Overall Balance and Financing**

The higher overall deficit of US\$69.5 million was financed mainly by the gross foreign reserves of the Bank of Guyana and debt forgiveness. The gross international reserves of the Bank of Guyana were equivalent to approximately 3.1 months of import cover at the end of the year.

### **Outlook for 2018**

The overall balance of payments is expected to record a higher deficit in 2018. The current account deficit is projected to contract due to higher export receipts. The capital account is forecasted to record a lower surplus due to reduced inflows to the private and public sectors. □

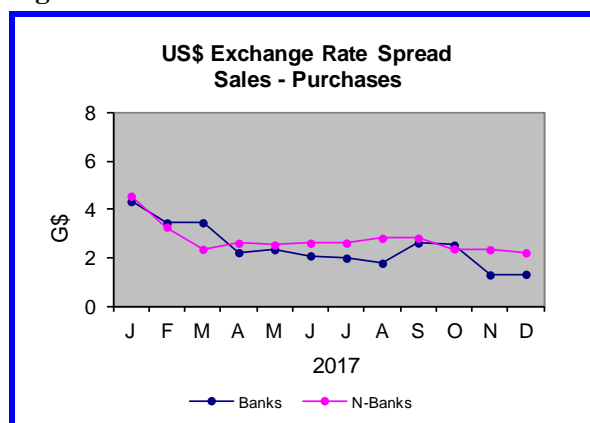
## 4. FOREIGN EXCHANGE MARKET DEVELOPMENTS

The total volume of foreign exchange transactions increased by 3.2 percent to US\$7,149.3 million. The market was impacted by increases in transactions in most segments – hard currency, foreign currency accounts and CARICOM currency. Money transfer transactions were valued at US\$278.5 million or 47.9 percent above 2016 level. There was a net purchase of US\$50.2 million which caused the Guyana dollar to remain stable against the United States dollar at G\$206.50.

### Overall Market Volumes

Total foreign currency transactions increased by 3.2 percent to US\$7,149.3 million from US\$6,926.2 million in 2016 due to increases in hard currency, foreign currency accounts and CARICOM currency. Purchases and sales in the market were US\$3,460.5 million and US\$3,410.4 million respectively. Net purchases were US\$50.2 million compared with net purchases of US\$77.6 million in 2016.

Figure VII



The licensed bank and non-bank cambios, which accounted for 49.7 percent of the total volume, recorded a 0.8 percent decrease in turnover to US\$3,082.8 million. The combined transactions of the six bank cambios were US\$2,977.3 million, a decline of US\$25.1 million or 0.8 percent from the 2016 level. Interbank transactions totalled US\$49.4 million, an increase of US\$24.3 million or 96.8 percent from the US\$25.1 million for the preceding year. The twelve non-bank cambios' transactions amounted to US\$105.5 million, a decline of US\$7,000 or 0.7 percent. Non-bank cambios' market share remained negligible at 1.7 percent.

Hard currency transactions conducted at the Bank of Guyana totalled US\$1,077.7 million, an increase of US\$154.9 million or 16.8 percent over the previous year. Purchases and sales were US\$532.1 million and US\$545.6 million respectively. Receipts increased by US\$71.8 million or 15.6 percent. The Bank also recorded an increase in net hard currency payments of US\$83.1 million or 18.0 percent. Fuel imports constituted 58.5 percent of total payments. The Bank sold US\$8.5 million to commercial banks, a decline of US\$19.7 million from the 2016 level. Purchases from commercial banks and non-bank institutions totalled US\$75.4 million for the period under review. The Banks' share of all transactions increased to 15.1 percent from 13.3 percent in 2016.

Approved foreign currency accounts transactions increased by 0.1 percent to US\$2,685.7 million. The major category of activities included non-resident transactions, mining and dredging, insurance/finance, fishery, rice, government and shipping. The debits and credits to these accounts totalled US\$1,351.4 million and US\$1,334.3 million respectively, compared with the previous year amounts of US\$1,339.3 million and US\$1,344.1 million respectively. The Bank approved applications for sixteen new foreign currency accounts in 2017.

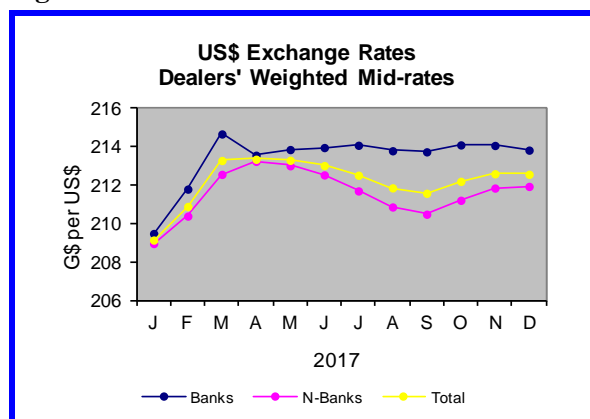
### The Exchange Rates

The weighted mid-rate, based on the rates of the three largest banks' turnover, remained stable at G\$206.50 at the end of 2017. The un-weighted mid-rate using the same method depreciated by 2.51 percent to G\$210.92 compared with G\$205.75 in 2016.

The commercial banks and non-bank cambios' average buying and selling rates were higher during the review period. The commercial banks cambios

average buying and selling rates were G\$213.11 and G\$215.37 from G\$207.21 and G\$209.74 respectively in 2016. The non-bank cambios' average buying and selling rates were G\$211.22 and G\$212.96 from G\$206.40 and G\$208.04 respectively.

**Figure VIII**



The disparity between the buying rates of the bank and non-bank cambios increased from G\$1.25 to G\$1.77 in 2017. The difference in the selling rates was higher at G\$2.30 from G\$1.70 in 2016.

The average market spread was higher at G\$2.25 compared with G\$2.08 in 2016. The bank and non-bank spreads fluctuated at G\$2.27 and G\$1.74 from G\$2.53 and G\$1.64 respectively in the previous year.

In the cambio market, the majority of foreign currency transactions involved the United States dollar accounting for 95.0 percent of the total trades. The Canadian dollar, Pound Sterling and Euro each held 3.5 percent, 0.7 percent, and 0.8 percent respectively of the market shares.

### CARICOM Currencies

The CARICOM currencies traded on the market increased to US\$24.6 million or 0.82 percent in 2017. The main currencies transacted on the market were Barbados dollar, Trinidad & Tobago dollar and the Eastern Caribbean dollar. The Barbados dollar comprised US\$8.0 million or 32.7 percent of the

overall regional volume. The Trinidad & Tobago dollar and Eastern Caribbean dollar accounted for US\$13.5 million or 54.8 percent and US\$3.0 million or 12.4 percent respectively.

The exchange rates of the Barbados and Eastern Caribbean dollars remained fixed against the US dollar. The Trinidad & Tobago currency depreciated against the US dollar by 31.3 percent to TT\$8.86, while the Jamaica dollar appreciated by 4.7 percent to J\$122.19.

### Money Transfer Activities

The Bank licensed five agencies with a total number of certified agents of 218. Of the ten Administrative Regions in Guyana, Region Four held 38.9 percent of the total registered agents, Region Six held 20.5 percent, Region Three held 14.8 percent, while Region Ten totalled 5.7 percent. The remaining six Regions accounted for 20.1 percent.

The aggregated value of transfers by money transfer entities amounted to US\$278.5 million, 47.9 percent over the last year. Inbound and outbound transactions were US\$224.5 million and US\$54.0 million respectively. The highest volume of transfers occurred in the months of March, April and December, 2017.

### Outlook for 2018

The exchange rate of the Guyana dollar to the US dollar is expected to remain relatively stable due to a net supply of foreign exchange to the market as a result of an improved balance of payment position.

The Bank is projecting purchases of US\$456.5 million from Guyana Gold Board and GUYSUCO. Sales to accommodate imports and debt servicing are projected at US\$618.9 million. Foreign exchange flows to the market are expected to adequately cover imports and support a stable exchange rate. □



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## 5. PUBLIC FINANCE

The public sector total financial operations recorded a larger deficit due to the widening of the Central Government and the NFPEs overall balances at end-2017. The performance of the Central Government was due to an expansion in the capital account deficit, which overshadowed the expansion in the current account surplus, resultant of increased current and capital expenditures. Similarly, the NFPEs deficit was due to higher current and capital expenditures.

### CENTRAL GOVERNMENT

The Central Government's overall deficit was higher at G\$33,378 million from G\$31,571 million in 2016. This resulted from an expansion in the capital account deficit, which outweighed the increase in the current account surplus.

#### Current Account

The current account surplus expanded by G\$5,969 million to G\$13,139 million. This development was due to increases in current revenues by 9.8 percent, which more than offset the increases in current expenditures.

#### Revenue

Total current revenue grew by G\$17,366 million to G\$194,688 million. This performance was attributed to enhanced collection of production & consumption taxes from value added taxes (VAT) and excise taxes; income taxes from private corporations and withholding taxes; greater earnings on trade taxes, and increased collection from other tax revenues. In contrast, non-tax revenues declined by 8.0 percent.

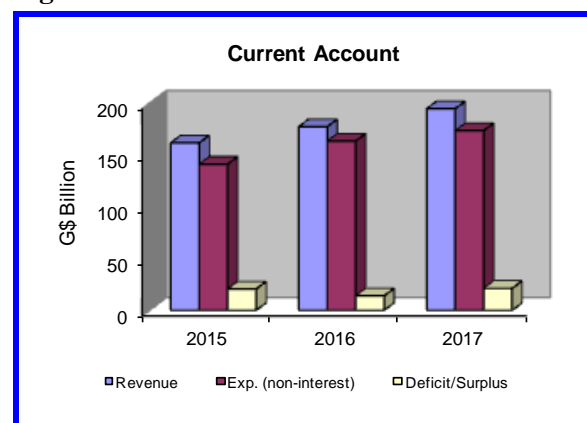
Production & consumption taxes expanded by 11.1 percent to G\$76,319 million. This was accredited to increased collection of VAT and excise taxes by 16.8 percent and 7.6 percent to G\$42,556 million and G\$33,459 million respectively. Conversely, other local consumption taxes decreased by 74.6 percent to G\$305 million.

Income tax revenues increased by 11.7 percent to G\$67,748 million. Private companies income taxes, withholding taxes, and public corporation taxes expanded by 13.5 percent, 66.9 percent, and 21.8

percent to G\$6,532 million, G\$2,097 million, and G\$106 million respectively. However, personal income taxes declined by 4.7 percent to G\$21,669 million.

Trade taxes grew by 9.1 percent to G\$18,497 million, on account of increases in import duties, travel tax, and export duties by 9.3 percent, 7.5 percent, and 76.6 percent to G\$16,273 million, G\$2,201 million, and G\$23 million respectively.

**Figure IX**



Other taxable current revenues increased by 57.1 percent to G\$8,586 million. Property taxes and estate duties grew by 12.8 percent and 6.6 percent to G\$3,579 million and G\$39.0 million respectively. Vehicle licensing and other (professional fees, surtax, etc.) increased by 19.7 percent and 83.2 percent to G\$1,039 million and G\$1,508 million respectively. Revenues from environmental levy and miscellaneous receipts amounted to G\$1,703 million and G\$586 million respectively.

On the other hand, non-taxable revenues declined by



G\$2,038 million to G\$23,538 million due to reductions in rents & royalties, fees, fines & charges, and dividends from NFPEs by G\$422 million, G\$73 million, and G\$1,000 million respectively. In contrast, transfers from Bank of Guyana surplus and other department receipts increased by 11.1 percent and 6.9 percent to G\$3,751 million and G\$9,300 million respectively.

**Table XI**

<b>Central Government Finances</b>			
<b>G\$ Million</b>			
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>CURRENT ACCOUNT</b>			
Revenue	161,710	177,322	194,688
Non-interest Exp.	141,152	163,425	173,522
<b>Current Primary Bal.</b>	<b>20,558</b>	<b>13,897</b>	<b>21,166</b>
less Interest	6,486	6,727	8,027
<b>Current a/c Balance</b>	<b>14,073</b>	<b>7,170</b>	<b>13,139</b>
<b>CAPITAL ACCOUNT</b>			
Receipts	7,273	7,877	12,199
Expenditure	30,665	46,618	58,717
<b>Capital a/c Balance</b>	<b>(23,392)</b>	<b>(38,741)</b>	<b>(46,518)</b>
<b>OVERALL BALANCE</b>	<b>(9,319)</b>	<b>(31,571)</b>	<b>(33,378)</b>
<b>FINANCING</b>	<b>9,319</b>	<b>31,571</b>	<b>33,378</b>
Net External Borrowing			
(+) / Savings (-)	(5,265)	7,837	8,740
Net Domestic Borrowing			
(+) / Savings (-) <sup>1)</sup>	14,584	23,734	24,638
<i>Net Banking Loans</i>	<i>(28,007)</i>	<i>(8,482)</i>	<i>(1,536)</i>
<i>Net Govt. Securities</i>	<i>(1,086)</i>	<i>1,588</i>	<i>1,985</i>

Note: These values are rounded to the nearest one; thus, may be slightly off when computing using just their whole numbers.

<sup>1)</sup> Domestic financing includes other financing

## Expenditure

Total current expenditure increased by 6.7 percent to G\$181,549 million, due to increases in non-interest current expenditures and interest charges by 6.2 percent and 19.3 percent respectively.

Total non-interest current expenditure grew by G\$10,097 million to G\$173,522 million due to increases in transfer payments, employment costs, and other goods & services expenses by 3.7 percent, 10.4 percent, and 5.4 percent respectively.

Transfer payments increased by G\$2,461 million to G\$69,725 million resulting from greater payouts to pensions, and education subventions, grants & scholarships by 8.6 percent and 24.9 percent to G\$20,139 million and G\$6,941 million respectively. However, subsidies & contribution to local and foreign organisations fell by 2.0 percent to G\$42,068 million.

Employment costs rose by G\$5,128 million to G\$54,489 million, reflecting developments in wages and salaries of public servants along with new recruitments.

Purchases of other goods & services expanded by G\$2,508 million to G\$49,309 million. There were increased spending on materials & supplies by 6.3 percent, rental & maintenance of buildings by 24.4 percent, maintenance of infrastructures by 25.6 percent, transport, travel & postage by 15.0 percent, and miscellaneous goods & services by 7.8 percent. Conversely, electricity charges and fuels & lubricants expenses declined by 39.1 percent and 0.9 percent respectively.

Interest charges rose by G\$1,300 million to G\$8,027 million. External interest charges increased by 25.1 percent to G\$6,056 million, and domestic interest costs grew by 4.5 percent to G\$1,970 million due to higher interest payments on treasury bills and debentures.

## Capital Account

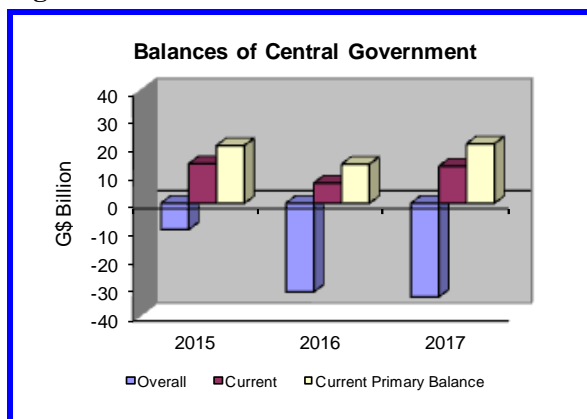
The capital account deficit, after grants, heightened by G\$7,777 million to G\$46,518 million, stemming from the heavily weighted capital expenditures as oppose to capital revenues.

Capital revenue grew by 54.9 percent to G\$12,199 million, owing to increases in grants and other capital revenues by 55.0 percent and 1.0 percent to

G\$12,182 million and G\$17 million respectively. Proceeds for projects and non-projects expanded by 58.4 percent and 141.0 percent respectively. However, enhanced HIPIC relief and CMCF transfers declined by 0.5 percent and 50.0 percent to G\$963 million and G\$742 million respectively.

Capital expenditure increased by 26.0 percent to G\$58,717 million. Disbursements for capital projects amplified in the areas of construction by 24.0 percent, transport & communication by 3.6 percent, environment & pure water by 21.4 percent, public safety by 125.9 percent, power generation by 354.8 percent, and agriculture by 7.9 percent. Furthermore, capital spending also increased in administration by 81.1 percent, health by 16.9 percent, culture & youth by 20.6 percent, national security & defence by 59.7 percent, fishing by 30.9 percent, and tourist development by 11.3 percent. In contrast, education, social welfare, financial transfers, and housing declined by 15.2 percent, 6.9 percent, 40.6 percent and 4.9 percent respectively.

**Figure X**



### Overall Balance and Financing

The overall deficit widened by G\$1,808 million to G\$33,378 million end-2017. Central government financing needs amounted to G\$24,638 million for domestic and G\$8,740 million for external. Wherein, net banking advances and net government securities amounted to G\$1,536 million and G\$1,985 million respectively of net domestic financing.

### Outlook for 2018

The Central Government's overall deficit is expected to expand by G\$9,869 million to G\$43,247 million. Both current revenue and expenditure are projected to increase by 3.7 percent and 8.6 percent to G\$201,860 million and G\$197,096 million respectively; as a result, the current account surplus is projected to decrease to G\$4,764 million.

The capital account deficit is estimated to widen by G\$1,493 million to G\$48,011 million. This position will result from projected increases in capital expenditures to G\$59,702 million, while capital revenue is expected to decrease by 4.2 percent to G\$11,692 million.

### NON-FINANCIAL PUBLIC ENTERPRISES

The overall balance of the NFPEs, which includes GUYSUCO, Guyana Oil Company Limited (GUYOIL), Guyana National Shipping Company (GNSC), Guyana Power & Light (GPL), and the NIS, deteriorated from a surplus of G\$11,091 million end-2016 to a deficit of G\$12,957 million end-2017. Expansions in current and capital expenditures by 11.0 percent and 281.9 percent respectively were the resultant factors of the deficit.

### Current Account

The current primary operating balance deteriorated to a deficit of G\$4,218 million from a surplus position the previous year. This was due to surges in current expenditures by 11.0 percent, while current revenue decreased by 6.3 percent.

### Receipts

Current cash receipts declined by 6.3 percent to G\$110,423 million, as a result of lowered contributions by GUYSUCO. Other receipts and export sales contracted by 54.9 percent and 35.6 percent to G\$6,148 million and G\$11,886 million respectively. VAT refunds also subdued by 77.9 percent to G\$160 million, reflecting G\$563 million decline in refunds by GPL. In contrast, local sales increased by 4.7 percent to G\$69,474 million, occurring from G\$1,406 million expansion in

domestic sales by GPL. Receipts from debtors grew by 21.4 percent to G\$22,754 million, on account of higher debt collection by GUYOIL of G\$4,022 million.

**Table XII**

<b>Summary of Public Enterprises Finances</b> <b>G\$ Million</b>			
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>CURRENT ACCOUNT</b>			
Revenue	127,690	117,899	110,423
Non-interest Exp.	109,932	99,362	111,328
<i>add Taxes</i>	<i>1,670</i>	<i>1,747</i>	<i>2,114</i>
<i>add Dividends</i>	<i>1,003</i>	<i>2,200</i>	<i>1,200</i>
<b>Primary Operating Bal.</b>	<b>15,085</b>	<b>14,590</b>	<b>(4,218)</b>
<b>Sur.(+)/Def. (-)</b>			
<i>less Interest</i>	<i>573</i>	<i>1,521</i>	<i>1,189</i>
<b>Current Balance</b>	<b>14,512</b>	<b>13,068</b>	<b>(5,407)</b>
<b>Sur.(+)/Def. (-)</b>			
<b>CAPITAL ACCOUNT</b>			
Expenditure	6,433	1,977	7,550
<b>OVERALL BALANCE</b>	<b>8,079</b>	<b>11,091</b>	<b>(12,957)</b>
<b>FINANCING</b>	<b>(8,079)</b>	<b>(11,091)</b>	<b>12,957</b>
Ext. Borrowing (net)	(373)	(1,901)	(819)
Domestic Fin. (net) <sup>1)</sup>	(7,706)	(9,190)	13,776
Transfers from Cent. Govt.	0	470	11,505

Note: These values are rounded to the nearest one; thus, may be slightly off when computing using just their whole numbers.

<sup>1)</sup> Domestic financing includes other financing

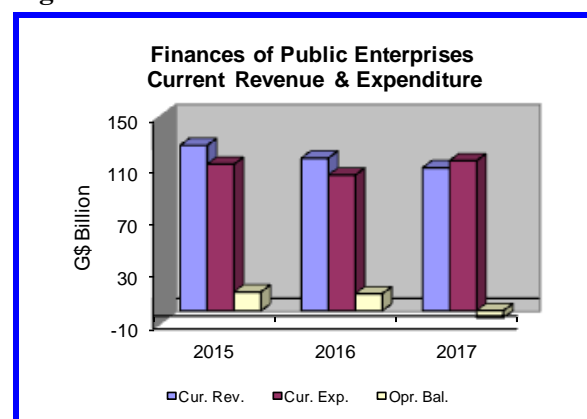
The total receipts of NIS grew by 8.4 percent to G\$21,072 million, reflecting 10.2 percent improvement in employed and self-employed contributions. Conversely, contributions by investment income and other income decreased by 8.4 percent to G\$1,161 million.

### Expenditure

Non-interest current expenditure grew by 11.0 percent to G\$114,641 million, on account of greater spending by GPL and GUYOIL. Payments to

creditors expanded by 23.3 percent to G\$29,577 million, with GUYOIL accounting for 99.1 percent of the increase. Freight & other charges (which comprises of VAT payment to suppliers, payment of benefits and other administration costs) rose by 10.8 percent to G\$28,637 million, with NIS and GPL accounting for majority of the increase. Charges for materials & supplies were also higher by 10.3 percent to G\$25,300 million that was attributed to G\$4,482 million increase by GPL. Expenditure on repairs & maintenance expanded by 36.9 percent to G\$1,169 million. In contrast, employment costs declined by 1.2 percent to G\$25,100 million, reflecting G\$1,046 million contraction in employment cost by GUYSUCO. Transfers to the Central Government, in the form of dividends, property taxes, and corporation taxes, contracted by 16.1 percent to G\$3,314 million.

**Figure XI**



Total current expenditure of NIS expanded by 10.2 percent to G\$21,248 million. Other administration, pensions and short-term benefits grew by 10.7 percent to G\$19,894 million. Employment costs rose by 3.8 percent to G\$1,347 million, while material & supplies declined by 11.1 percent to G\$8 million.

In addition, total operating expenditure amounted to G\$115,830 million with the inclusion of interest payments. However, interest payments declined by 21.9 percent to G\$1,189 million from G\$1,521 million in 2016, primarily due to reductions by GUYSUCO.

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### **Capital Account**

The NFPE capital account usually runs a deficit, and for the past two years, there were no capital receipts to these public enterprises. Moreover, capital expenditure continues to grow, and increased by G\$5,573 million to G\$7,550 million, resulting mainly from G\$4,738 million increase by GPL.

### **Overall Balance and Financing**

The NFPEs recorded an overall deficit of G\$12,957 million, relative to a surplus end-2016. Financing needs of both external and domestic agents amounted to net balances of G\$(819) million and G\$13,776 million respectively. Net banking system advances of

G\$25,614 million, transfers from Central Government of G\$11,505 million, net holdings of government securities of G\$2,215 million, and inter-agency borrowing by GUYSUCO of G\$20 million were some of the main components of domestic financing.

### **Outlook for 2018**

The NFPEs overall deficit is expected to reduce to G\$10,076 million. Current expenditure of the public enterprises is projected to increase by 1.6 percent to G\$117,662 million, while current receipt is expected to expand by 11.8 percent to G\$123,492 million. □

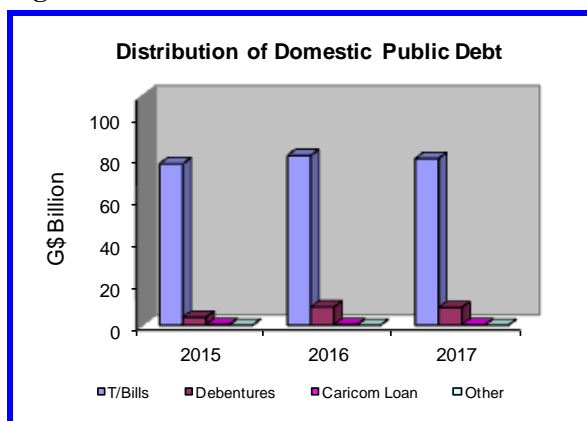
## 6. PUBLIC DEBT

The total stock of government's public debt increased by 4.3 percent, representing 46.1 percent of GDP. The stock of government's domestic bonded debt, which represented 11.9 percent of GDP, declined by 1.9 percent during the review period. This outturn reflected a reduction in the issuance of treasury bills as well as the redemption of the first NIS debenture certificate. The stock of external debt, which amounted to 34.3 percent of GDP, increased by 6.7 percent on account of greater disbursements received mainly from the EximBank of China and the IADB for project financing.

### Stock of Domestic Debt

The outstanding stock of government's domestic bonded debt, which consists of treasury bills, bonds, debentures and the CARICOM loan, declined by 1.9 percent to G\$88,816 million primarily on account of lower issuance of treasury bills to promote economic growth through the stimulation of credit to the private sector. In addition, the first certificate of the Non-Negotiable Debenture issued to the NIS was redeemed at a value of G\$244 million. This debenture was issued to the NIS for offsetting its investment loss in the Colonial Life Insurance Company Limited (CLICO).

Figure XII



The total outstanding stock of treasury bills fell by 1.8 percent to G\$79,992 million, mainly as a result of lower issuance of the 91-day and 364-day treasury bills during the review period. In contrast, the volume of outstanding 182-day bills increased by G\$4,181 million to G\$11,333 million from G\$7,152 million one year earlier.

The maturity structure of treasury bills revealed that

the share of 364-day bills represented 84.6 percent of the total stock of treasury bills from 83.9 percent at end-2016. The share of the 182-day bill was higher at 14.2 percent from 8.8 percent at end-2016, while that of the 91-day bill was lower at 1.2 percent from 7.3 percent at end-2016.

Table XIII

Central Government Bonded Debt by Holders G\$ Million			
	2015	2016	2017
<b>Total Bonded Debt</b>	<b>81,694</b>	<b>90,572</b>	<b>88,816</b>
Treasury Bills	77,437	81,469	79,992
91-day <sup>1)</sup>	8,884	5,998	997
182-day	254	7,152	11,333
364-day	68,299	68,319	67,662
CARICOM Loan	355	319	284
Guymin Bonds	0	0	0
Debentures	3,899	8,781	8,537
Defense Bonds	3	3	3

Notes:

<sup>1)</sup> Includes K-Series

Commercial banks continued to retain the largest share of the outstanding stock of treasury bills with 79.7 percent, 2.75 percentage points lower from one year earlier. The public sector's share, which includes NIS and GPL, increased to 10.9 percent from 7.8 percent at end-2016 while that of other financial intermediaries fell to 8.2 percent from 8.6 percent at end-2016.

Redemption of treasury bills declined by 4.6 percent to G\$102,228 million resulting from lower redemptions of the 91-day bills which fell by 69.1

percent to G\$10,000 million. Conversely, the redemption of the 182-day bills rose by 684.5 percent or G\$17,412 million to G\$19,919 million, while that of the 364-day bills increased marginally by 0.03 percent or G\$20 million to G\$68,319 million at the end of 2017.

The stock of debentures fell by 2.8 percent to G\$8,537 million due to the redemption of the first non-negotiable NIS debenture certificate of G\$244 million during the review period.<sup>1</sup>

### Domestic Debt Service

Total domestic debt service payments increased by 11.7 percent to G\$2,144 million from G\$1,920 million in 2016, primarily on account of the increase in principal payments by G\$244 million. However, total domestic interest payments fell by 1.1 percent to G\$1,864 million resulting from a decline in the redemption of 91-day bills compounded with lower yields for treasury bills during the review period.

**Table XIV**

<b>Domestic Debt Service</b>			
<b>G\$ Million</b>			
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Total Bonded Debt</b>	<b>1,752</b>	<b>1,920</b>	<b>2,144</b>
Principal Payments	35	35	279
Total Interest	1,716	1,885	1,864
Treasury Bills	1,630	1,795	1,715
91-day <sup>1)</sup>	151	171	56
182-day	41	22	150
364-day	1,438	1,602	1,509
CARICOM Loans	15	17	16
Guy mine Bonds	0	0	0
Debentures	71	73	134
Other	0	0	0

Note: Domestic Debt Service Payments exclude interest arrears on treasury bills paid to the Bank of Guyana by the Government during 2017.

<sup>1)</sup> - Includes the K-Series

<sup>1</sup> The government is required to pay the principal in twenty equal annual instalments and 1.5 percent fixed interest rate on the outstanding balance of each certificate on the first day of the first month every year for 20 years.

Interest costs on treasury bills redeemed declined by 4.5 percent to G\$1,715 million resulting primarily from 67.5 percent or G\$116 million decline in interest charges on the volume of 91-day bills redeemed during the year. Additionally, interest charges for 364-day bills fell by 5.8 percent or G\$93 million during the review period while interest on the 182-day bills increased by G\$128 million to G\$150 million from G\$22 million one year earlier.

### Outlook for 2018

Total domestic debt stock is projected to increase as a result of higher issuance of 91-day and 364-day treasury bills, while domestic debt service payments are expected to decline at end-2018 due to lower yields from treasury bills as well as the redemption of the 2<sup>nd</sup> NIS non-negotiable debenture certificate. Debt service payments are estimated to fall by 25.6 percent to G\$1,596 million at end-2018, resulting mainly from a 35.2 percent reduction in interest payments for the 364-day treasury bills.

### Stock of External Debt

The stock of outstanding public external debt increased by 6.7 percent to US\$1,241 million from US\$1,162 million at end-2016 and amounted to 34.3 percent of GDP at purchaser price. The increase in the outstanding stock reflected greater loan disbursements primarily by the EximBank of China and the IADB for project financing targeting infrastructural improvements, electricity generation, citizen security strengthening, sanitation improvement and economic diversification.

**Table XV**

<b>Structure of External Public Debt</b>			
<b>US\$ Million</b>			
	<b>2015</b>	<b>2016**</b>	<b>2017</b>
Multilateral	692	694	726
Bilateral	433	451	480
Suppliers' Credit	13	12	13
Financial Markets/ Bonds	6	5	23
<b>Total</b>	<b>1,143</b>	<b>1,162</b>	<b>1,241</b>

\*\* - Revised data.



Obligations to multilateral creditors, which accounted for 58.5 percent of the total outstanding debt, increased by 4.6 percent or US\$32 million to US\$726 million. Liabilities to the IADB increased by 3.2 percent to US\$503 million, reflecting a change in the debt stock of US\$16 million during 2017. Indebtedness to the International Development Association (IDA) expanded by 42.2 percent or US\$11 million to US\$36 million. Obligations to the Caribbean Development Bank (CDB) increased by 2.7 percent or US\$4 million to US\$151 million. In addition, commitments to the “other”<sup>2</sup> category of multilateral creditors rose by 4.8 percent to US\$36 million.

Total bilateral obligations, which represented 38.7 percent of total external debt, increased by 6.4 percent to US\$480 million. Indebtedness to the EximBank of China increased by 24.5 percent or US\$36 million to US\$181 million. Obligations to Venezuela, under the defunct PetroCaribe Initiative, declined by 2.2 percent or US\$3 million to US\$120 million. Liabilities to Trinidad & Tobago and the EximBank of India fell by 36.5 percent and 8.2 percent to US\$12 million and US\$17 million in debt respectively.

Liabilities to Commercial Banks increased significantly by US\$17 million to US\$19 million as a result of the debt incurred by Atlantic Hotel Inc. (AHI), through the National Industrial and Commercial Investments Limited (NICIL), for the construction of the Marriott Hotel.

### External Debt Service

External debt service payments rose by 13.2 percent to US\$61 million from US\$54 million in 2016. This represented 3.8 percent of export earnings and 6.5 percent of current revenue. Principal and interest payments amounted to US\$40 million and US\$21 million respectively.

Central Government’s debt service increased by 22.2 percent to US\$61 million from US\$50 million one year earlier, on account of higher principal and

<sup>2</sup> The “Other” category of multilateral creditors include OPEC fund, EEC, EIB and IFAD

interest payments to multilateral and bilateral creditors as well as interest payments to commercial banks. Guyana commenced repayments of principal and interest to Venezuela for oil imported under the former PetroCaribe Agreement which came to a halt in July 2015. In addition, higher interest payments were attributed to debt owed to Republic Bank Trinidad for the construction of the Marriott Hotel, amounting to US\$1.8 million. There were no external debt service obligation for Bank of Guyana in 2017.

**Table XVI**

<b>External Debt Service Payments US\$ Million</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>End-December 2017</b>			
<b>Total</b>	<b>40.2</b>	<b>20.6</b>	<b>60.8</b>
Bank of Guyana	0.0	0.0	0.0
Central Gov’t	40.2	20.6	60.8
Parastatals	0.0	0.0	0.0
<b>End-December 2016</b>			
<b>Total</b>	<b>36.1</b>	<b>17.7</b>	<b>53.8</b>
Bank of Guyana	3.9	0.1	4.0
Central Gov’t	32.2	17.6	49.8
Parastatals	0.0	0.0	0.0

Payments to multilateral creditors fell by 3.5 percent to US\$35 million, and represented 57.4 percent of total external debt service. However, payments to bilateral creditors were higher by 37.3 percent to US\$24 million, accounting for 39.6 percent of external debt service payments.

### HIPC Assistance and Multilateral Debt Relief Initiative (MDRI)

Total assistance under the Heavily Indebted Poor Countries Initiative (HIPC) was US\$51 million. Relief under the Original-HIPC (O-HIPC) initiative totalled US\$15 million, while debt relief accruing under the Enhanced-HIPC (E-HIPC) initiative totalled US\$35 million. Debt relief under the Multilateral Debt Relief Initiative (MDRI) totalled US\$26 million, with the IDA and the IADB providing US\$5 million and US\$21 million respectively, as stock-of-debt relief.

**Table XVII**

<b>Debt Relief US\$ Million</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>End-December 2017</b>			
<b>Total</b>	<b>63.3</b>	<b>13.4</b>	<b>76.7</b>
MDRI	20.1	5.8	25.9
<b>Total HIPC</b>	<b>43.2</b>	<b>7.6</b>	<b>50.8</b>
O-HIPC	11.4	4.0	15.4
E-HIPC	31.8	3.6	35.4
<b>End-December 2016</b>			
<b>Total</b>	<b>64.2</b>	<b>16.6</b>	<b>80.8</b>
MDRI	20.0	6.2	26.2
<b>Total HIPC</b>	<b>44.2</b>	<b>10.4</b>	<b>54.6</b>
O-HIPC	11.0	5.9	16.9
E-HIPC	33.2	4.5	37.7

**Outlook for 2018**

The stock of outstanding public external debt is projected to increase by 5.6 percent to US\$1,311 million. This outturn is expected to be on account of higher multilateral and bilateral debt by 5.9 percent and 5.8 percent to US\$769 million and US\$507 million respectively. Liabilities to IADB and CDB

are forecasted to increase by 2.8 percent and 4.0 percent to US\$517 million and US\$157 million respectively. Liabilities to the EximBank of China are also estimated to be higher by 17.6 percent to US\$213 million while liabilities to Venezuela are likely to decline by 4.3 percent to US\$115 million.

Total external debt service payments are projected to increase considerably by 31.5 percent to US\$82 million during 2018 compared with US\$63 million in 2017, mainly as a result increased principal and interest payments to bilateral creditors. Principal payments are expected to increase by 37.7 percent to US\$57 million while interest payments are projected to increase by 19.5 percent to US\$25 million. Payments to multilateral creditors are likely to rise by 17.9 percent to US\$42 million, while payments to bilateral creditors are expected to expand considerably by 52.4 percent to US\$39 million. □



## 7. FINANCIAL SECTOR DEVELOPMENTS

The monetary aggregates of reserve and broad money grew by 2.7 percent and 4.6 percent, respectively. The former is attributed to an increase in net domestic assets while the latter resulted primarily from a growth in net domestic credit. Credit to the private sector increased by 2.3 percent while net credit to the public sector increased by G\$21,182 million. Commercial banks' interest rates were lower during the review period. The financial resources of Non-Bank Financial Institutions (NBFIs), which include depository, non-depository, licensed and unlicensed financial institutions, increased by 6.0 percent or G\$12,365 million to G\$218,178 million, on account of higher pension funds, deposits and other liabilities.

### MONETARY DEVELOPMENTS

#### Reserve Money

Reserve money expanded by G\$4,357 million or 2.7 percent to G\$163,027 million. This increase was due to higher net domestic assets of G\$6,971 million while net foreign assets fell by G\$2,614 million.

Table XVIII

Reserve Money G\$ Million			
	2015	2016	2017
Net Foreign Assets	122,080	122,502	119,888
Net Domestic Assets	16,120	36,168	43,140
Credit to Public Sector	(3,889)	12,230	12,314
<b>Reserve Money</b>	<b>138,200</b>	<b>158,671</b>	<b>163,027</b>
Liabilities to:			
Commercial Banks	62,446	75,709	70,877
Currencies	7,840	8,353	8,828
Deposits	54,545	67,295	61,988
EPDs	61	61	61
Currency in Circulation	75,754	82,962	92,150
<b>Monthly Average</b>			
Reserve Money	131,076	148,499	157,681
Broad Money (M2)	328,141	338,516	352,071
Money Multiplier	2.50	2.28	2.23

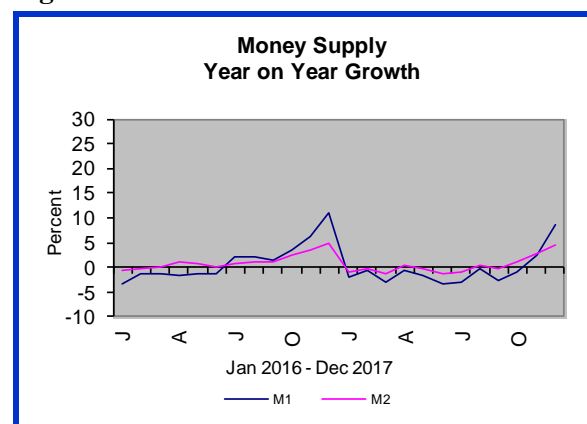
The growth in reserve money reflected an 11.1 percent or G\$9,189 million increase in currency in circulation. Conversely, liabilities to the commercial

banks were lower by 6.4 percent or G\$4,832 million which resulted mainly from a 7.9 percent or G\$5,307 million reduction in their deposits.

#### Money Supply

Broad money (M2) grew by 4.6 percent in 2017 compared with a growth of 5.0 percent one year ago. The growth is attributed to a 10.3 percent increase in net domestic credit while other items (net)<sup>3</sup> and net foreign assets declined by 4.6 percent and 1.6 percent respectively.

Figure XIII



Narrow money (M1) grew by 8.6 percent albeit slower when compared to the 11.2 percent growth recorded at the end of 2016. This position resulted from the expansions in currency in circulation and demand deposits by 11.1 percent and 7.4 percent respectively, while cashiers' cheques and acceptances

<sup>3</sup> Includes commercial banks' undistributed profits.

contracted by 7.2 percent. Quasi money was also higher by 1.8 percent reflecting an increase of 2.1 percent in savings deposits which offset the 1.0 percent decline in time deposits.

**Table XIX**

<b>Monetary Survey</b>			
	<b>G\$ Million</b>		
	<b>2015</b>	<b>2016</b>	<b>2017</b>
Narrow Money	130,295	144,827	157,322
Quasi Money	204,176	206,208	209,892
<b>Money Supply (M2)</b>	<b>334,471</b>	<b>351,035</b>	<b>367,214</b>
Net Domestic Credit	184,599	198,882	219,276
Public Sector (Net)	(6,366)	6,929	28,111
Private Sector Credit	214,487	219,092	224,192
Agriculture	11,690	11,172	11,359
Manufacturing	16,235	16,841	14,195
Construction & Engineering	13,989	11,866	10,327
Distribution	33,996	32,977	34,920
Personal	30,067	32,584	33,507
Mining	4,894	4,172	5,348
Other Services	25,739	29,108	30,953
Real Estate Mortgages	71,649	74,542	77,894
Other	6,229	5,830	5,689
Non-bank Fin. Inst. (net)	(23,522)	(27,140)	(33,026)
Net Foreign Assets	178,606	179,934	176,991
Other Items (Net)	(28,734)	(27,781)	(29,052)

## COMMERCIAL BANKS AND INVESTMENTS

### Deposits

Deposits by residents (comprising the public & private sectors and the non-bank financial institutions) amounted to G\$368,740 million, a decrease of 1.5 percent when compared with a 5.0 percent growth for the corresponding period last year.

Private sector deposits, which accounted for 75.9 percent of total deposits by residents, grew by 2.9 percent to G\$267,092 million. Business enterprises'

and individual customers' deposits grew by 5.3 percent and 2.3 percent to G\$60,792 million and G\$206,300 million, respectively.

The deposits of the public sector amounted to G\$50,679 million, a decline of 31.0 percent from the December 2016 position. This performance reflected a reduction in the deposits of the public non-financial enterprises by 46.0 percent or G\$24,097 million resulting mainly from lower deposits of GUYSUCO and GUYOIL. In contrast, general government deposits, comprising central, local and other government, grew by 6.5 percent compared with a growth of 0.5 percent for the corresponding period last year.

The deposits of the non-bank financial institutions were higher by 19.7 percent to G\$33,986 million at the end of 2017 compared with an increase of 13.5 percent one year ago.

### Domestic Investments

Commercial banks' gross investments, comprising of private sector loans and advances as well as securities, contracted by 0.6 percent to G\$206,318 million and accounted for 43.8 percent of the banks' total assets.

Loans and advances, inclusive of the public sector loans, which accounted for 66.7 percent of the total domestic investment, increased by 1.3 percent to G\$137,628 million. Securities, which accounted for the remaining 33.3 percent of the banks' investment portfolio, contracted by 4.2 percent to G\$68,689 million.

Holdings of commercial banks' securities continued to be in government treasury bills, amounting to G\$63,268 million while there were no investments in government debentures during the review period.

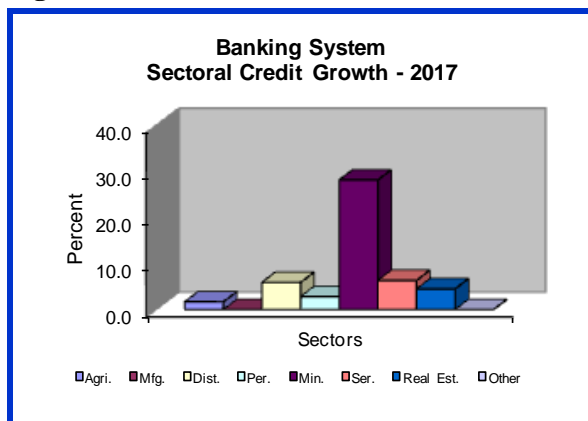
## BANKING SYSTEM

### Net Domestic Credit

Net domestic credit of the banking system grew by 10.3 percent or G\$20,395 million compared with an

increase of 7.7 percent or G\$14,283 million in 2016. This position resulted from increased credit to the private and public sectors.

**Figure XIV**

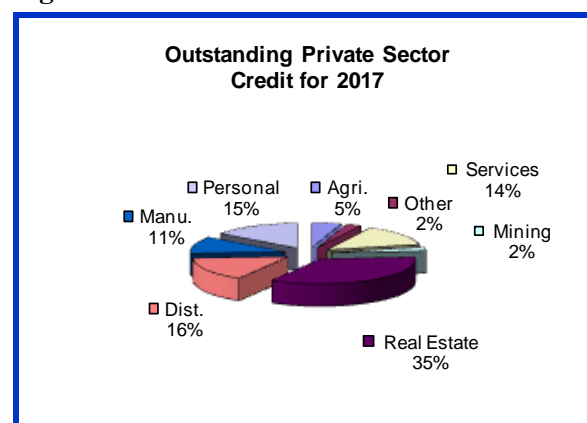


### Credit to the Private Sector

Loans and advances to the private sector grew by 2.3 percent reflecting the mixed allocation of credit to the various sectors at end-December 2017. Credit to all the sectors increased except to the manufacturing, construction & engineering and the other category of the private sector<sup>4</sup>. Loans extended to the mining and other services sectors were higher by 28.2 percent and 6.3 percent respectively. Similarly, credit to the distribution and real estate mortgage sectors also rose by 5.9 percent and 4.5 percent, respectively. Personal and agriculture loans were also higher by 2.8 percent and 1.7 percent respectively. In contrast, lending to the manufacturing and construction & engineering sectors reduced by 15.7 percent and 13.0 percent respectively while loans to the other category of the private sector fell by 2.4 percent.

<sup>4</sup> Includes investments in local securities and shares & other equity in local companies.

**Figure XV**



### Net Credit to the Public Sector

The public sector, which consists of deposits net of loans and advances, treasury bills and debentures, had a net credit position with the banking system of G\$28,111 million compared with a net credit position of G\$6,929 million one year ago. This performance was attributed to lower deposits by the public enterprises.

The public enterprises (net) deposits amounted to G\$24,963 million, a 50.6 percent decline from December 2016. Conversely, net deposits of the other category of the public sector, which includes Local Government and the NIS, increased by 29.0 percent to G\$26,521 million.

### Net Credit to the Non-Bank Financial Institutions

The non-bank financial institutions continued to be net depositors with the banking system. Net deposits increased by 21.7 percent to G\$33,026 million. This outturn stemmed from a 19.7 percent growth in the deposits of the private non-bank financial institutions.

### Net Foreign Assets

The net foreign assets of the banking system decreased by 1.6 percent to US\$857.1 million. This reduction resulted from a decline in the net foreign assets of both the Bank of Guyana and the commercial banks. The Bank of Guyana's net foreign assets decreased by 2.1 percent to US\$580.6 million, resulting mainly from a 2.1 percent decline in its gross foreign assets while liabilities remained

unchanged. Similarly, the commercial banks' net foreign assets were lower by 0.6 percent to US\$276.5 million mainly on account of a 34.5 percent increase in foreign liabilities which offset a 7.1 percent growth in gross foreign assets.

### Interest Rates and Spreads

The Bank rate remained stable at 5.0 percent while the 91-day treasury bill rate, which is the benchmark rate, decreased to 1.54 percent from 1.68 percent. Commercial banks' interest rates declined during the review period. The small savings rate declined by 15 basis points to 1.11 percent from 1.26 percent while the weighted average time deposit rate decreased by 17 basis points to reach 1.14 percent. Similarly, the weighted average lending rate declined by 24 basis points to 10.19 percent while the prime lending rate remained unchanged at 13.0 percent.

The commercial banks' interest rate spread between the small savings rate and the prime lending rate increased to 11.89 percent. The spread between the weighted average time deposit rate and the weighted average lending rate decreased by 7 basis points, from 9.12 percent to 9.04 percent.

### Liquidity

Total liquid assets of the commercial banks contracted by 8.0 percent to G\$111,930 million. This position resulted from lower balances due from other banks abroad as well as lower holdings of government treasury bills which accounted for 56.5 percent of total liquid assets. The banks' excess liquid assets which amounted to G\$33,409 million or 42.5 percent above the required amount, reflected the banks' preference for short-term assets comprising mainly of Government of Guyana treasury bills.

Total reserves deposited with the Bank of Guyana decreased by 9.2 percent to reach G\$62,387 million. The required statutory reserves of the banks contracted by G\$592.8 million reflecting a decrease in time deposit liabilities. Reserves in excess of the minimum requirement stood at G\$18,548 million at the end of 2017.

**Table XX**

Commercial Banks			
Selected Interest Rates and Spreads			
All interest rates are in percent per annum			
	2015	2016	2017
1. Small Savings Rate	1.26	1.26	1.11
2. Weighted Avg. Time Deposit Rate	1.25	1.31	1.14
3. Weighted Avg. Lending Rate	10.56	10.43	10.19
4. Prime Lending Rate	12.83	13.00	13.00
5. End of period 91-day Treasury Bill Discount Rate	1.92	1.68	1.54
Spreads			
A (3-1)	9.30	9.17	9.08
B (4-1)	11.57	11.74	11.89
C (5-1)	0.66	0.43	0.43
D (3-2)	9.31	9.12	9.04
E (4-2)	11.58	11.69	11.86

## NON-BANK FINANCIAL INSTITUTIONS

The financial resources of Non-Bank Financial Institutions (NBFIs), which include depository and non-depository licensed and unlicensed financial institutions, expanded by 6.0 percent or G\$12,365 million to G\$218,178 million. The sector's share of total assets in the financial sector increased from 30.6 percent to 31.7 percent.

The increase in total NBFIs' resources resulted from all sources of funds. Pension funds and foreign liabilities grew by 9.0 percent or G\$2,920 million and 8.7 percent or G\$1,355 million respectively. Insurance premium and other liabilities also recorded increases of 6.1 percent or G\$270 million and 5.9 percent or G\$6,061 million respectively. Deposits grew at a slower rate of 3.5 percent (or G\$1,760 million), with, share deposits expanding by 4.2 percent (or G\$1,735 million), while other deposits grew marginally by 0.3 percent (or G\$25 million) respectively.

**Table XXI**

<b>NON-BANK FINANCIAL INSTITUTIONS <sup>1)</sup></b>			
<b>Selected Sources &amp; Uses of Funds</b>			
<b>G\$ Million</b>			
	<b>Balances</b>		
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Sources of Funds:</b>	<b>203,471</b>	<b>205,813</b>	<b>218,178</b>
Deposits	49,188	50,026	51,786
Share Deposits	41,236	40,826	42,560
Other Deposits	7,952	9,201	9,226
Foreign Liabilities	16,544	15,495	16,849
Premium	4,115	4,451	4,721
Pension Funds	30,647	32,269	35,189
Other Liabilities	102,977	103,572	109,633
<b>Uses of Funds:</b>	<b>203,471</b>	<b>205,813</b>	<b>218,178</b>
Claims on:			
Public Sector	7,254	7,476	7,093
Private Sector	111,023	108,523	115,059
Banking System	27,026	29,861	35,288
Non-Residents	30,212	30,716	30,963
Other Assets	27,956	29,237	29,775

<sup>1)</sup> - The coverage of non-bank financial institutions differs from that reported in the monetary development section.

NBFIs' funds were mainly used to invest in the private sector, banking system and non-resident sectors as shown in Table XXI. Claims on the local banking sector expanded by 18.2 percent (or G\$5,427 million) resulting from a 17.9 percent increase in deposits at local commercial banks. Investments in the private sector, which accounted for 52.7 percent of total assets, grew by 6.0 percent (or G\$6,537 million) resulting mainly from a 10.3 percent growth in the holding of other local securities by business firms. Similarly, mortgage loans, which accounted for 49.7 percent of the private sector's claims, increased by 3.6 percent or G\$1,990 million. The acquisition of other assets and claims on the non-resident sector also recorded increases of 1.8 percent (or G\$538 million) and 0.8 percent (or G\$247 million) respectively. In contrast, public sector investments contracted by 5.1 percent (or G\$383 million), with the latter resulting from lower holdings

of Government of Guyana treasury bills.

### **The New Building Society**

Total resources of the New Building Society (NBS) increased by 5.3 percent or G\$3,209 million to G\$63,249 million and accounted for 29.0 percent of total assets of the NBFIs. This performance was mainly due to an 8.9 percent (or G\$1,159 million) expansion in other liabilities and a 4.2 percent (or G\$1,735 million) growth in share deposits. Foreign liabilities also grew by G\$357 million, while other deposits declined by G\$42 million.

**Table XXII**

<b>NEW BUILDING SOCIETY</b>			
<b>Selected Sources &amp; Uses of Funds</b>			
<b>G\$ Million</b>			
	<b>Balances</b>		
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Sources of Funds:</b>	<b>59,156</b>	<b>60,040</b>	<b>63,249</b>
Share Deposits	41,236	40,826	42,561
Other Deposits	809	881	838
Foreign Liabilities	5,141	5,299	5,656
Other Liabilities	11,970	13,034	14,194
<b>Uses of Funds:</b>	<b>59,156</b>	<b>60,040</b>	<b>63,249</b>
Claims on:			
Public Sector	6,023	6,314	5,812
Private Sector	39,080	38,812	40,011
Banking System	10,923	12,645	15,333
Non-Residents	774	52	0
Other Assets	2,356	2,217	2,093

Funds mobilized by the NBS were largely deposited in the commercial banks and invested in the private sector. Claims on the banking system grew by 21.3 percent (or G\$2,688 million) resulting from a 21.3 percent increase in deposits at local commercial banks. Lending to the private sector increased by 3.1 percent (or G\$1,199 million) and accounted for 63.3 percent of total assets. Conversely, investments in Government of Guyana treasury bills, which represented 9.2 percent of total assets, fell by 7.9 percent to G\$5,812 million. Similarly, the acquisition of other assets also recorded a decline of 5.6 percent

to G\$2,093 million while there was no claim on the non-resident sector.

### Trust Companies

The resources of the trust companies, which include Hand-in-Hand Trust Corporation Incorporated and Trust Company Guyana Limited, increased by 2.9 percent or G\$324 million. Deposits, which represented 72.1 percent of total liabilities, increased by 2.2 percent to G\$8,324 million. This performance resulted from a 3.2 percent (or G\$177 million) growth in individual customer deposits compared to 20.1 percent (or G\$913 million) at end-2016. Other liabilities expanded by G\$130 million to G\$3,080 million, while foreign liabilities consisting mainly of foreign deposits grew by G\$17 million.

**Table XXIII**

<b>TRUST COMPANIES</b>			
<b>Selected Sources &amp; Uses of Funds</b>			
<b>G\$ Million</b>			
	<b>Balances</b>		
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Sources of Funds:</b>	<b>10,148</b>	<b>11,228</b>	<b>11,552</b>
Deposits	7,123	8,147	8,324
Foreign Liabilities	189	131	148
Other Liabilities	2,836	2,950	3,080
<b>Uses of Funds:</b>	<b>10,148</b>	<b>11,228</b>	<b>11,552</b>
Claims on:			
Public Sector	0	0	0
Private Sector	7,303	7,869	7,302
Banking System	1,064	1,724	1,535
Non-Residents	1,581	1,444	2,424
Other Assets	200	191	291

Investments in the private sector decreased by 7.2 percent or G\$568 million, and accounted for 63.2 percent of total assets. This outturn resulted from a 3.8 percent or G\$258 million contraction in mortgage loans and accounted for 89.9 percent of private investments at the end of 2017. The companies' holdings of other loans and advances that consisted of agricultural and personal loans, accounted for 61.1 percent of total loans and advances. Claims on the

local banking sector also declined by G\$189 million, resulting from a 30.1 percent contraction in deposits at local commercial banks. Conversely, Claims on non-resident sector and the acquisition of other assets grew by G\$981 million and G\$100 million respectively, with the former resulting from a G\$757 million expansion in foreign securities.

### Finance Companies

Financial resources of the finance companies increased by 1.2 percent or G\$364 million compared to an 8.2 percent or G\$2,801 million contraction recorded one year earlier. Loans received locally from companies' affiliates expanded by 7.2 percent to G\$1,110 million. Similarly, the resources mobilized in the form of retained earnings also recorded an increase of 3.7 percent or G\$438 million and accounted for 38.2 percent of the finance companies' total liabilities. Conversely, other liabilities, which includes capital & reserves and interest payable decreased by G\$140 million to G\$18,478 million, while foreign liabilities contracted by G\$8 million to G\$49 million.

Claims on the private sector, which represented 76.9 percent of finance companies' total assets, grew by 6.3 percent or G\$1,479 million to G\$24,438 million. This performance was mainly on account of a 5.5 percent expansion in investments in private sector securities. Similarly, the acquisition of other assets (comprising of other real estate, prepayments, accounts receivable and stocks) expanded by G\$874 million to G\$4,655 million. In contrast, claims on the non-residents sector and investments in the banking system declined by G\$1,650 million and G\$339 million to G\$2,395 million and G\$299 million respectively.



**Table XXIV**

<b>FINANCE COMPANIES</b>			
<b>Selected Sources &amp; Uses of Funds</b>			
<b>G\$ Million</b>			
	<b>Balances</b>		
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Sources of Funds:</b>	<b>34,225</b>	<b>31,423</b>	<b>31,787</b>
Loans Received	1,028	1,036	1,110
Retained Earnings	11,183	11,712	12,150
Foreign Liabilities	7	57	49
Other Liabilities	22,007	18,618	18,478
<b>Uses of Funds:</b>	<b>34,225</b>	<b>31,423</b>	<b>31,787</b>
Claims on:			
Public Sector	0	0	0
Private Sector	25,811	22,959	24,438
Banking System	1,135	638	299
Non-Residents	4,087	4,045	2,395
Other Assets	3,192	3,781	4,655

Finance Companies consist of: one stock broker (Beharry Stock Brokers Limited), one investment company (Secure International Finance Company Incorporated), one merchant bank (Guyana Americas Merchant Bank Inc.) and two micro-finance companies (Institute of Private Enterprise & Development and Small Business Development Finance).

### Asset Management Companies

The resources of the asset management companies, which consist of Guyana Co-operative Financial Service (GCFS) and Guyana National Co-operative Bank (GNCB), grew by 1.9 percent. Provision for outstanding loans, which represented 49.0 percent of total liabilities, increased by 4.2 percent or G\$390 million to G\$9,626 million.

Interest receivable, which represents 49.0 percent of total assets, expanded by 4.2 percent or G\$390 million. Claims on the banking system also recorded an increase of G\$23 million, reflecting a G\$23 million expansion in deposits at local commercial banks. Conversely, the acquisition of other assets decreased by 2.0 percent or G\$50 million, while claims on the private sector remained unchanged at G\$7,573 million.

**Table XXV**

<b>ASSET MANAGEMENT COMPANIES</b>			
<b>Selected Sources &amp; Uses of Funds</b>			
<b>G\$ Million</b>			
	<b>Balances</b>		
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Sources of Funds:</b>	<b>18,928</b>	<b>19,281</b>	<b>19,644</b>
Provisions for Loans	8,844	9,236	9,625
Other Liabilities	10,084	10,046	10,019
<b>Uses of Funds:</b>	<b>18,928</b>	<b>19,281</b>	<b>19,644</b>
Claims on:			
Private Sector	7,574	7,573	7,573
Interest Receivable	8,844	9,235	9,625
Banking System	44	37	60
Other Assets	2,466	2,436	2,386

### Pension Schemes

The consolidated resources of the pension schemes expanded by 10.0 percent to G\$37,222 million compared to G\$33,823 million in 2016, mainly on account of the 9.0 percent increase in pension funds. The pension schemes share represented 17.1 percent of total NBFIs' resources.

The resources available were redistributed to increase holdings in the banking system and private sector. Claims on the banking system and private sector grew by G\$1,973 million and G\$1,021 million respectively. The former was largely due to a 38.4 percent growth in deposits at local commercial banks while the latter resulted from a 9.3 percent expansion in private sector securities. Likewise, claims on non-resident sector and investments in Government of Guyana treasury bills recorded increases of G\$762 million and G\$144 million to G\$10,282 million and G\$658 million respectively. Conversely, the acquisition of other assets by the various pension schemes decreased by 22.8 percent or G\$501 million to G\$1,699 million.



**Table XXVI**

<b>PENSION SCHEMES</b>			
<b>Selected Sources &amp; Uses of Funds</b>			
<b>G\$ Million</b>			
	<b>Balances</b>		
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Sources of Funds:</b>	<b>32,380</b>	<b>33,823</b>	<b>37,222</b>
Pension Funds	30,647	32,269	35,189
Other Liabilities	1,733	1,554	2,033
<b>Uses of Funds:</b>	<b>32,380</b>	<b>33,823</b>	<b>37,222</b>
Claims on:			
Public Sector	705	514	658
Private Sector	15,553	16,414	17,435
Banking System	5,564	5,175	7,148
Non-Residents	8,320	9,520	10,282
Other Assets	2,238	2,200	1,699

### Domestic Insurance Companies

The total resources of the domestic insurance companies (life and non-life segments) expanded by 9.4 percent or G\$4,706 million. The life component accounted for 67.4 percent of the industry's resources and grew by 7.0 percent. In contrast, the non-life component recorded a decline of 1.2 percent which was attributed to the decrease in the net balances due from same offices abroad.

Total insurance premium increased by G\$718 million, of this, local life premium increased by 6.1 percent. Similarly, non-residents premium grew by G\$390 million and accounted for 60.2 percent and 78.4 percent of life insurance fund and life insurance foreign liabilities, respectively.

Total private sector investments, in the form of shares and loans & advances to residents, expanded by 22.9 percent or G\$3,405 million to G\$18,300 million. Investments in private sector securities, which constituted 86.5 percent of total private sector investment, increased by 20.5 percent or G\$2,695 million to G\$15,833 million. Similarly, claims on the non-resident sector, in the form of foreign securities, foreign loans & advances, foreign deposits and net balances due from same offices abroad, expanded by 1.2 percent to G\$15,801 million. Deposits with

foreign banks, which represented 48.5 percent of non-resident claims, increased by 10.6 percent, while investments in foreign treasury bills fell by 3.9 percent. Claims on the banking system grew by G\$1,270 million to G\$10,913 million while other assets contracted by G\$128 million to G\$9,086 million.

**Table XXVII**

<b>DOMESTIC INSURANCE COMPANIES</b>			
<b>Selected Sources &amp; Uses of Funds</b>			
<b>G\$ Million</b>			
	<b>Balances</b>		
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Sources of Funds:</b>	<b>48,635</b>	<b>50,017</b>	<b>54,723</b>
Premium	4,115	4,451	4,721
Foreign Liabilities	11,215	10,007	10,996
Other Deposits	20	172	63
Other Liabilities	33,285	35,387	38,943
<b>Uses of Funds:</b>	<b>48,635</b>	<b>50,017</b>	<b>54,723</b>
Claims on:			
Public Sector	526	648	623
Private Sector	15,699	14,895	18,300
Banking System	8,300	9,642	10,913
Non-Residents	15,406	15,617	15,801
Other Assets	8,704	9,215	9,086

### Interest Rates

The interest rate structure of the NBFIs changed marginally during 2017. The small savings rate of NBS was 1.4 percent, while the rates of the five-dollar shares and the save & prosper shares were 1.5 percent and 2.75 percent, respectively. The low income mortgage rate and the average ordinary mortgage rate were 4.25 percent and 6.45 percent, respectively. The interest rates offered by Hand-in-Hand Trust on domestic and commercial mortgages were 10.0 percent and 13.0 percent, while the average deposit rate remained stable at 1.68 percent. □

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## II

### FINANCIAL STABILITY ASSESSMENT

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#### 1. SUMMARY

Guyana's financial stability framework covers financial stability across several agencies with the Central Bank playing the major co-ordinating and regulatory roles. Bank of Guyana views microprudential, stress testing, macroprudential and macroeconomic analyses to be critical for all Licensed Depository Financial Institutions (LDFIs) in the comprehensive framework. In addition, the Bank extended the framework to include analyses of the soundness indicators for the insurance and pension sectors.

The LDFIs maintained high levels of capital and recorded higher profits when compared with the previous year. The Capital Adequacy Ratio (CAR) remained above the prudential 8 percent benchmark by an average 21.5 percentage points. The loan portfolio grew by 2.5 percent and the quality improved with a 4.3 percent drop in non-performing loans. Notwithstanding, the LDFIs generally held adequate provision and collateral against adversely classified loans.

The stress tests performed by Bank of Guyana aim to determine the quantitative measures of vulnerability of deposit taking financial institutions' capital to hypothetical shocks under various scenarios in areas of investments, credit, foreign currency exposure, and liquidity. As at December 31, 2017, the stress test was expanded to include all LDFIs in the areas of investments, liquidity and credit (large exposure). The results indicated that the industry's and individual institutions' shock absorptive capacities, remained adequate under the various scenarios, save for vulnerability in the investment portfolios.

Macroprudential Supervision involves the use of analytic tools and policies to identify, measure, and mitigate systemic risk. The notion of systemic risk reflects an event that will trigger a loss of economic value or confidence in a substantial portion of the financial system resulting in adverse 'nation-wide' and region-wide' effects. Measuring systemic risk requires the implementation of indicators tailored to mitigate the time-varying and cross-sectional dimensions of system wide risk.


The domestic financial system remained relatively sound from few macroeconomic risks. Improvements in the global economy favourably impacted the Guyanese economy through enhanced trade, commodity prices and foreign investments. Most sectors in the domestic economy expanded, and many of the macroeconomic indicators were promising. Notwithstanding, there were setbacks in sugar, gold and mining & quarrying, while high interest rate spreads and uncertainty in the international financial market remain major downside risks to domestic financial stability. The forecast for 2018 indicates improvement in most of the economic sectors, and together with prudent fiscal and accommodative monetary policies, should continue to build financial sector resilience.

The insurance sector, which comprises long-term insurance and general insurance, accounted for 6.7 percent of total financial assets and 26.6 percent of non-bank assets as at December 2017. The sector was adequately capitalised as both the long-term and general insurance sectors' assets exceeded their respective solvency requirements in keeping with the Insurance Act 1998. The insurance sector's assets accounted for 8.2 percent of the country's GDP. The long-term and general insurance sectors' assets exceeded liabilities by 33.4 percent and 123 percent, respectively. The sector experienced increases in both its penetration and density in the domestic market when compared with the

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previous year. Its average per capita spending on insurance improved which indicated that there has been an increase in the density of the insurance products in the market. The sector's penetration into the domestic market has also seen improvement as its total gross written premium now represents 1.8 percent (December 2016 – 1.77 percent) of the economy's GDP. Reinsurance for the long-term insurance sector increased marginally to 6.7 percent, indicating that more risks were transferred to reinsurers. In contrast, reinsurance for the general insurance sector decreased to 22.5 percent from 25.6 percent. Potential risks the industry was exposed to were prudently managed resulting in no adverse effect, despite the volatility of global financial conditions.

The private pension sector continued to grow consistently accounting for 5.8 percent of the total financial sector's assets and 22.1 percent of that of the non-bank financial institutions (NBFIs) - a reflection of its low penetration rate and diminutive systemic risk. Nonetheless, the sector remained an important institutional investor as reflected in the marginal increase in the assets to GDP ratio to 7.1 percent from 6.5 percent in December 2016. Real returns were positive but still low, mainly due to the adverse effects of inflation, below par available investments and the high fees charged to pension funds. Defined Benefit (DB) plans were sensitive to market risk, mainly because of the composition of their investment portfolios – large proportions were held in capital-uncertain assets: predominantly equities, bonds and real estate. Likewise, Defined Contribution (DC) plans were vulnerable to the Deposit Administration Contracts (DACs) offered by the life insurance companies. Further, while investments in foreign assets were below the regulatory threshold, the unavailability of suitably diversifiable local investments also exposed pension funds to market risk. Regardless, the sector's exposure to credit risk remained insignificant. The sector continued to have high liquidity levels that far surpassed the long-term nature of pension liabilities. Notwithstanding, the private pensions sector maintained its more than sufficient funding level with an average of 131.5 percent.

The Bank of Guyana (BoG) received support from the World Bank to the tune of US\$6 million to modernize Guyana's Payment System. This would entail adopting a new Payment System Act, Payment System Strategy and modernization of the Payment System infrastructure. Modernization efforts from paper-based instruments to electronic payments will result in significant cost saving and efficiency improvements while reducing operational, credit, legal, liquidity investment and custody risks. 

## 2. MICROPRUDENTIAL REVIEW

The Licensed Depository Financial Institutions (LDFIs) maintained high levels of capital and recorded higher profits when compared with the previous year. The Capital Adequacy Ratio (CAR) remained above the prudential 8 percent benchmark by an average 21.5 percentage points. The loan portfolio grew by 2.5 percent and the quality improved with a 4.3 percent drop in non-performing loans. Notwithstanding, the LDFIs generally held adequate provision and collateral against adversely classified loans.

### Composition of Capital

The average Capital Adequacy Ratio (CAR) for the LDFIs at end-December 2017 was 29.5 percent, 1.8 percentage points above end-December 2016, resulting from the LDFIs' increased capital levels.

Table XXVIII

Licensed Depository Financial Institutions (LDFIs) Capital Adequacy Profiles G\$ Million			
	Dec. 2015	Dec. 2016 <sup>5</sup>	Dec. 2017
Total Qualifying Capital	60,377	64,928	71,064
Total Tier 1 capital (Net)	61,801	65,193	71,523
Risk-weighted Assets (Net)	234,964	234,331	240,635
	Percent		
Average CAR	25.7	27.7	29.5
Tier 1 ratio	26.3	27.8	29.7

The LDFIs' total qualifying capital of G\$71,064 million reflected respective increases of 9.5 percent and 17.7 percent above the corresponding 2016 and 2015 levels. This period's increase resulted mainly from a 9.7 percent expansion in net tier I capital. The higher level of tier I capital which stood at G\$71,523 million at end-December 2017, was due largely to a 10.5 percent increase in retained earnings over the end-December 2016 level. GBTI and DBL were the main contributors to this expansion in retained earnings, with respective increases of 14.2 percent each, which resulted from the transfer of its 2016

financial year profits.

### Net Risk-weighted Assets

The LDFIs' aggregate net risk-weighted assets expanded by 2.7 percent to reach G\$240,635 million at end-December 2017, a reversal of the less than one percent decline the previous year. The increase in risk-weighted assets reflected growth in credit primarily to the mining & quarrying and agriculture sectors of 28.1 percent and 14.2 percent respectively.

The LDFIs' capital and reserves to total assets ratio as at December 2017 was 15.4 percent, 1.1 percentage points higher when compared to the previous year.

## ASSET QUALITY

### Non-performing loans

The level of non-performing loans improved by 4.3 percent (following the 17.1 percent rise at end-December 2016), to close at G\$28,970 million at end-December 2017. The improvement was attributed to four LDFIs.

Non-performing loans represented 10.8 percent of total loans, 70 basis points below end-December 2016. Total loans grew by 2.5 percent over the comparative period to G\$269,124 million, with four LDFIs recording increases ranging from 3.5 percent to 9.3 percent.

The aggregate non-performing loans were 4.3 percent (G\$1,316 million) below the \$30,286 million reported at end-December 2016. Four of the eight LDFIs recorded decreases in the level of their non-performing loans ranging from 1.6 percent to 44.2 percent and were largely responsible for the overall

<sup>5</sup> RBL's Tier 1 capital and Total qualifying capital was amended July 12, 2017.

improvement.

**Table XXIX**

<b>Licensed Depository Financial Institutions (LDFIs)</b> <b>Sectoral Distribution of Non-Performing Loans</b> <b>G\$ Million</b>			
	<b>Dec 2015</b>	<b>Dec 2016</b>	<b>Dec 2017</b>
<b>Economic Sector</b>			
<b>Business Enterprises</b>	<b>19,798</b>	<b>22,210</b>	<b>19,863</b>
Agriculture	4,214	4,191	3,134
Mining & Quarrying	1,575	673	855
Manufacture	5,361	5,781	4,729
Services	8,648	11,565	11,145
<b>Households <sup>1)</sup></b>	<b>6,076</b>	<b>8,076</b>	<b>9,107</b>
<b>Total</b>	<b>25,874</b>	<b>30,286</b>	<b>28,970</b>

<sup>1)</sup> Households include personal loans only.

### Sectoral Non-Performing Loans

On a sectoral basis, non-performing loans contracted in the business enterprises sector by 10.6 percent (G\$2,347 million) but expanded in the households sector by 12.8 percent (G\$1,031 million) when compared with 2016. The decreases in the agriculture, manufacturing and services sub-sectors of 25.2 percent, 19.5 percent and 3.6 percent respectively were responsible for the overall decline in the business enterprises non-performing loans.

The sub-sectors with the highest concentrations of non-performing loans were (i) construction & engineering accounting for 65.5 percent of manufacture; (ii) distribution (wholesale and retail trade) accounting for 48.9 percent of services; and (iii) sugar cane accounting for 46.3 percent of agriculture. The housing (including purchase of land and real estate) sub-sector accounted for 61.9 percent of NPLs in the households sector.

### Provision for loan losses

The ratio of provision for loan losses to non-performing loans at end-December 2017 was 47.7 percent, up from 44.6 percent at end-December 2016.

### Risk Assessment

As at December 2017, the overall assessment of the banks' credit risk remained high and increasing. The ratio of non-performing loans to total loans reduced to 12.2 percent, compared with 12.9 percent at end-December 2016. Three banks were rated as high and increasing. NBS credit risk rating was assessed as low and stable while HIHT was assessed as high and increasing.

### Loan Concentration

Loan concentration among large borrowers deepened further with exposure to the industry's top twenty borrowers at end-December 2017 of G\$68,003 million reflecting an 11.5 percent (G\$7,017 million) expansion above the level at end-December 2016. Three LDFIs recorded increases ranging from 8.8 percent to 110.8 percent in their respective exposures, while the remaining five LDFIs had decreases ranging from 0.3 percent to 100 percent. The ratio of the industry's top twenty borrowers to total exposure was 16.2 percent, 1.6 percentage points above end-December 2016.

### Loans to Related Parties

Loans to related parties of G\$7,948 million as at December 2017 were 12.9 percent below the end-December 2016 level, following a 10.7 percent falloff the previous year. The ratio of related parties' loans to total loans was 3.0 percent, 50 basis points below the previous year. Loans to related parties remained concentrated in the 'other related persons' category, which accounted for 84.4 percent of the aggregate loans to related parties, 3.1 percentage points above end-December 2016.

### Risk Assessment

The banks' concentration risk was assessed as moderate and stable. NBS concentration risk was assessed as moderate and stable while HIHT was rated as high and increasing. The industry's top twenty borrowers to total loans ratio was 25.3 percent. Seventy-three percent of these accounts were favorably classified.

## EARNINGS

### Income

LDFIs' operating income for the year 2017 reflected increases of 1.3 percent (G\$479 million) over the 2016 level and 2.3 percent (G\$865 million) over the 2015 level to G\$37,559 million. All income sources reflected increases above the two previous years' respective levels. Interest income of G\$29,233 million stood 10.3 percent (G\$2,720 million) above the 2016 level and 0.7 percent (G\$216 million) above the 2015 level. Gains from foreign exchange activities of G\$4,288 million, the second largest income source, increased 13.1 percent (G\$498 million) and 9.8 percent (G\$420 million) above the 2016 and 2015 levels respectively. Income from fees and commissions of G\$2,881 million were 3.8 percent (G\$105 million) and 2.4 percent (G\$68 million) above the 2016 and 2015 levels respectively, while other operating income of G\$1,156 million was 15.5 percent (G\$155 million) and 13.8 percent (G\$160 million) above the 2016 and 2015 respective levels.

### Expenses

LDFIs' operating expenses of G\$21,525 million were 1.1 percent (G\$229 million) below the 2016 level. However, when compared to the 2015 level, operating expenses rose 11.6 percent (G\$2,489 million). Three of the six expense categories reflected contractions from the 2016 level.

LDFIs' provisions for loan losses of G\$2,886 million were 14.6 percent (G\$494 million) below the 2016 level but 46.1 percent (G\$1,329 million) above the 2015 level. Interest expense of G\$4,713 million were 8.2 percent (G\$423 million) and 2.4 percent (G\$115 million) below the 2016 and 2015 respective levels. On the other hand, other operating expenses of G\$8,198 million increased 11.7 percent (G\$857 million) and 16.6 percent (G\$1,357 million) over the 2016 and 2015 respective levels, while salaries and other staff costs of G\$6,231 million rose 4.8 percent (G\$284 million) and 5.5 percent (G\$344 million) above the 2016 and 2015 levels respectively.

For the year under review, LDFIs recovered G\$502

million in bad debts previously written-off, improving on the net recoveries of G\$76 million and G\$98 million in 2016 and 2015 respectively.

**Table XXX**

<b>Consolidated Income Statement of LDFIs</b>			
<b>G\$ Million</b>			
<b>January – December</b>			
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Operating Income</b>	<b>36,694</b>	<b>37,080</b>	<b>37,559</b>
Interest Income	29,017	26,513	29,233
Foreign exchange gains	3,868	3,790	4,288
Fees and Commission	2,813	2,776	2,881
Other operating income	996	1,001	1,156
<b>Non-operating income</b>	<b>6</b>	<b>5</b>	<b>0</b>
<b>Operating Expenses</b>	<b>19,036</b>	<b>21,754</b>	<b>21,525</b>
Interest Expense	4,828	5,136	4,713
Salaries and other staff costs	5,887	5,947	6,231
Foreign exchange losses	21	27	0
Provision for loan losses	1,557	3,380	2,886
Bad debts written off / (Recovered)	(98)	(76)	(502)
Other operating expenses	6,841	7,341	8,198
<b>Non-Operating Expenses</b>	<b>(32)</b>	<b>1</b>	<b>31</b>
<b>Net income before tax</b>	<b>17,632</b>	<b>15,330</b>	<b>16,003</b>
<b>Taxation</b>	<b>4,865</b>	<b>4,401</b>	<b>4,136</b>
<b>Net income/loss after tax</b>	<b>12,767</b>	<b>10,929</b>	<b>11,867</b>
<b>Profitability Ratios - Percent (%)</b>			
Return on Assets (ROA)	2.61	2.13	2.25
Return on Equity (ROE)	19.02	15.13	15.19

### Net profit after tax and profitability ratios

LDFIs' net income before tax was 4.4 percent (G\$673 million) above the previous year's level at G\$16,003 million for the January-December 2017 period. Consequently, net income after tax of G\$11,867 million) was 8.6 percent (G\$938 million) above the 2016 level but 7.6 percent (G\$900 million) below the 2015 level respectively.

For the January – December 2017 period, both ROA and ROE were greater than the previous year's level by 12 basis points and 6 basis points respectively at



2.25 percent to 15.19 percent.

## LIQUIDITY

The level of liquidity in the financial sector remained high throughout 2017, with all the LDFIs exceeding the minimum statutory requirements. During the year, excess liquid assets holdings for individual LDFIs ranged from 2.0 percent to 280 percent. The average aggregate amount of liquid assets held at end-December 2017 exceeded the statutory liquid assets requirement by 88.1 percent (G\$73,956 million) compared with an 89.0 percent (G\$75,478 million) excess at end-December 2016.

At end-December 2017, the average level of liquid assets held by LDFIs amounted to G\$157,939 million, a 1.5 percent (G\$2,381 million) contraction from the average level recorded for the same period in 2016. This decline resulted mainly from decreases in local treasury bills – 24.4 percent (G\$6,704 million) and deposits with BOG – 8.7 percent (G\$5,846 million); stymied by increases in net balances due from other banks abroad – 46.0 percent (G\$3,926 million); marketable obligations – 9.4 percent (G\$2,493 million); net balances due from Head Office and branches abroad – 38.8 percent (G\$2,218 million); and net balances due from LDFIs in Guyana – 8.6 percent (G\$1,321 million).

The average liquid assets ratio (LAR) contracted 80 basis points below the end-December 2016 position to 29.8 percent at end-December 2017. Customers' deposits to total (non-interbank) loans ratio, which indicates the ability of the LDFIs to support loan growth with deposits, also contracted - 530 basis points to 158.4 percent at end-December 2017. These reduced ratios reflect a scenario of falling liquid assets in light of rising deposits and non-interbank

loans. A year-on-year comparison revealed a 0.76 percent reduction in liquid assets as customers' deposits and non-interbank loans grew 1.28 percent and 2.51 percent respectively.

**Table XXXI**

<b>Licensed Depository Financial Institutions (LDFIs)</b>			
<b>Liquidity Indicators</b>			
<b>G\$ Million</b>			
	<b>2015</b>	<b>2016</b>	<b>2017</b>
Avg. Actual Liq. Assets	143,554	160,320	157,939
Avg. Required Liq. Assets	81,026	84,842	83,983
Avg. Excess Liq. Assets	62,528	75,478	73,956
<b>Liquidity Ratios - Percent (%)</b>			
Liq. Assets to total assets	28.7	30.6	29.8
Customer deposits to total (non-interbank) loans	159.7	163.7	158.4

**Endnote:** This section examines the stability and soundness of the financial system. In particular, it analyses the performance of the following Licensed Depository Financial Institutions (LDFIs) for the year ended December 31, 2017: Republic Bank (Guyana) Ltd (RBL); Guyana Bank for Trade and Industry Limited (GBTI); Demerara Bank Limited (DBL); Citizens Bank Guyana Incorporated (CBI), Bank of Baroda (Guyana) Inc. (BOB); Bank of Nova Scotia (BNS), and Hand-in-Hand Trust Corporation Incorporated (HIHT).

## Risk Assessment

The liquidity risk among the LDFIs was assessed as moderate and stable due to their continued high levels. Seven institutions were rated as moderate and stable, and one as moderate and increasing. □



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### 3. STRESS TESTING

The stress tests performed by the Bank of Guyana aimed to determine the quantitative measures of vulnerability of deposit taking financial institutions' capital to hypothetical shocks under various scenarios in areas of investments, credit, foreign currency exposure, and liquidity. As at December 31, 2017, the stress test was expanded to include all licensed depository financial institutions (LDFIs) in the areas of investments, liquidity and credit (large exposure). The results indicated that the industry's and individual institutions' shock absorptive capacities remained adequate under the various scenarios, save for vulnerability in the investment portfolios.

#### a) Investments<sup>6</sup>

The investment stress test estimates the impact on LDFIs' capital when their investment portfolios were assumed to suffer three levels of shocks as follows:

- **Level 1** – the investment portfolio will assume provisioning requirements on each investment based on credit ratings,
- **Level 2** – the credit rating of each investment will be downgraded by one provisioning level for sovereign securities only, corporate securities only, and both sovereign and corporate securities simultaneously and assessed in two areas (the Caribbean and unspecified countries) and,
- **Level 3** – a further provisioning of 20 percent will be estimated on speculative graded investments.

The industry reflected resilience to this stress test under all three levels when its investment portfolios for both Caribbean and unspecified countries were observed. However, three institutions (two banks and one non-bank), displayed significant susceptibility to the shocks. Notwithstanding, the increasing volume of investments, the level of capital of the industry was sufficient to sustain the effects of the shocks.

#### b) Credit

The credit stress test measures the impact on banks' provisioning requirements and capital by economic sectors and the default of largest borrowers of each institution (large exposure).

#### Sectoral Stress Test

The shocks applied under this test are 10 percent and 20 percent deteriorations (downward migrations), in the various economic sectors, with the banking sector showing resilience to both shocks. In addition, it was found that a shock of 80.2 percent to the sectoral credit exposure would result in the sector's CAR deteriorating to the prudential minimum requirement. Additionally, three banks reflected CARs below eight percent when the extreme downward migration was applied. The high levels of NPLs remains the most significant variable to banks' credit portfolio.

#### Large Exposure Stress Test

This test assessed the largest borrowers under three default levels:

- **Level 1** – the top borrower of each institution,
- **Level 2** – the top 3 borrowers of each institution and,
- **Level 3** – the top 5 borrowers of each institution.

The industry passed the large exposure stress test under all three levels at end-December 2017, with CAR results well above 8.0 percent, while the banking sector failed the test at level three shock. Moreover, the level two and three shocks saw failure by three LDFIs (two banks and one non-bank) and four LDFIs (three banks and one non-bank) respectively.

#### c) Foreign Currency

The foreign currency stress test estimates the impact on the banks' capital of a depreciation or appreciation of the Guyana dollar (G\$) against the four major trading currencies (US\$, EURO, GBP & CAN), as well as all other foreign currencies in which the

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<sup>6</sup> The foreign currency and sectoral credit stress tests only focus on banks due to limited data on non-banks for these tests.

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banks have assets and liabilities. The test revealed a still resilient banking sector to the applied shocks. The sector required an appreciation of the G\$ by 81.2 percent to deteriorate its CAR to the prudential requirement. Only two banks showed some degree of vulnerability to this extreme shock.

#### **d) Liquidity**

The liquidity stress test sought to determine the number of days an institution can withstand a deposit run before exhausting its liquid assets given no infusions of liquidity from external sources.

The run-off rates and percentage of liquidity drawn from 'other assets' were standardized to reflect three levels of shocks: 5/5; 3/7; 0/10. An initial 5 percent daily run on deposits and an additional 5 percent of liquidity drawn from non-liquid assets when used in conjunction with total liquid assets to boost liquidity, resulted in the industry enduring for seven days before depleting its total liquid assets. Additionally, with an extreme scenario of a 10 percent daily run off of deposits, the industry would go illiquid in two days. □

## 4. MACROPRUDENTIAL REVIEW

Macroprudential Supervision involves the use of analytic tools and policies to identify, measure, and mitigate systemic risk. The notion of systemic risk reflects an event that will trigger a loss of economic value or confidence in a substantial portion of the financial system resulting in adverse ‘nation-wide’ and region-wide’ effects. Measuring systemic risk requires the implementation of indicators tailored to mitigate the time-varying and cross-sectional dimensions of system wide risk.

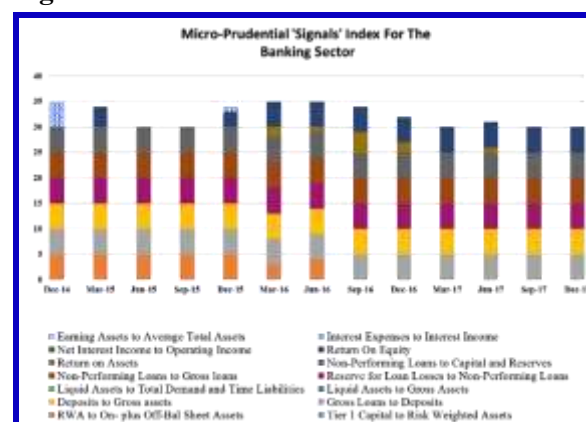
Tools currently used to measure systemic risks include:

1. Micro-prudential Index
2. Absorption Ratio
3. Banking Stability Index
4. Macro-financial ‘Signals’ Index
5. Credit to GDP Gap
6. Composite Indicator for Systemic Stress (CISS)
7. Aggregate Financial Stability Index (AFSI)
8. Financial Stability Cobweb

### 1. Micro-prudential Index (Guyana’s Banking Sector)

The micro-prudential index (MPI) is an asset-size weighted ‘signals-based’ composite indicator, comprising of core financial soundness indicators which signals vulnerability in the banking sector. The trend of the index over the last thirteen quarters (December 2014 to December 2017), showed a modest reduction of financial stress in the banking sector, relative to the average value of the tranquil period<sup>7</sup>. This was reflected in a lower MPI at end-December 2017, improving to 30 points when compared to 32 points in the corresponding period December 2016. Notwithstanding, six of the fourteen financial soundness indicators, in particular, the combined asset quality and the profitability ratios continued to signal sustained risk levels.

**Figure XVI**



**Note:** The MPI is a signal-based index computed using scores for indicators based on the number of standard deviations of each indicator from its the ‘tranquil period’ mean value. The higher the aggregate score, the more severe is the signal of financial vulnerability.

The improvement of the MPI was mainly on account of the commercial banks’ above average capital adequacy and high but stable liquidity. However, although non-performing loans reduced at the end of December 2017 to G\$27.4 billion from G\$28.3 billion in December 2016, the sector’s asset quality indicators signalled sustained risk levels. These were reflected in the non-performing loans to gross loans ratio (12.2 percent) and the non-performing loans to capital and reserves ratio (41.1 percent) at the end of the period.

<sup>7</sup> The tranquil period December 2011 to September 2013 for the MPI reflects a period where the level of economic growth and inflation in Guyana were relatively stable, averaging 5.3 percent and 2.6 percent respectively.

Additionally, the impact on profitability from increased provisioning for loan losses to 48.5 percent at the end of December 2017 from 45.4 percent in the corresponding period, led to subdued ROE and ROA ratios of 3.9 percent and 0.6 percent respectively (see Figure XVI). Notwithstanding the aforementioned, the commercial banks maintained sufficient capital levels to withstand instability shocks.

**Figure XVII**



**Table XXXII**

Macro-prudential Index Guyana's Banking Sector										
	Sep 2015	Dec 2015	Mar 2016	Jun 2016	Sep 2016	Dec 2016	Mar 2017	Jun 2017	Sep 2017	Dec 2017
<b>Risk Ratios</b>										
RLL/NPLs	38.78	38.03	38.02	41.40	41.42	45.39	45.88	42.54	45.54	48.48
NPLs/GL	10.75	11.51	11.71	11.89	13.01	12.91	12.79	13.05	13.76	12.19
NPLs/C&R	38.88	42.87	41.27	43.13	45.36	46.23	42.77	44.44	46.29	41.10
ROE	5.61	4.70	4.10	4.20	3.75	4.05	4.18	3.97	3.81	3.90
ROA	0.75	0.63	0.55	0.56	0.50	0.55	0.58	0.57	0.55	0.57

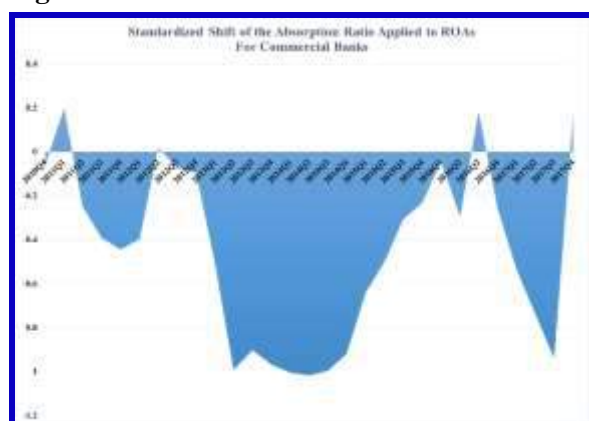
## 2. Absorption Ratio

The value of the Standardised Shift in the Absorption Ratio (SAR), which measures the degree of linkage of asset returns across the banking portfolios as reflected in their return on assets (ROA), implied a greater degree of common asset holdings in the December 2017 quarter relative to the previous quarter and the previous year. The SAR has been moving upwards since the June 2017 quarter, indicating greater coupling of commercial banks' asset portfolios.

The degree of coupling of assets among the commercial banks has become more pronounced since the previous quarter's SAR of 0.4 to 0.5 at the end of December 2017 (see Figure XVIII). This movement was caused by a larger share of asset allocation in similar types of investments in the banking sector, which would make the sector more susceptible to the propagation of negative shocks.

During the period under review, four banks had the greatest portion of their investments held in local treasury bills while the remaining two banks invested more heavily in foreign securities. Despite the foregoing, the higher commonality in asset returns across institutions did not pose a significant contagion threat in December 2017 as values of SAR below one would indicate a greater degree of decoupling across market returns.

**Figure XVIII**



### 3. Banking Stability Index

The Banking Stability Index (BSI), which measures the stability of the banking sector, trended upwards in the last quarter of 2017, after declining in the first three quarters of 2017. The BSI moved from 0.03 as at December 2016 to negative 0.07 as at December 2017. (See table XXXIII). The upward trend in the fourth quarter was primarily driven by improvements in the assets quality, profitability and foreign exchange indicators.

**Table XXXIII**

Weighted Components of the Banking Stability Index				
	Mar 2017	Jun 2017	Sep 2017	Dec 2017
<b>BSI</b>	<b>0.26</b>	<b>0.21</b>	<b>-0.30</b>	<b>-0.07</b>
Capital Adequacy	0.05	0.04	0.04	0.05
Asset Quality	0.11	0.09	-0.42	-0.31
Profitability	-0.26	-0.27	-0.32	-0.27
Liquidity	0.14	0.03	0.21	0.15
Interest Rate Risk	0.12	0.10	0.09	0.10

In particular, non-performing loans (NPLs) to total loans amounted to 12.19 percent at end-December 2017, 1.57pp below the previous quarter and 0.72pp below the corresponding period one year ago. The high levels of NPLs continue to negatively impact the sector's profitability position, as reflected in the lower returns on equity. On the other hand, the foreign exchange risk was considerably lower, as a result of the foreign currency bid-ask spread contracting by G\$1.9. Further, the interest rate risk,

liquidity and the capital adequacy position remained relatively stable over the last year.

Overall, the BSI signalled increased stability in the banking sector in the last quarter of 2017, despite the downward trend in the first three quarters of 2017.

**Figure XIX**



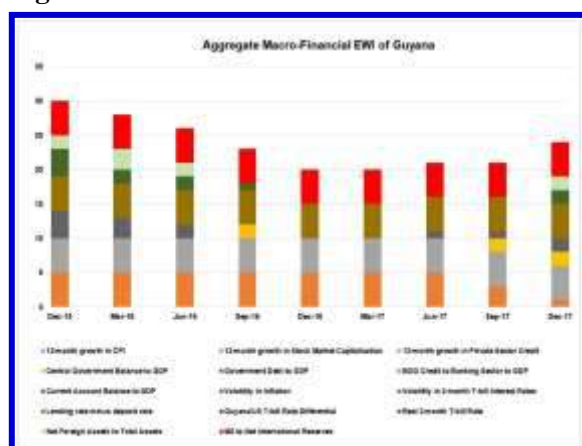
### 4. Macro-Financial 'Signal' Index

The Macro-Financial Early Warning Index (EWI)<sup>8</sup> allows for the monitoring of the overall macroeconomic environment to capture various degrees of risk exposure in the economy. At end-Dec 2017, the macro-financial 'signals'<sup>9</sup> yielded satisfactory results with reduced exposure of risks relative to Dec-2016, owing to improvements in the 12-month growth of stock market capitalization and the real 3-month treasury bill rate. Compared to the third quarter, the macro-financial signals resulted in the same amount of risks, with improvements in the 12-month growth of stock market capitalization, but declinations in the central government balance to GDP.

<sup>8</sup> The Macro-financial Early Warning Index (EWI) is constructed to reflect the influences of the financial sector, the real sector, the private sector, the public sector, and the external sector on bank soundness. As such, the framework shows the potential impact of the macroeconomic environment on bank fragility.

<sup>9</sup> It is based on the performance of a basket of key macroeconomic and financial indicators, each scored by severity levels ranging from 0 point (no or minimal amount of risk) to 5 points (most severe). An increase in this index indicates an elevation in the overall level of risk in the system, while a fall demonstrates declined vulnerability to systemic threats.

**Figure XX**



Three indicators continued to signal high levels of risks, these include the 12-month growth in private sector credit, the lending rate minus deposit rate, and M2 to net international reserves. Although these indicators show persistent vulnerabilities, ongoing surveillances and risk-assessments suggest that they do not pose significant threats to the economy at present. In addition, the good performances by most of the variables should continue to provide buffers in situations that are unfavourable.

## 5. Credit to GDP Gap

The credit to GDP gap is an early warning indicator of potential financial crises. It captures the build-up of excessive credit relative to the long term trend and is measured by the difference between the credit to GDP ratio and the ratio's long term trend.

The credit to GDP gap for the banking sector was 0.1 percentage points (pp) in December 2017, compared to negative 0.4pp in the previous quarter and 1.4pp the previous year<sup>10</sup>. The gap indicates that the credit to GDP ratio was nearing its long term trend. The movement in the gap reflects the steady decline of the credit to GDP ratio over the past seven quarters. The credit to GDP ratio of 29.6 percent for the reporting quarter was a marginal improvement. With the gap being close to zero there are no heightened risk

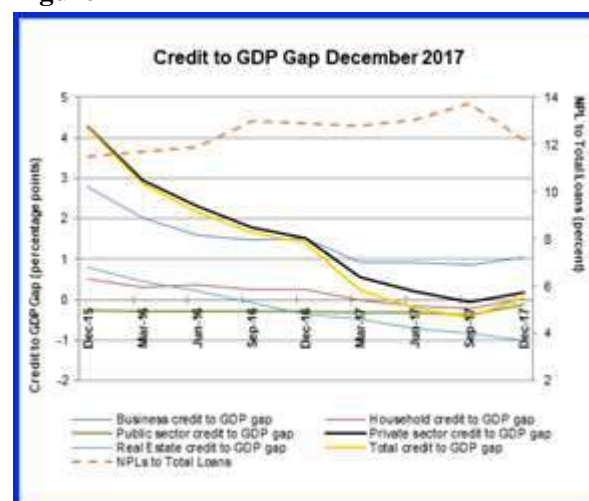
<sup>10</sup> The figures for the previous quarter (September 2017) and the previous year (December 2017) comparisons were computed using the two-sided Hodrick-Prescott filter on data for the period March 1995 to December 2017. As such, they may differ from the figures reported in the 2016 Annual Report.

exposures to rapid credit growth.

The private sector credit to GDP gap of 0.2pp was pulled down by the real estate and consumer credit subsectors which recorded gaps of negative 1.0pp and 0.0pp respectively. Credit to the business sector constitutes the largest portions of both total credit and private sector credit and accounts for 13.6 percent of GDP (at purchaser's price), 3.4pp higher than the real estate credit to GDP ratio.

The public sector credit to GDP gap was negative 0.1pp indicating that public sector credit to GDP ratio was below its long term trend.

**Figure XXI**



Annual credit growth for commercial banks was 2.5 percent, a marginal improvement when compared to 2016's growth of 2.2 percent and a considerable decline when compared to 2010 through 2015. The level of non-performing loans to total loans was 12.2 percent, a slight decrease of 1.6pp from last quarter and 0.7pp from the previous year. The commercial banks have reported underperforming sectors, slow execution of fiscal projects and dampened consumer and private sector confidence as reasons for the slowdown in credit growth. This was supported by the downward revision of the 2.9 percent GDP growth projected for 2017.



## 6. Composite Indicator for Systemic Stress (CISS)

The Composite Indicator of Systemic Stress (CISS) captures the potential stress in the banking system by assessing the vulnerabilities arising from the correlation in Guyana's four key markets (housing, credit, money and foreign exchange). The CISS continues its downward trend from December 2015 (see Figure XXII) with a significant reduction in markets stress level at end December 2017. Sustained stability in the Forex market and heightened competitiveness among banks in the money market contributed to the lower stress levels in those markets as stress levels in the housing and credit market remain somewhat elevated.

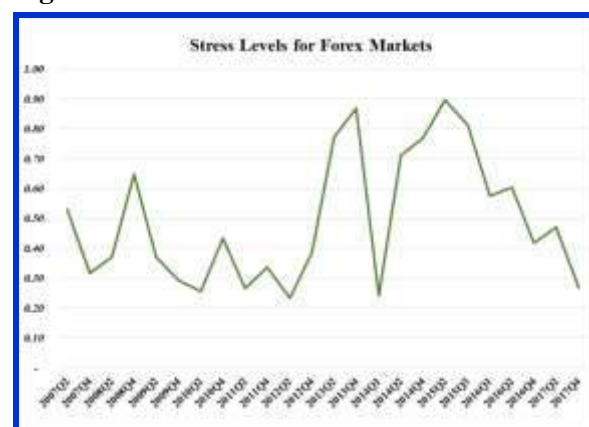
**Figure XXII**



The Forex market saw total USD trade over 2017 representing 95 percent (US\$3.0 billion) of all trades<sup>11</sup> in the major trading currencies, with fourth quarter trades exceeding the other three quarters. Fourth quarter incoming remittances fell below expectations (31.0 percent below the third quarter's volume) as the bid/ask USD spread at the end of December 2017 contracted to 192 basis points. The tightening of activities over 2017Q4 and the relative stability in the exchange rate led to lower levels of stress in the Forex market (see Figure XXIII).

<sup>11</sup> Trades refers to the sum of sales and purchases over the review period.

**Figure XXIII**



Activities in the money market, measured by the volatility in the 3-months treasury bills rate and the spread between the 364 days and 182 days treasury bills rate also exhibited falling stress levels. For the most part of 2017, the monetary policy decision to have no new issuance of the 3-months treasury bills positively impacted the market. Heightened competitiveness in the money market, measured by the average bid-cover rate, saw a falling spread between the 364 days treasury bills rate and the 182 treasury bills rate. Collectively these two activities fostered a more stable market environment, thus suppressing stress levels

**Figure XXIV**



The housing and credit markets reflected sustained stress levels above the other two comparative markets (see Figure XXV). Non-performing loans in the housing market drifted further from its long run trend while mortgage loans contracted towards its long run



trend. Housing loan disbursements and NPLs at 2017Q4 were 7.7 percent and 2.6 percent above their respectively 2016Q4 levels. However, despite higher disbursements of household mortgage loans, fourth quarter levels were below their observed trends.

**Figure XXV**



Total credit also expanded above the 2016Q4 level (public sector credit stood 76 percent greater than the previous year's level) as total credit moved further from its long term trend. The risk posed from high levels of NPLs was somewhat abated with greater provision being booked against loan losses.

Additionally, recovery rates remained greater than write-off rates with banks recording G\$502 million in recoveries, net of write-offs. However, the level of NPLs still stands above the desired level and warrants a mindful eye. The BSD has consequently maintained an assessment of credit risk as high and increasing.

## 7. Aggregate Financial Stability Index (AFSI)

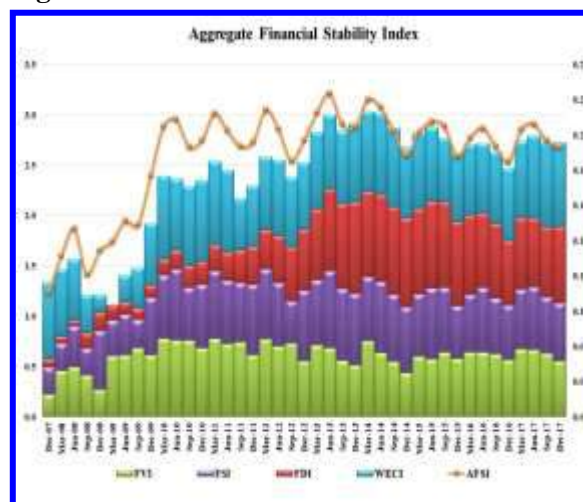
The Aggregate Financial Stability Index (AFSI)<sup>12</sup> continued on its usual quarterly trend<sup>13</sup>. Generally,

<sup>12</sup> The Aggregate Financial Stability Index (AFSI), which can be used as an early warning system, is an aggregate of four component indicators or sub-indexes covering microeconomic, macroeconomic, and international measures of vulnerability, used to capture and forecast the stability of the financial system. An increasing index signals improvement in the stability of the financial system, while a decreasing index signals deterioration.

<sup>13</sup> Fluctuations in the AFSI - seasonal changes in the macroeconomic environment are mainly responsible for the pattern of the AFSI curve. According to trending data, economic activities in Guyana usually peaks in the latter half of the year, predominantly in the fourth quarter, where productivity, trade, and debt increases at the same time, thus increasing

the Guyanese economy experiences more expenditure activities or incurs additional obligations during the latter half of the year. This is when most government/capital projects would have well kicked-off, in addition to the high intensity of the Christmas season, which would result in the worsening of the fiscal and current account balances, and some reductions in the liquid assets ratio. End-Dec 2017, the AFSI declined to 0.153 from 0.157 the previous quarter (Sep-2017). The deterioration in the index was due to the fall in the Financial Vulnerability Index (FVI)<sup>14</sup>. Increased vulnerability was seen in the net international reserves to external debt, current account balance to GDP, fiscal balance to GDP, and M2 to net international reserves. Nevertheless, these indicators are at manageable levels of risks and are under constant surveillance.

**Figure XXVI**



The AFSI improved compared to the same period last year (Dec-2016) from 0.145. It recorded better positions in three of the four sub-indices. In specific, the indicators of stock market capitalisation to GDP, foreign exchange bid-ask spread, NPL to total loans, tier one capital to risk weighted assets, together with

vulnerabilities to the economy; therefore, reducing the overall AFSI-Index. Subsequently, comes a general slowdown in the first quarter, followed by elevated activities and lower debt in the second quarter, and in the third quarter begins the preparations for heightened activities in the fourth quarter.

<sup>14</sup> The FVI, FSI (Financial Soundness Index), FDI (Financial Development Index), and WEI (World Economic Climate Index) represent 40, 40, 10, and 10 percent respectively of the Aggregate Financial Stability Index (AFSI).

enhanced world economic climate indicators recorded improved outcomes. On the other hand, the current account balance to GDP, net international reserves to external debt, fiscal balance to GDP, M2 to net international reserves, and liquid assets to total assets all had adverse outcomes, but remained at controllable levels. Overall, the Guyanese economy experienced reduced risks, over the period, backed by improved global conditions that supported the health of the domestic financial system.

## 8. Financial Stability Cobweb

The financial stability cobweb is a measure of system risks that aids in identifying stress in the domestic and global macroeconomic environments, and financial market conditions that can trigger major difficulties for financial institutions. The ability of financial institutions to absorb the shocks identified above is reflected by the capital, profitability, funding and liquidity indicators. Reduction in financial stability risk is represented by movement towards the centre of the diagram and vice versa.

For the period ended December 2017, the risks to financial stability from the global dimensions reduced when compared to the previous year. Experts deemed the current economic situation as more positive than last quarter with the world economic climate indicator reaching its highest level since 2011. Improvements in nearly all regions of the world, with the exception of the Middle East and North Africa<sup>15</sup> resulted in a more favourable World Economic Climate. Additionally, the global financial arena continued to display lower market volatility when compared to December 2016.

Similarly, the Domestic Financial Markets and Capital and Profitability indicated low risk to financial stability when compared to the previous year. The domestic financial market was propelled by positive stock market growth, while the capital and profitability dimension saw a rise in tier 1 capital to risk weighted assets. The return on assets in the commercial banking industry also showed a slight

improvement, contributing to the reduction in risk in the capital and profitability dimension.

On the other hand, there was an intensification in risk within the Domestic environment. The total sovereign debt stock increased when compared to the previous year and there was a widening of the total fiscal balance to GDP. There were also increases in inflation and money stock to international reserves, all of which contributed to the heightened risk within this facet of the financial environment.

**Figure XXVII**



A contraction in liquid assets to total demand and time liabilities and to total assets, resulted in an upsurge of Funding and Liquidity risk to the banking sector. Nonetheless, it should be noted that the financial system is still adequately liquid.

Despite challenges in the domestic environment, low risk to financial stability was maintained in capital and profitability and the domestic financial markets reflecting the resilience of the domestic financial sector to absorb shocks.

## Conclusion

The systemic risk indicators largely signalled improved resilience and reduced vulnerabilities to the domestic financial system. The Micro- and Macro-prudential indices signalled reduced risks and the BSI showed an improved stability in the fourth quarter, following three consecutive quarters of deterioration. Observed from the financial sector's cobweb, relative volatility in the domestic economy remained the

<sup>15</sup><https://www.cesifo-group.de/ifoHome/facts/Survey-Results/World-Economic-Survey/World-Economic-Climate/Archive/2017.html>

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greatest threat to financial stability. The AFSI registered an improved position relative to Dec-2016; however, a weaker performance in the financial vulnerability index resulted in a deterioration of the AFSI from the previous quarter.

The credit to GDP gap signalled a return to its long term trend with private sector credit to GDP falling marginally below its long run trend. This reflected diminishing exposure to risks as non-performing loans declined. The CISS experienced sustained stress levels in both the households' mortgage and total credit markets; whereas, the relative stability in

the forex market and the lower stress levels in the money market significantly reduced the collective stress level in the banking sector as reflected in the falling CISS. The absorption ratio indicated a lesser degree of decoupling; nevertheless, the asset portfolios of the commercial banks remained relatively loosely linked.

In light of the foregoing, the financial system remained stable and required no immediate policy action. Ongoing monitoring continues, as greater attention is being placed on the credit and household markets. □

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## 5. MACROECONOMIC REVIEW

The domestic financial system remained relatively sound from few macroeconomic risks. Improvements in the global economy favourably influenced the Guyanese economy through enhanced trade, commodity prices, and foreign investments. Most sectors in the domestic economy expanded, and many of the macroeconomic indicators were promising. Notwithstanding, there were setbacks in sugar, gold and mining & quarrying, while high interest rate spreads and uncertainty in the international financial market remain major downside risks to domestic financial stability. The forecast for 2018 indicates improvement in most of the economic sectors, and together with prudent fiscal and accommodative monetary policies, should continue to build financial sector resilience.

Global growth improved owing to increased investments, productivity, trade, consumer confidence, as well as international and domestic demand. Enhanced economic activities were experienced in Japan, Euro Area, United States, Canada, and the emerging and developing economies (EMDEs). Downside risks in the form of geopolitical tension, trade agreements uncertainty, slow expansion in external demand, fragile financial conditions, and fluctuating asset and commodity prices stand to threaten the recovery in global growth. In this regard, the World Economic Outlook (WEO) (Jan-2018 issue) made mention to economies employing structural reforms to bolster productivity; more inclusive growth strategies; proactive financial regulations; ongoing accommodative policies, and at the same time exercising fiscal sustainability in order to encourage broad-based global growth.

The domestic economy experienced overall positive performances in most sectors. Output expanded in the agriculture sector, particularly in rice, other crops, and forestry. Moreover, higher income was also generated from enhanced wholesale & retail trade, activities in construction, transportation & storage, information & communication, and manufacturing. General increases in income and revenue for both individuals and businesses had positively impacted the financial system, and had resulted in declines in non-performing loans and debt.

Conversely, relative slow increases in commodity prices, inclement weather, lack of supporting infrastructures, slow-paced implementation of the Public Sector Investment Programme (PSIP), as well as the restructuring of the sugar industry that

displaced thousands of workers had adversely impacted output and earnings. These stand to have, if prolonged, severe consequences on the health and soundness of the financial system and the economy.

Inflation was below the 2.0 percent target at 1.5 percent end-Dec 2017, due to subdued food and fuel prices. It is important to note that suitable price increases are necessary for growth in income to positively influence the asset value of households and businesses, their ability to service debt, and to improve banks' asset quality and profitability.

Commercial banks recorded higher profits and maintained capital reserves above the required amount. Apart from banks being conservative in lending that helped lowered the stock of non-performing loans (NPLs) by 3.2 percent; improvement in repayments primarily by the business sector also abetted. This may have spun from increased business activities and revenues mainly by the wholesale and retail entities. In contrast, NPLs for households intensified.

The money market remained relatively stable during 2017, as some positive money indicators and transactions among banks reflected a rather liquid banking system. Interbank market activities recorded higher values and number of trades compared to last year. However, there was no excessive funding or liquidity pressures, indicating satisfactory functioning of the interbank market.

In addition, the Bank of Guyana continues to aptly sterilize excess liquidity in the system, at the same time facilitating conditions for credit creation and

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economic growth. In 2017, the Bank's open market operations registered a net-redemption of government treasury bills, while the yields of the three T-bills fell due to the competitive bidding actions, specifically by the commercial banks.

Macroeconomic indicators such as the external balance, foreign reserves, exchange rate, fiscal balance, and the external and domestic debt levels, shown in Table XXXIV have been favourable to help build resilience in the financial system.

Commercial banks average interest rate spread moved to 9.08 percent from 9.17 percent at end-Dec. 2016, due to reductions in both the weighted-average lending rate and the average savings rate. The spread, however, remains high, which continues to constrain the efficacy of the intermediation process. Moreover, the spread continues to signal major vulnerability for the financial sector. Depositors are daunted by minuscule returns on savings, where they prefer to keep their money at home. On the other hand, high lending rates deter potential clients and investment opportunities, and existing borrowers are faced with high-cost burdens that in some cases have led to loans underperforming, especially during economic downturns, which eventually affects banks' profitability. This calls for better assessment of the savings and lending rates with a long-term trajectory in improving not only profitability, but also including the robustness of the economy. In addition, healthy competition among banks needs to be encouraged.

The external sector recorded a larger balance of payment deficit. This was due to greater expenditures on imports of goods and services, and lower net transfers/remittances. In contrast, the capital account registered a surplus due to increased FDIs and disbursements by NFPEs. Though imports outweighed exports, the expansion in the importation of capital goods were necessary to facilitate public and private projects. On the other hand, export commodities were affected by less favourable prices. At present, the balance of payment position does not pose significant adverse effect on the financial system, and continues to help build foreign reserves, which provided a buffer of 3.1 months of import

cover end-Dec 2017. Nevertheless, the external account continues to be closely monitored, as it can pose serious implications to the foreign exchange reserves and exchange rate.

Guyana's foreign exchange market, at end-Dec 2017, registered an increase in the volume of foreign exchange transactions, with a net-purchase of foreign currencies of US\$50.2 million. The market exchange rate experienced minimal volatility. Nonetheless, the forex market was adequately stocked to support demand. Generally, the fairly sound forex environment had helped to foster financial system stability and confidence in the economy.

The fiscal balance recorded a higher deficit position due to increased capital and current expenditures. Capital expenditures, known to vastly contribute to the country's structural and social development, increased by 26.0 percent due to heighten construction, agriculture, security, administration, and utility projects. Likewise, government revenue grew by 9.8 percent on account of increased collections for VAT, excise tax, income tax and corporation tax, which helped to cushion expenditures activities to an extent. Though fiscal deficit is increasing, it is still at a sustainable level, and allows for the promotion of infrastructural development, so as to complement advancements in the various economic sectors.

Guyana's total debt stock as a percent of GDP increased end-Dec 2017. External debt to GDP increased to 34.3 percent on account of increased disbursements, while domestic debt stock to GDP decreased to 11.9 percent due to lower issuance of government securities. Respectively, both the solvency indicators remained well below the 25.0 percent and 40.0 percent debt sustainability thresholds for medium policy income countries. Current external and domestic debts have minimal negative impact on economic growth and the financial system. Moreover, liquidity indicators, namely total debt service as a percent of GDP, external debt service as a percent of exports of goods & non-factor services, and domestic debt service as a percent of government revenue, were also lower than

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the pre-defined thresholds. Overall debt remains at a manageable level, which implies greater fiscal space for taking on additional debt to aid developmental projects, especially during the prospects of the new oil and gas sector.

Though the domestic economy performed relatively well, there are concerns relating to the vulnerability of some key traditional sectors. Possible underperformance of mining, rice production & manufacturing, construction, and wholesale & retail trade, can significantly slow GDP growth, export earnings and foreign reserves. These sectors/sub-sectors identified could affect households' and businesses' abilities to service their loans, and hence the overall performance of the financial system. Policies should be geared towards actively addressing

structural constraints, so as to enhance and broaden productivity and diversification in the traditional and non-traditional sectors, to ultimately generate efficient and aggressive growth sectors, increase employment, spur competitiveness and export revenue, and to burgeon the domestic financial system.

Prospects for 2018 appear favourable, with expected growth in all the economic sectors. Inflation is projected to increase but at low single-digits, and macroeconomic policies will continue to promote sustainable debt, stable money and sound financial market outcomes. Altogether, these policies should continue to strengthen the financial system and help moderate vulnerabilities. □

Table XXXIV

PRUDENTIAL INDICATORS' VULNERABILITY SIGNAL											
							Vulnerability Signals				
	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Threshold	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17
<b>Money, Credit and Interest Rates</b>											
M2 % of GDP	51.1	51.9	50.7	48.5	50.0	50.0	0	0	0	0	0
Velocity of Money	2.0	1.9	2.0	2.1	2.0	2.0	0	1	0	0	0
Total Deposits % of GDP	55.5	53.4	54.0	51.7	50.2	45.0	0	0	0	0	0
M2 % of Net International Reserves	202.3	244.8	272.4	276.1	304.5	190.0	0	1	1	1	1
Weighted Avg. Lending Rate - Small Savings Rate	9.8	9.6	9.3	9.2	9.1	7.0	1	1	1	1	1
							<b>Sub Total</b>	<b>1.0</b>	<b>3.0</b>	<b>2.0</b>	<b>2.0</b>
<b>Banking &amp; Household Debt</b>											
Total Loans to Total Deposits	54.1	60.0	60.2	58.5	60.9	65.0	0	0	0	0	0
Net Private Sector Credit % of GDP	30.2	31.8	32.5	30.3	30.5	35.0	0	0	0	0	0
Bank Capital % of Total Assets	11.0	12.6	13.3	13.4	14.6	7.0	0	0	0	0	0
Comm. Banks' Credit to Households % of GDP <sup>1)</sup>	13.6	14.1	15.2	14.5	14.8	20.0	0	0	0	0	0
Loans to Key Economic Sectors % of Total Domestic Credit <sup>2)</sup>	53.6	53.9	51.2	49.9	49.5	55.0	0	0	0	0	0
							<b>Sub Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Public Finance, External Debt and Financial Flows</b>											
Overall Budget Deficit/Surplus % of GDP	-4.4	-5.5	-1.4	-4.4	-4.5	-4.5	0	1	0	0	0
Domestic Debt Stock % of GDP	16.1	12.3	12.4	12.5	12.1	25.0	0	0	0	0	0
External Debt Stock % of GDP	41.9	39.5	35.8	33.2	34.9	40.0	1	0	0	0	0
							<b>Sub Total</b>	<b>1.0</b>	<b>1.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Trade and International Reserves</b>											
Trade Balance % of GDP	-16.7	-20.3	-10.6	-0.9	-5.5	-20.0	0	0	0	0	0
Current Account Balance % of GDP	-15.3	-12.5	-5.7	-0.4	-8.1	-10.0	1	1	0	0	0
Import Cover (months)	3.9	3.5	3.7	3.6	3.1	4.0	0	1	1	1	1
							<b>Sub Total</b>	<b>1.0</b>	<b>2.0</b>	<b>1.0</b>	<b>1.0</b>
<b>Macro Indicators</b>											
Real GDP Growth Rate	5.2	3.8	3.2	3.4	2.2	3.5	0	0	1	0	1
Inflation Rate	0.9	1.2	-1.8	1.4	1.5	5.0	0	0	0	0	0
Exchange Rate (Period Average)	206.1	206.5	206.5	206.5	206.5						
							<b>Sub Total</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>1.0</b>
							<b>TOTAL</b>	<b>3.0</b>	<b>6.0</b>	<b>4.0</b>	<b>3.0</b>
<p>Source : Bank of Guyana</p> <p>Disclaimer: Please note that the "Threshold" levels provided above are not all official international benchmarks. Some of the thresholds were computed (by the Bank of Guyana) based on the indicator's safe level(s) for the Guyanese economy.</p> <p><sup>1)</sup> Household Credit provided by Commercial Banks includes general purpose loans (vehicle, travel, education, etc.), credit cards, and real estate (private dwellings) mortgages.</p> <p><sup>2)</sup> Loans to Key Economic Sectors are commercial banks' loans (both private and public) to the agriculture, mining, manufacturing and services sectors.</p>											
							'1' rep. exceeding the safety range				
							'0' rep. rather stable condition				



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## 6. INSURANCE SECTOR REVIEW

The insurance sector, which comprises long-term insurance and general insurance, accounted for 6.7 percent of total financial assets and 26.6 percent of non-bank assets as at December 2017. The sector was adequately capitalised as both the long-term and general insurance sectors' assets exceeded their respective solvency requirements in keeping with the Insurance Act 1998. The insurance sector's assets accounted for 8.2 percent of the country's GDP. The long-term and general insurance sectors' assets exceeded liabilities by 33.4 percent and 123 percent, respectively. The sector experienced increases in both its penetration and density in the domestic market when compared with the previous year. Its average per capita spending on insurance improved which indicated that there has been an increase in the density of the insurance products in the market. The sector's penetration into the domestic market has also seen improvement as its total gross written premium now represents 1.8 percent (December 2016 – 1.77 percent) of the economy's GDP. Reinsurance for the long-term insurance sector increased marginally to 6.7 percent, indicating that more risks were transferred to reinsurers. In contrast, reinsurance for the general insurance sector decreased to 22.5 percent from 25.6 percent. Potential risks the industry was exposed to were prudently managed resulting in no adverse effect despite the volatility of the global financial conditions.

### Capital to Total Assets

Capital to total assets ratio for the long-term and general insurance sectors stood at 25 percent and 58.3 percent relative to 20.7 percent and 55.1 percent respectively in 2016. The increases by both sectors reflects an improvement in the sectors' ability to meet their financial obligations when compared with how much financial risks they have acquired.

### Net Premiums to Capital

The long-term insurance sector's net premiums to capital ratio decreased as at end-December 2017 to 52.2 percent from 70.1 percent, while the general insurance sector decreased to 48.2 percent from 51.2 percent. The decline in ratios by both sectors indicated that companies in the industry were unable to maximise their full potential.

### Investment Assets to Total Assets

The industry's investment assets portfolio was fairly stable and recorded an increase of 16.1 percent. The ratio of investment assets to total assets for the long-term and general sectors were 86.3 percent and 63.6 percent at the end of 2017 when compared with the previous year's 84.6 percent and 60.8 percent respectively. The large investment asset portfolio of the insurance sector indicated that there was a large portfolio of income generating assets as part of the companies' asset portfolio. The sectors' investments were mainly in the form of cash, fixed interest

securities and equities.

### Reinsurance

This ratio measures the risk transferred from the insurer to the reinsurer. It was observed that most companies in the sector have policies in place to ensure that risks are ceded to top-rated and credit worthy reinsurers. The financial strength of the reinsurers is monitored on an annual basis.

The cession rates varied depending on the level of risks arising from exposures estimated by various companies. Reinsurance risks were only ceded for Class 1 (General Life) business for the long-term insurance sector while for the general insurance sector, these risks were ceded for all classes of business. Cession rates, which measure the risks ceded to reinsurance, increased to 6.7 percent for the long-term insurance category and decreased to 22.5 percent for the general insurance category compared to the respective 5.2 percent and 25.6 percent ceded the previous year.

The increased cession rate by the long-term sector indicated that companies in this sector were transferring an increased portion of risk in relation to any potential claims incurred.

### Actuarial Liabilities

Net technical provision to average of net written

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premium in the last three years for the long-term sector was 472.9 percent, an increase of 15.8 percentage points from 457.1 percent at end 2016. This ratio indicated that the long-term sector's actuarial liabilities were approximately 4.7 times its average triennial net written premiums. This suggested that the sector would be required to increase its annual premiums by approximately five times in order to adequately meet these liabilities solely from its net written premium. However, the actuarial liabilities represent amounts accumulated over time and as such the company would have accumulated reserves to meet these liabilities.

### **Combined Ratio (Claims + Expense Ratios)**

The combined ratio for the long-term insurance sector decreased to 71.1 percent from 87.8 percent at end-December 2016. Similarly, the general insurance sector ratio decreased to 77.9 percent from 98.1 percent. The decreases by both sectors resulted from combined decreases in claims and underwriting expenses. The reduced combined ratios indicated that both sectors generated improved underwriting profits, thus signalling better underwriting performance of the companies in the industry.

### **Return on Assets**

Returns on assets were 5.9 percent and 6.2 percent respectively for the long-term and general insurance sectors. Comparatively for December 2016, these were 5.7 percent and 1.0 percent, respectively. The increased ratio indicated that the sector was more efficient in utilizing its income generating assets, which can also be attributed to the increase in the sector's underwriting performance.

### **Return on Equity**

Returns on Equity were 23.6 percent and 10.7 percent respectively for the long-term and general insurance sectors. Comparatively for December 2016, they were 28 percent and 1.9 percent, respectively. The increased ratio by the general insurance sector resulted from an improved after tax net profit by the sector when compared with the previous year's results.

### **Investment Income to Average Invested Assets**


The ratios of investment income to average invested assets for the long-term sector decreased to 3 percent when compared with 4.8 percent the previous year. In contrast, the general insurance sector's ratio remained unmoved from 2.8 percent the previous year. The reduction by the long-term sector resulted mainly from a decline in investment income generated from the sector's investment assets.

### **Liquidity**

The industry's liquid assets to current liabilities ratios for the long-term sector decreased marginally to 513.1 percent from 519.4 percent at end-December 2016. In contrast, the general insurance sector's ratio increased to 326.8 percent from 190.1 percent the previous year. The high liquidity levels reflect the sectors' ability to meet its current financial obligations from its available liquid assets.

### **Outlook & the Way Forward**

Although the concentration of assets is centered around only few companies, the insurance sector is solvent and stable. There is a general confidence within the insurance industry of continued stability spurring industry growth with moderate risk exposures that may not have any major destabilising impact on industry performance. The systemic failures by CLICO have reinforced the need for enhanced regulation in the insurance sector. The new Insurance Act was passed in Parliament and is awaiting a commencement date. The attendant regulations to the Act were finalised and are with the Attorney General's Chambers for final approval. It is expected that the introduction of the new regulatory regime would lead to improved resilience in the sector to withstand any adverse shocks, which in turn, will serve to strengthen the sector's financial stability.

There will be continued dialogue with participants of the insurance sector to ensure that they are aware of the requirements of the new regulatory regime, while seeking to enhance inclusion, penetration and overall profitability. The road ahead is full of opportunities that the industry should exploit. 

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## 7. PENSION SECTOR REVIEW

For the period under review, the private pension sector continued to grow consistently accounting for 5.8 percent of the total financial sector's assets and 22.1 percent of that of the non-bank financial institutions (NBFIs) - a reflection of its low penetration rate and diminutive systemic risk. Nonetheless, the sector remained an important institutional investor as reflected in the marginal increase in the assets to GDP ratio to 7.1 percent from 6.5 percent in December 2016. Real returns were positive but still low, mainly due to the adverse effects of inflation, below par available investments and the high fees charged to pension funds. Defined Benefit (DB) plans were sensitive to market risk, mainly because of the composition of their investment portfolios – large proportions were held in capital-uncertain assets: predominantly equities, bonds and real estate. Likewise, Defined Contribution (DC) plans were vulnerable to the Deposit Administration Contracts (DACs) offered by the life insurance companies. Further, while investments in foreign assets were below the regulatory threshold, the unavailability of suitably diversifiable local investments also exposed pension funds to market risk. Regardless, the sector's exposure to credit risk remained insignificant. The sector continued to have high liquidity levels that far surpassed the long-term nature of pension liabilities. Notwithstanding, the private pensions sector maintained its more than sufficient funding level with an average of 131.5 percent.

### SYSTEMIC RISK

The pension sector's assets continued to exhibit positive growth, however, the sector's relationship to systemic risk remained diminutive. At the end of December 2017, pension assets represented 5.8 percent of total financial assets and 22.1 percent of the assets of NBFIs. Nonetheless, the sector remained an important institutional investor as reflected in the marginal increase in the assets to GDP ratio to 7.1 percent from 6.5 percent in December 2016.

### FUNDING RISK

Funding risk, the risk that a pension plan cannot meet its past-service pension liabilities, is particularly important for DB pension plans. At the end of December 2017, the sector's pension plans did not experience any measurable funding risk. The sector's pension funds' approximate funding level was 131.5 percent. This signalled that pension assets were more than sufficiently able to meet its current pensionable obligations. Moreover, the pension funds were in surplus by an estimated 31.5 percent. By nature, DC pension plans are fully funded and DB plans increased their average funding level to 138.2 percent. However, it is noteworthy that as much as the funding level is more than adequate, there are still a few DB plans in deficit which are still to implement actuarial recommendations.

### LIQUIDITY RISK

At the end of December 2017, there continued to be surplus of liquidity in the pension sector. This was as a result of pension plans' excessive investments in liquid assets (32.1 percent) with at most one year to maturity. Furthermore, the sector's level of liquidity exceeded its estimated pension payments in the upcoming quarter by 17.7 times over. Pension plans' liabilities have an inherently long-term nature and this level of liquidity failed to correspond with the long-term nature of pension funds' liabilities.

### MARKET RISK

#### Asset Allocation

Market risk emerges from the pension funds' investments in capital-uncertain assets. At the end of December 2017, pension assets were allocated in four investment categories. In particular, investments in equities as well as time and savings deposits, represented 25.9 percent and 28.2 percent of total assets respectively. Investments in fixed interest securities, including bonds, represented 21.5 percent and in DACs, offered directly by insurance companies, represented 17.4 percent.

#### DB & DC Investments

DB pension plans were sensitive to market risk emanating from their investments that were mainly

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held in equities, bonds and real estate. In aggregate, these investments were 54.3 percent of DB assets of which 29.6 percent represented DB assets invested in equities. On the contrary, DC pension plans were exposed to the life insurance companies' investment arrangements under their DACs, which represented approximately 90 percent of DC assets at end-December 2017.

### **Foreign Exposure of Pension Assets**

Investments in foreign assets by pension funds remained constrained to a maximum limit of 30 percent. Nonetheless, pension funds' investments of 21.97 percent were below the threshold. Moreover, a greater portion of pension assets were invested locally, of which 26.4 percent were invested in equities, 27.9 percent in DACs and 32.6 percent in cash deposits. Additionally, the lack of available and suitable domestic investment opportunities for pension funds also contribute to market risk in the sector.

### **INFLATION RISK**

Inflation risk is especially applicable to pension funds when there is volatile domestic inflation that negatively impacts real interest earnings. At the end of December 2017, 50.4 percent of the sector's assets were exposed to domestic inflation volatility – a marginal decrease when compared with 50.8 percent in the corresponding period in 2016. Further, nominal investment returns increased to 4.94 percent from 1.24 percent in December 2016. However, due to inflation, real investment returns earned by pension funds in the sector had gross and net rates of 3.44 percent and 3.36 percent respectively at the end of December 2017.

### **CREDIT RISK**

Credit risk, which arises as a consequence of the non-payment of monies owing to pension funds, was insignificant at the end of December 2017. Accounts receivable as a ratio of total assets remained comparably low and stable at 1.57 percent. Moreso, the probable credit risk to impact on DB and DC pension plans was also insignificant, with ratios of 2.6 percent and 0.8 percent respectively. Credit risk

may also emerge due to the insolvency of companies that issue corporate bonds. However, even though the credit risk ratio as a result of investment portfolios of pension funds was higher (71.10 percent at end-Dec. 2017 as compared to 69.79 percent at end-Dec. 2016), its impact on the pensions sector remained insignificant.

### **QUALITY OF MANAGEMENT**

The quality of management is an expression of the sector's coverage, that is, the number of individuals who benefit directly from contributions to a pension plan. At the end of December 2017, limited coverage remained a great impediment to the private pensions sector. At end-Dec. 2017, an estimated 6.27 percent of the labour force contributed to a private pension plan and for every covered individual, approximately \$3.1 million of pension assets was under management. Moreover, payments with respect to early withdrawals increased to 42.19 percent of total benefit payments during the final half of 2017. The increasingly high rate of early withdrawals is directly as a result of the long vesting periods and a lack of locking-in provisions in pension plans' rules which allow the premature withdrawal of pension benefits and in turn, a reduction of the coverage of the sector.

### **THE WAY FORWARD**

For 2018, it is expected that the sector will continue to grow consistently and continuously. It is envisaged that positive changes in the values of its major investment vehicles will continue to propel the sector forward. Nevertheless, it is equally as important to experience conducive capital market outcomes, especially positive changes in stock market prices and positive impacts of inflation volatility on real interest rates. However, the sector will continue to experience returns that are reflective of the investments accessible to domestic pension funds. Continued low returns are projected given constrained local investment opportunities. Pension funds must seek suitable alternatives in order to match the long term nature of its liabilities. Regardless, the sector's total asset reserve is forecasted to improve upon its surplus position. Continued regulatory monitoring is expected to focus

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on DB pension funds' actuarial valuation reports in order to ensure that the actuary's recommendations are being executed expediently. Further, following a review by the Caribbean Regional Technical Assistance Centre (CARTAC), the regulator has commenced revision of the quarterly reporting forms for pension schemes. It is expected that the new

forms will be implemented in the first half of 2018. The supervisory authority has also commenced industry consultations on a new draft of the proposed Private Pensions Act and it is anticipated that this proposed Act will be laid before Parliament in the second half of 2018. □

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## 8. PAYMENTS SYSTEM REVIEW

The Bank of Guyana (BoG) received support from the World Bank to the tune of US\$6 million to modernize Guyana's Payment System. This would entail adopting a new Payment System Act, Payment System Strategy and modernization of the Payment System infrastructure. Modernization efforts from paper-based instruments to electronic payments will result in significant cost saving and efficiency improvements while reducing operational, credit, legal, liquidity investment and custody risks.

A Project Implementation Unit (PIU) has been setup to implement the project with a shelf life of four years (2017–2021). The project has three main components:

- Developing the Payment System Infrastructure (US\$4.30 million). This component will finance the hardware and software for the Real Time Gross Settlement (RTGS) and Central Securities Depository (CSD) to be operated by the BoG.
- Capacity Building of BoG (US\$1.38 million). This component will focus on the capacity building of BoG staff in the specific technical areas required for the ongoing operations and management of the Information System.
- Project Implementation Unit (US\$0.32 million). This sum supports the implementation agency to execute the project.

In the meantime, the Bank of Guyana continues to monitor payment services. The number of Mobile Money accounts at the end of December 2017 increased by 50.8 percent from 24,638 (13,306 inactive and 11,332 active) to 37,157 (19,814 inactive and 17,343 active) while the value of payments increased by 60 percent from G\$237.1 million to G\$379.3 million for the same period. The number of merchants accepting mobile money payments also increased from 33 to 42 (33 active and 9 inactive). The mobile money wallet increased to \$150 million in February and further to \$175 million in August 2017. The use of the electronic switch continued in 2017. The value of transactions settled through the switch increased from G\$1,192 million at the end of 2016 to G\$1,355 million at the end of 2017. □

# III

## INTERNATIONAL ECONOMIC AND MONETARY DEVELOPMENTS

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### The World Economy

Global economic growth rose from 3.2 percent in 2016 to 3.8 percent in 2017 and is projected to be 3.9 percent in 2018. Growth in advanced economies spiked (except in the UK) and is reflected by an increase in global demand, stronger exports, and supportive fiscal and monetary policy. The United Kingdom experienced declining growth as the effects of Brexit continue to take a toll on the economy. Emerging and developing economies' growth improved due to increased exports and domestic demand. Inflation rate increased while unemployment rate were largely unchanged in most of the world economies.

### Developed Countries

#### Growth

Growth in the advanced economies (especially in the Euro Area), moved upward to 2.3 percent—a notable increase from 1.7 percent in 2016. The increase in growth mostly reflected acceleration in exports in the context of the broader pickup in global trade and continued strength in domestic demand growth supported by accommodative financial conditions amid diminished political risk and policy uncertainty. The US economy expanded by 2.3 percent reflecting supportive financial conditions as well as strong business and consumer confidence. The Euro Area also gathered strength with 2.3 percent growth. Within the Euro Area, growth in Germany was 2.5 percent from 1.9 percent in 2016. Spain experienced a slight drop from 3.3 percent in 2016 to 3.1 percent in 2017 while France grew by 1.8 percent.

Growth in the United Kingdom decreased to 1.8 percent from 1.9 percent in 2016 driven by softer growth in private consumption as the pound's depreciation weighed on household real income, an impact from Brexit. Canada's economy grew by 3.0 percent reflecting reduced drag from lower oil and gas prices as well as assistance from government spending and accommodative central bank policies. Japan's growth of 1.7 percent was driven by the strengthening of global demand and policy actions to sustain a supportive fiscal stance. In most of the other

advanced economies, the pace of activity has accelerated.

#### Inflation

In advanced economies, inflation increased from 0.8 percent in 2016 to 1.7 percent in 2017, reflecting the continued cyclical recovery in demand and the increase in commodity prices. The US consumer price inflation rate was 2.1 percent while that of the Euro Area was 1.5 percent. Headline inflation in Japan, after being slightly negative in 2016, increased to 0.5 percent while the UK's inflation rate was 2.6 percent. Canada's inflation was 1.6 percent.

#### Employment

Employment has steadied in most developed countries. There was improvement in the US job market as unemployment declined to 4.1 percent driven by continued upward trend in professional and business services, manufacturing, and health care. Unemployment in the UK was 4.4 percent while that of the Euro Area stood at 9.2 percent, slightly higher than the previous year. Unemployment in Canada was 5.9 percent while that of Japan was lower at 2.9 percent. Unemployment in Spain remained high at 17.1 percent.

#### Monetary and Exchange Rates

Developed countries continue to experience supportive monetary policy to promote growth. The US Federal Reserve increased its Federal Fund Rate from 1.0 percent in 2016 to 1.25 percent in 2017. The



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European Central Bank cut its main interest rate to zero from 0.05 percent as part of stimulus measures intended to boost lending, consumption and inflation. The Bank of England rate increased to 0.5 percent.

The US dollar strengthened against the world major currencies during the year. The dollar was US\$1.23 vis-à-vis the Euro while the Pound Sterling weakened against the dollar to US\$1.39. The Japanese Yen decreased to ¥110.32 against the dollar.

## **Emerging Economies**

### **Growth**

The growth rate for emerging economies rose to 4.8 percent in 2017 from 4.4 percent in 2016. The increase in growth was due to acceleration in exports and continued strength in domestic demand growth. China's economic growth was 6.9 percent on account of higher domestic demand. In India, growth slowed to 6.7 percent reflecting the lingering impact of the uncertainty related to the midyear introduction of the country-wide goods and services tax. In Brazil, growth was 1.0 percent as a consequence of strong export performance and a diminishing pace of contraction in domestic demand. Mexico's growth remained stable at 2.0 percent. Russia's growth of 1.5 percent reflected the recovering domestic and external demand but continued to be affected by economic sanctions and lower oil prices.

### **Inflation**

Inflationary rates remained stable in emerging economies due to unwavering real wages and currency movements. Inflation rates in Brazil and Russia declined to 3.4 percent and 3.8 percent respectively, reflecting stronger effects from negative output gaps, currency appreciations, and favourable supply shocks to food prices. Inflation in China remained tame at 1.8 percent, reflecting weakening food prices.

### **Employment**

Unemployment levels remained relatively unchanged in most emerging economies. Brazil's unemployment rate increased to 13.1 percent from 11.2 percent in 2016. Russia's unemployment rate reduced to 5.5

percent. India's unemployment hovered around 5.3 percent while that of China was 3.9 percent.

## **Developing Countries**

### **Growth**

Growth in developing countries rose to 4.8 percent, slightly higher than the previous year due to favourable export prices and a strengthened agricultural sector. Economic growth in sub-Saharan Africa reached 2.8 percent in 2017. Nigeria emerged from the 2016 recession, caused by low oil prices and the disruption of oil production, with growth of 0.8 percent, owing to recovering oil production and ongoing strength in the agricultural sector. In South Africa, growth remained subdued at 1.3 percent in 2017 due to heightened political uncertainty that sapped consumer and business confidence.

In Latin America and the Caribbean, growth increased to 1.3 percent from a decline of 0.6 percent in 2016 which was supported by growth in the United States following the recent US tax reform. Although growth held up well in Central America, in the Caribbean, domestic demand continues to underperform. Asia has grown by 6.5 percent.

### **Inflation**

Inflation in developing economies (excluding Argentina and Venezuela) remained stable in 2017 at 4.0 percent. Headline inflation in South Africa declined to 5.3 percent from 6.3 percent in 2016. The Sub-Saharan African Region's inflation is estimated at 11.0 percent. The Latin American and Caribbean Region inflation level was 4.1 percent while inflation in the Asian region averaged 2.4 percent.

### **Employment**

Unemployment continues to remain high in developing countries. Decline in foreign investments impacted negatively on the labour market. New jobs in the manufacturing and services sectors were stymied by a decline in international trade and impending protectionist policies. Unemployment hovered around 9.4 percent in Latin America and the Caribbean.

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## Caribbean Economies

### Growth

Growth in the Caribbean region continues to escalate although recovery is uneven. Rising tourism demand underlies an acceleration in growth to 1.3 percent in 2017. St. Kitts & Nevis' growth remained robust at 2.6 percent while that of Antigua & Barbuda declined to 2.8 percent. Barbados' growth rate remained at 0.9 percent while that of Jamaica declined to 1.0 percent. Guyana's growth was 2.1 percent due mainly to the decline in performance of gold and sugar. The economies of Trinidad & Tobago and Suriname experienced negative growths of 2.6 percent and 0.1 percent respectively. High debt and large negative fiscal balances presented major downside risk to most Caribbean economies.

### Inflation

Inflation level in most Caribbean economies rose in 2017. The inflation rates in Guyana and Jamaica were higher at 1.5 percent and 5.2 percent respectively on account of moderate increase in food and fuel prices. Barbados and Trinidad & Tobago's inflation rates were 2.0 percent and 5.3 percent respectively from 0.3 percent and 4.8 percent in 2016.

### Employment

The labour market in the Caribbean continues to be weak due to slow FDI flows. Barbados' unemployment rate was 9.6 percent while that of Jamaica was 12.2 percent. Unemployment rate in Guyana hovered around 12.0 percent while that of Trinidad & Tobago was 4.0 percent.

### Exchange Rates

Barbados, Belize and ECCU continued their policy of fixed exchange rates vis-à-vis the US dollar. The floating rate currency such as the Guyana dollar remained stable at G\$206.50 against the US dollar. The Jamaican dollar hovered around J\$124 to the US dollar while the Trinidad & Tobago dollar was under

extreme pressure at TT\$6.76 vis-à-vis the US dollar.

### Commodity Markets

Prices of industrial commodities continue to strengthen while most agricultural prices remain broadly stable. Sugar prices average around US\$0.32 per kilogram while rice price was US\$400.7 per metric tonne. Gold prices hovered around US\$1,320 per ounce while oil prices increased to US\$61.5 per barrel at the end of 2017.

### Outlook for 2018

Global growth in 2018 is projected to rise marginally at 3.9 percent. Growth in advanced economies in 2018 is anticipated to remain stable at 2.3 percent. The United Kingdom is expected to see unwavering growth as the effects of Brexit continue to take a toll on the economy, with a dampening of consumption growth due to a weakening of the pound. Additionally, economic expansion in emerging markets and developing economies is anticipated to improve in 2018 to 4.9 percent. The Chinese economy will be sustained by buoyant external demand, which is anticipated to marginally decline, in 2018, to 6.6 percent. Following significant declines over the past few years, growth of 2.2 percent is expected in 2018 within the Latin American and Caribbean Region. The anticipated recovery in the region will be supported by improved demand from external trading partners and accommodative financial conditions on account of a less volatile international financial market and resilient capital inflows.

In the Caribbean, overall growth projections for 2018 shows an expansion to 2.2 percent. Despite the improved outlook, the region still faces a number of risks, including climate-related catastrophes, which are expected to increase in frequency; capital flow reversals; tightening financial conditions; and volatile commodity prices. □

# IV

## MONETARY POLICY AND BANK ACTIVITIES

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The conduct of monetary policy continued to focus on price and exchange rate stability while ensuring adequate level of liquidity in the system and creating an enabling environment for economic growth. The Bank continued to use treasury bills as its primary open market operation for the effective management of liquidity. The Bank may also purchase and sell foreign currency to achieve its primary objective. At the end of 2017, there was a net redemption G\$1.5 billion in treasury bills. The Bank continued to facilitate efficient intermediation through the issuance of notes and coins as well as the promotion of an enhanced payment system.

### 1. MONETARY POLICY

Monetary policy recommendations were determined within the framework of monetary programming and the evolving circumstances impinging on inflation expectation, macroeconomic stability and growth momentum. The Bank's principal instrument of monetary control continued to be the auction of treasury bills in the primary market. The monetary policy stance was signalled through the volume of treasury bills issued with implications for the general level of interest rates.

#### Monetary Programming

In principle, monetary programming allowed the Bank to set a targeted path for the growth of broad money consistent with output, growth and inflation. Its foundation rested on the observation that the Bank controls the supply of reserve or base money in the financial system. The 'reserve money programme' was supported by a liquidity framework, which involved forecasting the changes in the main items that influenced the banking system's liquidity on a weekly basis. The underlying assumption for the effective operation of the reserve money programme was the long-run stable money multiplier defined as the relationship between reserve money and the total money supply. Based on the constancy of the money multiplier, the Bank determined the growth in reserve money required to attain the targeted expansion in the money stock.

Reserve money, which is comprised of currency in circulation and commercial banks' reserves, is

influenced mainly by the operations of the Bank. Changes in the Bank's net foreign assets and net domestic assets (which is largely affected by the operations of the Central Government) impact on the level of reserve money. The Bank's intervention in the foreign exchange market affects the liquidity conditions when it buys or sells foreign exchange in the system. Since the counterparties to the Bank's foreign currency transactions are the commercial banks, the transactions affect the net foreign assets and the net domestic assets of the commercial banks, whilst the net foreign assets, and hence reserve money of the Bank, are affected.

A sale of foreign currency by the Bank will increase the net foreign assets and reduces the net domestic assets of the commercial banks and vice versa. On the Bank's balance sheet, a sale of foreign currency will reduce its net foreign assets as well as its liabilities to commercial banks and hence reserve money. On the other hand, a purchase of foreign currency by the Bank will increase its net foreign assets and reserve money.

The operations of Government add or withdraw liquidity from the system. An increase in net credit to the Government, which will increase the net domestic assets of the Bank, results in an increase in reserve money. This usually occurs through a relative increase in expenditure compared to the increase in revenue. The net deposits of the Central Government are therefore affected.

During 2017, weekly forecasts of the Bank's balance

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sheet were produced based on the estimated liquid reserve positions of the commercial banks and the public, collectively referred to as reserve money. These forecasts were compared with the weekly-targeted monetary growth that was consistent with the set nominal output objective. The deviations established by this comparison indicated the baseline scenario level of the open market operation necessary to bring the forecasted money supply in line with its targeted annual growth rate. The actual weekly intervention was determined by the Open Market Operation Committee (OMOC) on the basis of prevailing developments and the base scenario.

The auction of treasury bills with various maturities (91-day, 182-day and 364-day) at the primary market level continued to be the Bank's principal instrument of monetary control. The objective was to influence the liquidity conditions of the commercial banks consistent with the targeted growth for broad money. The liquidity forecast framework and the reserve money programme provided the technical basis for decision making on the volumes and maturities of weekly treasury bill issues. The OMOC, which is the decision making body on the issuance of treasury bills, continued to adopt a consultative approach during the year by liaising closely with agencies which directly influenced the liquidity in the financial sector. Additionally, other information such as the state of the foreign exchange market, the interbank market, the structure of interest rates and the liquidity position of the nonbank financial institutions facilitated more informed decisions by the OMOC.

At end-2017, reserve money was G\$163.0 billion, G\$4.4 billion above 2016, reflecting an improvement in net domestic assets. There was a net redemption of treasury bills of G\$1.5 billion compared with a net issue of G\$4.0 billion for the previous year. Total issue of treasury bills amounted to G\$96.8 billion while total redemption of treasury bills amounted to G\$98.2 billion. Total tender for treasury bills amounted to G\$176.9 billion. There were 30 issues of treasury bills, 14.3 percent below the corresponding period last year. These comprised of one issue of 91-day bills (excluding issues for the Bank's capital

reserves) totalling G\$5.0 billion, nine issues of 182-day bills totalling G\$24.1 billion and twenty issues of 364-day bills totalling G\$67.7 billion.

The inter-bank market activities, which also provide an indication of the total liquidity condition of the financial system, had 51 trades at the end of 2017 compared with 39 trades one year ago. The value of funds traded on the market amounted to G\$51.5 billion which was 26.5 percent (G\$10.8 billion) more than the corresponding period in 2016. The weighted average inter-bank rate fell marginally to 4.3 percent at end-December 2017 from 4.4 percent at the end of December 2016. This rate was influenced by the 91-day treasury bill rate, the level of liquidity in the system and the amount of overnight borrowing.

Treasury bill rates fell in 2017, reflecting competitive bidding for the bills. The 91-day and 364-day treasury bill rates declined to 1.54 percent and 1.20 percent from 1.68 percent and 2.93 percent respectively. The 182-day treasury bill rate also declined to 1.14 percent from 1.68 percent at end-December 2016. The commercial banks' savings rate fell to 1.11 percent from 1.26 percent while the prime lending rate remained stable 13.0 percent.

During the review period, the Bank's monetary programme was successful in controlling excess liquidity and containing inflationary pressures. The Urban Consumer Price Index increased by 1.5 percent at end-December 2017.

### **Outlook for 2018**

The outlook for real economic growth is optimistic. Against this background, the Bank will continue to manage the expansion in base money through its Open Market Operations (OMOs) and seek to maintain price and exchange rate stability. The Bank will also seek to ensure that credit to the private sector is encouraged to facilitate growth in the economy.

## 2. BANK ACTIVITIES

### Currency Operations

The Bank has a statutory obligation to issue the country's notes and coins under section 21(1) of the Bank of Guyana Act 1998, No. 19 of 1998. This obligation was discharged through the Currency Division of the Operations Department.

Table XXXV shows figures on the comparative stocks and flows of currency notes for years 2015 to 2017. The total supply of currency in 2017 registered a decrease of 13.6 percent over 2016. The decrease was due to fewer notes withdrawn from circulation.

**Table XXXV**

<b>Supply &amp; Disposal of Bank of Guyana Currency Notes (Thousands of Notes)</b>			
	<b>2015</b>	<b>2016</b>	<b>2017</b>
Opening Stock	37,903	35,456	32,895
Purchased	15,504	24,015	26,885
Withdrawn from circulation	136,974	126,475	100,835
<b>TOTAL SUPPLY</b>	<b>190,381</b>	<b>185,946</b>	<b>160,615</b>
Issued	125,172	127,434	104,989
Destroyed	29,753	25,617	22,735
<b>TOTAL DISPOSAL</b>	<b>154,925</b>	<b>153,051</b>	<b>127,725</b>
<b>End-year Stock</b>	<b>35,456</b>	<b>32,895</b>	<b>32,891</b>
New Notes	21,182	23,600	31,379
Re-Issuable Notes	14,196	8,390	1,228
Other Notes <sup>1)</sup>	78	905	284

<sup>1)</sup> Notes awaiting sorting, cancellation and destruction.

### Notes

The total value of currency notes in circulation (including notes held in the vaults of commercial banks) at the end of 2017 amounted to G\$99.9 billion, an increase of 10.6 percent compared with a circulation of G\$90.3 billion in 2016. The share of \$5,000 notes in the total value of notes in circulation increased to 78.0 percent from 73.9 percent, the \$1,000 decreased to 18.0 percent from 22.0 percent in the previous year while the \$500 remained at 1.5

percent. The share of \$100 notes decreased from 1.8 percent to 1.7 percent. The share of \$50 notes remained at 0.1 percent likewise the share of \$20 remained at 0.7 percent.

The policy of ensuring that only acceptable quality notes are in circulation was continued. This was achieved by regular withdrawals of mutilated, defaced or otherwise poor quality notes and replacing them with new notes. Mutilated, defaced and poor quality notes amounting to G\$403 million were surrendered for replacement in 2017.

### Coins

The value of coins in circulation at the end of 2017 was G\$1,049 million, an increase of 4.7 percent above the G\$1,002 million in 2016. The \$10 coin continued to account for the highest proportion of the total value of coins, followed by the \$5 and the \$1 respectively. In terms of the total quantity of coins issued, the \$1 coins accounted for 57.2 percent share. The shares of \$5 and \$10 coins accounted for 27 percent and 15.8 percent respectively.

### Payments System

During 2017, 887,413 low-value transactions (LVT) were settled through the National Clearing House (NCH), a decrease of 2.4 percent when compared with the volume recorded in 2016. The volume of high-value transactions (HVT) decreased by 0.71 percent to reach 128,681. The overall value of total transactions increased by 6.9 percent in 2017 to reach G\$1,172 billion. The total value of high-value transactions increased to G\$780 billion likewise the low-value transactions also increased to G\$392 billion. The shares of HVT in total value of transactions increased to 66.5 percent in 2017 from 65.3 percent in 2016. As a result, the share of LVT fell to 33.5 percent in 2017 from 34.7 percent in the previous year. The average value of HVT increased from G\$5.5 million to G\$6.1 million in 2017, while the average value of LVT increased from G\$0.42 million in 2016 to G\$0.44 million in 2017.

**Table XXXVI**

<b>Selected Data on transactions Cleared through the National Clearing House</b>			
	<b>2015</b>	<b>2016</b>	<b>2017</b>
Daily avg. number of LVT	3,567	3,638	3,622
Daily avg. value of LVT	1,287	1,534	1,601
Avg. value of LVT	0.35	0.42	0.44
Daily avg. number of HVT	548	523	525
Daily avg. value of HVT	2,835	2,887	3,182
Avg. value of HVT	5.2	5.5	6.1
Total number of LVT	899,724	902,147	887,413
Total value of LVT	316,519	380,309	392,153
Total number of HVT	134,765	129,604	128,681
Total value of HVT	697,302	715,995	779,588
Notes: Values are expressed in G\$ Million			
LVT - Low Value Transactions			
HVT - High Value Transactions			

### Reserve Management

Guyana's foreign assets reserve is managed by the Bank of Guyana (the Bank). The Bank's responsibility to manage Guyana's foreign asset reserves is established through legislative mandate. The major objective of the Bank's foreign assets reserves management is to maintain a reserve of external assets to cover the value of the total amount of its notes and coins for the time being in circulation in accordance with section 22 of the Bank of Guyana Act, 1998. Additionally, the reserves are held to meet defined national payment obligations and its ultimate size reflects the balance of payments position. The Bank acts within a framework that identifies and assesses the risk of reserve management operations

and follows a policy to manage the reserves within acceptable levels and parameters. The management of the reserves prioritises security and liquidity over returns. As at December 31, 2017, the gross foreign assets reserves totalled US\$584.02 million.

The reserves are divided into two tranches – the working balance and the investment portfolio. The working balance consists of cash and risk-averse tradable financial instruments with tenors not greater than three months and is intended to cover the monthly payment obligations of the Government of Guyana, the Bank of Guyana and specified agencies.

The objective of the investment portfolio is to generate reasonable earnings over medium and long-term horizons, subject to liquidity and risk constraints. The portfolio consists of mainly government guaranteed securities from countries with risk rating of A+ and above, investments in Supranational and the Bank of International Settlement. Risks are managed through the diversification of the portfolio structure and the careful selection of instruments and counterparties. Investments usually have a maximum tenor of fifteen years and are mainly denominated in US dollars since most of the Bank's and Government's external liabilities are denominated in US dollars.

The investment of the foreign asset reserves portfolio is governed by a reserve management guideline which was approved by the Bank's Board of Directors. The Bank has established an investment committee chaired by the Governor and comprising senior managers of the Bank. The committee considers investment proposals and monitors the risks associated with the investment portfolio. □



# V

## FUNCTIONS, INSTITUTIONAL DEVELOPMENTS AND OTHER BANKING ACTIVITIES

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The Bank of Guyana continued with its risk-based supervision of the licensed financial institutions. The Bank also continued to fulfill its statutory objectives as specified in the Bank of Guyana Act 1998 (No. 19 of 1998) through the use of various instruments, such as monetary programming, reserve requirements, the rediscount rate and moral suasion.

### 1. FUNCTIONS

The Bank's principal objective as specified by the Bank of Guyana Act 1998 (No. 19 of 1998) was that of fostering domestic price stability through the promotion of stable credit and foreign exchange conditions which are conducive to the growth of the economy. In view of this overall mandate, the Bank was entrusted with the following responsibilities:

- Advising Government on any issue affecting its main objective of price stability;
- Acting as fiscal agent, trustee and banker to the Government;
- Issuing the country's notes and coins and determining legal tender;
- Advising the Minister of Finance on, and administering, the foreign exchange system;
- Monitoring the country's balance of payments position and managing its foreign exchange reserves;
- Acting as a banker to commercial banks and other licensed financial institutions;
- Supervising and regulating licensed financial institutions; and
- Overseeing the country's payment system.

#### Instruments of Monetary Policy

In addition to the monetary programming framework, the Bank fulfills its statutory objective of promoting domestic price stability through other instruments such as the reserve requirement, the rediscount rate and moral suasion.

#### Reserve Requirements

The statutory reserve requirement remained an important instrument for monetary control and

financial prudence in Guyana. The change in reserve requirement, which was implemented in 1999, remained in force in 2017 and continued to make the operating framework consistent with the thrust toward monetary control.

The revised Reserve Requirement Circular - No. 77/98, sets out the specifications for: (i) the institutions subject to reserve requirements; (ii) the prescription of the reserve base, (iii) the reserve maintenance periods; and (iv) the penalty charge for deficiencies in reserve requirement. With effect from the reserve base period, which commenced February 1, 1999, the statutory reserve requirement ratio applicable to all liabilities (i.e., demand, time and savings liabilities, whether domestic or foreign) of deposit-taking financial institutions was lowered to 12.0 percent from the sum of 14.0 percent of time liabilities and 16.0 percent of demand liabilities held by the deposit-taking institutions. This requirement remained unchanged in 2017 for the deposit-taking institutions.

Effective January 1, 2000, some variations of the requirement were implemented for licensed NBFIs - (Hand-In-Hand Trust Company Incorporated and Globe Trust and Investment Company) - to create a level playing field and hence greater financial intermediation. These institutions were required to maintain a minimum deposit balance at the Bank of 4.0 percent of total liabilities. This was to be incrementally increased every six months by 2.0 percentage points until convergence with the ratio of 12.0 percent applicable to commercial banks was



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achieved. Accordingly, the deposit-taking licensed NBFIs required reserve ratio stood at 12.0 percent at end-2017.

During 2001, three mortgage finance companies were established under the Income Tax (Exemption) Order 2001 to provide mortgages for low income earners. These companies were exempted under the Income Tax Amendment Act No. 6 of 2000 from reserve requirement on deposits utilized for that purpose.

Non-compliance with the reserve requirement carried a penalty, which took the form of an interest charge on the deficiency (actual reserves less required reserves). This was calculated at a rate equal to twice the rate of interest on the 91-day treasury bills which prevailed at the beginning of the reserve maintenance period over which the deficiency occurred.

### **Liquid Assets**

Circular No. 52/98 on Liquid Assets Requirements, which became effective from October 26, 1998, remained in force throughout 2017. This circular provided for:

- extension of the liquid assets requirement to nonbank licensed depository financial institutions;
- ensuring consistency in the prescribed liabilities, liquid assets base and maintenance periods with the revised prescribed liabilities, base and maintenance periods for reserve requirements; and
- introducing a penalty for a deficiency in liquid assets.

The statutory liquid assets ratios (LAR) which determined the minimum level of liquid asset holdings that commercial banks were required to maintain in relation to their deposit liabilities remained at 25.0 percent of demand liabilities and 20.0 percent of time and savings liabilities.

During the year, the banks remained compliant with the LAR. The average monthly required liquid assets which amounted to G\$78,412 million compared with G\$79,166 million in 2016, reflected a contraction in average deposit liabilities. As a result of the decline

in required liquid assets, the percentage of liquid assets in excess of the required amount decreased to 50.4 percent from 60.0 percent a year ago. Holdings of treasury bills continue to dominate - accounting for an average share of 53.7 percent of total liquid assets in 2017 compared with 51.8 percent in 2016.

### **Interest Rates**

The Bank rate, which is determined by the 91-day treasury bill rate, remained stable at 5.0 percent at end-December 2017. The 91-day treasury bill rate decreased by 31 basis points to 1.54 percent while the spread between the Bank rate and 91-day treasury bill increased to 3.5 percent.

The Bank continued to keep its re-discounting policy and terms under review during 2017. The objectives were to ensure that the operation of the re-discount window was consistent with the development of the inter-bank money and treasury bill markets, as well as to promote competition and a secondary market for the issues of Government securities. The margins above and below the average re-discount rate on treasury bills purchased and sold by the Bank, which were amended by Circular 13 of 1999 and made effective in March 1999, remained in force during the year. The level of the re-discount depended on the remaining days to maturity of the re-discounted treasury bills.

### **Relations with Government**

A total of 194 active Government accounts were held at the Bank at end-December 2017 compared with a total of 175 at the end of December 2016. At the end of the year, Government deposits, net of treasury bills held by the Bank, amounted to -G\$26,730 million. The Bank's holdings of treasury bills decreased to G\$997 million from G\$998 million at end-2016. Government debentures held totalled G\$47,015 million at end-2017, of which G\$38,478 million were non-interest bearing and G\$4,638 million were non-negotiable NIS debentures.

### **Relations with Commercial Banks**

During 2017, the Bank continued to support the payments system by providing cheque clearing facilities and inter-bank settlement services.

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Commercial banks continued to satisfy most of their requirements for foreign currency through purchases directly from customers under the Dealers in Foreign Currency (Licensing) Act 1989.

Balances held by the Bank in respect of amounts deposited by the commercial banks under the external payments deposit scheme remained unchanged at G\$61.0 million at end-December 2017.

### **Relations with International Organizations**

The Bank continued to act as fiscal agent for the Government in its relations with the Multilateral Financial Institutions of which Guyana is a member. At the end of 2017, Guyana repaid US\$35 million through the Bank to Multilateral Financial Institutions, of which US\$21.6 million and US\$10.5 million were paid to IDB and CDB respectively.

### **Relations with Regional Central Banks**

Clearing arrangements with CARICOM Central Banks remained on a bilateral basis. Additionally, the Bank continued to participate in regional meetings of Central Bank Governors and other functional core activity committees mandated by Governors.

### **Exchange Rate Policy**

The exchange rate policy, supported by appropriate fiscal and monetary measures, was aimed at strengthening the macroeconomic conditions that facilitate price and balance of payments stability. The nominal exchange rate was determined by demand and supply through a system of licensed cambio dealers. The Bank may intervene to meet reserve targets and minimize adverse speculative attacks.

### **Foreign Exchange Operations**

The gross international reserves of the Bank decreased by US\$12.7 million or 2.1 percent to US\$584.0 million and was equivalent to approximately 3.1 months of imports. This performance was influenced by lower foreign currency inflows of US\$532.1 million during the year and comprised mainly of US\$278.3 million from

export receipts. Foreign currency outflows during the year related to debt servicing, fuel imports and other payments were US\$62.5 million, US\$319.0 million and US\$131.8 million respectively.

### **Bank Supervision**

During 2017, the Bank Supervision Department conducted seven examinations, five risk-based and two special examinations to follow-up on outstanding recommendations of previous examinations. A meeting was also convened with the Board and Senior management of one institution to discuss the findings of the examination which was conducted during the year.

The examinations revealed that the institutions were generally in compliance with the requisite statutory and regulatory requirements notwithstanding minor infractions. Deficiencies noted related to credit quality and administration, internal controls, Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT), corporate governance practices and risk management. The deterioration in asset quality continued to trigger enhanced monitoring and intensive follow-up actions in an effort to ensure the level of credit risk does not escalate further. Notwithstanding this, all the LFIs were generally also committed to good corporate governance practices in accordance with legal and prudential requirements and international best practices.

### **Basel II**

The Bank is continuing with its preparation for Basel II implementation across the industry. A number of supervisory guidelines were drafted and will be issued to the industry for consultation and feedback within the first half of 2018. The Caribbean Regional Technical Assistance Centre (CARTAC) will be providing further technical assistance during the first quarter of 2018 as the Bank moves forward with Basel II implementation.

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## **Financial Sector Assessment Programme (FSAP)**

Following the recommendations from the FSAP of May 2016, the Bank commenced the review of all its supervisory guidelines issued to the financial sector. So far for the year in review, the following guidelines were revised to bring them in line with FSAP recommendations and international best practices.

- Supervision Guideline 5 – Loan Portfolio, Review Classification, Provisioning and other related Requirements.
- Supervision Guideline 8 – Corporate Governance

The Bank also drafted a new guideline on Outsourcing as it had noted of recent the proclivity of some banks to outsource some of their functions and processes to third parties.

These guidelines are currently being reviewed internally and are expected to be released to the industry in 2018 for consultation and feedback before implementation.

### **Supervision of Credit Unions**

The preliminary findings of the Credit Union Diagnostic mission during the third and fourth quarters of 2016 which was conducted by consultants attached to the World Bank, revealed that the entire process of bringing the credit unions under the supervisory oversight of the Bank was likely to be a protracted one given the credit unions rudimentary systems, unfamiliarity with international accounting standards, lack of proper internal controls and governance procedures.

The BOG, as a result, conducted a one-day sensitization workshop involving all industry stakeholders during the last quarter of 2017 to prepare credit unions for the impending supervisory oversight by the Bank and to guide supervisors in the supervisory process. It was agreed at this workshop that the supervision of the credit unions by the Bank must be implemented with an adequate preparatory and transition period where the regulation and

supervision will be customized to suit the nature and size of the industry.

### **Financial Consumer Protection**

The Bank, with technical assistance from the Financial Sector Reform and Strengthening Initiative (FIRST Initiative), is continuing with its efforts to develop a Financial Consumer Protection (FCP) regulatory framework. A draft action plan was submitted by FIRST Initiative for review and the Bank has since requested further assistance in drafting the requisite FCP law and regulations from FIRST initiative.

### **Deposit Insurance**

The Bank, with technical assistance from the World Bank, is proceeding with the implementation of Deposit Insurance in Guyana. The World Bank is currently assisting with the drafting of the Deposit Insurance legislation and the development of the design features of the Deposit Insurance scheme.

### **Crisis Management/Bank Resolution**

The FSAP recognized that the Bank's overall crisis management framework needed improvement. It noted that this was contingent on key legal reforms, the implementation of an effective resolution regime and the implementation of Deposit Insurance.

As such, the Bank, with technical assistance from CARTAC, undertook a review and upgrade of its Financial Crisis Management Plan (FCMP) in order to streamline the plan and make it more congruent with an effective resolution regime for troubled institutions.

The Bank as a result has completed its revision of Supervision Guideline 11 – Intervention Policy, which outlines the stages of prompt corrective action for troubled institutions to make it more precise and actionable.

In addition and more importantly, the Bank is working with the World Bank on revisions to Part VIII of the Financial Institutions Act (FIA) 1995 to empower the Bank to resolve a failing institution in a timely and orderly manner and to significantly

expedite the liquidation of a failed financial institution.

### **Insurance Supervision**

The Insurance Department continued to successfully discharge its supervisory and regulatory responsibilities. During 2017, no new insurance company was registered. The new Insurance Act 2016 is awaiting a commencement date, while the draft of the attendant regulations to the Act is being reviewed. It is expected that the introduction of a new regulatory regime would lead to improved resilience in the sector to withstand any adverse shocks, which in turn, will serve to strengthen the sector's financial stability.

The Department was provided with technical assistance from FIRST Initiative in pursuit of its mandate to regulate and strengthen the financial sector. FIRST Initiative has provided technical assistance with respect to the provision of additional resources for the implementation of the new Insurance Act and accompanying regulations, especially on the much needed new solvency and capital adequacy requirements. FIRST Initiative also provided training on Market Conduct and Consumer Protection for the supervision and regulation of insurance companies during the year. Other technical assistance was provided by CARTAC for training on Pension Reporting Forms and Indicators. So far, industry consultations on the draft of the proposed Private Pensions Act have commenced. This Act is expected to be tabled in Parliament in the near future.

Going forward, there is need for continued focus on identified performance gaps while seeking to enhance insurance inclusion, penetration and overall profitability. Notwithstanding, the department intends to carry out its mandate in performing onsite inspections at the insurance companies subsequent to the commencement of the Insurance Act 2016.

## **2. INSTITUTIONAL DEVELOPMENTS**

### **Payments System Project**

Section 62 of the Bank of Guyana Act provides as

follows: “The Bank shall oversee the Payments System in Guyana and it shall endeavour to achieve efficiency, reliability and soundness of such system by adopting such measures as it may deem appropriate, including the making of regulations in that behalf.”

With the aim of the payment system better serving the economy's payments needs, realizing cost savings, managing risk, supporting the Government's objective of transitioning to cashless payments and advancing financial inclusion, the Bank has embarked on a Payment System Modernization Project. An integral aspect of this project is the strengthening of the legal framework through the enactment of a National Payments System Act and supporting regulations.

The Act which is in draft incorporates a comprehensive set of provisions on important aspects of the payments system. It defines the ambit of the “payments system” and articulates, in detail, the role and functions of the Bank in regulation and oversight of the payments system including the authority for regulating and overseeing activities related to processing, clearing and settlement.

The Act is intended to reduce any inefficiencies and potential risks in the payments infrastructure mainly by:

- Promoting soundness, safety, efficiency and competitiveness of the National Payments System as a whole and of any of its components;
- Combating liquidity, credit, counter-party, legal, systemic and any other risks affecting the reliability of the National Payments System and indirectly the whole financial infrastructure of the country;
- Ensuring interoperability and integration of systems;
- Guaranteeing access to systems;
- Favouring inclusiveness;
- Protecting payment services' users
- Providing rules on systems (netting, finality, insolvency, collateral)
- Prescribing provisions on electronic transfers,

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electronic money and electronic presentment of cheques.

The draft Act, which has benefited from consultations with stakeholders, is expected to be finalized and enacted in 2018.

### **CARICOM Credit Reporting Project**

The Technical Working Group, on the CARICOM project to develop a legal and regulatory framework to facilitate credit information sharing among CARICOM Member states completed its work in 2017.

This group was tasked with the mandate of:

- Formulating recommendations on the regional credit reporting framework for CARICOM Member States;
- Assisting in the formulation of a Regional Policy on Credit Reporting;
- Reviewing and finalizing the Model Law on Credit Reporting.

It is expected that the implementation of these measures would contribute to the development of efficient credit markets in CSME. Guyana's representative on the Technical Working Group was a Bank of Guyana officer.

### **Insurance Legislation**

The Insurance Act, which repealed and replaced the Insurance Act of 1998 and the Insurance (Supplementary Provisions) Act 2009, after benefiting from significant input from the industry and other relevant stakeholders was enacted in 2016. The Act which shall come into operation on a date appointed by the Minister enhances the supervisory powers and responsibilities of the Bank and also provides for a risk-based approach to the supervision of insurance in Guyana, the promotion of competition in the insurance industry and the protection of consumers.

The preparation and review of implementing regulations progressed considerably during 2017 and they are projected to be promulgated during 2018, with the Act then being capable of being brought into

effect.

### **Anti Money Laundering and the Countering the Financing of Terrorism Framework**

The Bank continued the execution of its supervisory mandate under the Anti- Money Laundering and Countering the Financing of Terrorism Act 2009 supporting legislation and guidelines.

Guyana, through the office of the Minister of Legal Affairs/ Attorney General, hosted the 46th Caribbean Financial Action Task Force (CFATF) Plenary and Working Group Meetings in November, 2017. Guyana has entered the fourth (4th) Round of Mutual Evaluations and is scheduled for evaluation in 2022. In light of the fact that in this round the emphasis will focus on testing the country's effectiveness in addressing the deficiencies the Bank, as a Supervisory Authority, will take the requisite action to address the areas of weakness and deficiencies identified by FATF/CFATF coupled with those identified in the National Risk Assessment (NRA) which was recently conducted. The Bank's representatives participated in both the National Risk Assessment and the CFTATF Plenary and Meetings.

With the aim of addressing one of the findings of the National Risk Assessment which identified cambios and money transfer agencies as being of a medium to high risk of vulnerability to money laundering, the decision was taken to restructure the International Department. The restructuring and integration saw the supervisory oversight of cambios and money transfer agencies being transferred to the Bank Supervision Department and the staff integrated into that Department.

### **Bank of Guyana Business Continuity and Disaster Recovery Project**

Pursuant to a Board approved directive, the Bank embarked upon the process of developing a comprehensive Business Continuity Plan (BCP). One of the main objectives is to outline the mechanisms and courses of action required to be taken to ensure that the Bank's critical functions are supported should disruptive events occur. There are two main



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aspects of the project:

- Business Continuity which will address the process involved in managing exposure to internal and external threats that can disrupt the availability of the Bank's operations. This involves management oversight, risk management functions and documentation of plans and processes to maintain business in the event of disruption.
- The disaster recovery aspect will focus on the assets, people, processes and technologies involved in critical aspects of business operations.

The projected timeline for completion of the entire project is September, 2018.

### **Bank of Guyana Strategic Plan 2018-2022**

Successor to the Bank's two year Strategic Plan 2015-2017 the Bank has devised a five year Strategic Plan. The Plan elaborates on the actions the Bank will take and mechanisms it will implement as it continues to execute its mandate of maintaining price stability and fostering a sound progressive and efficient financial system as it continues its contribution to sustain growth and development of the economy.

The main thrust of the five year Strategic Plan, which outlines its strategic objectives, is to promote an efficient and resilient financial system through efficacious monetary policy, modern payments system, an expansion and deepening of the regulatory and supervisory framework for banks and non-banks financial institutions as well as improvement of the Bank's internal controls and enablers.

Progress on the implementation of the Strategic Plan will be monitored and assessed annually and the plan will be reviewed / modified having regard to all attendant factors domestically, regionally and internationally.

## **3. OTHER BANKING ACTIVITIES**

### **Staff Training and Technical Assistance**

The strength of the Bank's employ at December 31, 2017 was two hundred and seventy three. Eighteen new staff members were recruited. Five persons resigned, one retired while the contractual obligation of one came to an end. Two students from the Carnegie School of Home Economics were accommodated for a six weeks period on work attachment.

### **Training**

During 2017, the Bank's Training Policy continued to focus on in-house, local and overseas training/workshops sponsored and hosted by reputable and accredited organizations and training agencies.

### **In-house Training**

On January 24, the Bank hosted a Panel Discussion on the Role and Proper Completion of ACRs. The panel comprised four HR Specialists in Guyana. During March 20-24, the Bank hosted a course on Stress Testing for Insurance Companies and fifteen staff members participated. On March 22, eighteen staff members joined a webinar on Financial Inclusion. On June 22, the Bank organised an Orientation Seminar for twenty new staff recruits.

During July 5-6, the Training Division conducted a training course on Office Ethics. Thirty six staff members attended this training. There was a repeat of this training during July 12-13 and on that occasion, thirty four staff members attended. On August 2, twelve staff members joined a webinar on Basel Committee of Banking Supervisors (BCBS) Proposal.

During September 20-27, the Bank hosted a workshop entitled 'Financial Sector Reform and Strengthening Initiative Insurance and Market Conduct for Insurers and Consumer Protection'. Seventeen staff members attended that workshop. On October 27, twenty eight staff members attended an AML/CFT Refresher Training which was conducted

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by the Bank's Compliance Officer. This training was repeated on October 25 and forty staff members attended.

On November 14, five staff members joined a webinar entitled 'Trade and Labour Market Dynamics'. On November 21, eighteen staff members participated in a webinar entitled 'The Dynamics of Sovereign Debt Crises and Bailouts'. On December 5, thirty one staff members attended another AML/CFT training.

### **Other Local Training**

During March 23-24, three staff members from the Internal Audit Department attended training courses hosted by the Institute of Internal Auditors (IIA) Guyana Chapter. Major emphasis was placed on topics such as Tracking Audit Evidence and Developing a Risk Assessment.

During April 6-7, two staff members from the Human Resources and Administration Department attended a course on Finance for Non-Financial Managers organised by the Arthur Lok Jack Graduate School of Business.

The Consultative Association of Guyanese Industries (CAGI) hosted a course for Administrative & Secretarial Support Seminar on April 19. Five staff members attended this seminar. CAGI again hosted Occupational Safety & Health in the Workplace. Four staff members attended this training. On May 24, CAGI hosted the course 'Effective Inventory Management' which six staff members attended.

During June 12-16, four staff members attended a National Workshop on Sustainable Funding Strategy (SFS) which was organised by the Government of Guyana and the Centre for Latin American Monetary Studies (CEMLA).

From June 22-24, seven staff members attended the 35<sup>th</sup> Caribbean Conference of Accountants. During June 27-28, two staff members attended the Risk Management of Investment Portfolios Workshop organised by the Caribbean Information and Credit Rating Services Limited (CariCRIS).

On June 28, four staff members attended the seminar 'How to Be a Successful Manager' which was organised by CAGI. On July 19, two staff members attended a seminar on Enhancing Managerial Capacity and Skills. This seminar was again conducted by CAGI.

On August 29, two staff members attended an AML and Accountant Seminar hosted by the Institute of Chartered Accountants of Guyana (ICAG). On September 6, four staff members attended a seminar organised by the IIA-Guyana Chapter. It was entitled 'The Role of the Internal Auditor in the Evolving Risk facing the organization and Adaptability'. On September 7, three staff members attended another workshop hosted by the IIA. This time it was entitled 'Financial Auditing for Internal Auditors Inventory and Stores Management.

Several members of staff have completed academic and professional programmes during the year. Three have completed their Master in Business Administration (MBA), one in Master in Professional Accounting. Eight staff members were offered assistance through the Bank's Employee Grant for Studies. One staff is reading for the MBA and another for the Master in Public Administration (MPA). Two are reading for Diploma in Banking and Finance, one for a Diploma in Public Management, one for Degree in Public Management and another in Facilitates Management.

### **Overseas Training**

Attendance at overseas training programmes/courses/seminars/conferences was limited to short ones that were sponsored by a number of reputable organizations especially those in the Caribbean Region. These included the Caribbean Group of Banking Supervisors (CGBS), The Centre for Latin American Monetary Studies (CEMLA), The Caribbean Association of Insurance Regulators (CAIR), The Caribbean Association of Pensions Supervisors (CAPS), The Caribbean Regional Technical Assistance Centre (CARTAC), and Association of Supervisors of Banks of Americas (ASBA). A total of thirty seven persons attended training overseas during the year.



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## INFRASTRUCTURAL DEVELOPMENTS

The following is a list of the projects that were implemented during 2017:

- Upgrade of the terrazzo pavement around the Bank.
- 6 KW Expansion of Existing Grid Tie Photovoltaic System.
- Upgrade of the briquetting and shredder Machine.
- Installation of a centralized UPS unit.

## CORPORATE GOVERNANCE

### The Board of Directors

The Governor, Dr. Gobind Ganga and Deputy Governor, Dr. Terence Smith served as Chairman and Deputy Chairman of the Board respectively, in accordance with the provisions of the Bank of Guyana Act 1998. Dr. Smith's term of office came to an end mid- November and Mr. Leslie Glen returned and resumed duty as Deputy Governor as his two year period of secondment at the World Bank came to an end.

The Board of Directors continued to meet frequently during 2017. Dr. Maurice Odle, Mrs. Sharon Roopchand-Edwards and Mr. Rawle Lucas served as non-executive members of the Board during 2017. Dr. Swantantra Goolsarran served until August 2017 when he tendered his resignation (for personal reasons) and was replaced by Dr. Nelson Modeste, Chief Planning Officer, Ministry of Finance. Ms. Sonia Roopnauth, Director of Budget, served as the representative of the Minister of Finance.

### Implementation of the established governance mechanism continued with the following activities:

1. The Internal Audit Department continued to closely monitor the Bank's operations to assess and ensure that the operations were not unduly exposed to risks and to devise and recommend measures to manage risks. The Director, Internal Audit Department continued to report quarterly to the Board of Directors, through the Board's Audit

Committee, on the findings of and responses to the audits executed.

2. The Investment Committee remained very vigilant during the financial year in the management of the Bank's foreign reserves with the aim of ensuring a reasonable return on its investments without unduly exposing the Bank to the risk of losses

3. The Board continued to review and assess the financial performance of the Bank through quarterly financial reports in addition to the report and management letter from the external auditor. The external auditor is appointed annually by the Minister of Finance and for the financial year ended December 31, 2017. This task was executed by the Auditor General of the Audit Office of Guyana.

4. The Bank Supervision and Insurance Supervision Departments continued to provide quarterly reports, to the Board on financial system soundness indicators for banks and non-banks and the insurance and pension sectors respectively. The Board was also in receipt of reports on non-performing loans.

5. The Bank continued the implementation of its Anti-Money Laundering (AML) /Countering the Financing of Terrorism (CFT) Programme which adopts and incorporates the principles and systems which are contained in the national anti-money laundering and countering the financing of terrorism regime along with international best practice standards, to the extent that they are applicable to the Bank's operations including the following:

- Anti- Money Laundering /Countering the Financing of Terrorism Policy and Procedures
  - Customer due diligence /Know Your Customer requirements
  - Record Keeping requirements
  - Monitoring and Reporting of Suspicious Activity/ Transactions
- Appointment of an Anti- Money Laundering Compliance Officer (AMLCO)
- Staff awareness and On-going Training
- Independent Audit

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The Bank of Guyana continuously monitors the development of any national and international standards, regulations and guidelines related to the prevention of money laundering and terrorist financing and remains strongly committed to ensuring continuous modification and implementation of its Programme as may be required.

**New Initiatives in the Governance mechanism included the following activities:**

The Audit Committee which was established to assist the Board in fulfilling its oversight responsibilities continued to meet quarterly under the Chairmanship of Dr. Goolsarran until his resignation. Ms. Roopnauth has since been appointed Chairperson and the other members of the Committee are the Deputy Governor and Mrs. Roopchand-Edwards. This Committee which was established pursuant to Section 17A of the Bank of Guyana Act is responsible, inter alia, for ensuring the existence and operation of an effective system of internal controls, the quality and transparency of financial reporting and disclosures, the existence of a sound risk management framework and effective fraud management at the Bank.

**Disclosure and Transparency**

The Bank, in compliance with statutory requirements, published its Statement of Assets and Liabilities bi-monthly in the Gazette. Additionally, the Bank published its audited financial statement together with an Annual Report by the end of March and quarterly reports on the state of the national economy with special reference to financial developments and the policies being followed by the Bank.

All reports are submitted to the Minister of Finance and are available on the Bank's website along with quarterly information on the financial indicators of the banking system.

The Bank has continued to provide licensed financial institutions with the results of its quarterly stress testing of respective institutions. This activity is intended to promote financial stability. □

# **VI**

## **REPORT OF THE EXTERNAL AUDITORS, STATEMENT OF FINANCIAL POSITION AND STATEMENT OF INCOME**



## *Audit Office of Guyana*

*P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana  
Tel. 592-225-7592, Fax: 592-226-7257, <http://www.audit.gov.gy>*

AG: 168/2018

7 June 2018

**REPORT OF THE AUDITOR GENERAL**  
**TO THE MEMBERS OF THE BOARD OF DIRECTORS**  
**OF THE BANK OF GUYANA**  
**ON THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

### *Opinion*

I have audited the financial statements of Bank of Guyana which comprise the statement of financial position as at 31 December 2017, and the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank of Guyana as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and Section 34 (1) of the Bank of Guyana Act No.19 of 1998.

### *Basis for opinion*

I conducted my audit in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC), the International Standard of Supreme Audit Institutions (ISSAIs) and the Audit Act 2004. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements that are relevant to my audit of the financial statements in Guyana, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### *Emphasis of Matter*

I draw attention to Note 2 (c) (i) of the financial statements which states that “.....*Assets and liabilities held with foreign financial institutions are valued at the applicable year-end rates. Gains/losses are transferred to a reserve account and any deficiency is covered by the Government of Guyana through special issue of debentures.....*” This is not in keeping with IFRSs but is in compliance with section 49 (1) of the Bank of Guyana Act No. 19 of 1998. Compliance with IFRSs would have resulted in a decrease of net profit by \$169.519M which is the loss on revaluation.

Also, Note 23 to the financial statements states that “.....*The provision is in order to meet adverse market rate movements for investments held and other risks (market, credit and interest risks) that may occur.....*” This is not in keeping with usual accounting practices but, in keeping with the interpretation to Section 7 of Bank of Guyana Act No. 19 of 1998. Compliance with usual accounting practices would have resulted in an increase of Net Profit by \$1.051 billion.

My opinion is not modified in respect of these matters.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRSs and Section 34 (1) of the Bank of Guyana Act No.19 of 1998 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank’s financial reporting process.

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

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

As part of my audit in accordance with ISAs and ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 bank’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### Report on Other Legal and Regulatory Requirements

The Bank complied with the Bank of Guyana Act No. 19 of 1998 with the exception of Section 58 which states "*within three months after the end of each financial year the Bank shall submit to the Minister a report on its operations throughout the year, together with the balance sheet and the profit and loss account as certified by the external auditors appointed in accordance with Section 60.*" Consequently, the draft financial statements were received on 12 April 2018 and the final submission was made on the 6 June 2018.



AUDIT OFFICE OF GUYANA  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA

**BANK OF GUYANA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST DECEMBER, 2017**  
**ASSETS**

		<b>2017</b>	<b>Restated 2016</b>
	Notes	G\$'000	G\$'000
<b>FOREIGN ASSETS</b>			
Gold	3	4,015,909	7,419,979
Balances with Foreign Banks	4	22,219,441	22,240,743
Foreign Assets in the Process of Redemption		2,006,233	2,189,625
Holdings of Special Drawing Rights	5	152,481	269,922
Foreign Capital Market Securities	6	92,205,122	91,113,059
		<u>120,599,186</u>	<u>123,233,328</u>
<b>LOCAL ASSETS</b>			
Special Issue of Government of Guyana Securities	7	42,376,839	42,207,320
Government of Guyana Treasury Bills	8	995,006	995,094
International Monetary Fund Obligations	9	35,281,112	36,113,845
Funds for Government Projects		12,868,645	7,970,513
Other Financial Assets	10	8,159,331	6,392,740
		<u>99,680,933</u>	<u>93,679,512</u>
<b>FIXED ASSETS</b>			
	11	3,352,182	3,462,273
		<u>223,632,301</u>	<u>220,375,113</u>



**BANK OF GUYANA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST DECEMBER, 2017**  
**LIABILITIES**

		<b>2017</b>	<b>Restated</b>
	Notes	G\$'000	2016 G\$'000
<b>CURRENCY IN CIRCULATION</b>			
Notes		99,928,802	90,311,940
Coins		1,049,671	1,002,462
		<u>100,978,473</u>	<u>91,314,402</u>
<b>DEPOSITS</b>			
Commercial Banks		55,626,272	63,611,765
Government of Guyana		(26,470,989)	(21,307,946)
International Financial Institutions	12	32,362,407	32,361,340
Private Investment Fund		6,500	6,500
Funds for Government Projects		12,868,645	7,970,513
Other Deposits	13	7,638,040	4,833,636
		<u>82,030,875</u>	<u>87,475,808</u>
Allocation of Special Drawing Rights	14	24,655,241	25,487,974
Gov't of Guyana Portion of Net Profit Payable		3,332,282	3,751,154
Other Liabilities	15	7,635,712	4,775,594
		<u>35,623,235</u>	<u>34,014,722</u>
<b>CAPITAL AND RESERVES</b>			
Authorised Share Capital	16	1,000,000	1,000,000
Paid-up Capital		1,000,000	1,000,000
General Reserve Fund		5,558,299	5,188,045
Revaluation Reserves		3,051,830	3,051,830
Revaluation for Foreign Reserves		(6,999,687)	(4,058,969)
Contingency Reserve	17	2,356,377	2,356,377
Other Reserves		32,898	32,898
		<u>4,999,717</u>	<u>7,570,181</u>
		<u><b>223,632,301</b></u>	<u><b>220,375,113</b></u>

Approved on behalf of the Management of the Bank

  
Dr. G. Ganga  
  
Mr. R. Lucas

(Governor)  
(Director)

**BANK OF GUYANA**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2017**

	Notes	2017 G\$'000	2016 G\$'000
<b>OPERATING INCOME</b>			
Discount Received		15,541	21,584
Interest on Gov't of Guyana Securities		60,758	72,604
Interest on Foreign Securities		4,859,785	4,679,427
Interest on Deposits		93,592	63,260
Interest on Loans		8,943	7,246
Other Income		2,146,386	2,019,945
<b>INCOME</b>		<b>7,185,005</b>	<b>6,864,066</b>
<b>OPERATING EXPENSES</b>			
Administrative Expenses	18	1,682,586	1,576,626
Interest and Charges	19	130,503	22,209
Interest on Money Employed	20	(82,938)	(42,415)
Cost of Printing Notes & Minting Coins	21	229,072	248,988
Depreciation Charge on Fixed Assets		213,465	195,587
Bad Debt Written Off	22	236,728	236,728
		<b>2,409,416</b>	<b>2,237,723</b>
<b>NON-OPERATING INCOME/(EXPENSES)</b>			
Pension/Ex-Gratia	15	(6,358)	24,798
Accrued Leave Cost		(21,602)	(21,784)
Gains/(losses) on Disposal of Fixed Assets		6,319	2,063
Market Exposure on Foreign Investment	23	(1,051,412)	(463,471)
		<b>(1,073,053)</b>	<b>(458,394)</b>
Net Profit/(Loss)	24	<b>3,702,536</b>	<b>4,167,949</b>

**BANK OF GUYANA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2017**

	<b>2017</b>	<b>Restated 2016</b>
	G\$'000	G\$'000
Net Profit/(Loss)	3,702,536	4,167,949
<b>Gains/(Losses)</b>		
Revaluation on Foreign Currency Transaction	(169,519)	(21,402)
Revaluation on Foreign Investment	(2,940,717)	(1,701,892)
Actuarial Remeasurement/Pension	(1,545,409)	(350,000)
Comprehensive Gains/(Losses)	<u>(953,109)</u>	<u>2,094,655</u>

*Expressed in thousands of Guyana dollars (\$'000)*

**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED DECEMBER 31, 2017**

	<b>Paid up Capital</b>	<b>Restated General Reserve Fund</b>	<b>Revaluation Reserves</b>	<b>Other Reserves</b>	<b>Restated Revaluation of Foreign Assets Reserve</b>	<b>Contingency</b>	<b>Total</b>
Balance as at December 31, 2015	1,000,000	3,082,271	1,841,797	32,898	(2,357,077)	2,356,377	5,956,266
Net Profit	0	4,167,949	0	0	0	0	4,167,949
Revaluation for Foreign Assets Disposed	0	0	0	0	24,730	0	24,730
Revaluation for Foreign Assets On Books	0	0	0	0	(1,726,622)	0	(1,726,622)
Revaluation of Property	0	0	1,210,033	0	0	0	1,210,033
Net Profit due to Consolidated Fund	0	(3,751,154)	0	0	0	0	(3,751,154)
Actuarial Remeasurement/Pension	0	1,688,979	0	0	0	0	1,688,979
Balance as at December 31, 2016	1,000,000	5,188,045	3,051,830	32,898	(4,058,969)	2,356,377	7,570,181
Net Profit	0	3,702,536	0	0	0	0	3,702,536
Revaluation for Foreign Assets Disposed	0	0	0	0	(588,788)	0	(588,788)
Revaluation for Foreign Assets On Books	0	0	0	0	(2,351,930)	0	(2,351,930)
Revaluation of Property	0	0	0	0	0	0	0
Net Profit due to Consolidated Fund	0	(3,332,282)	0	0	0	0	(3,332,282)
Actuarial Remeasurement/Pension	0	0	0	0	0	0	0
Balance as at December 31, 2017	1,000,000	5,558,299	3,051,830	32,898	(6,999,687)	2,356,377	4,999,117

Expressed in thousands of Guyana dollars (\$'000)

**BANK OF GUYANA**  
**CASH FLOW STATEMENT**  
**FOR YEAR ENDED 31ST DECEMBER, 2017**

	2017	Restated 2016
<b>Operating Activities</b>		
Government of Guyana Portion of Net Profit Payable	3,332,282	3,751,154
Transfer to General Reserve	370,254	416,795
Grant Assets	0	0
<b>Net Profit/(Loss)</b>	<b>3,702,536</b>	<b>4,167,949</b>
Actuarial remeasurement	0	1,688,979
Adjustments to reconcile Net Profit/(Loss) to Net Cash		
Flow from Operating Activities:		
Depreciation	213,465	195,587
Reduction in Grant Assets	76	724
Profit/Loss on the Disposal of Fixed Assets	(6,319)	(2,063)
Profit and Loss on Revaluation of Fixed Assets	0	(1,210,033)
<b>Net Cash Flow from Operating Activities</b>	<b>3,909,758</b>	<b>4,841,143</b>
<b>Investing Activities</b>		
Foreign Assets in the Process of Redemption	183,392	(1,021,427)
Holdings of Special Drawing Rights	117,441	238,409
Foreign Capital Market Securities	(1,092,062)	2,462,522
Additions to Fixed Assets	(103,843)	(168,798)
Adjustments to Fixed Assets	0	0
Proceeds from the Disposal of Fixed Assets	6,711	2,063
Funds for Government Projects	(4,898,132)	(3,390,524)
International Monetary Fund Obligations	832,733	(27,003,375)
Other Financial Assets	(1,766,591)	(364,410)
Special Issue of Government of Guyana Securities	(169,518)	(21,402)
Gold Deposits	3,404,070	6,838,072
Government of Guyana Treasury Bills	88	(16)
<b>Net Cash Flow from Investing Activities</b>	<b>(3,485,711)</b>	<b>(22,428,886)</b>
<b>Financing</b>		
Currency in Circulation	9,664,070	7,720,548
Commercial Bank Deposits	(7,985,493)	12,440,559
Government of Guyana Deposits	(5,163,043)	(18,968,298)
International Financial Institutions Deposits	1,067	26,010,317
Private Investment Fund Deposits	0	0
Funds Due to Government Projects	4,898,132	3,390,524
Other Deposits	2,804,404	(310,818)
Government of Guyana Portion of Net Profit Payable	(3,751,154)	(3,376,069)
Allocation of Special Drawing Rights	(832,733)	196,236
Other Liabilities	2,860,119	(871,837)
Revaluation Reserves	0	1,210,033
Revaluation for Foreign Reserves	(2,940,718)	(1,701,892)
Contingency Reserve	0	0
Other Reserve	0	0
Grant Assets	0	0
<b>Net Cash Flow from Financing</b>	<b>(445,349)</b>	<b>25,739,303</b>
Net Increase/(Decrease) in Cash for year	(21,302)	8,151,560
Cash as at beginning of year	22,240,743	14,089,183
<b>Cash as at end of year</b>	<b>22,219,441</b>	<b>22,240,743</b>
<b>Balances with Foreign Banks</b>	<b>22,219,441</b>	<b>22,240,743</b>

**BANK OF GUYANA**  
**NOTES ON THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**1. IDENTIFICATION**

Bank of Guyana (hereafter “the Bank”) was established under the Bank of Guyana Ordinance which was repealed by the Bank of Guyana Act of 1995 (hereafter “the Act”) and subsequently repealed by the Act of 1998 which was amended in 2004. The Bank is domiciled in Guyana and its registered office is located at 1 Avenue of the Republic, Georgetown, Guyana, South America.

The principal objectives of the Bank, as set out in the Act are to: issue and redeem notes and coins, keep and administer the external reserves of Guyana, provide oversight of the payment and financial systems and act as the fiscal agent and banker to the Government of Guyana.

**2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

**A. Statement of Compliance**

The Financial Statements are prepared in accordance with the provisions of the Bank of Guyana Act No. 19 of 1998 and International Financial Reporting Standards (IFRS) and their interpretation adopted by the International Accounting Standards Board (IASB).

**B. Basis of Preparation**

The preparation of the financial statements in accordance with the IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the balance sheet date and income and expenses for the year then ended. Actual amounts could differ from these estimates. The most significant estimates included in the financial statement related to the provisions for pension obligations.

The financial statements are presented in Guyana dollars (GYD) and are prepared under historical cost convention, except for the inclusion of available-for-sale investments and certain classes of property plant and equipment at fair value.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and comply in all material respects to the IFRS.

**C. IFRS not fully adopted**

The Financial statements depart from IFRS because of the nature of the Bank, including its role in the development of the financial infrastructure of the country, as well as the regulations by which it is governed. The IFRS which have not been fully adopted are:

**i. Foreign Currency Transactions**

IAS 21 – The Effect of Changes in Foreign Exchange Rates, requires that all unrealized gains and losses be accounted for through the Income statement.

The rate of exchange of the Guyana dollar to the United States dollar is determined by the weighted average of the telegraphic transfer rate of the three largest bank cambios.

Foreign currency transactions are translated to the Guyana dollar equivalent at the rates of exchange ruling at the dates of such transactions. Assets and liabilities held with foreign financial institutions are valued at the applicable year-end rates. Gains/losses are transferred to a reserve account and any deficiency is covered by the Government of Guyana through special issue of debentures. While this accounting treatment is in compliance with section 49 (1) of the Bank of Guyana Act No. 19 of 1998, it is not in keeping with the International Financial Reporting Standards (IFRS).

## **ii. Provisions**

IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, which defines Provisions as a liability of uncertain timing or amount. Section 7 of the Bank of Guyana Act imposes specific limitations on the scope of the Bank to create reserves and thus prepare for certain unforeseen events. The Bank has therefore established a provision for market rate fluctuations which would more typically be reflected as a reserve under IFRS. (See Note 23.)

## **iii. Gains and Loss on Foreign Investment**

IAS 39 – Financial Instruments: Recognition & Measurement requires that gains and losses be recognized through profit and loss. Section 49 of the Bank of Guyana Act No. 19 of 1998 requires that all unrealized gains and losses should be recognized in a revaluation account and neither the gain nor loss arising from any such change shall be included in the computation of the annual profit or loss of the Bank.

# **D. Financial Instruments**

## **a. Classification of Investments**

Management determines the classification of instruments at the time of purchase and takes account of the purposes for which the investments were purchased. Investments are classified as originated loans and receivables, available-for-sale, and held to maturity.

- i. Originated loans and receivables are created by the Bank by providing money to a debtor with fixed or determinable payments other than those created with the intention of short term profit taking. These originated loans and receivables are not quoted on an active stock market and are recognized on the day the rights are transferred to the Bank.
- ii. Available-for-sale instruments are recognized on the date the Bank commits to the purchase of the investment. From this date, any gains and losses arising from changes in fair value of the instruments are recognized as equity.



b. Measurement

The Bank's investments are measured as follows:

- i Loans are classified as originated loans and receivables and are stated at cost less provision for losses and impairment as appropriate.
- ii Caricom Government Securities are classified as available for sale and are measured at fair value through other comprehensive income.
- iii US Treasury Bonds purchased are classified as available-for-sale and are measured at fair value through other comprehensive income.
- iv Bonds purchased from Supranational Entities are classified as available-for-sale and are measured at fair value through other comprehensive income.

c. Fair Value Measurement Principles

The fair value of financial instruments classified as available-for-sale is based on quoted market prices at the date of the statement of financial position without any deduction for transaction cost.

d. Gains and Losses on Subsequent Measurement

Gains and losses arising from a change in the fair value of available-for-sale assets are recognized directly in equity. When the financial assets are sold, collected or otherwise disposed of, the cumulative gains or losses recognized in equity is reversed and the gains or loss on the disposal are recognized in the statement of income.

e. Cash Resources

Cash resources including short-term deposits with maturity ranging up to 12 months from the statement of financial position date are shown at cost.

f. Other Assets

These are stated at cost less impairment.

g. Other Liabilities

Other liabilities including provisions are stated at amortised cost. A provision is recognized in the statement of financial position when:

- i) the Bank has a legal or constructive obligation as a result of a past event,
- ii) it is probable that an outflow of economic benefits will be required to settle the obligation and
- iii) a reliable estimate of the amount can be made.

h. Derecognition

A financial asset is derecognised when the Bank loses control over the contractual rights that comprise that asset. This occurs when the rights are realized, expired or surrendered. A financial liability is derecognized when it is extinguished. Available-for-sale assets that are sold are derecognized, and corresponding receivables from the buyer for the payment are recognized as at the date the Bank commits to sell the assets.

Originated loans and receivables are derecognized on the date realized or transferred by the Bank.

#### **E. Property, Plant and Equipment**

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, except for freehold land and buildings which are stated at market value.

Depreciation on fixed assets is calculated using the straight-line method on cost to write-off the assets over the term on their estimated useful lives at the rates specified below:

Office Furniture	-	10%
Computer Equipment & Software	-	20%
Other Office Machinery	-	12.5%
Sundry Equipment	-	20%
Motor Vehicles	-	25%
Building (including fixtures)	-	2 - 10%

No depreciation is provided on construction in progress.

#### **F. Employee Benefits**

Employee benefits are all forms of consideration given by the Bank in exchange for service rendered by its employees. Employee benefits that are earned as a result of past or current services are recognized as follows:

##### **1) General**

- i. Short term employee benefits are recognized as a liability, net of payments made and charged as expense.
- ii. The expected cost of vacation and annual leave and leave passage allowance are recognized when the employee becomes entitled to the leave and the vacation leave passage allowance.

##### **2) Defined Benefit Pension Scheme**

Employee benefits comprising pension and other post employment benefits and obligations included in these financial statements have been actuarially determined by a qualified independent Actuary. The appointed Actuary's report outlines the scope of the valuation and the actuarial opinion. The actuarial valuations were conducted in accordance with IAS 19 and the financial statements reflect the Bank's post employment benefits and obligations as computed by the Actuary. The cost of employee benefits which is the cost to the Bank in its administration of, and contributions to the pension scheme established to provide retirement benefits, and its payments to pensioners to supplement the basic pensions to which pensioners are entitled under the rules of the scheme's actuaries.

The Bank's net obligation in respect of the defined benefit pension plan is calculated by estimating the amount of the future benefits that employees have earned in return for

their service in the current and prior periods. The value is discounted to determine the present value, and the fair value of any plan assets is deducted.

The Bank's contributions to the defined benefit scheme are charged to the statement of income in the year to which they relate.

#### **G. Government Grant**

A Government grant is recognized when the grant is received and conditions attached to the grant are complied with. The grant is recognized in the statement of financial position as deferred income, and recognized in the statement of income on a systematic basis over the useful life of the asset.

#### **H. Statutory Transfer of Profit and Losses**

Section 7 (3) of the Act provides for ninety percent (90%) of net profits to be transferred to the Accountant General for credit to the Consolidated Fund of Guyana and the remaining balance transferred to the Bank's General Reserve Fund. Any losses not covered by reserves, are required by Section 7 (3) of the Act to be funded by the Government out of the Consolidated Fund.

#### **I. Related Party Balances and Transactions**

A party is related to an entity if:

- i. Directly or indirectly the party:
  - controls, is controlled by, or is under common control with the entity;
  - has an interest in the entity that gives it significant influence over the entity, or
  - has joint control over the entity.
- ii. The party is a member of the key management personnel of the entity.
- iii. The party is a close member of the family of any individual referred to in (1) or (2) above.

#### **J. Adoption of new and revised IFRS and interpretations**

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended December, 2017.

#### **Standards and interpretations issued but not yet effective**

New and amended standards and interpretations issued but not yet effective up to the date of issuance of the Bank's financial statements are listed below. The Bank reasonably expects these to be applicable at a future date and intends to adopt them when they become effective.

IFRS 9	Financial instruments (effective January 1, 2018)
IFRS 15	Revenue from Contracts from Customers (effective January 1, 2018)

**Improvements to IFRSs applied January 1, 2017**

IAS 7 Statement of Cash Flows (effective January 1, 2017)

**K. Critical Accounting Estimates And Judgements In Applying Accounting Policies**

**(a) Impairment Losses on Financial Assets**

To identify impairment in the Bank's loans, investment securities and receivables portfolios, judgments are made as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from those assets. Estimating the quantum and timing of future recoveries involves significant judgment. The size of receipts will depend on the future performance of the borrower/issuer/customer and the value of security, all of which will be affected by future economic conditions; additionally, collateral may be readily marketable. The actual amount of future cash flows and the date they are received may differ from these estimates and consequently actual losses incurred may differ from those recognised in these financial statements.

**(b) Provisions for Employee Benefits**

The provision for employee benefits is based on the application of the projected unit method by an independent actuary using certain assumptions. The future payments of employee benefits may differ from the estimated amounts due to deviations from the assumptions used.

**(c) Values of Property, Plant and Equipment**

The residual values and useful lives of property, plant and equipment are reviewed at each reporting date and estimates made of the values expected to be obtained from disposal of the assets at the end of their useful lives and the expected period over which the assets are expected to be available for use.

**3. GOLD**

This amount represents Troy ounces of gold held on deposit:

<b>2017</b>	<b>2016</b>
15,000(ozs)	31,000(ozs)

Gold has been valued based on London Bullion Market Association am fix.

**4. BALANCES WITH FOREIGN BANKS**

	<b>2017</b>	<b>2016</b>
Balances with Central Banks	5,899,594	11,657,861
Current accounts in US Dollars	15,856,637	9,885,303
Current accounts in other currencies	463,210	697,579
Total	<b>22,219,441</b>	<b>22,240,743</b>

Expressed in thousands of Guyana dollars (\$'000)

## 5. HOLDINGS OF SPECIAL DRAWING RIGHTS

This amount represent the equivalent of SDR's held as at 31<sup>st</sup> December, 2017 and 2016.

## 6. FOREIGN CAPITAL MARKET SECURITIES

	2017	2016
<b>Available-for-sale:</b>		
Caribbean Government Guaranteed Bonds	42,242,850	45,435,030
Others	0	0
US Treasuries	6,087,200	2,651,323
Supranational Bonds	43,875,072	43,026,706
<b>Total</b>	<b>92,205,122</b>	<b>91,113,059</b>

With the exception of Bonds guaranteed by various Caribbean Governments and Latin American Countries, all bonds are rated AA and higher by Standard & Poor's.

<b>Balance as at December 31, 2015</b>	<b>93,575,581</b>
Additions	66,489,228
Disposals	(64,555,754)
Foreign Gain or (Loss) in currency exchange	33,301
Gain or (Loss) on Fair Value	(4,429,297)
<b>Balance as at December 31, 2016</b>	<b>91,113,059</b>
Additions	26,856,297
Disposals	(22,883,334)
Foreign Gain or (Loss) in currency exchange	87,549
Gain or (Loss) on Fair Value	(2,968,449)
<b>Balance as at December 31, 2017</b>	<b>92,205,122</b>

	2017	2016
Net realised gains from disposal of financial assets	710,120	435,414

*Expressed in thousands of Guyana dollars (\$'000)*

## **7. SECURITIES - SPECIAL ISSUE OF GOVERNMENT OF GUYANA DEBENTURES**

This amount represents the net accumulated losses mainly on the Bank's foreign exchange operations including revaluation of its external assets and liabilities. These net losses are covered by issues/redemption of interest bearing and non-interest bearing debentures in accordance with Section 7 (3), Section 49 (2) and Section 49 (3) of the Bank of Guyana Act, No. 19 of 1998. These are unquoted securities payable on demand. Interest-bearing debentures represent 9% of total debentures. The remaining debentures are held to perpetuity, non-tradable and are not interest bearing.

	<b>2017</b>	<b>2016</b>
Total at the beginning of the year	42,207,320	42,185,918
Add/less		
Debenture issued as per Section 49(3) of the Bank of Guyana Act	169,519	21,402
<b>Total</b>	<b>42,376,839</b>	<b>42,207,320</b>

## **8. GOVERNMENT OF GUYANA TREASURY BILLS**

	<b>2017</b>	<b>2016</b>
At beginning of the year	995,094	995,078
Net increase/ (decrease) during the year	(88)	16
At the end of year	<b>995,006</b>	<b>995,094</b>

The holdings of treasury bills represent rediscounted investments held by the Bank until maturity.

## **9. INTERNATIONAL MONETARY FUND**

	<b>2017</b>	<b>2016</b>
Revaluation of IMF Accounts	26,713,484	27,546,217
Claim on IMF	8,567,628	8,567,628
<b>Total</b>	<b>35,281,112</b>	<b>36,113,845</b>

This claim arises from and reflects that portion of the drawing covered by Guyana's subscription in Special Drawing Rights (SDRs) to the International Monetary Fund not yet repurchased.

## 10. OTHER FINANCIAL ASSETS

	<b>2017</b>	<b>Restated 2016</b>
Cost of Notes and Coins not yet written off	901,986	897,267
Government Agencies	2,604,010	2,840,738
Sundry Other Assets	4,653,335	2,654,735
	<u>8,159,331</u>	<u>6,392,740</u>

Government Agencies include balances owed to the Bank by the Government of Guyana in excess of ten years. Agreement has been reached for the write-off of the outstanding balance over twenty years commencing year 2009.

## 11. FIXED ASSETS

	<b>Building</b>	<b>Furniture, Equipment &amp; Software</b>	<b>Total</b>
<b>Cost:</b>			
As at December 31, 2016	3,426,198	1,855,011	5,281,209
Adjustments during the year	0	0	0
Additions during the year	0	103,843	103,843
Revaluation	0	0	0
Disposals during the year	0	(59,063)	(59,063)
As at December 31, 2017	3,426,198	1,899,791	5,325,989
<b>Accumulated Depreciation:</b>			
As at December 31, 2016	428,866	1,390,070	1,818,936
Adjustments during the year	0	0	0
Additions during the year	55,984	157,481	213,465
Disposals during the year	0	(58,670)	(58,670)
Depreciation Grant Asset	0	76	76
As at December 31, 2017	484,850	1,488,957	1,973,807
<b>Net Book Value:</b>			
As at December 31, 2016	2,997,332	464,941	3,462,273
As at December 31, 2017	2,941,348	410,834	3,352,182

All freehold land and building have been professionally valued by Mr. Julian Barrington, Chief Valuation Officer (ag.) as at December 31, 2016.



*Expressed in thousands of Guyana dollars (\$'000)*

## **12. INTERNATIONAL FINANCIAL INSTITUTIONS**

	<b>2017</b>	<b>2016</b>
International Monetary Fund:		
No. 1 Account	31,199,173	31,199,173
No. 2 Account	645	667
ESAF Loan	0	0
Other International Financial Institutions	1,162,589	1,161,500
Caribbean Regional Facilities	0	0
	<u>32,362,407</u>	<u>32,361,340</u>

## **13. OTHER DEPOSITS**

	<b>2017</b>	<b>2016</b>
National Insurance Scheme	591,515	212,663
Staff Pension Fund	14,167	117,744
Other Deposits	7,032,358	4,503,229
	<u>7,638,040</u>	<u>4,833,636</u>

## **14. ALLOCATION OF SPECIAL DRAWING RIGHTS**

<b>2017</b>	<b>2016</b>
24,655,241	25,487,974

This amount represents the liability in respect of SDRs allocated to Guyana as at 31<sup>st</sup> December 2017, valued at the equivalent Guyana dollar rate to the SDR at the SDR/GYD given by the IMF as at 30<sup>th</sup> April 2017.

## 15. OTHER LIABILITIES

	2017	Restated 2016
Included are:		
Accruals	1,927,185	2,021,972
Uncleared Cheques	92,326	114,717
Others	5,990,588	4,695,907
Pension Obligations	(374,387)	(2,057,002)
Total	<u>7,635,712</u>	<u>4,775,594</u>

### i. Others

Included in others are the following categories:

#### (a) Government Grant

Also included in other liabilities is deferred income relating to assets purchased under government grant.

	2017	2016
Deferred Income	0	75

#### (b) Pension Obligations

The pension plan is a final salary defined benefit plan for staff.

Employees are required to contribute 5% of their salaries less 2/3 of any contribution which the employee is deemed to make under the National Insurance and Social Security Act of 1969 in respect of pensions. As of 31<sup>st</sup> December, 2017 there were 259 active members of the Scheme and 42 persons were receiving benefits. The employer contributes the balance of cost of the benefits, subject to a minimum of 12% of the employees' salaries plus such amounts in each year that may be determined by the Actuaries. The employer is currently contributing 16% of employees' salaries and \$300,000 monthly.

The Bank carries out actuarial valuation of the funded obligations every three years as the amounts in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date.

Ex gratia pension payment which is viewed as a constructive obligation is the difference between the pension allocated from the pension scheme and the monthly pension decided by the Bank. Employees do not contribute towards the cost of the supplementary benefits. Some of the supplementary benefits are contractual whilst others are not.

IAS 19 requires the Bank to look at the yield on long term Government debt when setting the discount rate. The Actuary has advised assumptions are subjective as no such bonds exist in

*Expressed in thousands of Guyana dollars (\$'000)*

Guyana either as the most readily available debt is in the form of short term Government Treasury Bills. Thus selection of the actuarial assumptions is more a matter of judgment than fact.

The assets of Bank's defined benefit pension scheme and ex-gratia pension obligation as at December 31, 2017 totaled \$2,136.619 million and \$415.782 million respectively based on the following assumptions:

	<b>2017</b>	2016
	%	%
Discount Rate (p.a.)	4.5	4.5
Rate of pension increases (p.a.)	5.0	5.0
Future salary increases (p.a.)	9.0	6.0
National Insurance Ceiling increases (p.a.)	5.0	5.0

	<b>Pension Scheme</b>	
	<b>2017</b>	<b>2016</b>
<b>Movement in Present Value of Defined Benefit Obligation</b>		
Defined Benefit Obligation at start of year	1,993,087	2,102,476
Current Service Cost	77,618	76,187
Interest Cost	88,203	95,010
Members' Contributions	15,716	17,023
Past Service cost/(Credit)	0	0
Experience Adjustments	151,810	(222,315)
Actuarial Gain/(Loss)	936,926	0
Benefits paid	(160,109)	(75,294)
Defined Benefit Obligation at end of year	<u>3,103,251</u>	<u>1,993,087</u>

Expressed in thousands of Guyana dollars (\$'000)

	<b>Pension Scheme</b>	
	<b>2017</b>	<b>2016</b>
<b>Movement in Fair Value of Scheme Assets</b>		
Fair Value of Scheme Assets at start of year	2,034,992	1,848,012
Interest Income	90,929	84,266
Return on Scheme assets, excluding interest income	39,708	53,045
Bank Contributions	115,383	107,940
Member's Contributions	15,716	17,023
Benefits Paid	(160,109)	(75,294)
Fair Value of Scheme Assets at end of year	<u>2,136,619</u>	<u>2,034,992</u>
Actual return on Plan assets	130,637	137,311

	<b>Pension Scheme</b>	
	<b>2017</b>	<b>2016</b>
<b>Expense Recognised in Statement of Income</b>		
Current Service Cost	77,618	76,187
Net Interest on Defined Benefit Liability/(Asset)	(2,726)	10,744
Past Service Cost/(Credit)	0	0
Net Pension Cost	<u>74,892</u>	<u>86,931</u>

	<b>Pension Scheme</b>	
	<b>2017</b>	<b>2016</b>
<b>Net Liability in Statement of Financial Position</b>		
Present Value of Defined Benefit Obligation	3,103,251	1,993,087
Fair Value of Assets	<u>(2,136,619)</u>	<u>(2,034,992)</u>
(Surplus)/Deficit	966,632	(41,905)
Effect of Asset Ceiling	0	0
Net Defined Benefit Liability/(Asset)	<u>966,632</u>	<u>(41,905)</u>

Expressed in thousands of Guyana dollars (\$'000)

	<b>Pension Scheme</b>	
	<b>2017</b>	<b>2016</b>
<b>Reconciliation of Opening and Closing Statement of Financial Position</b>		
Opening Defined Benefit Liability/(Asset)	(41,905)	254,464
Net Pension Cost	74,892	86,931
Re-measurements recognized in Other		
Comprehensive Income	1,049,028	(275,360)
Bank Contributions Paid	(115,383)	(107,940)
Closing Defined Benefit Liability/(Asset)	<u>966,632</u>	<u>(41,905)</u>

	<b>Ex-Gratia</b>	
	<b>2017</b>	<b>2016</b>
<b>Movement in Present Value of Defined Benefit Obligation</b>		
Defined Benefit Obligation at start of year	1,818,873	1,775,260
Current Service Cost	64,562	63,884
Interest Cost	81,925	80,336
Member's Contributions	0	0
Past Service Cost/(Credit)	0	0
Experience Adjustments	174,791	(56,926)
Actuarial Gain/(Loss)	520,688	0
Benefits paid	<u>(61,155)</u>	<u>(43,641)</u>
Defined Benefit Obligation at end of year	<u>2,599,684</u>	<u>1,818,913</u>

Expressed in thousands of Guyana dollars (\$'000)

	<b>Ex-Gratia</b>	
	<b>2017</b>	<b>2016</b>
<b>Movement in Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at start of year	2,429,915	1,464,280
Interest Income	39,894	103,874
Return on Plan assets, excluding interest income	199,098	17,723
Bank Contributions	(2,191,970)	887,679
Member's Contributions	0	0
Benefits Paid	(61,155)	(43,641)
Fair Value of Plan Assets at end of year	415,782	2,429,915
Actual return on Plan assets	238,992	121,597

	<b>Pension Scheme</b>	
	<b>2017</b>	<b>2016</b>
<b>Net Liability in Statement of Financial Position</b>		
Present Value of Defined Benefit Obligation	2,599,684	1,818,873
Fair Value of Assets	(415,782)	(2,429,915)
(Surplus)/Deficit	2,183,902	(611,042)
Effect of Asset Ceiling	0	0
Net Defined Benefit Liability/(Asset)	2,183,902	(611,042)

	<b>Ex-Gratia</b>	
	<b>2017</b>	<b>2016</b>
<b>Expense Recognised in Statement of Income</b>		
Current Service Cost	64,562	63,844
Net Interest on Defined Benefit Liability/(Asset)	42,031	(23,538)
Past Service Cost/(Credit)	0	0
Net Pension Cost	106,593	40,306

Expressed in thousands of Guyana dollars (\$'000)

	<b>Ex-Gratia</b>	
	<b>2017</b>	<b>2016</b>
<b>Reconciliation of Opening and Closing Statement of Financial Position</b>		
Opening Defined Benefit Liability/(Asset)	(611,042)	310,980
Net Pension Cost	106,593	40,306
Re-measurements recognised in Other Comprehensive Income	496,381	(74,649)
Bank Contributions Paid	2,191,970	(887,679)
Closing Defined Benefit Liability/(Asset)	<u>2,183,902</u>	<u>(611,042)</u>

### Experience history

	<b>Pension Scheme</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Present Value of Defined Benefit Obligation	3,103,251	1,993,087	2,102,476	1,641,497	1,688,812
Fair Value of Assets	<u>(2,136,619)</u>	<u>(2,034,992)</u>	<u>(1,848,012)</u>	<u>(1,672,228)</u>	<u>(1,581,283)</u>
(Surplus)/Deficit	<u>966,632</u>	<u>(41,905)</u>	<u>254,464</u>	<u>(30,731)</u>	<u>107,529</u>

	<b>Ex-Gratia</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Defined Benefit Obligation	2,599,684	1,818,873	1,775,260	1,442,286	1,449,886
Fair Value of Assets	<u>(415,782)</u>	<u>(2,429,915)</u>	<u>(1,464,280)</u>	<u>(1,598,923)</u>	<u>(724,284)</u>
(Surplus)/Deficit	<u>2,183,902</u>	<u>(611,042)</u>	<u>310,980</u>	<u>(156,637)</u>	<u>725,602</u>

	<b>Pension</b>	<b>Ex-Gratia</b>
Funding expected for 2018 Bank Pension Scheme contributions/ex-gratia benefit payments	199,000	66,000



*Expressed in thousands of Guyana dollars (\$'000)*

## **16. SHARE CAPITAL**

	<b>2017</b>	2016
Authorised	1,000,000	1,000,000
Issued and Fully paid	1,000,000	1,000,000

## **17. CONTINGENCY RESERVE**

	<b>2017</b>	2016
Contingency Reserve	2,356,377	2,356,377

This amount represents a provision to meet adverse movement in exchange rate.

## **18. ADMINISTRATIVE EXPENSES**

Included in Administrative Expenses are:

	<b>2017</b>	2016
Staff Cost	1,373,808	1,245,252
Premises Maintenance	107,062	131,216
Services and Supplies	163,856	151,285
Other Expenses	37,860	48,873
Total	<b>1,682,586</b>	<b>1,576,626</b>

*Expressed in thousands of Guyana dollars (\$'000)*

### **Employee numbers and costs**

The number of employees at the end of year 2016 was 271 while the number at end of year 2017 was 273, the related costs of these employees were as follows:

	<b>2017</b>	2016
Salaries and Wages	822,282	740,867
Statutory payroll contributions	72,883	63,816
Staff Welfare	497,352	427,914
Pension/ Ex-Gratia	(6,358)	24,798
Accrued Leave Cost	(21,602)	(21,784)
Other	9,251	9,641
<b>Total</b>	<b>1,373,808</b>	<b>1,245,252</b>

### **Related Party Balances**

The Bank has a related party relationship with its board of directors and senior management staff. The income statement includes expenses arising from short term employees' benefits, pension costs and directors' fees.

	<b>2017</b>	2016
Short term benefits & pension cost	100,932	70,500
Directors compensation	576	660

## **19. INTEREST AND CHARGES**

Interest and charges relate to the Bank's foreign liabilities to the International Monetary Fund.

## **20. INTEREST ON MONEY EMPLOYED**

<b>2017</b>	2016
(82,938)	(42,415)

This amount represents accrued interest paid/received on participation in foreign investments and credit card charges. It also includes interest accrued on Caricom Multilateral Clearing Facility (CMCF) for the period 2004 to 2009. After the facility wound up in March 2014 total accrued

*Expressed in thousands of Guyana dollars (\$'000)*

interest of \$902,616,573 is being written back on a quarterly basis over a period of five years that began in March 2015. The balance remaining as at December 31<sup>st</sup>, 2017 is \$361,046,625.

## **21. COST OF PRINTING NOTES AND MINTING OF COINS**

	<b>2017</b>	<b>2016</b>
Printing of Notes	190,730	217,566
Minting of Coins	38,342	31,422
Total	229,072	248,988

## **22. BAD DEBT WRITTEN OFF**

This amount represents a portion of consolidated debt of \$4,734,572,735 owed by the Government of Guyana to be written off over 20 years. This debt was owed by Ministry of Health (MOH) and Guyana Electricity Corporation (GEC). A Venezuela line of credit was established in favour of MOH to facilitate the importation of pharmaceuticals and hospital supplies, however MOH had an outstanding debt of \$24,349,041. In addition, the Bank made fuel payments on behalf of GEC through Guyana Energy Agency for the value of \$4,710,223,694. Balance remaining as at December 31, 2017 is \$2,604,009,961.

## **23. MARKET EXPOSURE ON FOREIGN INVESTMENT**

The Bank has adopted a prudent approach for provisioning in order to maintain adequate capacity to fulfill its functions. The Bank of Guyana Act, Section 7 allows for the deduction of provisions before declaration of profit and payment into the consolidated fund. The provision is in order to meet adverse market rate movements for investments held and other risk (market, credit and interest rate) which may occur. This is a departure from the definition outlined in IAS 37- Provisions, Contingent Liabilities and Contingent Assets. Included in this amount is a provision for unpaid interest from bonds issued by Latin American Countries.

	2017	2016
Provision for Revaluation of Foreign Investment at start of year	3,289,872	2,826,401
Provision for exchange rate and market movements	411,393	463,471
Provision for bad debts	640,019	0
Provision for Market Exposure of Foreign Investment at end of year	4,341,284	3,289,872

## 24. PROFIT/LOSS FOR THE YEAR

2017	2016
3,702,536	4,167,949

In accordance with Section 7(3), Bank of Guyana Act, No 19 of 1998, ten percent (10%) of the net profit for the year has been transferred to the General Reserve Fund. The remainder will be paid to the Accountant General for credit to the Consolidated Fund of Guyana.

The schedule below shows the profit had the Bank fully complied with IAS 37 to not account for a provision for exchange rate movement and IAS 39 to recognize revaluation, gains and losses on foreign investments through profit and loss.

	2017	2016
Profit as per Income Statement	3,702,536	4,167,949
Revaluation of Foreign Currency Transactions	(169,519)	(21,402)
Revaluation on foreign investment	(2,940,717)	(1,701,892)
Provision for exchange rate movements	411,393	463,471
<b>Total</b>	<b>1,003,693</b>	<b>2,908,126</b>

## 25. SEGMENT REPORT

The Bank as the central bank operates as an agent for government in economic management. Consistent with this role, operations can be segmented between the domestic market (including issue of currency) and operations in the foreign markets. Therefore, the Bank presents assets and liabilities, and their associated income and expense streams, by distinguishing between foreign currency and local currency activities in the statement of financial position and statement of income.

## 26. COMMITMENTS

Capital commitments are as follows:

	2017	2016
Authorised and Contracted	80,000	78,237
Authorised but not Contracted	139,930	172,001
Total	<b>219,930</b>	<b>250,238</b>

This amount represents major capital expenditure that was approved by the Board of Directors for the accounting period.

## 27. RISK MANAGEMENT - FINANCIAL

### Introduction and overview

Financial risks are inherent to the operations of the Bank and management of these risks is critical to the Bank's continuing profitability.

The objective of the Bank's risk management policies and efforts is to minimize the effects of risks inherent to its operations. Risk management operates within a framework which involves the identification, assessment and monitoring of risks through the application of various approaches which are guided by the Bank's policies. These risks are continuously monitored at both the executive and directorate levels.

The Bank has exposure to the following risks from its use of financial instruments:

- Market Risk
- Credit Risk
- Liquidity Risk

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Bank has established an Investment Committee which is responsible for providing oversight on the investment strategy, including performance and portfolio construction. Loans are issued to staff in accordance with the Loans Policy. Applications are evaluated by the Accounts & Budget Department and reviewed by the Internal Audit Department. Final approval is granted by the Governor or Deputy Governor.

The Bank's financial assets (investment securities, loans and advances, receivables and cash resources) are classified into the following categories as required by IFRS 7: available –for-sale, or loans and receivables. The Bank's financial liabilities (borrowing, customers' deposits, payables and accruals) are classified as financial liabilities measured at amortised cost.

### Loans and receivables assets

Financial assets classified as loans and receivables are non-derivative instruments with fixed or determinable payments that are not quoted in an active market.

### **Available for sale assets**

Financial assets classified as available-for-sale are non-derivative instruments that are designated in this category or not classified in any of the categories.

### **Financial liabilities**

Financial liabilities which are not classified as fair value through comprehensive income are classified as financial liabilities measured at amortised cost. A financial liability which is acquired principally for the purpose of selling in the short-term are categorized as fair value through comprehensive income.

## **1) MARKET RISK**

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or factors affecting all securities traded in the market.

### **a. Foreign Exchange Risk**

Foreign currency exposure arises from the Bank's holding of foreign currency denominated assets and liabilities. Management reviews and manages the risk of unfavourable exchange rate movements by constant monitoring of market trends. To further mitigate against foreign exchange risk, the Bank maintains a large percentage of its foreign currency denominated assets and liabilities in stable currencies.

Below are foreign exchange rates used for valuation purposes as at 31<sup>st</sup> December 2017.

	<b>2017</b>	2016
US/G\$	206.50	206.50
GBP/G\$	278.96085	253.74720
EURO/G\$	247.42830	217.81620
CAD/G\$	164.80765	153.16105

The aggregate amounts of assets and liabilities denominated in foreign currencies are shown in the tables below, along with the impact of a reasonable rate movement (all changes in exchange rates reflects a strengthening against the Guyana dollar). Foreign exchange gain/losses are transferred to a liability account and any deficiency is covered by the government of Guyana through special issue of debentures in compliance with Section 49 (i) of the BOG Act No. 19 of 1998.

*Expressed in thousands of Guyana dollars (\$'000)*

<b>2017</b>					
	<u><b>Assets</b></u>	<u><b>Liabilities</b></u>	<u><b>Net Position</b></u>	<u><b>Impact on Equity</b></u>	
	<b>GYD</b>	<b>GYD</b>	<b>GYD</b>	<b>+0.50%</b>	<b>-0.50%</b>
United States Dollar (USD)	142,437,407	12,267,817	130,169,590	650,848	(650,848)
Pounds Sterling (GBP)	276,452	0	276,452	1,382	(1,382)
Canadian Dollar (CAD)	1,251,629	0	1,251,629	6,258	(6,258)
EURO	194,697	0	194,697	973	(973)
Other	152,481	31,199,818	(31,047,337)	(155,237)	155,237
<b>2016</b>					
	<u><b>Assets</b></u>	<u><b>Liabilities</b></u>	<u><b>Net Position</b></u>	<u><b>Impact on Equity</b></u>	
	<b>GYD</b>	<b>GYD</b>	<b>GYD</b>	<b>+0.50%</b>	<b>-0.50%</b>
United States Dollar (USD)	148,800,117	5,750,760	143,049,357	715,243	(715,250)
Pounds Sterling (GBP)	711,074	-	711,074	3,555	(3,555)
Canadian Dollar (CAD)	1,147,437	-	1,147,437	5,737	(5,737)
EURO	120,916	-	120,916	605	(605)
Other	269,922	31,199,840	(30,929,915)	(154,653)	154,645



*Expressed in thousands of Guyana dollars (\$'000)*

The table below analyses financial assets and financial liabilities of the Banking in respect of currency positions as at December, 2017.

	<b>GYD</b>	<b>USD</b>	<b>GBP</b>	<b>CAD</b>	<b>EURO</b>	<b>OTHERS</b>	<b>TOTAL</b>
<b>FINANCIAL ASSETS</b>							
Accounts Receivable	1,690,506	0	0	0	0	0	1,690,506
Regional & Foreign Currencies	396,212	5,217,714	0	0	0	3	5,613,929
Balances With Foreign Banks	(0)	15,856,637	268,513	0	194,697	0	16,319,847
Balances With Central Banks	0	2,624,222	7,940	55,948	0	0	2,688,110
Domestic Assets	44,530,585	10,689,325	613,609	210,016	197,037	(81)	56,240,490
Gold	0	4,015,909	0	0	0	0	4,015,909
IMF Balances	35,281,112	0	0	0	0	152,481	35,433,593
Investments Securities	0	91,009,441	0	1,195,681	0	0	92,205,122
Other Assets	6,070,524	2,089	0	0	0	0	6,072,613
<b>Total Financial Assets</b>	<b>87,968,939</b>	<b>129,415,337</b>	<b>890,061</b>	<b>1,461,646</b>	<b>391,733</b>	<b>152,403</b>	<b>220,280,118</b>
<b>FINANCIAL LIABILITIES</b>							
Demand Liabilities	133,259,503	13,284,737	0	0	0	0	146,544,240
Demand Foreign Liabilities	2,384,529	6,427,419	0	0	0	0	8,811,948
IMF Balances	24,655,241	0	0	0	0	31,199,818	55,855,060
Other Liabilities & Payables	7,455,857	(47,898)	0	0	0	0	7,407,959
Regional Governments	6,500	1,877	0	0	0	0	8,377
<b>Total Financial Liabilities</b>	<b>167,761,631</b>	<b>19,666,134</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,199,818</b>	<b>218,627,584</b>
<b>NET ON-BALANCE SHEET POSITION</b>	<b>(79,792,692)</b>	<b>109,749,202</b>	<b>890,061</b>	<b>1,461,646</b>	<b>391,733</b>	<b>(31,047,416)</b>	<b>1,652,535</b>

Expressed in thousands of Guyana dollars (\$'000)

The table below analyses financial assets and financial liabilities of the Bank in respect of currency positions as at December, 2016.

	GYD	USD	GBP	CAD	EURO	OTHERS	TOTAL
<b>FINANCIAL ASSETS</b>							
Accounts Receivable	1,291,886	0	0	0	0	0	1,291,886
Regional & Foreign Currencies	338,979	5,385,194	0	0	0	3	5,724,176
Balances With Foreign Banks	0	9,885,303	576,663	0	120,916	0	10,582,882
Balances With Central Banks	0	8,313,336	134,412	14,542	0	0	8,462,290
Domestic Assets	44,190,408	5,791,193	660,399	300,959	230,048	(81)	51,172,926
Gold	0	7,419,979	0	0	0	0	7,419,979
IMF Balances	36,113,845	0	0	0	0	269,922	36,383,767
Investments Securities	0	89,980,164	0	1,132,896	0	0	91,113,060
Other Assets	4,469,395	2,089	0	0	0	0	4,471,484
<b>Total Financial Assets</b>	<b>86,404,513</b>	<b>126,777,258</b>	<b>1,371,474</b>	<b>1,448,397</b>	<b>350,963</b>	<b>269,844</b>	<b>216,622,450</b>
<b>FINANCIAL LIABILITIES</b>							
Demand Liabilities	136,951,647	8,503,897	0	0	0	0	145,455,544
Demand Foreign Liabilities	2,517,597	3,742,918	0	0	0	0	6,260,515
IMF Balances	25,487,974	0	0	0	0	31,199,840	56,687,814
Other Liabilities & Payables	5,844,634	(47,898)	0	0	0	0	5,796,737
Regional Governments	6,500	1,877	0	0	0	0	8,377
<b>Total Financial Liabilities</b>	<b>170,808,353</b>	<b>12,200,794</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,199,840</b>	<b>214,208,987</b>
<b>NET ON-BALANCE SHEET POSITION</b>	<b>(84,403,840)</b>	<b>114,576,464</b>	<b>1,371,474</b>	<b>1,448,397</b>	<b>350,963</b>	<b>(30,929,996)</b>	<b>2,413,463</b>

Interest rate risk is the risk that the future cash flows of a financial instrument or its fair value will fluctuate because of changes in market interest rates.

This is incurred through the Bank's trading in investments in money and capital market. Such risk arises through movements in coupon rates over time. The Bank manages its exposure to interest rate risks by monitoring trends in the market and to a practicable extent, matching maturity profile of financial assets to financial liabilities.

*Expressed in thousands of Guyana dollars (\$'000)*

The Bank's interest bearing instruments include available for sale investment securities, loans and advances, cash resources, borrowings and customers' deposits. The majority of the Bank's interest bearing instruments are fixed rated and are either carried at amortised cost or fair value.

The table below analyses the effective year end interest rates for each class of financial assets and liabilities:

	2017	2016
	%	%
<b>Foreign Assets</b>		
Caricom Central Banks	-	-
SDR Holdings	0.050	0.050
Capital Market Securities	5.110	5.148
Money Market Securities	2.216	2.075
<b>Liabilities</b>		
IMF Loan	0.500	0.500
CMCF	-	-
Barclays Bank	-	-

## 2) CREDIT RISK

Credit risk is the risk of loss arising from counter-party to a financial contract failing to discharge its obligations. The Bank takes on exposure to credit risk through its holding of investment securities, loans and advances, receivables and cash resources. Credit risk can also arise from guarantees and letters of credit provided or credit commitments given.

Credit risk in the foreign currency investment portfolio is managed by restricting the holdings of investments substantially to US Treasury Notes, other highly rated sovereign securities and placements in high rated Supranational securities.

### Asset quality

Exposure to credit risk attached to financial assets is monitored through credit ratings and lending and exposure limits, which are regularly reviewed. Mortgages and liens are obtained for credit to staff members in respect of housing, motor vehicles and personal effects.

Cash resources are held in financial institutions which management regards as strong, and significant concentration is avoided as far as is practical.

The Bank monitors the quality of its financial assets through use of an internal grading system representing management's best estimate of the credit risk for the counterparty based on available information. The grades used as follows:

Expressed in thousands of Guyana dollars (\$'000)

### Grade Description

- i. **Superior** – These institutions have been accorded the highest rating, indicating that the institution's capacity to meet its financial commitment on the obligation is extremely strong.
- ii. **Desirable** – These institutions have been accorded the second highest rating, indicating that the institution's capacity to meet its financial commitment on the obligation is very strong.
- iii. **Acceptable** – These institutions have been accorded the third highest rating, indicating that the institution's capacity to meet its financial commitment is adequate.
- iv. **Special monitoring** – concern over counterparty's ability to make payments when due.

The following tables analyse the credit quality of financial assets subject to credit risk that were neither past due nor impaired, based on the internal grades identified above.

	2017				Total
	Superior	Desirable	Acceptable	Special Monitoring	
Investment	55,622,881	23,802,442	9,591,078	3,188,721	92,205,122
Loans and advances	153,070	0	0	0	153,070
Cash Resources	127,921,925	0	0	0	127,921,925
	183,697,876	23,802,442	9,591,078	3,188,721	220,280,117

	2016				Total
	Superior	Desirable	Restated Acceptable	Restated Special Monitoring	
Investment	52,914,105	21,529,862	9,571,863	7,097,229	91,113,059
Loans and advances	164,554	0	0	0	164,554
Cash Resources	125,344,837	0	0	0	125,344,837
	178,423,496	21,529,862	9,571,863	7,097,229	216,622,450

The Bank's significant concentrations of credit exposure by geographical areas (based on the entity's country of ownership) are as follows:

*Expressed in thousands of Guyana dollars (\$'000)*

	2017	2016
United States of America	43,451,210	40,391,606
Caribbean Countries	45,454,335	48,630,602
Europe	9,201,668	7,700,054
Other	16,317,350	16,631,540
<b>Total Foreign Assets Exposed to Credit Risk</b>	<b>114,424,563</b>	<b>113,353,802</b>

### **3) LIQUIDITY RISK**

Liquidity risk is the risk that the Bank will encounter difficulty in converting its securities to cash at, or close to its fair value, or in raising funds to meet its commitments. Prudent liquidity management implies maintaining sufficient cash and marketable securities, and ensuring the availability of funding through an adequate amount of committed standby credit facilities to meet commitments.

Management of liquidity risk relates primarily to the availability of liquid foreign resources to sell to the Government of Guyana and other specified entities to meet their obligations to creditors and lenders. The Bank manages this risk through a combination of:

- i. Budgetary procedures to identify the volume and timing of foreign payments on behalf of Government or specified entities.
- ii. Budgetary procedures to identify sources of foreign currency inflows that may be garnered.
- iii. Scheduling the maturity of foreign deposits to coincide with the demands of Government and specified entities.
- iv. Maintaining a portion of foreign assets in cash or near cash as precautionary funds to meet unforeseen demands.
- v. Intervention in the domestic foreign exchange market in exceptional circumstances.

The Bank, like most central banks, has no real liquidity risk in relation to its domestic financial obligations.

Expressed in thousands of Guyana dollars (\$'000)

### Liquidity Risk – 2017

	<b>Within 3 months G\$'000</b>	<b>3 to 12 Months G\$'000</b>	<b>1 to 5 Years G\$'000</b>	<b>Over 5 years G\$'000</b>	<b>Non-rate Sensitive G\$'000</b>	<b>Total G\$'000</b>
<b>Assets</b>						
Notes and Coins	-	-	-	-	901,986	901,986
Gold	4,015,909	-	-	-	-	4,015,909
Cash and cash equivalents	24,225,674	-	-	-	-	24,225,674
Foreign currency denominated investments	3,258,097	1,441,537	26,951,632	60,553,856	-	92,205,122
IMF - Holdings of SDRs	-	-	-	-	152,481	152,481
Due from Govt & Govt Agencies & Projects	-	-	-	-	12,868,645	12,868,645
Local currency denominated investments	995,006	-	-	3,898,537	38,478,302	43,371,845
IMF - Claims	-	-	-	-	8,567,628	8,567,628
Property, plant & equipment	-	-	-	-	3,352,182	3,352,182
Employee benefits	211	2,784	43,618	105,972	485	153,070
Other assets	-	-	-	-	33,817,759	33,817,759
<b>Total Assets</b>	<b>32,494,897</b>	<b>1,444,321</b>	<b>26,995,250</b>	<b>64,558,365</b>	<b>98,139,468</b>	<b>223,632,301</b>
<b>Liabilities</b>						
Notes & Coins in circulation	-	-	-	-	100,978,474	100,978,474
Deposits & Other Demand Liabilities	-	-	-	-	54,438,574	54,438,574
IMF - Allocation of SDRs	-	-	-	-	24,655,241	24,655,241
Foreign Liabilities	717,152	-	-	-	31,645,255	32,362,407
Employee benefits obligation	-	-	-	-	(276,988)	(276,988)
Other liabilities	-	-	-	-	6,465,397	6,465,397
<b>Total liabilities</b>	<b>717,152</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>217,905,953</b>	<b>218,623,105</b>
<b>Net Liquidity Gap</b>	<b>31,777,745</b>	<b>1,444,321</b>	<b>26,995,250</b>	<b>64,558,365</b>	<b>(119,766,485)</b>	<b>5,009,196</b>

## Liquidity Risk 2016

	Within 3 months G\$'000	3 to 12 months G\$'000	1 to 5 years G\$'000	Over 5 years G\$'000	Non-rate sensitive G\$'000	Total G\$'000
<b>Assets</b>						
Notes and Coins	-	-	-	-	329,947	329,947
Gold	7,419,979	-	-	-	-	7,419,979
Cash and cash equivalents	24,430,369	-	-	-	-	24,430,369
Foreign currency denominated investments	1,025,826	3,075,583	28,285,922	58,725,728	-	91,113,059
IMF - Holdings of SDRs	-	-	-	-	269,922	269,922
Due from Govt & Govt Agencies & Projects	-	-	-	-	7,970,513	7,970,513
Local currency denominated investments	995,094	-	-	3,898,537	38,308,783	43,202,414
IMF - Claims	-	-	-	-	8,567,628	8,567,628
Property, plant & equipment	-	-	-	-	3,462,273	3,462,273
Employee benefits	765	4,101	45,851	113,318	519	164,554
Other assets	-	-	-	-	33,154,065	33,154,065
<b>Total Assets</b>	<b>33,872,033</b>	<b>3,079,684</b>	<b>28,331,773</b>	<b>62,737,583</b>	<b>92,063,650</b>	<b>220,084,723</b>
<b>Liabilities</b>						
Notes & Coins in circulation	-	-	-	-	91,314,402	91,314,402
Deposits & Other Demand Liabilities	-	-	-	-	58,865,622	58,865,622
IMF - Allocation of SDRs	-	-	-	-	25,487,974	25,487,974
Foreign Liabilities	717,152	-	-	-	31,644,188	32,361,340
Employee benefits obligation	-	-	-	-	(539,247)	(539,247)
Other liabilities	-	-	-	-	6,718,896	6,718,896
<b>Total liabilities</b>	<b>717,152</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>213,491,835</b>	<b>214,208,987</b>
	-	-	-	-	-	-
<b>Net Liquidity Gap</b>	<b>33,154,881</b>	<b>3,079,684</b>	<b>28,331,773</b>	<b>62,737,583</b>	<b>(121,428,185)</b>	<b>5,875,736</b>

### Sensitivity analysis

As the Banks fixed rate financial instruments are carried at amortised cost, changes in the market interest rates would not impact the carrying values or future income/expense from these instruments. However changes in market rates would affect floating rates instruments. The Bank holds no floating rate bond in its portfolio.

## 28. CAPITAL MANAGEMENT

The Bank's objectives when managing capital are to safeguard its ability to continue as a going concern in order to fulfill its statutory function and obligations, provide benefits to other stakeholders, to maintain an optimal capital structure to reduce the cost of capital, and to maintain a prudent relationship between the capital base and the underlying risks of the institution.



## **29. TRANSACTIONS WITH THE INTERNATIONAL MONETARY FUND (IMF)**

As a member of the IMF, Guyana has a net cumulative allocation of SDRs 87,085,271 on which quarterly charges are payable to IMF. The fund pays interest on a quarterly basis on the SDR Holdings of the Bank.

For revaluation purposes and quota subscription, the Bank maintains different accounts. The IMF No.1 and No. 2 accounts appear in the books of the Bank under the heading “International Financial Institutions and Other Bank Deposits” while the securities account is kept off balance sheet.

Any increase in quota is subscribed in local currency. Twenty-five percent of the quota increase is paid by a loan granted by the IMF in favour of the Government and the securities account is increased by the remaining seventy-five percent.

The Bank of Guyana revalues IMF Accounts in its balance sheet in accordance with the practices of the IMF’s Treasury Department.

## **STATISTICAL ANNEXE**

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## **GENERAL NOTES**

**TABLE 1-I**  
**BANK OF GUYANA: ASSETS**  
**(G\$ Million)**

End of Period	Total Assets	Foreign Assets					Claims on Central Government				Advance to Banks	Other	
		Total	Gold	Balances with Banks	SDR Holdings	Market Securities	Total	Securities	T/Bills	Advances		Non - Interest Debenture	Other
<b>2008</b>	157,013.9	73,252.8	-	38,664.7	5.4	34,582.7	1,174.3	-	1,174.3	-	-	45,537.8	37,049.0
<b>2009</b>	214,867.0	127,508.6	-	18,199.0	760.0	108,549.7	2,310.7	-	2,310.7	-	-	44,431.6	40,616.0
<b>2010</b>	240,418.2	158,740.2	-	38,949.0	407.5	119,383.7	1,026.1	-	1,026.1	-	-	44,448.3	36,203.7
<b>2011</b>	240,564.4	162,659.9	-	30,621.9	804.6	131,233.3	995.1	-	995.1	-	-	44,109.5	32,799.8
<b>2012</b>	259,487.1	174,968.2	-	22,541.5	374.4	152,052.3	994.4	-	994.4	-	-	43,305.4	40,219.0
<b>2013</b>													
<b>Mar</b>	251,925.0	166,751.3	-	13,220.4	463.3	153,067.7	993.6	-	993.6	-	-	43,305.4	40,874.7
<b>Jun</b>	231,053.3	150,223.6	-	10,144.5	1,063.9	139,015.2	993.4	-	993.4	-	-	43,305.4	36,530.9
<b>Sep</b>	212,985.0	135,493.6	-	12,039.3	1,150.4	122,304.0	993.4	-	993.4	-	-	43,305.4	33,192.5
<b>Dec</b>	234,686.8	160,196.1	14,868.6	23,822.7	1,352.3	120,152.6	3,483.3	-	3,483.3	-	-	42,050.6	28,956.7
<b>2014</b>													
<b>Mar</b>	222,120.7	146,402.8	16,032.7	12,172.6	198.7	117,998.8	2,985.6	-	2,985.6	-	-	42,050.6	30,681.6
<b>Jun</b>	210,577.6	137,708.5	16,268.1	14,060.9	197.1	107,182.4	1,393.4	-	1,393.4	-	-	42,050.6	29,425.0
<b>Sep</b>	203,204.3	130,167.1	21,238.5	12,491.6	188.9	96,248.0	1,590.4	-	1,590.4	-	-	42,050.6	29,396.1
<b>Dec</b>	207,977.1	137,486.9	25,012.2	15,085.5	505.4	96,883.9	1,598.3	-	1,598.3	-	-	42,081.5	26,810.4
<b>2015</b>													
<b>Mar</b>	198,591.0	127,270.1	15,097.9	18,391.8	532.0	93,248.3	1,596.9	-	1,596.9	-	-	42,081.5	27,642.6
<b>Jun</b>	195,433.3	129,442.9	15,528.8	20,153.9	479.4	93,280.8	993.4	-	993.4	-	-	42,081.5	22,915.5
<b>Sep</b>	190,978.6	126,188.9	15,066.8	17,614.6	511.4	92,996.1	993.3	-	993.3	-	-	42,081.5	21,714.9
<b>Dec</b>	188,778.9	123,599.3	14,258.1	15,257.4	508.3	93,575.6	995.1	-	995.1	-	-	42,185.9	21,998.5
<b>2016</b>													
<b>Jan</b>	194,068.3	129,069.1	14,937.9	18,968.5	1,089.2	94,073.5	995.1	-	995.1	-	-	42,185.9	21,818.2
<b>Feb</b>	223,983.7	132,674.3	14,781.4	25,960.5	816.8	91,115.6	995.1	-	995.1	-	-	42,185.9	48,128.4
<b>Mar</b>	219,173.2	127,827.0	14,774.8	24,614.7	548.2	87,889.3	993.4	-	993.4	-	-	42,185.9	48,166.9
<b>Apr</b>	215,748.1	124,908.6	15,264.7	18,971.6	547.3	90,125.0	993.4	-	993.4	-	-	42,185.9	47,660.2
<b>May</b>	218,177.3	126,387.5	14,498.2	19,435.9	548.3	91,905.1	993.4	-	993.4	-	-	42,185.9	48,610.5
<b>Jun</b>	223,070.8	131,021.0	12,510.2	26,400.1	548.3	91,562.4	993.4	-	993.4	-	-	42,185.9	48,870.5
<b>Jul</b>	219,635.0	127,481.3	9,355.5	25,130.1	548.3	92,447.4	993.4	-	993.4	-	-	42,185.9	48,974.4
<b>Aug</b>	218,818.1	127,022.7	8,414.5	24,294.4	545.2	93,768.7	993.4	-	993.4	-	-	42,185.9	48,616.1
<b>Sep</b>	217,524.6	126,050.7	8,500.6	27,007.1	274.4	90,268.6	993.5	-	993.5	-	-	42,185.9	48,294.4
<b>Oct</b>	224,954.2	129,203.8	9,209.3	32,482.4	274.4	87,237.7	1,193.5	-	1,193.5	-	-	42,185.9	52,371.0
<b>Nov</b>	224,042.5	128,262.3	7,601.1	25,801.7	269.9	94,589.6	1,193.5	-	1,193.5	-	-	42,185.9	52,400.7
<b>Dec**</b>	220,375.1	123,233.3	7,420.0	24,430.4	269.9	91,113.1	995.1	-	995.1	-	-	42,207.3	53,939.4
<b>2017</b>													
<b>Jan</b>	216,646.3	119,519.1	6,683.9	21,618.5	269.9	90,946.8	995.1	-	995.1	-	-	42,207.3	53,924.8
<b>Feb</b>	218,125.6	121,907.6	5,687.4	24,542.6	254.3	91,423.3	993.8	-	993.8	-	-	42,207.3	53,017.0
<b>Mar</b>	225,426.6	123,051.0	5,641.0	25,872.7	254.3	91,282.9	993.5	-	993.5	-	-	42,207.3	59,174.8
<b>Apr</b>	224,598.8	121,708.2	5,226.7	25,729.4	253.5	90,498.5	993.5	-	993.5	-	-	42,207.3	59,689.8
<b>May</b>	223,873.8	122,071.4	5,219.5	24,187.7	222.7	92,441.6	993.5	-	993.5	-	-	42,207.3	58,601.6
<b>Jun</b>	221,822.9	119,337.3	4,877.9	21,324.2	222.7	92,912.6	993.5	-	993.5	-	-	42,207.3	59,284.8
<b>Jul</b>	221,200.6	118,956.4	4,968.5	21,741.7	222.7	92,023.5	993.5	-	993.5	-	-	42,207.3	59,043.5
<b>Aug</b>	220,155.5	117,928.9	3,775.1	21,624.9	187.3	92,341.5	993.5	-	993.5	-	-	42,207.3	59,025.8
<b>Sep</b>	222,237.0	119,202.4	3,188.8	23,906.2	187.3	91,920.0	993.5	-	993.5	-	-	42,207.3	59,833.9
<b>Oct</b>	221,297.3	117,574.0	3,684.3	21,647.3	187.3	92,055.0	993.5	-	993.5	-	-	42,207.3	60,522.5
<b>Nov</b>	218,842.4	118,957.9	2,912.4	23,971.1	152.5	91,921.9	993.5	-	993.5	-	-	42,207.3	56,683.7
<b>Dec</b>	223,632.3	120,599.2	4,015.9	24,225.7	152.5	92,205.1	995.0	-	995.0	-	-	42,376.8	59,661.3

Source: Bank of Guyana

**TABLE 1-II**  
**BANK OF GUYANA: LIABILITIES, CAPITAL & RESERVES**  
**(G\$ Million)**

End of Period	Total Liabilities, Capital & Reserves	Currency			Deposits						Capital & Reserves		Allocation of SDRs	Other Liabilities
		Total	Notes	Coins	Total	Gov't	Int'l Orgs.	Banks		Other	Authorised Share Capital	Other Reserves		
								EPDS	Other					
2008	157,013.9	37,854.8	37,258.2	596.6	105,058.4	40,933.3	21,128.9	61.7	20,276.1	22,658.5	1,000.0	6,887.5	4,813.1	1,400.1
2009	214,867.0	42,134.6	41,495.9	638.6	140,687.8	61,065.4	19,610.5	61.7	29,943.1	30,007.2	1,000.0	2,635.9	26,603.0	1,805.7
2010	240,418.2	50,480.1	49,785.4	694.7	153,738.6	69,718.8	19,641.6	61.1	41,340.8	22,976.3	1,000.0	7,111.2	26,746.9	1,341.5
2011	240,564.4	61,656.4	60,902.6	753.8	131,578.4	60,785.8	20,844.9	61.0	36,684.1	13,202.5	1,000.0	15,917.4	28,867.5	1,544.7
2012	259,487.1	67,988.0	67,177.0	811.0	142,901.4	57,279.7	18,341.4	61.0	45,229.3	21,990.1	1,000.0	14,436.0	27,681.1	5,480.5
2013														
Mar	251,925.0	58,747.0	57,926.4	820.5	145,245.7	49,611.9	17,199.3	61.0	53,251.6	25,121.9	1,000.0	13,917.7	27,681.1	5,333.6
Jun	231,053.3	57,226.3	56,390.5	835.8	135,850.0	44,016.9	17,026.6	61.0	52,912.3	21,833.2	1,000.0	8,901.3	26,939.4	1,136.3
Sep	212,985.0	56,924.2	56,076.6	847.6	117,945.4	29,080.7	15,874.4	61.0	54,429.1	18,500.2	1,000.0	9,063.0	26,939.4	1,113.0
Dec	234,686.8	67,464.8	66,604.5	860.3	126,878.5	52,146.3	15,906.7	61.0	47,465.9	11,298.5	1,000.0	9,000.1	26,939.4	3,403.9
2014														
Mar	222,120.7	62,476.0	61,605.4	870.6	117,706.5	39,481.2	15,049.9	61.0	47,020.6	16,093.8	1,000.0	7,083.2	26,939.4	6,915.6
Jun	210,577.6	65,467.6	64,584.7	882.9	104,063.7	38,113.8	9,764.8	61.0	43,785.3	12,338.7	1,000.0	9,773.9	27,868.3	2,404.1
Sep	203,204.3	64,913.8	64,017.9	895.8	98,590.5	30,246.2	8,517.7	61.0	47,407.8	12,357.8	1,000.0	9,501.1	27,868.3	1,330.7
Dec	207,977.1	78,800.8	77,887.5	913.2	87,061.0	21,417.6	8,523.6	61.0	47,012.8	10,045.9	1,000.0	12,400.7	27,868.3	846.3
2015														
Mar	198,591.0	73,256.0	72,334.2	921.8	81,591.5	15,297.3	7,346.8	61.0	47,468.8	11,417.6	1,000.0	10,630.2	27,868.3	4,245.0
Jun	195,433.3	73,260.2	72,324.9	935.3	85,287.5	8,523.0	7,167.2	61.0	60,619.0	8,917.3	1,000.0	9,955.0	25,291.7	638.9
Sep	190,978.6	71,368.4	70,422.0	946.4	81,522.6	4,673.3	6,351.1	61.0	62,895.1	7,542.0	1,000.0	11,154.7	25,291.7	641.2
Dec	188,778.9	83,593.9	82,631.0	962.8	66,212.2	2,339.6	6,351.0	61.0	54,545.0	7,594.7	1,000.0	11,158.7	25,291.7	1,522.4
2016														
Jan	194,068.3	76,851.4	75,885.4	966.0	76,719.1	3,878.8	6,356.6	61.0	66,456.7	7,723.6	1,000.0	9,343.8	25,291.7	4,862.2
Feb	223,983.7	77,827.8	76,859.1	968.7	103,488.4	4,721.0	32,494.2	61.0	67,934.7	7,719.5	1,000.0	11,495.2	25,291.7	4,880.6
Mar	219,173.2	79,845.8	78,871.3	974.5	96,252.1	8,444.1	32,224.4	61.0	64,791.3	7,619.4	1,000.0	11,986.7	25,291.7	4,796.8
Apr	215,748.1	79,081.5	78,103.8	977.7	92,953.1	14,967.2	32,217.8	61.0	68,217.5	7,424.0	1,000.0	12,565.4	25,291.7	4,856.3
May	218,177.3	80,794.7	79,811.5	983.1	93,308.0	16,371.7	32,632.0	61.0	69,421.1	7,565.6	1,000.0	12,675.9	25,488.0	4,910.7
Jun	223,070.8	79,366.2	78,382.7	983.5	101,439.4	3,775.1	32,624.6	60.8	63,249.8	9,279.3	1,000.0	14,550.1	25,488.0	1,227.1
Jul	219,635.0	80,781.4	79,797.2	984.3	96,191.8	7,343.3	32,640.8	60.8	63,344.2	7,489.2	1,000.0	15,020.9	25,488.0	1,153.0
Aug	218,818.1	79,188.0	78,202.2	985.8	96,686.4	12,470.7	32,645.4	60.8	69,174.9	7,275.9	1,000.0	15,271.1	25,488.0	1,184.6
Sep	217,524.6	79,557.5	78,567.2	990.3	95,006.4	13,258.9	32,374.6	60.8	69,328.8	6,501.1	1,000.0	15,308.0	25,488.0	1,164.6
Oct	224,954.2	81,622.4	80,627.8	994.6	101,174.8	11,225.1	32,363.7	60.8	69,381.4	10,594.0	1,000.0	14,698.4	25,488.0	970.6
Nov	224,042.5	81,854.3	80,856.4	997.9	100,950.1	16,526.1	32,363.7	60.8	74,571.2	10,480.5	1,000.0	13,706.4	25,488.0	1,043.7
Dec**	220,375.1	91,314.4	90,311.9	1,002.5	88,852.9	21,307.9	32,361.3	60.8	67,295.3	10,443.4	1,000.0	10,321.3	25,488.0	3,398.5
2017														
Jan	216,646.3	84,638.1	83,233.1	1,404.9	93,194.2	32,225.0	32,367.2	60.8	81,669.3	11,321.9	1,000.0	5,116.9	25,488.0	7,209.2
Feb	218,125.6	84,066.7	83,059.4	1,007.4	94,569.4	26,442.5	32,371.6	60.8	77,480.5	11,099.0	1,000.0	5,859.8	25,488.0	7,141.7
Mar	225,426.6	84,724.6	83,711.4	1,013.2	101,130.7	23,049.6	32,371.6	60.8	74,563.4	17,184.5	1,000.0	6,016.7	25,488.0	7,066.6
Apr	224,598.8	87,677.9	86,660.8	1,017.1	96,360.3	26,975.5	32,368.4	60.8	73,086.3	17,820.4	1,000.0	7,007.8	25,488.0	7,064.8
May	223,873.8	86,935.4	85,913.5	1,022.0	100,083.5	17,027.4	32,368.6	60.8	66,910.7	17,770.7	1,000.0	7,785.3	24,655.2	3,414.4
Jun	221,822.9	86,794.7	85,770.3	1,024.4	98,505.3	13,903.4	32,350.7	60.8	61,176.7	18,820.5	1,000.0	6,857.5	24,655.2	4,010.3
Jul	221,200.6	85,808.6	84,779.8	1,028.8	99,939.7	18,672.3	32,356.2	60.8	67,452.2	18,742.8	1,000.0	6,387.0	24,655.2	3,410.1
Aug	220,155.5	86,804.2	85,770.2	1,034.1	96,210.3	21,335.1	32,357.4	60.8	66,737.8	18,389.3	1,000.0	7,417.1	24,655.2	4,068.6
Sep	222,237.0	87,786.2	86,748.6	1,037.6	97,018.2	20,289.1	32,353.4	60.8	66,195.4	18,697.7	1,000.0	7,722.9	24,655.2	4,054.6
Oct	221,297.3	89,635.3	88,593.9	1,041.4	94,704.4	23,785.3	32,343.8	60.8	66,551.6	19,533.5	1,000.0	7,901.4	24,655.2	3,400.9
Nov	218,842.4	92,239.7	91,194.0	1,045.7	89,346.4	28,175.7	32,343.8	60.8	69,538.9	15,578.5	1,000.0	8,169.0	24,655.2	3,432.1
Dec	223,632.3	100,978.5	99,928.8	1,049.7	83,462.2	26,471.0	32,362.4	60.8	61,988.1	15,521.8	1,000.0	7,332.0	24,655.2	6,204.4

Source: Bank of Guyana

**TABLE 2-I(a)**  
**COMMERCIAL BANKS: ASSETS**  
**(G\$ Million)**

End of Period	Total Assets	Foreign Sector				Public Sector						Non-Bank Fin. Insts. Loans	Private Sector Loans & Advances & Securities	Bank of Guyana				Other
		Total	Balances due from banks abroad	Loans to Non-Residents	Other	Total	Central Government			Public Enterprises	Other			Total	Deposits	External Payment Deposits	Currency	
							Total	Securities	Loans									
2008	232,629	49,464	18,857	493	30,115	53,997	50,945	50,909	36	2,998	54	109	67,233	25,184	21,820	62	3,302	36,641
2009	253,760	44,927	16,642	1,040	27,245	62,081	59,387	59,364	23	2,641	53	103	66,980	35,830	32,070	62	3,698	43,839
2010	296,126	47,126	15,797	1,332	29,997	70,198	67,066	67,057	8	3,085	47	15	78,308	45,384	40,843	61	4,481	55,094
2011	328,166	53,126	25,579	1,171	26,376	77,508	73,417	73,416	2	4,031	60	31	94,229	41,056	36,207	61	4,788	62,216
2012	378,124	64,086	32,462	1,195	30,429	72,972	69,249	69,247	2	3,661	61	360	112,970	48,900	41,182	61	7,656	78,837
2013																		
Mar	384,805	55,261	19,687	1,274	34,300	82,782	77,942	77,938	4	4,831	9	633	113,511	57,856	53,599	61	4,195	74,762
Jun	391,478	57,664	21,311	936	35,418	82,983	78,225	77,973	252	4,750	8	764	117,082	56,170	52,889	61	3,220	76,814
Sep	398,266	63,185	26,473	913	35,799	78,119	73,053	73,051	1	5,047	19	830	119,172	57,974	54,492	61	3,421	78,986
Dec	413,605	61,845	23,628	1,968	36,249	82,027	79,433	79,432	1	2,587	7	836	128,287	53,682	47,057	61	6,564	86,928
2014																		
Mar	397,446	57,199	20,245	1,943	35,011	77,307	73,758	73,753	5	3,547	2	895	127,593	50,510	46,062	61	4,387	83,941
Jun	403,401	66,854	28,906	2,041	35,906	72,174	68,446	68,444	1	3,724	4	882	129,449	47,380	42,453	61	4,866	86,662
Sep	407,965	68,275	28,974	2,004	37,297	67,376	64,388	64,388	0	2,983	5	972	131,445	51,455	47,373	61	4,021	88,441
Dec	421,804	73,838	30,211	2,958	40,668	63,427	61,027	61,007	20	2,399	1	1,406	137,736	53,376	46,969	61	6,347	92,021
2015																		
Mar	426,225	82,935	40,285	2,459	40,191	62,039	59,920	59,920	0	2,119	0	1,370	134,677	52,714	46,902	61	5,752	92,488
Jun	437,161	79,366	35,674	2,415	41,277	60,292	58,464	58,462	2	1,828	0	1,443	135,219	66,558	60,697	61	5,800	94,284
Sep	433,831	69,841	28,004	2,476	39,361	62,803	60,963	60,961	2	1,837	3	1,720	136,017	68,342	62,633	61	5,647	95,108
Dec	442,903	73,751	29,366	2,729	41,656	65,702	63,704	63,704	0	1,954	44	1,504	142,562	61,508	53,607	61	7,840	97,877
2016																		
Jan	448,937	73,113	28,051	2,839	42,223	66,233	64,192	64,188	4	1,997	44	1,577	139,306	71,492	65,776	61	5,655	97,216
Feb	452,178	74,604	31,213	2,724	40,666	66,449	64,386	64,379	7	2,031	31	1,020	138,793	73,703	67,509	61	6,133	97,609
Mar	455,250	77,882	34,480	3,134	40,268	67,246	65,334	65,334	0	1,911	1	813	139,364	70,379	63,923	61	6,394	99,566
Apr	456,803	77,364	32,776	3,026	41,562	66,745	65,196	65,192	4	1,510	39	975	139,180	73,071	67,524	61	5,486	99,469
May	459,048	78,857	33,187	2,759	42,911	64,916	62,981	62,976	5	1,913	22	820	140,149	65,900	59,393	61	6,446	108,406
Jun	455,470	78,649	32,678	2,761	43,210	68,379	66,405	66,405	0	1,878	96	800	139,768	67,941	62,365	61	5,515	99,932
Jul	459,795	79,747	32,809	2,969	43,969	68,356	66,403	66,403	0	1,858	95	863	141,156	68,987	63,105	61	5,821	100,686
Aug	465,368	81,125	32,362	2,690	46,073	68,292	66,459	66,458	1	1,688	145	1,011	139,455	69,113	63,298	61	5,754	106,373
Sep	467,018	80,192	29,279	2,881	48,033	68,259	66,193	66,192	1	1,908	158	999	140,831	73,946	68,416	61	5,469	102,792
Oct	465,314	78,513	25,918	2,605	49,990	67,934	65,869	65,869	1	1,904	161	1,019	140,485	74,339	68,716	61	5,562	103,024
Nov	472,489	75,390	19,916	2,424	53,049	68,194	66,178	66,174	5	1,883	132	1,152	142,822	81,103	74,686	61	6,356	103,828
Dec	467,298	73,399	19,552	2,685	51,161	68,108	66,173	66,172	1	1,774	161	1,253	144,281	75,238	66,824	61	8,353	105,020
2017																		
Jan	475,511	72,808	18,876	2,423	51,509	67,500	66,162	66,161	1	1,226	112	1,219	141,388	88,155	81,053	61	7,041	104,441
Feb	469,066	74,786	21,128	1,897	51,761	64,267	62,686	62,685	1	1,510	71	923	140,194	82,487	76,736	61	5,690	106,410
Mar	462,018	68,771	14,955	1,991	51,825	65,198	63,355	63,354	1	1,795	47	801	139,840	81,036	74,427	61	6,548	106,372
Apr	466,984	73,070	20,135	1,604	51,331	65,008	63,174	63,172	2	1,760	74	793	140,926	78,595	72,075	61	6,459	108,593
May	462,634	77,045	23,634	1,361	52,050	64,534	62,844	62,843	1	1,565	125	918	140,054	72,536	66,165	61	6,310	107,549
Jun	455,839	76,726	25,221	1,319	50,186	64,407	62,603	62,602	1	1,692	113	855	140,528	66,728	60,644	61	6,023	106,595
Jul	462,691	79,275	27,664	1,836	49,774	63,560	62,133	62,132	0	1,306	121	806	139,679	71,621	65,482	61	6,078	107,751
Aug	463,130	79,326	24,268	1,888	53,170	64,113	62,442	62,442	0	1,549	122	722	139,665	71,980	65,987	61	5,933	107,324
Sep	460,257	75,962	22,931	2,007	51,024	63,929	62,515	62,513	1	1,302	112	738	141,032	71,893	65,724	61	6,108	106,703
Oct	465,853	78,351	20,329	1,785	56,238	65,140	63,457	63,453	4	1,569	114	750	141,337	72,723	65,940	61	6,722	107,551
Nov	472,127	80,151	21,882	1,912	56,356	64,713	63,059	63,057	2	1,539	115	829	141,833	75,928	68,711	61	7,156	108,673
Dec	471,129	78,574	19,447	1,762	57,364	66,476	63,071	63,067	4	3,291	114	959	146,030	70,923	62,034	61	8,828	108,167

Source: Commercial Banks

**TABLE 2-I(b)**  
**COMMERCIAL BANKS : LIABILITIES, CAPITAL AND RESERVES**  
**(G\$ Million)**

End of Period	Total Liabilities, Capital & Reserves	Foreign Sector				Public Sector				Non-Bank Financial Institutions Deposits	Private Sector Deposits	External Payment Deposits	Bank Of Guyana	Other Liabilities	Capital and Reserves
		Total	Balances due from banks abroad	Non-Residents Deposits	Other	Total	Central Gov't Deposits	Public Enter. Deposits	Other Deposits						
<b>2008</b>	232,629	9,592	1,393	8,198	-	29,721	5,588	14,203	9,930	11,122	146,970	62	-	10,500	24,663
<b>2009</b>	253,760	11,655	1,413	10,242	-	29,586	4,184	18,572	6,830	13,996	160,575	62	-	8,806	29,081
<b>2010</b>	296,126	14,369	2,934	11,435	-	38,350	6,623	27,208	4,519	15,622	182,723	61	-	11,073	33,928
<b>2011</b>	328,166	13,911	3,823	10,087	-	40,402	6,680	26,298	7,423	15,195	208,438	61	-	11,558	38,601
<b>2012</b>	378,124	11,430	2,431	8,999	-	55,119	13,833	34,327	6,959	18,109	233,490	61	-	14,844	45,071
<b>2013</b>															
<b>Mar</b>	384,805	12,414	2,676	9,738	-	52,267	12,014	33,226	7,027	21,447	240,508	61	-	9,723	48,384
<b>Jun</b>	391,478	11,973	1,431	10,542	-	56,275	13,728	36,931	5,616	22,884	242,224	61	-	8,308	49,754
<b>Sep</b>	398,266	11,173	1,134	10,038	-	57,077	15,117	36,472	5,489	24,508	243,852	61	-	10,620	50,974
<b>Dec</b>	413,605	12,624	2,365	10,259	-	61,244	14,339	42,698	4,207	26,042	242,915	61	-	18,356	52,362
<b>2014</b>															
<b>Mar</b>	397,446	11,139	1,567	9,573	-	51,980	12,253	32,362	7,365	20,814	245,805	61	-	13,358	54,288
<b>Jun</b>	403,401	12,146	2,314	9,831	-	54,848	11,993	35,970	6,884	20,963	248,982	61	-	9,650	56,752
<b>Sep</b>	407,965	11,354	2,248	9,106	-	54,471	9,973	37,492	7,007	22,199	250,745	61	-	11,074	58,061
<b>Dec</b>	421,804	12,626	3,118	9,508	-	59,667	13,127	39,506	7,033	22,740	247,394	61	-	19,362	59,955
<b>2015</b>															
<b>Mar</b>	426,225	12,359	2,484	9,874	-	61,216	12,001	41,933	7,282	23,951	254,845	61	-	10,818	62,975
<b>Jun</b>	437,161	11,887	2,540	9,347	-	70,285	11,774	49,382	9,130	23,410	255,674	61	-	10,911	64,933
<b>Sep</b>	433,831	11,913	2,086	9,826	-	68,142	10,657	48,727	8,757	23,531	254,444	61	-	9,958	65,783
<b>Dec</b>	442,903	17,225	4,655	12,570	-	68,179	10,953	47,220	10,006	25,026	250,637	61	-	14,812	66,964
<b>2016</b>															
<b>Jan</b>	448,937	14,596	2,135	12,461	-	72,377	11,338	50,970	10,069	25,916	255,615	61	-	12,881	67,491
<b>Feb</b>	452,178	14,830	1,890	12,940	-	73,012	11,007	52,048	9,957	25,993	256,021	61	-	13,582	68,679
<b>Mar</b>	455,250	15,211	2,026	13,185	-	75,832	12,063	53,732	10,037	25,742	256,009	61	-	12,975	69,418
<b>Apr</b>	456,803	14,721	1,837	12,884	-	74,294	10,972	53,304	10,018	26,013	258,739	61	-	13,020	69,956
<b>May</b>	459,048	14,716	1,452	13,264	-	76,028	10,723	55,226	10,080	27,759	258,113	61	-	11,885	70,486
<b>Jun</b>	455,470	14,344	1,457	12,887	-	78,055	10,945	56,912	10,198	25,538	256,596	61	-	11,755	69,121
<b>Jul</b>	459,795	14,456	1,734	12,722	-	77,755	10,729	56,773	10,253	26,662	258,070	61	-	12,527	70,264
<b>Aug</b>	465,368	15,664	1,876	13,788	-	78,616	10,524	57,958	10,134	26,904	260,491	61	-	12,599	71,033
<b>Sep</b>	467,018	15,314	1,620	13,695	-	78,961	10,386	58,426	10,148	27,358	259,176	61	-	12,795	73,353
<b>Oct</b>	465,314	15,000	1,495	13,506	-	73,481	12,197	51,128	10,157	27,600	262,477	61	-	12,795	73,899
<b>Nov</b>	472,489	16,180	2,149	14,031	-	73,788	12,073	51,484	10,231	28,573	263,737	61	-	15,078	75,072
<b>Dec</b>	467,298	15,967	2,901	13,066	-	73,409	10,662	52,351	10,396	28,392	259,479	61	-	15,970	74,020
<b>2017</b>															
<b>Jan</b>	475,511	16,264	2,178	14,085	-	76,953	10,702	55,688	10,563	29,054	264,638	61	-	13,310	75,232
<b>Feb</b>	469,066	16,547	2,219	14,327	-	65,852	10,280	45,012	10,560	30,048	266,877	61	-	13,555	76,127
<b>Mar</b>	462,018	15,918	2,447	13,472	-	60,582	10,207	40,329	10,047	31,342	263,620	61	-	13,790	76,705
<b>Apr</b>	466,984	15,994	1,667	14,327	-	60,496	10,517	40,148	9,830	31,341	266,089	61	-	15,928	77,076
<b>May</b>	462,634	16,750	2,208	14,542	-	59,085	11,076	37,987	10,022	31,750	265,595	61	-	14,760	74,633
<b>Jun</b>	455,839	17,467	1,460	16,007	-	56,613	11,111	35,758	9,743	31,794	261,579	61	-	13,243	75,082
<b>Jul</b>	462,691	18,602	1,728	16,874	-	57,784	11,526	36,578	9,680	31,774	264,678	61	-	13,263	76,529
<b>Aug</b>	463,130	19,093	1,871	17,221	-	53,813	12,608	31,726	9,479	31,488	267,800	61	-	13,713	77,161
<b>Sep</b>	460,257	19,022	1,657	17,365	-	53,316	12,714	30,121	10,482	32,262	263,484	61	-	13,990	78,121
<b>Oct</b>	465,853	19,811	2,059	17,752	-	51,945	12,662	28,834	10,449	32,816	268,587	61	-	13,671	78,963
<b>Nov</b>	472,127	20,674	1,758	18,916	-	51,374	11,264	29,228	10,882	33,802	271,016	61	-	15,052	80,148
<b>Dec</b>	471,129	21,471	4,489	16,982	-	50,679	11,187	28,254	11,238	33,986	267,092	61	-	17,920	79,919

Source: Commercial Banks

**TABLE 3-1**  
**MONETARY SURVEY**  
**(G\$ Million)**

End of Period	Foreign Assets (Net)			Domestic Credit							Money and Quasi-Money					Other (Net)
	Total	Bank of Guyana	Comm Banks	Total	Public Sector			Non-Bank Fin. Insts. (Net)	Private Sector	Total	Money			Quasi- Money		
					Total	Gov't. (Net)	Public Enter. (Net)				Other Pub. Sect. (Net)	Total	Curr.	Demand Deposits	Savings & Time Dep.	
2008	94,141.7	54,230.5	39,911.1	59,775.5	(18,546.5)	5,843.6	(11,205.3)	(13,184.8)	(11,012.6)	89,334.6	184,153.0	61,035.3	34,552.4	26,482.9	123,117.7	(30,235.9)
2009	142,008.0	108,694.2	33,313.8	47,569.1	(32,928.5)	(3,306.8)	(15,931.2)	(13,690.5)	(13,892.5)	94,390.1	202,094.2	66,365.1	38,436.8	27,928.3	135,729.1	(12,517.1)
2010	173,121.3	140,363.7	32,757.6	55,446.5	(41,280.3)	(8,004.4)	(24,123.3)	(9,152.7)	(15,606.6)	112,333.4	233,361.6	80,832.1	45,999.4	34,832.6	152,529.5	(4,793.8)
2011	184,910.9	145,695.7	39,215.2	93,477.6	(25,994.7)	7,191.8	(22,267.5)	(10,919.0)	(15,163.8)	134,636.1	270,691.2	97,267.7	56,868.5	40,399.2	173,423.5	7,697.3
2012	214,332.1	161,675.7	52,656.4	99,004.0	(44,890.4)	(623.9)	(30,665.3)	(13,601.2)	(17,749.6)	161,644.0	301,834.1	112,418.6	60,331.6	52,087.0	189,415.6	11,502.0
2013																
Mar	196,246.0	153,398.9	42,847.1	119,317.7	(23,403.8)	17,554.5	(28,394.4)	(12,563.9)	(20,814.4)	163,535.9	298,496.1	104,176.3	54,551.6	49,624.7	194,319.8	17,067.7
Jun	183,034.9	137,343.7	45,691.3	126,405.8	(20,834.8)	21,719.2	(32,180.8)	(10,373.1)	(22,119.8)	169,360.4	298,881.2	99,964.6	54,006.8	45,957.8	198,916.6	10,559.5
Sep	175,184.1	123,171.5	52,012.6	138,968.9	(11,582.3)	30,093.4	(31,425.1)	(10,250.6)	(23,678.5)	174,229.7	301,636.0	104,358.5	53,502.9	50,855.6	197,277.4	12,517.0
Dec	197,026.1	147,805.2	49,220.8	123,780.4	(36,143.8)	16,675.8	(40,110.7)	(12,708.8)	(25,205.9)	185,130.0	313,421.3	115,195.5	60,900.7	54,294.8	198,225.7	7,385.2
2014																
Mar	181,099.7	135,039.9	46,059.8	145,686.0	(20,841.0)	25,255.2	(28,815.3)	(17,280.9)	(19,919.0)	186,446.0	308,884.5	110,697.5	58,088.8	52,608.8	198,186.9	17,901.2
Jun	188,308.4	133,600.5	54,707.9	141,896.2	(28,564.8)	19,977.3	(32,245.8)	(16,296.3)	(20,080.9)	190,541.8	313,132.8	110,864.6	60,602.0	50,262.6	202,268.2	17,071.7
Sep	183,527.9	126,607.1	56,920.9	148,895.3	(24,167.0)	26,005.2	(34,508.8)	(15,663.4)	(21,226.7)	194,288.9	315,966.7	114,622.9	60,892.3	53,730.6	201,343.8	16,456.5
Dec	195,178.4	133,965.9	61,212.5	154,911.1	(25,796.9)	28,326.1	(37,107.6)	(17,015.4)	(21,333.5)	202,041.5	329,639.8	131,186.1	72,454.2	58,731.9	198,453.7	20,449.7
2015																
Mar	195,565.1	124,988.7	70,576.4	156,901.0	(22,443.3)	34,463.8	(39,814.4)	(17,092.7)	(22,580.5)	201,924.7	325,676.1	123,315.4	67,504.2	55,811.1	202,360.7	26,789.9
Jun	194,592.9	127,114.3	67,478.6	158,037.6	(25,161.9)	39,405.5	(47,554.0)	(17,013.4)	(21,966.9)	205,166.4	328,388.9	123,037.8	67,460.2	55,577.6	205,351.0	24,241.6
Sep	182,606.2	124,677.4	57,928.8	169,150.3	(15,868.8)	46,870.9	(46,890.4)	(15,849.3)	(21,811.7)	206,830.8	324,058.9	120,603.0	65,720.9	54,882.1	203,455.9	27,697.6
Dec	178,605.9	122,080.1	56,525.8	184,598.8	(6,366.4)	56,331.2	(45,266.1)	(17,431.5)	(23,521.9)	214,487.2	334,471.1	130,295.0	75,753.8	54,541.2	204,176.2	28,733.6
2016																
Jan	186,058.4	127,541.7	58,516.8	178,782.9	(8,622.9)	57,972.8	(48,973.1)	(17,622.7)	(24,339.1)	211,744.9	332,364.3	125,925.0	71,196.5	54,728.5	206,439.3	32,477.0
Feb	191,172.8	131,399.1	59,773.7	178,012.1	(8,196.3)	59,339.8	(50,016.5)	(17,519.6)	(24,972.9)	211,181.4	333,690.0	128,675.7	71,695.2	56,980.4	205,014.3	35,495.0
Mar	189,514.3	126,843.8	62,670.6	180,394.9	(6,397.3)	62,954.2	(51,821.3)	(17,530.2)	(24,929.6)	211,721.8	334,357.7	128,767.2	73,451.6	55,315.6	205,590.5	35,551.5
Apr	186,513.2	123,869.6	62,643.6	188,341.4	1,358.0	70,430.0	(51,793.4)	(17,278.6)	(25,038.6)	212,021.9	337,771.8	128,056.7	73,595.6	54,461.1	209,715.2	37,082.8
May	189,612.6	125,471.3	64,141.4	185,137.4	(941.9)	69,868.6	(53,312.3)	(17,498.2)	(26,939.2)	213,018.5	336,628.0	128,775.3	74,348.5	54,426.8	207,852.7	38,122.0
Jun	194,374.4	130,069.2	64,305.2	174,581.0	(13,816.6)	60,473.7	(55,033.7)	(19,256.5)	(24,737.7)	213,135.2	334,178.8	128,479.4	73,850.8	54,628.6	205,699.4	34,776.6
Jul	192,057.9	126,766.9	65,291.1	180,893.8	(8,181.5)	64,255.6	(54,915.1)	(17,522.0)	(25,798.3)	214,873.6	337,393.1	133,064.0	74,960.9	58,103.1	204,329.1	35,558.6
Aug	191,490.3	126,029.7	65,460.6	183,599.7	(3,764.7)	69,645.1	(56,269.9)	(17,139.9)	(25,893.4)	213,257.9	337,843.8	132,837.5	73,433.6	59,403.9	205,006.2	37,246.3
Sep	190,209.1	125,331.0	64,878.1	186,108.1	(2,580.4)	70,304.4	(56,518.2)	(16,366.5)	(26,359.1)	215,047.6	338,197.5	132,095.8	74,088.4	58,007.4	206,101.7	38,119.7
Oct	192,017.2	128,504.7	63,512.5	184,810.7	(3,352.1)	66,336.5	(49,224.1)	(20,464.6)	(26,580.9)	214,743.7	343,105.7	135,048.9	76,060.2	58,988.7	208,056.8	33,722.2
Nov	187,241.5	128,031.6	59,209.9	192,289.1	2,015.3	72,069.7	(49,600.4)	(20,454.0)	(27,420.8)	217,694.7	345,625.3	138,410.9	75,498.1	62,912.8	207,214.4	33,905.3
Dec**	179,934.0	122,502.3	57,431.8	198,881.5	6,928.8	78,059.5	(50,577.4)	(20,553.3)	(27,139.7)	219,092.4	351,034.9	144,827.4	82,961.6	61,865.7	206,207.6	27,780.6
2017																
Jan	179,508.0	122,963.2	56,544.7	201,376.7	12,815.3	88,925.6	(54,462.6)	(21,647.6)	(27,834.2)	216,395.6	347,663.5	141,885.6	77,597.2	64,288.4	205,778.0	33,221.1
Feb	180,261.7	122,022.2	58,239.5	201,393.5	15,122.7	80,087.4	(43,501.6)	(21,463.1)	(29,125.5)	215,396.3	349,866.1	143,755.9	78,376.8	65,379.0	206,110.2	31,789.1
Mar	175,266.5	122,414.3	52,852.2	197,040.4	11,844.6	77,436.7	(38,533.1)	(27,059.0)	(30,541.0)	215,736.8	346,229.5	140,215.8	78,176.2	62,039.5	206,013.8	26,077.4
Apr	178,083.2	121,007.1	57,076.1	201,664.5	15,031.2	80,870.9	(38,388.7)	(27,450.9)	(30,548.0)	217,181.2	351,924.0	143,706.1	81,218.8	62,487.2	208,217.9	27,823.7
May	181,651.1	121,356.9	60,294.2	192,273.5	6,069.6	70,034.1	(36,422.1)	(27,542.4)	(30,832.2)	217,036.1	350,227.2	142,434.9	80,625.0	61,809.9	207,792.3	23,697.4
Jun	177,985.2	118,726.3	59,258.9	190,208.7	4,241.5	66,634.0	(34,066.6)	(28,325.9)	(30,939.6)	216,906.8	346,339.6	139,888.0	80,771.9	59,116.2	206,451.5	21,854.4
Jul	179,483.5	118,810.9	60,672.6	192,593.3	7,069.6	70,517.2	(35,271.6)	(28,176.1)	(30,968.3)	216,492.0	348,075.2	140,626.4	79,731.0	60,895.4	207,448.8	24,001.6
Aug	178,784.9	118,551.7	60,233.2	200,653.2	14,609.3	72,407.8	(30,177.5)	(27,620.9)	(30,766.7)	216,810.6	352,453.7	144,506.6	80,871.4	63,635.2	207,947.1	26,984.3
Sep	175,879.8	118,940.5	56,939.3	200,444.6	13,568.1	71,328.6	(28,818.5)	(28,942.0)	(31,524.7)	218,401.2	349,814.5	140,905.2	81,678.6	59,226.6	208,909.3	26,509.9
Oct	175,413.1	116,872.5	58,540.6	205,705.3	18,810.6	75,819.8	(27,265.6)	(29,743.6)	(32,066.2)	218,960.8	354,624.9	143,266.5	82,913.1	60,353.4	211,358.4	26,493.5
Nov	174,935.5	115,459.1	59,476.4	214,400.4	27,300.5	81,209.7	(27,688.6)	(26,220.6)	(32,972.6)	220,072.5	360,414.0	148,535.7	85,083.8	63,451.9	211,878.3	28,921.9
Dec	176,990.5	119,887.9	57,102.6	219,276.2	28,110.8	79,595.1	(24,963.1)	(26,521.2)	(33,026.4)	224,191.8	367,214.3	157,321.9	92,150.2	65,171.7	209,892.4	29,052.4

Sources: Bank of Guyana and Commercial Banks



**TABLE 4-I**  
**GUYANA: SELECTED INTEREST RATES <sup>1)</sup>**  
**(Percent Per Annum)**

Item	2008	2009	2010	2011	2012	2013	2014	2015	2016				2017											
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Mar	Jun	Sep	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>BANK OF GUYANA</b>																								
Bank Rate	6.75	6.75	6.25	5.50	5.25	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Treasury Bill Discount Rate																								
91 Days	4.19	4.18	3.78	2.35	1.45	1.45	1.67	1.92	1.91	1.89	1.85	1.68	1.68	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54
182 Days	4.48	4.35	3.70	2.43	1.72	1.55	1.81	1.81	1.73	1.73	1.68	1.68	1.65	1.65	1.44	1.44	1.31	1.31	1.26	1.26	1.15	1.15	1.14	1.11
364 Days	4.81	4.47	3.59	2.51	1.54	2.14	2.37	2.38	2.23	2.26	2.17	2.13	2.08	1.79	1.60	1.45	1.45	1.38	1.29	1.25	1.23	1.18	1.15	1.20
<b>COMMERCIAL BANKS</b>																								
Small Savings Rate	3.04	2.78	2.67	1.99	1.69	1.33	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.30	1.23	1.18	1.18	1.16	1.16	1.11	1.11	1.11	1.11
Prime Lending Rate (weighted average) <sup>2)</sup>	13.91	14.22	15.06	14.33	12.50	12.30	11.01	10.65	10.78	10.75	10.71	10.65	10.66	10.62	10.58	10.65	10.63	10.65	10.62	10.59	10.55	10.47	10.45	10.47
Prime Lending Rate <sup>3)</sup>	14.54	14.54	14.54	14.00	13.83	12.83	12.83	12.83	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Comm. Banks' Lending Rate (weighted average)	12.35	12.17	11.95	11.68	11.08	11.16	10.86	10.56	10.50	10.46	10.40	10.43	10.44	10.43	10.39	10.37	10.33	10.33	10.32	10.30	10.26	10.23	10.24	10.19
<b>HAND-IN-HAND TRUST CORP. INC</b>																								
Domestic Mortgages	14.00	14.00	14.00	14.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Commercial Mortgages	16.00	16.00	16.00	16.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Average Deposit Rates	3.23	3.15	3.00	3.00	2.30	1.78	2.30	2.30	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68
<b>NEW BUILDING SOCIETY</b>																								
Deposits <sup>4)</sup>	2.50	2.50	2.50	1.75	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
Mortgage Rates <sup>5)</sup>	7.50	8.45	7.35	6.85	6.85	6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45
Five dollar shares	3.80	3.80	3.30	2.25	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Save and prosper shares	4.50	4.50	4.00	2.60	2.25	2.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75

Source: Bank of Guyana, Commercial Banks and other Financial Institutions

<sup>1)</sup> End of period rates

<sup>2)</sup> The prime lending rate reported by the banks has been weighted by the amount of loans issued at the corresponding rate

<sup>3)</sup> The average prime lending rate actually used by commercial banks, applicable to loans and advances

<sup>4)</sup> Small savings rate

<sup>5)</sup> Effective November 2009, the mortgage rate for New Building Society is reflected as an average rate.

**TABLE 5-I**  
**SUMMARY OF NON-BANK FINANCIAL INSTITUTIONS: ASSETS**  
**(G\$Million)**

End of Period	Total Assets	Foreign Sector	Banking System			Public Sector			Private Sector				Other
			Total	Cash	Deposits	Total	Gov't. T/Bills	Local Gov't Sec.	Total	Mortgage Loans	Other Laons & adv.	Shares	
<b>2008</b>	139,466.8	33,309.9	11,115.4	620.8	10,494.5	10,839.1	10,083.9	755.3	59,301.9	23,106.3	13,667.3	22,528.2	24,900.5
<b>2009</b>	127,180.8	24,077.5	15,026.2	594.6	14,431.6	10,380.2	10,230.2	150.0	55,825.1	24,170.0	11,139.3	20,515.8	21,871.8
<b>2010</b>	135,188.3	23,962.0	15,821.7	939.8	14,881.9	14,174.5	14,174.5	-	57,951.9	24,774.8	10,692.7	22,484.5	23,278.2
<b>2011</b>	144,462.5	25,182.1	14,333.6	739.8	13,593.9	16,654.5	16,654.5	-	62,440.6	26,810.2	11,484.7	24,145.8	25,851.6
<b>2012</b>	161,848.7	25,226.0	19,757.1	867.1	18,890.0	10,848.8	10,848.8	-	77,569.2	31,564.5	14,105.6	31,899.1	28,447.5
<b>2013</b>													
<b>Mar</b>	164,540.8	26,701.8	24,532.5	901.2	23,631.3	6,559.7	6,559.7	-	80,050.9	32,421.1	13,386.6	34,243.2	26,695.9
<b>Jun</b>	169,593.3	27,616.3	25,383.1	903.3	24,479.8	6,390.4	6,390.4	-	83,333.4	33,673.3	13,579.3	36,080.7	26,870.2
<b>Sep</b>	169,933.5	27,052.3	25,783.8	1,041.3	24,742.5	4,626.2	4,626.2	-	85,695.3	34,855.9	13,952.1	36,887.3	26,775.9
<b>Dec</b>	173,323.5	26,795.6	25,758.8	1,086.2	24,672.6	4,127.7	4,127.7	-	90,071.6	36,240.0	14,736.3	39,095.3	26,569.8
<b>2014</b>													
<b>Mar</b>	188,150.7	28,692.3	22,141.0	1,302.7	20,838.2	6,175.7	6,175.7	-	103,690.0	38,232.3	13,803.9	51,653.8	27,451.8
<b>Jun</b>	191,664.5	29,144.6	21,827.6	1,230.4	20,597.2	6,056.5	6,056.5	-	107,085.1	39,578.5	14,159.5	53,347.2	27,550.7
<b>Sep</b>	197,337.7	30,612.1	23,093.2	1,452.4	21,640.8	5,264.5	5,264.5	-	108,673.5	40,409.5	14,484.8	53,779.2	29,694.3
<b>Dec</b>	198,964.8	28,718.4	23,988.7	1,511.8	22,476.9	4,786.0	4,786.0	-	111,021.7	41,175.2	14,610.2	55,236.3	30,450.1
<b>2015</b>													
<b>Mar</b>	201,198.8	28,568.1	24,882.1	1,750.3	23,131.8	5,758.3	5,758.3	-	111,777.7	41,462.9	14,829.6	55,485.2	30,212.6
<b>Jun</b>	199,430.8	28,738.3	24,709.2	1,537.4	23,171.8	6,353.7	6,353.7	-	108,161.4	40,720.7	14,932.9	52,507.8	31,468.3
<b>Sep</b>	202,069.0	29,919.6	25,761.9	1,320.6	24,441.3	6,754.3	6,754.3	-	108,723.3	41,314.6	15,092.4	52,316.4	30,910.0
<b>Dec</b>	203,470.9	30,168.6	27,076.2	2,381.4	24,694.8	6,728.4	6,728.4	-	109,390.0	41,494.5	15,667.1	52,228.4	30,107.8
<b>2016</b>													
<b>Mar</b>	205,473.8	29,600.5	31,873.1	1,777.4	30,095.7	7,545.1	7,545.1	-	106,344.6	41,727.1	15,417.8	49,199.7	30,110.7
<b>Jun</b>	202,776.7	29,714.8	28,805.6	1,806.0	26,999.6	7,061.9	7,061.9	-	106,570.1	41,598.1	15,751.4	49,220.7	30,624.3
<b>Sep</b>	204,726.0	30,037.2	29,425.1	1,627.5	27,797.5	6,957.6	6,957.6	-	107,702.8	41,401.8	15,925.0	50,376.0	30,603.4
<b>Dec</b>	205,813.1	30,679.0	29,939.9	1,844.6	28,095.4	6,971.2	6,971.2	-	107,065.8	41,306.3	16,396.5	49,363.0	31,157.2
<b>2017</b>													
<b>Mar</b>	209,922.3	30,120.6	33,297.8	1,999.1	31,298.7	5,981.8	5,981.8	-	108,990.5	41,418.2	16,274.1	51,298.3	31,531.6
<b>Jun</b>	210,877.0	29,843.7	33,322.2	2,106.5	31,215.7	6,929.5	6,929.5	-	108,866.4	41,694.1	16,462.8	50,709.5	31,915.1
<b>Sep</b>	213,188.3	29,144.1	34,263.3	2,218.4	32,044.9	7,038.4	7,038.4	-	110,769.9	42,200.9	16,633.4	51,935.5	31,972.6
<b>Dec</b>	218,178.4	30,902.7	35,433.2	2,409.2	33,024.0	6,659.4	6,659.4	-	113,696.4	43,045.5	16,447.6	54,203.3	31,486.7

Source: Non-Bank Financial Institutions

**TABLE 5-II**  
**SUMMARY OF NON-BANK FINANCIAL INSTITUTIONS: LIABILITIES, CAPITAL AND RESERVES**  
**(G\$ Million)**

End of Period	Total Liabilities, Capital & Reserves	Foreign Sector	Deposits				Private Sector					Other
			Total Deposits	Private Sector	Public Sector	Shares	Total	Capital & Reserves	Loans Rec.	Premium	Pension Funds	
<b>2008</b>	139,467.0	8,410.5	36,692.8	5,929.0	2,544.7	28,219.1	72,606.2	33,783.4	4,934.4	16,016.4	17,872.0	21,757.6
<b>2009</b>	127,180.7	8,282.0	36,476.2	4,086.6	2,488.2	29,901.4	63,105.2	37,168.4	3,132.1	4,181.4	18,623.3	19,317.4
<b>2010</b>	135,188.3	10,830.4	37,043.5	3,557.6	2,986.0	30,499.9	69,433.0	40,473.4	3,179.3	4,459.5	21,320.8	17,881.3
<b>2011</b>	144,462.4	10,382.3	40,448.2	2,836.5	3,600.0	34,011.7	74,739.5	44,588.5	3,071.9	4,378.2	22,700.9	18,892.4
<b>2012</b>	161,848.6	10,864.9	42,638.0	3,407.6	3,297.8	35,932.6	94,166.1	60,352.9	3,608.8	4,750.8	25,453.5	14,179.7
<b>2013</b>												
<b>Mar</b>	164,583.6	10,946.1	43,039.7	3,125.4	3,207.7	36,706.6	95,672.9	61,836.1	2,312.3	5,176.4	26,348.0	14,924.9
<b>Jun</b>	169,593.3	10,788.0	44,791.8	3,202.9	3,227.4	38,361.4	98,229.9	63,175.8	2,806.9	5,182.7	27,064.6	15,783.6
<b>Sep</b>	169,933.5	11,025.3	44,875.6	3,609.6	2,877.5	38,388.4	98,592.7	63,592.1	2,130.3	5,161.1	27,709.2	15,439.9
<b>Dec</b>	173,323.5	14,049.8	45,758.0	3,581.0	2,877.5	39,299.4	97,931.9	65,043.4	2,222.8	2,205.1	28,460.6	15,582.5
<b>2014</b>												
<b>Mar</b>	188,150.3	11,156.3	45,653.6	3,903.6	2,418.4	39,331.7	115,514.8	78,245.4	2,237.9	6,259.5	28,772.0	15,825.6
<b>Jun</b>	191,664.5	14,542.2	46,229.3	4,052.0	2,445.2	39,732.1	115,007.4	80,351.3	2,344.1	3,083.3	29,228.7	15,885.6
<b>Sep</b>	197,337.7	15,806.2	46,615.5	4,359.7	2,452.5	39,803.3	115,388.4	81,966.5	2,495.2	1,617.4	29,309.4	19,527.5
<b>Dec</b>	198,964.8	15,809.7	47,172.9	4,572.2	2,473.1	40,127.6	115,765.6	81,926.6	2,407.3	1,617.4	29,814.3	20,216.6
<b>2015</b>												
<b>Mar</b>	201,198.8	16,276.2	48,061.8	4,586.0	2,473.1	41,002.8	117,742.5	79,356.3	2,347.6	3,977.8	32,060.8	19,118.3
<b>Jun</b>	199,430.8	16,228.4	47,885.0	4,797.7	2,523.3	40,564.0	116,047.1	79,471.6	2,268.6	3,977.8	30,329.1	19,270.2
<b>Sep</b>	202,069.0	16,512.9	48,583.2	5,045.0	2,540.6	40,997.6	117,153.8	80,275.4	2,248.8	4,090.3	30,539.3	19,819.2
<b>Dec</b>	203,470.9	16,544.4	49,168.2	5,350.2	2,581.9	41,236.1	117,782.1	81,065.6	1,954.8	4,115.3	30,646.4	19,976.2
<b>2016</b>												
<b>Mar</b>	205,473.8	16,712.1	49,966.2	5,647.9	2,581.9	41,736.4	119,251.2	81,660.1	1,948.7	4,345.9	31,296.4	19,544.3
<b>Jun</b>	202,776.7	16,235.4	49,085.2	5,854.5	2,647.3	40,583.4	116,205.2	78,038.2	1,898.9	4,450.8	31,817.3	21,250.9
<b>Sep</b>	204,726.0	15,540.1	49,362.4	6,027.1	2,666.8	40,668.6	119,700.0	81,025.3	1,896.5	4,450.8	32,327.4	20,123.5
<b>Dec</b>	205,813.1	15,494.7	49,854.0	6,334.8	2,693.4	40,825.8	119,681.8	81,114.6	1,847.7	4,450.8	32,268.7	20,782.6
<b>2017</b>												
<b>Mar</b>	209,922.3	16,257.6	50,572.2	6,517.0	2,693.4	41,361.8	122,845.6	82,185.7	2,020.5	4,904.5	33,734.9	20,246.9
<b>Jun</b>	210,877.0	16,799.3	50,956.4	6,469.4	2,693.4	41,793.6	122,723.7	81,844.5	2,105.2	4,720.6	34,053.5	20,397.6
<b>Sep</b>	213,188.3	16,984.7	51,246.0	6,489.0	2,693.4	42,063.6	124,225.9	83,144.6	1,827.0	4,720.6	34,533.8	20,731.7
<b>Dec</b>	218,178.4	16,849.5	51,723.3	6,469.3	2,693.4	42,560.6	128,203.6	86,459.7	1,834.6	4,720.6	35,188.8	21,401.9

Source: Non-Bank Financial Institutions

**TABLE 6-I**  
**CENTRAL GOVERNMENT: FINANCES (SUMMARY)**  
**(G\$ Million)**

Item	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>CURRENT ACCOUNT</b>										
Revenue <sup>1)</sup>	82,483.9	94,890.7	107,875.4	120,915.5	130,228.5	136,494.8	145,727.9	161,710.2	177,322.0	194,688.4
Non-interest Expenditure	71,944.2	73,853.4	78,506.9	92,546.0	108,379.1	115,947.5	127,494.1	141,152.2	163,425.0	173,522.3
<b>Current Primary Balance</b>	<b>10,539.7</b>	<b>21,037.3</b>	<b>29,368.5</b>	<b>28,369.5</b>	<b>21,849.4</b>	<b>20,547.3</b>	<b>18,233.8</b>	<b>20,558.1</b>	<b>13,897.0</b>	<b>21,166.1</b>
less Interest	6,547.7	6,587.5	7,879.4	8,074.3	6,535.5	6,106.3	6,339.5	6,485.5	6,726.8	8,026.7
<b>Current Account Balance</b>	<b>3,992.0</b>	<b>14,449.8</b>	<b>21,489.1</b>	<b>20,295.2</b>	<b>15,313.9</b>	<b>14,441.0</b>	<b>11,894.3</b>	<b>14,072.6</b>	<b>7,170.2</b>	<b>13,139.5</b>
<b>CAPITAL ACCOUNT</b>										
Receipts	17,029.1	17,275.1	11,780.3	13,452.8	13,509.5	8,671.7	4,191.0	7,272.9	7,877.1	12,198.9
Revenue <sup>2)</sup>	3,417.5	2,222.5	2,325.7	812.6	832.7	872.8	3,100.8	2,686.1	2,469.3	17.0
External Grants	13,611.6	15,052.6	9,454.6	12,640.2	12,676.8	7,798.9	1,090.2	4,586.8	5,407.8	12,181.8
Expenditure	35,941.2	46,990.2	46,658.4	50,116.3	56,441.8	50,144.5	51,013.7	30,664.9	46,618.1	58,716.6
<b>Capital Account Balance</b>	<b>(18,912.1)</b>	<b>(29,715.1)</b>	<b>(34,878.1)</b>	<b>(36,663.5)</b>	<b>(42,932.3)</b>	<b>(41,472.8)</b>	<b>(46,822.7)</b>	<b>(23,392.0)</b>	<b>(38,740.9)</b>	<b>(46,517.7)</b>
<b>OVERALL DEFICIT/SURPLUS</b>	<b>(14,920.1)</b>	<b>(15,265.3)</b>	<b>(13,389.0)</b>	<b>(16,368.3)</b>	<b>(27,618.4)</b>	<b>(27,031.8)</b>	<b>(34,928.4)</b>	<b>(9,319.4)</b>	<b>(31,570.7)</b>	<b>(33,378.3)</b>
<b>FINANCING</b>										
<b>FINANCING</b>	<b>14,920.2</b>	<b>15,265.4</b>	<b>13,389.1</b>	<b>16,368.4</b>	<b>27,618.4</b>	<b>27,031.9</b>	<b>34,928.4</b>	<b>9,319.4</b>	<b>31,570.7</b>	<b>33,378.3</b>
Net External Financing	14,606.1	15,526.1	12,989.4	17,948.0	22,044.2	18,545.2	(13,753.4)	(5,264.8)	7,836.8	8,740.1
Net Domestic Financial System <sup>3)</sup>	314.1	(260.7)	399.7	(1,579.6)	5,574.2	8,486.7	48,681.8	14,584.2	23,733.9	24,638.2
Banking System	2,321.4	(3,686.2)	(4,697.6)	15,196.2	(7,815.7)	17,294.5	11,650.3	28,007.0	8,482.5	(1,535.6)
Non-Bank Borrowing	(1,875.4)	1,051.1	8,545.0	(1,081.3)	(6,926.2)	(7,032.9)	(141.0)	1,085.9	1,588.0	1,985.4
Other Financing	(131.9)	2,374.4	(3,447.8)	(15,694.5)	20,316.1	(1,774.9)	37,172.5	(14,508.7)	13,663.4	24,188.5

Sources: Ministry of Finance and Bank of Guyana

<sup>1)</sup> Current Revenue includes GRIF payments received with effect from 2012.

<sup>2)</sup> From year 2017, capital account "revenue" will follow the MOF format; therefore, the figure will show a reduced amount due to the exclusions of all grants and debt reliefs.

<sup>3)</sup> Figures revised from 2008 to reflect the computation of Central Government on an accrual basis.

**TABLE 6-II**  
**SUMMARY OF PUBLIC CORPORATIONS FINANCES**  
**(G\$ Million)**

Item	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Current Revenue</b>	101,916.8	89,908.8	95,814.7	122,092.2	135,256.2	127,565.0	122,928.3	127,689.8	117,899.2	110,423.1
Export Sales	29,636.3	27,354.1	22,398.4	28,777.3	28,299.8	24,833.7	18,941.0	16,551.9	18,458.4	11,886.3
Local Sales	49,881.5	45,832.7	55,483.1	66,005.5	68,413.4	69,017.6	72,149.4	70,604.2	66,351.8	69,474.3
VAT Refunds	304.4	347.9	203.3	628.3	488.0	349.0	212.2	339.1	722.5	159.9
Other	22,094.7	16,374.2	17,730.0	26,681.1	38,055.0	33,364.7	31,625.8	40,194.6	32,366.5	28,902.6
<b>Current Expenditure</b>	98,351.3	81,576.3	92,282.9	122,217.6	125,435.4	123,574.1	121,297.4	109,931.7	99,362.2	111,327.7
Materials & Supplies	33,366.3	25,440.7	31,456.4	39,148.5	39,975.6	34,552.7	34,841.6	26,069.8	22,947.3	25,300.0
Employment	21,353.8	19,373.8	20,168.2	23,275.3	25,741.9	25,565.2	24,649.2	28,139.5	25,410.7	25,099.5
VAT Payments	54.3	90.6	134.8	90.5	111.4	103.8	114.7	522.8	171.8	1,347.5
Local Taxes	415.3	330.2	112.8	172.2	128.8	114.0	57.2	40.9	163.9	198.2
Other <sup>1)</sup>	43,161.6	36,341.0	40,410.8	59,531.1	59,477.7	63,238.4	61,634.7	55,158.6	50,668.5	59,382.5
<b>Transfers to Central Govt.</b>	953.0	1,189.3	1,697.6	2,449.0	2,144.5	2,386.6	1,203.2	2,672.9	3,947.0	3,313.5
Taxes (Property and Corporation)	828.0	1,032.8	1,222.6	1,049.0	1,144.5	1,386.6	1,203.2	1,670.4	1,747.0	2,113.5
Dividends	125.0	156.5	475.0	1,400.0	1,000.0	1,000.0	0.0	1,002.5	2,200.0	1,200.0
<b>Primary Operating (surplus(+)/deficit(-))</b>	2,612.5	7,143.3	1,834.2	-2,574.4	7,676.2	1,604.3	427.7	15,085.2	14,589.9	-4,218.1
<b>less Interest</b>	427.7	637.2	452.9	322.8	250.4	331.7	568.6	573.2	1,521.5	1,188.8
<b>Current Cash (surplus(+)/deficit(-))</b>	2,184.9	6,506.1	1,381.4	-2,897.2	7,425.8	1,272.6	-140.9	14,512.0	13,068.4	-5,406.9
<b>Capital Expenditure</b>	8,324.3	4,867.2	4,170.7	3,667.3	5,822.7	2,897.3	1,357.3	6,433.4	1,977.0	7,549.6
<b>Overall NFPE Balance (surplus(+)/deficit(-))</b>	-6,139.4	1,638.8	-2,789.4	-6,564.5	1,603.1	-1,624.6	-1,498.1	8,078.7	11,091.4	-12,956.6
<b>Financing</b>	4,351.2	-1,794.8	-1,026.6	3,182.5	-1,603.1	1,624.7	1,498.1	-8,078.7	-11,091.4	12,956.6
<b>External Borrowing (Net) <sup>2)</sup></b>	1,478.3	1,175.2	1,854.2	-148.1	-1,351.5	742.2	2,419.6	-372.7	-1,901.2	-819.1
<b>Domestic Financing (Net)</b>	2,872.9	-2,970.0	-2,880.9	3,330.5	-251.5	882.6	-921.5	-7,706.0	-9,190.2	13,775.7
Banking System (Net)	1,774.2	1,069.7	287.4	1,233.4	9,197.5	8,936.0	5,497.5	-24,734.1	-27,196.8	25,614.3
Non-bank Fin. Inst.(Net)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Holdings of Cent. Govt Sec.	-117.9	-3,598.0	2,650.3	-3,451.0	-47.3	-311.7	-797.8	-867.9	1,498.0	2,215.5
Transfers from Cent.Govt	3,967.1	1,342.2	3,429.6	7,557.5	6,849.5	5,760.1	3,699.2	0.0	469.9	11,505.5
Special Transfers	29.0	0.0	170.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inter-Agency Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.0
Privatisation Proceeds -Guysuco land Sale	0.0	0.0	-2,078.0	-1,691.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-2,779.5	-1,783.9	-7,340.2	-318.4	-16,251.2	-13,501.8	-9,320.5	17,896.0	16,038.7	-25,579.6

Sources: State Planning Secretariat, Public Enterprises, National Insurance Scheme and Bank of Guyana

<sup>1)</sup> Includes repairs and maintenance, payments to creditors, freight, and other current expenditure.

<sup>2)</sup> External financing (net) comprise of changes in retention account and changes in foreign crop financing.

**TABLE 7-I**  
**DOMESTIC PUBLIC BONDED DEBT <sup>1)</sup>**  
**(G\$ Million)**

Period Ended	Total	Bonds	Debentures <sup>2)</sup>	CARICOM Loan <sup>3)</sup>	Treasury Bills
<b>2008</b>	74,958.8	3.4	12,742.5	595.8	61,617.1
<b>2009</b>	87,047.4	3.4	11,767.5	560.8	74,715.7
<b>2010</b>	100,489.5	3.4	6,823.5	523.2	93,139.4
<b>2011</b>	104,937.2	3.4	5,848.5	491.9	98,593.4
<b>2012</b>	93,461.9	3.4	4,873.5	456.2	88,128.8
<b>2013</b>					
Mar	97,211.9	3.4	3,898.5	456.2	92,853.8
Jun	96,919.0	3.4	3,898.5	441.9	92,575.2
Sep	90,269.3	3.4	3,898.5	441.9	85,925.6
Dec	98,815.3	3.4	3,898.5	424.7	94,488.7
<b>2014</b>					
Mar	94,915.6	3.4	3,898.5	424.7	90,589.0
Jun	87,298.8	3.4	3,898.5	408.0	82,988.9
Sep	82,698.9	3.4	3,898.5	408.0	78,389.0
Dec	78,437.7	3.4	3,898.5	390.3	74,145.6
<b>2015</b>					
Mar	78,438.0	3.4	3,898.5	390.3	74,145.8
Jun	75,867.8	3.4	3,898.5	372.5	71,593.4
Sep	78,867.9	3.4	3,898.5	372.5	74,593.5
Dec	81,693.3	3.4	3,898.5	354.8	77,436.6
<b>2016</b>					
Jan	82,193.3	3.4	3,898.5	354.8	77,936.6
Feb	82,993.4	3.4	3,898.5	354.8	78,736.7
Mar	83,997.6	3.4	3,898.5	354.8	79,740.9
Apr	83,697.6	3.4	3,898.5	354.8	79,440.9
May	81,250.3	3.4	3,898.5	354.8	76,993.6
Jun	84,439.5	3.4	3,898.5	337.0	80,200.5
Jul	86,076.0	3.4	3,898.5	337.0	81,837.0
Aug	86,076.0	3.4	3,898.5	337.0	81,837.0
Sep	90,761.8	3.4	8,781.0	337.0	81,640.4
Oct	90,761.8	3.4	8,781.0	337.0	81,640.4
Nov	90,761.5	3.4	8,781.0	337.0	81,640.1
Dec	90,571.6	3.4	8,781.0	319.3	81,468.0
<b>2017</b>					
Jan	90,327.5	3.4	8,536.9	319.3	81,468.0
Feb	90,427.3	3.4	8,536.9	319.3	81,567.8
Mar	90,433.7	3.4	8,536.9	319.3	81,574.2
Apr	90,433.7	3.4	8,536.9	319.3	81,574.2
May	90,265.8	3.4	8,536.9	319.3	81,406.3
Jun	90,247.5	3.4	8,536.9	301.6	81,405.7
Jul	90,268.9	3.4	8,536.9	301.6	81,427.1
Aug	90,268.9	3.4	8,536.9	301.6	81,427.1
Sep	89,364.2	3.4	8,536.9	301.6	80,522.4
Oct	89,364.2	3.4	8,536.9	301.6	80,522.4
Nov	88,833.9	3.4	8,536.9	301.6	79,992.1
Dec	88,816.2	3.4	8,536.9	283.8	79,992.1

Source: Bank of Guyana.

<sup>1)</sup> Excludes non-interest bearing debentures

<sup>2)</sup> In Sep. 2016, there was an issuance of 20 NIS Non-Negotiable Debenture to the amount of G\$4,882.4 million.

<sup>3)</sup> The CARICOM Loan was contracted to finance the construction of a building to house the CARICOM Secretariat.

**TABLE 7-II**  
**GOVERNMENT OF GUYANA: TREASURY BILLS**  
**BY HOLDERS**  
**(G\$ Million)**

Period Ended	Treasury Bills										
	Treasury Bills	Banking System			Non-Bank Financial Institutions	Public Sector				Private Sector	Non-Resident
		Total	Bank of Guyana	Commercial Banks		Total	Public Enterprise	National Insurance Scheme	Sinking Funds		
<b>2008</b>	61,754.5	46,174.5	1,183.3	44,991.2	10,727.2	4,850.1	-	4,850.1	-	2.9	-
<b>2009</b>	74,715.7	56,984.5	2,333.1	54,651.5	9,084.3	8,633.8	-	8,633.8	-	13.2	-
<b>2010</b>	93,139.4	66,547.1	1,032.9	65,514.2	14,833.6	11,758.2	-	11,758.2	-	0.5	-
<b>2011</b>	98,593.4	73,547.7	999.2	72,548.6	17,007.7	8,038.0	-	8,038.0	-	-	-
<b>2012</b>	88,128.8	70,253.5	996.9	69,256.6	11,063.9	6,811.4	-	6,811.4	-	-	-
<b>2013</b>											
Mar	92,853.8	79,799.6	996.8	78,802.8	6,678.0	6,376.2	-	6,376.2	-	-	-
Jun	92,575.2	79,668.3	996.4	78,671.9	6,488.9	6,418.0	-	6,418.0	-	-	-
Sep	85,925.6	74,824.6	996.8	73,827.8	4,683.0	6,418.0	-	6,418.0	-	-	-
Dec	94,488.8	83,825.3	3,497.1	80,328.2	4,183.0	6,480.5	-	6,480.5	-	0.1	-
<b>2014</b>											
Mar	90,589.0	77,825.5	2,997.3	74,828.2	6,283.0	6,480.5	-	6,480.5	-	0.1	-
Jun	82,988.9	70,659.9	1,406.3	69,253.6	6,175.0	6,154.0	-	6,154.0	-	0.1	-
Sep	78,389.0	66,860.0	1,606.4	65,253.6	5,375.0	6,154.0	-	6,154.0	-	0.1	-
Dec	74,145.6	63,540.1	1,606.5	61,933.6	4,895.0	5,710.5	-	5,710.5	-	-	-
<b>2015</b>											
Mar	74,145.8	62,540.3	1,606.7	60,933.6	5,895.0	5,710.5	-	5,710.5	-	-	-
Jun	71,593.4	60,631.6	998.0	59,633.6	6,197.8	4,764.0	-	4,764.0	-	-	-
Sep	74,593.5	62,925.4	998.1	61,927.3	6,904.2	4,764.0	-	4,764.0	-	-	-
Dec	77,436.6	65,738.5	998.1	64,740.4	6,881.1	4,807.1	-	4,807.1	-	10.0	-
<b>2016</b>											
Jan	77,936.6	66,238.5	998.1	65,240.4	6,881.1	4,807.1	-	4,807.1	-	10.0	-
Feb	78,736.7	66,478.2	998.2	65,480.1	7,441.4	4,807.1	-	4,807.1	-	10.0	-
Mar	79,740.9	67,388.2	998.2	66,390.1	7,541.4	4,811.4	-	4,811.4	-	-	-
Apr	79,440.9	67,188.2	998.2	66,190.1	7,441.4	4,811.4	-	4,811.4	-	-	-
May	76,993.6	64,877.6	998.1	63,879.6	7,249.8	4,864.2	-	4,864.2	-	2.0	-
Jun	80,200.5	68,277.6	998.1	67,279.6	7,052.5	4,868.4	-	4,868.4	-	2.0	-
Jul	81,837.0	68,277.6	998.1	67,279.6	7,052.5	6,504.9	-	6,504.9	-	2.0	-
Aug	81,837.0	68,368.5	998.1	67,370.4	6,963.7	6,504.9	-	6,504.9	-	-	-
Sep	81,640.4	68,168.5	998.1	67,170.4	6,963.7	6,508.3	-	6,508.3	-	-	-
Oct	81,640.4	68,021.4	1,201.0	66,820.4	7,313.7	6,305.3	-	6,305.3	-	-	-
Nov	81,640.1	68,354.2	1,200.8	67,153.4	6,980.6	6,305.3	-	6,305.3	-	-	-
Dec	81,468.0	68,151.1	997.7	67,153.4	6,980.6	6,336.4	-	6,336.4	-	-	-
<b>2017</b>											
Jan	81,468.0	68,151.1	997.7	67,153.4	6,980.6	6,336.4	-	6,336.4	-	-	-
Feb	81,567.8	64,650.9	997.5	63,653.4	6,580.6	10,336.4	4,000.0	6,336.4	-	-	-
Mar	81,574.2	65,268.9	997.3	64,271.6	5,962.4	10,342.9	4,000.0	6,342.9	-	-	-
Apr	81,574.2	65,021.6	997.3	64,024.3	6,209.7	10,342.9	4,000.0	6,342.9	-	-	-
May	81,406.3	64,621.2	997.3	63,623.9	6,609.7	10,175.4	4,000.0	6,175.4	-	-	-
Jun	81,405.7	64,321.2	997.3	63,323.9	6,909.2	10,175.4	4,000.0	6,175.4	-	-	-
Jul	81,427.1	63,829.6	997.3	62,832.3	7,400.8	10,196.8	4,000.0	6,196.8	-	-	-
Aug	81,427.1	64,129.6	997.3	63,132.3	7,100.8	10,196.8	4,000.0	6,196.8	-	-	-
Sep	80,522.4	64,217.0	997.3	63,219.7	7,013.4	9,292.1	4,000.0	5,292.1	-	-	-
Oct	80,522.4	64,734.1	997.3	63,736.8	6,496.3	9,292.1	4,000.0	5,292.1	-	-	-
Nov	79,992.1	64,733.8	997.3	63,736.5	6,576.3	8,682.1	4,000.0	4,682.1	-	-	-
Dec	79,992.1	64,733.8	997.3	63,736.5	6,576.3	8,682.1	4,000.0	4,682.1	-	-	-

Source: Bank of Guyana

**TABLE 7-III**  
**EXTERNAL PUBLIC DEBT**  
**(US\$ Thousand)**

Period Ended	Total Outstanding Debt	Medium & Long Term					
		Bilateral	Multilateral	Financial	Supp. Cr.	Nationalisation	Bonds
<b>2008</b>	833,661	340,155	472,678	3,895	13,417	3,484	32
<b>2009</b>	933,039	375,224	536,993	3,818	13,440	3,528	36
<b>2010</b>	1,042,877	434,427	588,091	3,383	13,408	3,533	35
<b>2011</b>	1,210,095	559,057	631,090	2,989	13,404	3,520	35
<b>2012</b>	1,358,563	665,381	673,549	2,663	13,427	3,507	36
<b>2013</b>							
1st Qtr	1,392,008	705,857	666,783	2,412	13,432	3,490	34
2nd Qtr	1,248,352	555,596	673,507	2,296	13,438	3,481	34
3rd Qtr	1,272,125	575,929	676,920	2,312	13,438	3,490	36
4th Qtr	1,246,478	510,627	716,647	2,240	13,450	3,477	37
<b>2014</b>							
1st Qtr	1,186,720	485,722	681,863	2,173	13,452	3,473	37
2nd Qtr	1,226,573	521,423	685,950	2,229	13,461	3,473	37
3rd Qtr	1,183,636	488,689	675,857	2,113	13,467	3,473	36
4th Qtr	1,216,378	505,517	691,848	2,032	13,473	3,473	35
<b>2015</b>							
1st Qtr	1,233,340	516,008	698,412	1,935	13,478	3,473	33
2nd Qtr	1,175,058	458,168	697,848	2,050	13,484	3,473	35
3rd Qtr	1,144,849	436,700	689,178	1,974	13,490	3,473	34
4th Qtr	1,143,086	432,869	692,190	1,921	12,600	3,473	33
<b>2016</b>							
1st Qtr	1,143,043	433,586	691,479	1,873	12,600	3,473	32
2nd Qtr **	1,143,515	430,872	694,798	1,742	12,600	3,473	30
3rd Qtr	1,153,792	444,043	691,929	1,780	12,539	3,473	29
4th Qtr	1,162,488	450,968	693,781	1,700	12,539	3,473	28
<b>2017</b>							
1st Qtr	1,174,197	458,566	697,871	1,720	12,539	3,473	28
2nd Qtr	1,200,737	459,676	705,930	19,090	12,540	3,473	28
3rd Qtr**	1,208,689	466,290	707,280	19,080	12,539	3,473	28
4th Qtr	1,240,593	479,872	725,515	19,165	12,539	3,473	30

Source: Ministry of Finance



**TABLE 8-I**  
**BALANCE OF PAYMENTS**  
(US\$ Million)

Item	2008	2009	2010	2011	2012	2013	2014	2015	2016 **	2017
<b>CURRENT ACCOUNT BALANCE</b>	<b>(321.4)</b>	<b>(230.6)</b>	<b>(247.4)</b>	<b>(372.2)</b>	<b>(366.7)</b>	<b>(456.0)</b>	<b>(385.2)</b>	<b>(181.5)</b>	<b>(12.4)</b>	<b>(287.4)</b>
<i>Merchandise Trade</i>										
Exports f.o.b.	801.5	768.2	885.0	1,129.1	1,415.5	1,375.2	1,167.2	1,151.3	1,434.41	1,435.86
Imports c.i.f	(1,323.6)	(1,179.4)	(1,419.1)	(1,770.5)	(1,996.7)	(1,874.9)	(1,791.3)	(1,491.6)	(1,465.16)	(1,632.05)
Trade Balance	(522.1)	(411.2)	(534.1)	(641.4)	(581.3)	(499.7)	(624.1)	(340.3)	(30.76)	(196.19)
<i>Net Services and unrequited Transfers</i>										
Non Factor Services (net)	200.7	180.6	286.7	269.2	214.6	43.8	238.9	158.9	18.3	(91.2)
Factor Services (net)	(113.3)	(102.1)	(96.9)	(136.1)	(228.6)	(338.0)	(245.4)	(282.3)	(297.5)	(361.4)
Transfers	(14.8)	(16.9)	12.8	(9.3)	24.0	28.5	26.7	24.7	(4.6)	(11.5)
	328.8	299.6	370.8	414.6	419.2	353.2	457.6	416.5	320.4	281.7
<b>CAPITAL ACCOUNT BALANCE</b>	<b>308.5</b>	<b>454.0</b>	<b>339.2</b>	<b>373.2</b>	<b>418.3</b>	<b>314.8</b>	<b>210.1</b>	<b>71.4</b>	<b>(13.2)</b>	<b>228.0</b>
<b>1. Capital Transfer (net) 1)</b>	<b>38.7</b>	<b>37.2</b>	<b>27.1</b>	<b>30.1</b>	<b>29.3</b>	<b>7.3</b>	<b>4.4</b>	<b>18.5</b>	<b>14.8</b>	<b>23.2</b>
<b>2. Medium and Long Term Capital (net)</b>	<b>275.6</b>	<b>392.9</b>	<b>309.3</b>	<b>375.4</b>	<b>454.0</b>	<b>288.6</b>	<b>263.5</b>	<b>30.3</b>	<b>(23.6)</b>	<b>203.2</b>
1. Public Sector	91.7	184.9	39.6	67.7	90.4	70.9	0.5	(94.8)	(21.8)	43.9
A. Central Gov't and Non-Financial Public Sector	141.0	92.4	89.1	146.6	243.5	160.3	96.0	(69.6)	(21.8)	43.9
Disbursements	186.6	135.2	142.0	206.2	302.1	221.4	163.4	53.6	57.7	84.1
Amortization	(45.7)	(42.7)	(52.9)	(59.6)	(58.7)	(61.1)	(67.4)	(123.1)	(79.5)	(40.2)
B. Other (net) 2)	(49.3)	92.5	(49.5)	(79.0)	(153.1)	(89.4)	(95.5)	(25.2)	-	-
2. Private Sector (net)	184.0	208.0	269.7	307.8	363.6	217.7	263.0	125.1	(1.8)	159.3
<b>3. Short Term Capital (net) 3)</b>	<b>(5.8)</b>	<b>24.0</b>	<b>2.9</b>	<b>(32.3)</b>	<b>(65.0)</b>	<b>18.9</b>	<b>(57.8)</b>	<b>22.7</b>	<b>(4.4)</b>	<b>1.6</b>
<b>ERRORS AND OMISSIONS</b>	<b>18.5</b>	<b>11.0</b>	<b>24.7</b>	<b>(16.0)</b>	<b>(18.7)</b>	<b>21.8</b>	<b>58.7</b>	<b>2.3</b>	<b>(27.7)</b>	<b>(10.2)</b>
<b>OVERALL BALANCE</b>	<b>5.6</b>	<b>234.5</b>	<b>116.5</b>	<b>(15.0)</b>	<b>32.9</b>	<b>(119.5)</b>	<b>(116.4)</b>	<b>(107.7)</b>	<b>(53.3)</b>	<b>(69.5)</b>
<b>FINANCING</b>	<b>(5.6)</b>	<b>(234.5)</b>	<b>(116.5)</b>	<b>15.0</b>	<b>-32.9</b>	<b>119.5</b>	<b>116.4</b>	<b>107.7</b>	<b>53.3</b>	<b>69.5</b>
Change in Net Foreign Assets of Bank of Guyana (-increase) 4)	(43.4)	(271.5)	(154.9)	(25.4)	(75.5)	74.0	67.9	55.7	(2.0)	12.1
Change in Non-Financial Public Sector arrears	0.0	0.0	0.0	-	-	-	-	-	-	-
Change in Private Sector Commercial arrears	0.0	0.0	0.0	-	-	-	-	-	-	-
Exceptional Financing	37.8	37.0	38.4	40.4	42.6	45.5	48.5	52.0	55.3	57.4
Debt Relief	4.7	4.5	4.3	3.6	3.3	2.8	2.5	3.1	2.6	1.9
Debt Stock Restructuring	(0.6)	(0.6)	(0.6)	(1.0)	(1.0)	(1.0)	(1.0)	-	-	-
Balance of Payments Support	0.0	0.0	0.0	-	-	-	-	-	-	-
Debt Forgiveness	33.7	33.1	34.7	37.7	40.2	43.6	47.0	48.8	52.8	55.6

Source : Bank of Guyana, Bureau of Statistics and Ministry of Finance.

<sup>1)</sup> Includes MDRI Debt Relief

<sup>2)</sup> Includes expenditures for Skeldon Modernisation Program and Berbice Bridge

<sup>3)</sup> Includes changes in Net Foreign Assets of Commercial Banks

<sup>4)</sup> Includes valuation changes

**TABLE 8-II**  
**INTERNATIONAL RESERVES AND FOREIGN ASSETS**  
**(US\$ Million)**

End Of Period	Bank Of Guyana						Commercial Banks			Banking System		
	International Reserves			Net Foreign Assets			Net Foreign Assets			Net Foreign Assets		
	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities
<b>2008</b>	298.8	355.9	57.1	264.2	355.9	91.7	194.5	241.2	46.7	458.7	597.1	138.4
<b>2009</b>	569.4	627.5	58.1	534.8	627.5	92.7	163.9	221.3	57.4	698.7	848.8	150.1
<b>2010</b>	724.4	780.0	55.6	689.7	780.0	90.3	161.0	231.6	70.6	850.7	1,011.6	160.9
<b>2011</b>	749.7	798.1	48.4	715.1	798.1	83.0	193.3	261.6	68.3	908.4	1,059.6	151.3
<b>2012</b>	825.2	862.2	37.0	790.6	862.2	71.6	257.5	313.4	55.9	1,048.1	1,175.6	127.5
<b>2013</b>												
Mar	781.1	811.6	30.6	746.5	811.6	65.1	208.5	268.9	60.4	955.0	1,080.5	125.6
Jun	701.3	732.0	30.7	666.7	732.0	65.2	221.8	279.9	58.1	888.5	1,011.9	123.4
Sep	634.0	659.5	25.6	599.4	659.5	60.2	253.1	307.5	54.4	852.5	967.0	114.5
Dec	751.2	776.9	25.7	716.6	776.9	60.3	238.6	299.9	61.2	955.3	1,076.7	121.5
<b>2014</b>												
Mar	688.5	708.6	20.0	653.9	708.6	54.6	223.1	277.0	53.9	877.0	985.6	108.6
Jun	650.4	670.5	20.0	647.0	670.5	23.5	264.9	323.7	58.8	911.9	994.2	82.3
Sep	616.6	630.3	13.7	613.1	630.3	17.2	275.6	330.6	55.0	888.8	960.9	72.2
Dec	652.2	665.6	13.4	648.7	665.6	16.9	296.4	357.6	61.1	945.2	1,023.2	78.0
<b>2015</b>												
Mar	608.7	616.4	7.7	605.3	616.4	11.1	341.8	401.6	59.8	947.0	1,018.0	71.0
Jun	619.0	626.9	7.8	615.6	626.9	11.3	326.8	384.3	57.6	942.3	1,011.2	68.9
Sep	607.2	611.1	3.9	603.8	611.1	7.4	280.5	338.2	57.7	884.3	949.4	65.1
Dec	594.7	598.5	3.8	591.2	598.5	7.3	273.7	357.1	83.4	864.9	955.7	90.7
<b>2016</b>												
Jan	621.1	624.9	3.8	617.6	624.9	7.3	283.4	354.1	70.7	901.0	979.0	78.0
Feb	639.8	642.3	2.6	636.3	642.3	6.0	289.5	361.3	71.8	925.8	1,003.6	77.8
Mar	617.7	619.0	1.3	614.3	619.0	4.8	303.5	377.2	73.7	917.7	996.2	78.4
Apr	603.3	604.6	1.3	599.9	604.6	4.8	303.4	374.6	71.3	903.2	979.3	76.1
May	611.1	612.4	1.3	607.6	612.4	4.8	310.6	381.9	71.3	918.2	994.3	76.0
Jun	633.3	634.6	1.3	629.9	634.6	4.8	311.4	380.9	69.5	941.3	1,015.5	74.2
Jul	617.4	618.6	1.3	613.9	618.6	4.8	316.2	386.2	70.0	930.1	1,004.8	74.8
Aug	613.8	615.1	1.3	610.3	615.1	4.8	317.0	392.9	75.9	927.3	1,007.9	80.6
Sep	610.4	610.4	-	606.9	610.4	3.5	314.2	388.3	74.2	921.1	998.7	77.6
Oct	625.8	625.8	-	622.3	625.8	3.5	307.6	380.2	72.6	929.9	1,006.0	76.1
Nov	623.5	623.5	-	620.0	623.5	3.5	286.7	365.1	78.4	906.7	988.6	81.8
Dec	596.7	596.7	-	593.2	596.7	3.5	278.1	355.4	77.3	871.4	952.1	80.8
<b>2017</b>												
Jan	598.9	598.9	-	595.5	598.9	3.5	273.8	352.6	78.8	869.3	951.5	82.2
Feb	594.4	594.4	-	590.9	594.4	3.5	282.0	362.2	80.1	872.9	956.5	83.6
Mar	596.3	596.3	-	592.8	596.3	3.5	255.9	333.0	77.1	848.7	929.3	80.6
Apr	589.5	589.5	-	586.0	589.5	3.5	276.4	353.8	77.5	862.4	943.3	80.9
May	591.2	591.2	-	587.7	591.2	3.5	292.0	373.1	81.1	879.7	964.3	84.6
Jun	578.4	578.4	-	574.9	578.4	3.5	287.0	371.6	84.6	861.9	950.0	88.1
Jul	578.8	578.8	-	575.4	578.8	3.5	293.8	383.9	90.1	869.2	962.7	93.6
Aug	577.6	577.6	-	574.1	577.6	3.5	291.7	384.1	92.5	865.8	961.7	95.9
Sep	579.5	579.5	-	576.0	579.5	3.5	275.7	367.9	92.1	851.7	947.3	95.6
Oct	569.4	569.4	-	566.0	569.4	3.5	283.5	379.4	95.9	849.5	948.9	99.4
Nov	562.6	562.6	-	559.1	562.6	3.5	288.0	388.1	100.1	847.1	950.7	103.6
Dec	584.0	584.0	-	580.6	584.0	3.5	276.5	380.5	104.0	857.1	964.5	107.4

Source: Bank of Guyana and Commercial Banks

**TABLE 9-I**  
**CHANGES IN BANK OF GUYANA TRANSACTION EXCHANGE RATE**  
**(US\$/G\$)**

Date							Rate
22	Feb	16	-				206.50
24	Feb	16	-	26	Feb	16	206.50
29	Feb	16	-				206.50
01	Mar	16	-	04	Mar	16	206.50
07	Mar	16	-	11	Mar	16	206.50
14	Mar	16	-	18	Mar	16	206.50
21	Mar	16	-	22	Mar	16	206.50
24	Mar	16	-				206.50
29	Mar	16	-	31	Mar	16	206.50
01	Apr	16	-				206.50
04	Apr	16	-	08	Apr	16	206.50
11	Apr	16	-	15	Apr	16	206.50
18	Apr	16	-	22	Apr	16	206.50
25	Apr	16	-	29	Apr	16	206.50
03	May	16	-	04	May	16	206.50
06	May	16	-				206.50
09	May	16	-	13	May	16	206.50
16	May	16	-	20	May	16	206.50
23	May	16	-	25	May	16	206.50
27	May	16	-				206.50
30	May	16	-	31	May	16	206.50
01	Jun	16	-	03	Jun	16	206.50
06	Jun	16	-	10	Jun	16	206.50
13	Jun	16	-	17	Jun	16	206.50
20	Jun	16	-	24	Jun	16	206.50
27	Jun	16	-	30	Jun	16	206.50
01	Jul	16	-				206.50
05	Jul	16	-	08	Jul	16	206.50
11	Jul	16	-	15	Jul	16	206.50
18	Jul	16	-	22	Jul	16	206.50
25	Jul	16	-	29	Jul	16	206.50
02	Aug	16	-	05	Aug	16	206.50
08	Aug	16	-	12	Aug	16	206.50
15	Aug	16	-	19	Aug	16	206.50
22	Aug	16	-	26	Aug	16	206.50
29	Aug	16	-	31	Aug	16	206.50
01	Sep	16	-	02	Sep	16	206.50
05	Sep	16	-	09	Sep	16	206.50
13	Sep	16	-	16	Sep	16	206.50
19	Sep	16	-	23	Sep	16	206.50
26	Sep	16	-	30	Sep	16	206.50
03	Oct	16	-	07	Oct	16	206.50
10	Oct	16	-	14	Oct	16	206.50
17	Oct	16	-	21	Oct	16	206.50
24	Oct	16	-	28	Oct	16	206.50
31	Oct	16	-				206.50
01	Nov	16	-	04	Nov	16	206.50
07	Nov	16	-	11	Nov	16	206.50
14	Nov	16	-	18	Nov	16	206.50
21	Nov	16	-	25	Nov	16	206.50
28	Nov	16	-	30	Nov	16	206.50
01	Dec	16	-	02	Dec	16	206.50
05	Dec	16	-	09	Dec	16	206.50
13	Dec	16	-	16	Dec	16	206.50

Date							Rate
19	Dec	16	-	23	Dec	16	206.50
28	Dec	16	-	30	Dec	16	206.50
03	Jan	17	-	06	Jan	17	206.50
09	Jan	17	-	13	Jan	17	206.50
16	Jan	17	-	20	Jan	17	206.50
23	Jan	17	-	27	Jan	17	206.50
30	Jan	17	-	03	Feb	17	206.50
06	Feb	17	-	10	Feb	17	206.50
13	Feb	17	-	17	Feb	17	206.50
20	Feb	17	-	24	Feb	17	206.50
27	Feb	17	-	03	Mar	17	206.50
06	Mar	17	-	10	Mar	17	206.50
14	Mar	17	-	17	Mar	17	206.50
20	Mar	17	-	24	Mar	17	206.50
27	Mar	17	-	31	Mar	17	206.50
03	Apr	17	-	07	Apr	17	206.50
10	Apr	17	-	13	Apr	17	206.50
18	Apr	17	-	21	Apr	17	206.50
24	Apr	17	-	28	Apr	17	206.50
02	May	17	-	04	May	17	206.50
08	May	17	-	12	May	17	206.50
15	May	17	-	19	May	17	206.50
22	May	17	-	25	May	17	206.50
29	May	17	-	02	Jun	17	206.50
05	Jun	17	-	09	Jun	17	206.50
12	Jun	17	-	16	Jun	17	206.50
19	Jun	17	-	23	Jun	17	206.50
26	Jun	17	-	30	Jun	17	206.50
04	Jul	17	-	07	Jul	17	206.50
10	Jul	17	-	14	Jul	17	206.50
17	Jul	17	-	21	Jul	17	206.50
24	Jul	17	-	28	Jul	17	206.50
31	Jul	17	-	04	Aug	17	206.50
07	Aug	17	-	11	Aug	17	206.50
14	Aug	17	-	18	Aug	17	206.50
21	Aug	17	-	25	Aug	17	206.50
28	Aug	17	-	31	Aug	17	206.50
04	Sep	17	-	08	Sep	17	206.50
11	Sep	17	-	15	Sep	17	206.50
18	Sep	17	-	22	Sep	17	206.50
25	Sep	17	-	29	Sep	17	206.50
02	Oct	17	-	06	Oct	17	206.50
09	Oct	17	-	13	Oct	17	206.50
16	Oct	17	-	20	Oct	17	206.50
23	Oct	17	-	27	Oct	17	206.50
30	Oct	17	-	03	Nov	17	206.50
06	Nov	17	-	10	Nov	17	206.50
13	Nov	17	-	17	Nov	17	206.50
20	Nov	17	-	24	Nov	17	206.50
27	Nov	17	-	01	Dec	17	206.50
04	Dec	17	-	08	Dec	17	206.50
11	Dec	17	-	15	Dec	17	206.50
18	Dec	17	-	22	Dec	17	206.50
27	Dec	17	-	29	Dec	17	206.50

Bank of Guyana

Note: Effective from October 1, 1991 the official exchange rate fluctuates either daily or periodically and is the average of the Telegraphic Transfer Rates of the three (3) largest Commercial Banks.

**TABLE 9-II**  
**EXCHANGE RATE**  
**(G\$/US\$)**

Guyana		
Year	Period Ended	Period Average
2008	205.25	203.63
2009	203.25	204.09
2010	203.50	203.47
2011	203.75	204.09
2012	204.50	204.53
2013		
Mar	204.50	204.72
Jun	206.00	205.65
Sep	205.50	205.32
Dec	206.25	205.85
2014		
Mar	206.50	206.33
Jun	206.50	206.50
Sep	206.50	206.48
Dec	206.50	206.50
2015		
Mar	206.50	206.50
Jun	206.50	206.50
Sep	206.50	206.50
Dec	206.50	206.50
2016		
Jan	206.50	206.50
Feb	206.50	206.50
Mar	206.50	206.50
Apr	206.50	206.50
May	206.50	206.50
Jun	206.50	206.50
Jul	206.50	206.50
Aug	206.50	206.50
Sep	206.50	206.50
Oct	206.50	206.50
Nov	206.50	206.50
Dec	206.50	206.50
2017		
Jan	206.50	206.50
Feb	206.50	206.50
Mar	206.50	206.50
Apr	206.50	206.50
May	206.50	206.50
Jun	206.50	206.50
Jul	206.50	206.50
Aug	206.50	206.50
Sep	206.50	206.50
Oct	206.50	206.50
Nov	206.50	206.50
Dec	206.50	206.50

Source: Bank of Guyana

**TABLE 10-I**  
**GROSS DOMESTIC PRODUCT, INCOME AND EXPENDITURE (AT CURRENT BASIC PRICES)**  
**(G\$ Million)**

Item	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>PRODUCT</b>										
Sugar	16,127	19,788	11,657	19,669	24,578	22,060	15,521	24,339	21,995	11,655
Rice	32,030	21,803	24,447	30,135	31,913	38,226	36,869	39,508	27,119	22,470
Other Crops	14,231	14,553	15,727	12,840	12,963	13,618	14,299	14,657	15,610	15,922
Livestock	9,704	10,898	10,171	11,970	14,980	17,088	18,747	19,853	19,173	18,842
Fishing	8,181	7,987	10,598	10,252	12,101	11,701	9,183	9,653	11,270	11,434
Forestry	11,905	12,656	14,308	13,725	13,829	15,327	22,937	20,840	14,818	14,570
Mining and Quarrying	48,306	51,809	64,302	86,691	108,993	96,227	84,031	89,131	148,901	143,497
Manufacturing	15,139	15,459	16,238	17,302	18,271	19,915	20,911	21,957	22,154	42,922
Electricity & Water	7,354	8,678	10,620	6,756	7,945	11,316	12,816	19,120	22,489	23,500
Construction	35,043	38,318	41,605	43,996	39,764	48,037	56,868	52,491	55,525	57,163
Wholesale and Retail Trade	42,591	52,372	59,487	72,894	80,477	77,090	80,925	71,317	78,900	79,104
Transportation and Storage	19,062	21,434	25,228	27,451	32,199	37,456	37,214	43,535	43,690	47,427
Information and Communication	18,661	19,202	21,548	21,747	22,400	23,968	26,365	27,129	27,699	28,474
Financial and Insurance Activities	14,887	15,034	16,609	18,827	21,551	25,986	27,678	26,460	27,026	27,465
Public Administration	32,181	33,523	34,843	39,274	43,201	47,592	53,255	55,918	57,316	59,609
Education	13,909	14,691	16,819	16,036	17,054	18,847	20,132	21,541	21,853	22,334
Health and Social Services	4,693	5,451	6,446	7,360	7,790	8,829	9,495	10,562	10,723	10,952
Real Estate Activities	3,967	4,260	4,486	4,592	5,123	5,632	5,914	6,180	6,334	6,785
Other Service Activities	11,618	12,026	14,191	16,567	18,273	19,866	22,052	23,485	23,931	26,306
<i>Less Adjustment for FISIM</i>	(11,257)	(13,101)	(15,568)	(18,094)	(19,942)	(21,833)	(21,065)	(21,443)	(22,168)	(22,259)
<b>Gross Domestic Product at Current Basic Prices</b>	<b>348,333</b>	<b>366,842</b>	<b>403,760</b>	<b>459,991</b>	<b>513,465</b>	<b>536,951</b>	<b>554,148</b>	<b>576,233</b>	<b>634,359</b>	<b>648,171</b>
Taxes on Products net of subsidies	42,031	53,565	59,150	65,563	71,319	76,702	81,229	83,993	89,222	99,576
Gross Domestic Product at Purchaser Prices	390,364	420,407	462,910	525,554	584,784	613,653	635,377	660,227	723,581	747,746

Source: Bureau of Statistics.

Note: FISIM - Financial Intermediation Services indirectly measured.

<sup>1</sup> Includes Investment of Public Enterprises.

<sup>2</sup> Includes Stock Changes.

**TABLE 10-II**  
**GROSS DOMESTIC PRODUCT (AT 2006 PRICES)**  
**(G\$ Million)**

Item	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>GDP AT CONSTANT BASIC PRICES</b>	286,732	297,086	309,382	325,457	342,630	359,822	373,849	385,270	398,199	406,723
<b>AGRICULTURE, FORESTRY AND FISHING</b>	61,277	62,838	63,490	65,268	67,637	69,230	73,167	74,863	67,140	67,408
Sugar	13,318	13,757	13,000	13,920	12,835	10,993.1	12,724	13,601	10,800	8,082
Rice	7,311	7,974	8,009	8,891	9,337	11,845.3	14,053	15,220	11,823	13,940
Other Crops	14,313	14,508	14,871	15,716	16,549	17,244.7	18,107	18,469	18,931	19,385
Livestock	7,901	8,798	8,166	8,639	9,886	10,311.6	10,612	11,233	10,593	10,293
Fishing	9,507	8,638	9,207	8,813	10,144	9,505.1	7,038	6,840	8,082	8,166
Forestry	8,927	9,161	10,238	9,289	8,886	9,330.5	10,633	9,501	6,911	7,543
<b>MINING AND QUARRYING</b>	31,612	30,506	29,532	34,363	40,381	43,656	38,722	41,890	61,208	55,798
Bauxite	7,422	5,008	4,529	6,252	7,036	6,261	5,763	4,992	5,086	5,081
Gold	17,593	20,177	20,757	24,435	29,520	32,376	26,078	30,355	47,964	43,991
Other	6,596	5,320	4,246	3,676	3,826	5,018	6,880	6,543	8,158	6,726
<b>MANUFACTURING</b>	19,895	20,748	20,802	22,219	22,748	24,550	27,179	28,667	25,933	26,972
Sugar	3,582	3,701	3,497	3,745	3,453	2,957	3,423	3,659	2,905	2,174
Rice	4,567	4,986	5,003	5,570	5,849	7,420	8,804	9,532	7,461	8,749
Other Manufacturing	11,745	12,061	12,302	12,905	13,447	14,173	14,952	15,477	15,567	16,049
<b>ELECTRICITY AND WATER</b>	5,203	5,411	5,446	5,560	5,878	6,167	6,406	6,394	6,999	7,314
<b>CONSTRUCTION</b>	28,508	28,649	31,703	32,579	28,983	35,520	41,930	37,750	40,147	44,704
<b>SERVICES</b>	148,259	156,389	166,577	175,004	188,389	192,993	199,333	209,059	210,597	218,189
Wholesale and Retail Trade	36,334	39,886	44,233	46,241	49,352	48,930	47,485	47,181	46,337	50,375
Transportation and Storage	22,353	22,148	23,673	27,042	32,143	33,422	38,001	43,336	43,653	45,336
Information and Communication	19,932	20,668	22,115	22,447	23,389	24,769	25,711	27,125	27,450	28,082
Financial and Insurance Activities	10,605	11,903	12,799	14,041	16,646	17,764	17,910	19,248	19,722	19,321
Public Administration	25,619	25,619	25,619	25,772	26,133	26,787	27,188	27,868	27,877	28,240
Education	12,937	13,564	14,187	15,141	15,474	16,016	16,650	17,279	17,545	17,896
Health and Social Services	4,849	5,782	6,268	6,508	6,709	6,977	7,243	7,509	7,590	7,779
Real Estate Activities	3,578	3,650	3,723	3,782	3,953	4,176	4,426	4,537	4,594	4,777
Other Service Activities	12,052	13,169	13,959	14,029	14,590	14,153	14,719	14,976	15,829	16,383
<b>Less Adjustment for FISIM</b>	(8,022)	(7,454)	(8,168)	(9,535)	(11,386)	(12,294)	(12,887)	(13,354)	(13,825)	(13,664)

Source: Bureau of Statistics

Note:

<sup>1</sup> FISIM - Financial Intermediation Services indirectly measured.

**TABLE 11-I**  
**INDICES OF OUTPUT OF SELECTED COMMODITIES**

Commodities	Unit	Output in 2006										
			2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
AGRICULTURE												
Sugar	Mt. Tonne	259,588	87.2	90.0	85.1	91.1	84.0	71.9	83.3	89.0	70.7	52.9
Rice	Mt. Tonne	307,036	107.3	117.2	117.6	131	137.5	174.4	206.9	224.0	174.1	205.2
Coconuts	Nuts	61,917,600	52.5	...	150.3	30.4	27.6	82.5	...	124.7	180.7	...
Cassava <sup>1</sup>	Tonnes	23,134	17.9	...	43.6	16.2	17.3	33.1	...	126.1	185.2	...
Other Ground Provisions <sup>2</sup>	"	8,552	24.7	...	165.3	44.6	87.2	74.3	...	412.2	352.4	...
Plantains	Mt. Tonne	4,069	62.8	...	524.3	116.8	225.2	374.7	...	1,708.5	3,398.3	...
Bananas	"	6,601	69.6	...	-	94.0	58.3	78.3	...	235.9	413.5	...
Mango	"	5,092	56.6	...	51.0	67.7	29.4	22.1	...	51.2	91.5	...
Pineapples	"	3,036	43.1	...	125.3	81.4	99.9	201.3	...	634.3	906.8	...
Citrus <sup>3</sup>	"	9,927	56.3	...	125.3	44.5	27.2	43.3	...	832.7	519.6	...
Cereals & Legumes	"	1,916	25.9	...	-	47.2	52.8	84.1	...	53.2	23.5	...
Eschallot	"	789	41.6	...	330.1	492.7	250.0	561.0	...	299.9	204.5	...
Hot Pepper	"	2,103	71.0	...	205.1	174.7	164.5	378.9	...	600.4	510.9	...
Bora	"	4,287	96.1	...	298.0	224.5	144.5	192.9	...	504.5	509.3	...
Tomatoes	"	4,032	48.2	...	210.4	571.5	240.9	289.1	...	532.8	473.5	...
Coffee	"	290	7.8	...	-	2.3	3.2	1.7	...	52.4	48.8	...
Poultry Meat	"	20,691	112.1	130.9	120.7	123.6	147.0	141.5	137.4	148.3	158.3	148.2
Eggs	No.	5,396,400	367.5	354.2	262.6	435.6	393.5	332.9	425.7	484.3	371.6	531.3
FISHERIES												
Fish	Tonnes	25,675	96.2	98.5	98.1	92.5	105.5	96.4	74.7	65.6	78.3	73.1
Prawns	"	1,661	56.1	45.0	56.1	22.6	30.8	39.3	48.8	30.1	24.7	35.9
Shrimp	"	16,949	208.7	98.9	123.0	123.0	150.4	142.1	175	109	124	135
FORESTS												
Greenheart & Other Logs	Cu.Mt	393,968	69.9	67.6	80.8	74.8	70.4	77.3	103.2	85.4	69.1	71.3
Sawnwood	Cu.Mt	67,569	99.1	108.2	114.7	112.7	111.9	109.0	99.4	105.0	62.3	70.9
Plywood	Cu.Mt	34,875	59.2	54.1	40.8	38.2	30.3	46.4	53.9	41.9	42.9	21.0
MINING & QUARRYING												
Bauxite:												
R.A.S.C	Tonnes	149,370	155.3	86.5	123.9	136.1	137.0	143.0	132.7	82.8	97.6	110.7
C.G.B.	"	174,506	177.3	126.3	107.7	81.2	83.3	83.3	112.7	158.7	149.5	77.8
M.A.Z	"	1,147,667	126.6	97.1	61.0	113.1	134.4	113.0	95.9	85.9	83.3	90.3
Gold	Ozs.	182,216	143.5	164.5	169.3	199.3	240.7	264.0	212.7	247.5	391.1	358.8
Diamonds	Met.cts.	340,544	49.6	42.3	14.7	15.3	12.0	18.8	29.4	34.8	41.1	15.3
MANUFACTURING												
Margarine	Kg	2,264,625	67.5	89.3	94.3	98.3	103.0	102.4	98.9	84.9	91.6	87.9
Flour	Tonnes	37,401	78.7	97.6	106.4	103.1	95.1	95.9	94.9	91.1	89.7	91.5
Biscuits	Kg	1,070,500	65.0	64.0	110.4	113.7	116.8	113.1	111.9	104.2	111.4	105.5
Areated Bev.	Ltr	39,593,700	99.3	105.2	111.5	114.3	130.1	128.0	119.4	122.1	136.0	141.5
Rum	Ltr	11,868,400	119.5	23.0	33.9	36.3	35.1	34.4	36.6	43.2	41.1	42.9
Beer & Stout	Ltr	12,196,300	94.4	96.8	114.1	134.1	127.2	142.3	156.2	161.6	169.1	173.6
Malta	Ltr	1,062,659	77.6	68.1	65.6	59.0	71.8	64.2	55.8	48.8	52.5	51.2
Stockfeeds	Tonnes	40,320	110.9	117.3	122.7	134.1	140.9	108.8	128.2	103.6	100.9	117.7
Paints	Ltr	2,403,534	103.5	98.9	104.0	119.1	114.2	112.1	111.4	101.9	110.9	116.6
Pharmaceutical Liquids	Ltr.	609,863	61.4	68.0	75.5	72.4	80.2	71.1	58.6	87.7	78.8	84.0
Electricity	M.W.H.	534,564	106.5	112.6	117.4	120.7	129.2	133.0	134.1	134.6	149.2	151.4

Sources: Ministry of Agriculture and Bureau of Statistics

Indices were rebased to 2006=100

<sup>1</sup> Includes Sweet Cassava

<sup>2</sup> Include Eddo, Yams and Sweet Potato

<sup>3</sup> Include Oranges, Grapefruit, Limes & Other Citrus

**TABLE 11-II**  
**Georgetown: Urban Consumer Price Index**

End of Period **	All Items Index	Sub-Group Indices			
		Food <sup>1</sup>	Housing <sup>2</sup>	Transportation & Communication	Miscellaneous
	(Jan 1994=100)				
2008	265.9	285.9	296.5	282.3	215.6
2009	275.6	273.7	352.7	293.2	228.2
	(Dec 2009=100)				
2010	100.5	101.3	99.9	99.1	101.9
2011	107.9	113.2	100.4	115.5	107.0
2012	111.6	124.0	100.7	114.6	111.0
2013					
Mar	111.0	120.8	100.9	117.0	111.9
Jun	111.8	123.4	100.8	117.2	112.9
Sep	112.9	125.6	100.8	120.1	112.3
Dec	112.6	124.1	100.8	121.9	112.6
2014					
Mar	112.1	123.7	100.9	119.6	113.3
Jun	112.1	123.3	100.8	119.9	115.1
Sep	113.2	124.9	100.8	118.7	125.2
Dec	113.9	126.7	100.6	121.2	120.9
2015					
Mar	111.0	122.3	99.2	117.1	120.4
Jun	111.9	124.4	99.2	118.3	120.6
Sep	112.1	125.4	98.8	117.7	121.1
Dec	111.9	125.4	98.8	117.2	120.9
2016					
Jan	111.7	124.9	98.8	117.2	120.9
Feb	111.2	124.5	98.3	116.1	121.2
Mar	111.3	124.7	98.2	116.2	121.0
Apr	111.7	125.9	98.3	116.0	121.0
May	112.8	129.2	98.3	115.9	121.0
Jun	113.0	129.4	98.7	116.6	120.7
Jul	112.8	128.8	98.7	116.8	120.7
Aug	113.1	129.7	98.7	116.7	120.8
Sep	113.1	129.6	98.7	116.8	120.8
Oct	113.1	129.8	98.8	116.8	120.9
Nov	113.2	129.8	98.8	116.7	120.9
Dec	113.5	130.7	98.8	116.7	120.9
2017					
Jan	114.3	132.6	99.1	117.6	120.6
Feb	114.6	132.7	99.1	117.4	121.9
Mar	114.1	131.2	99.0	117.3	122.5
Apr	114.0	131.2	98.9	117.4	122.5
May	114.2	132.4	98.9	117.3	119.9
Jun	114.7	133.7	98.9	117.2	120.0
Jul	115.0	134.9	98.8	117.3	119.1
Aug	115.1	135.1	98.8	117.3	119.3
Sep	115.2	135.0	98.9	117.7	119.6
Oct	115.2	134.6	99.0	117.9	119.6
Nov	115.0	133.9	99.2	118.0	119.8
Dec	115.2	134.4	99.3	118.0	119.8

Source: Bureau of Statistics

<sup>1</sup> Includes Beverages & Tobacco

<sup>2</sup> Includes Rent, Fuel & Power



**TABLE 11-III**  
**Estimated Population and Labour Force**  
**(Thousand)**

Year	Population (Mid Year) <sup>1</sup>	Population Aged 15-65 years	Labour Force
1992	712.4	433.1	261.6
1993	734.9	446.8	269.8
1994	746.0	453.6	273.9
1995	760.4	462.3	279.2
1996	770.1	468.2	282.8
1997	775.1	471.3	284.6
1998	773.4	470.2	284.0
1999	770.6	468.5	282.9
2000	742.0	451.1	272.4
2001	743.7	452.1	273.0
2002	750.7	456.4	275.6
2003	753.2	457.9	276.6
2004	755.7	459.5	277.5
2005	758.2	461.0	278.4
2006	760.7	462.5	279.3
2007	763.2	464.0	280.2
2008	766.2	465.8	281.3
2009	777.2	472.6	285.4
2010	778.1	473.1	285.7
2011	750.7	456.4	275.6
2012	748.9	455.3	279.8
2013	746.9	454.1	274.2
2014	744.6	452.7	278.2
2015	742.0	451.1	277.2
2016	743.5	452.0	277.8
2017	756.7	500.6	308.2

Sources:

<sup>1</sup> Budget Report Speeches & Bureau of Statistics.

## **GENERAL NOTES**

### **Symbols Used**

- ... Indicates that data are not available;
- Indicates that the figure is zero or less than half the final digit shown or that the item does not exist;
- Used between two period (eg: 1989-90 or July-September) to indicate the years or months covered including the beginning and the ending year or month as the case may be;
- / Used between years (eg: 1989/90) to indicate a crop year or fiscal year.
- = Means incomplete data due probably to under-reporting or partial response by respondents.
- \* Means preliminary figures.
- \*\* Means revised figures.

In some cases, the individual items do not always sum up to the totals due to rounding.

### **Acknowledgement**

The Bank of Guyana wishes to express its appreciation for the assistance received from the Ministry of Finance, State Planning Secretariat, Commercial Banks, Bureau of Statistics, some Public Corporations and other Private Sector agencies in the compilation of the data.

## **APPENDIX I**

### **LIST OF COMMERCIAL BANKS AND BRANCHES AS AT DECEMBER 31, 2017**

- 1. BANK OF BARODA (GUYANA) INC.:** 10 Regent Street & Ave. of the Republic, Georgetown  
**BRANCH**  
 (a) Mon Repos - Lot 30, Tract 'A', First Street, Mon Repos, East Coast Demerara
  
- 2. BANK OF NOVA SCOTIA:** 104 Carmichael Street, North Cummingsburg, Georgetown  
**BRANCHES**  
 (a) Robb Street - 63 Robb Street & Avenue of the Republic, Georgetown  
 (b) New Amsterdam - Lot 12 Strand, New Amsterdam, Berbice  
 (c) Parika - Lot 299 Parika Highway, East Bank Essequibo  
 (d) Bartica - Lot 42 Second Avenue, Bartica, Essequibo
  
- 3. CITIZENS BANK GUYANA INC.:** 201 Camp & Charlotte Streets, Georgetown  
**BRANCHES**  
 (a) Parika - Lot 298, Parika, East Bank Essequibo  
 (b) Bartica - Lot 16 First Avenue, Bartica, Essequibo  
 (c) Thirst Park - Banks DIH Complex, Thirst Park  
 (d) Linden - 11-12 Republic and Crabwood Street, Linden  
 (e) New Amsterdam - 18 Main & Kent Streets, New Amsterdam, Berbice
  
- 4. DEMERARA BANK LIMITED:** 214 Camp Street, North Cummingsburg, Georgetown  
**BRANCHES**  
 (a) Camp Street - 230 Camp Street & South Road, Georgetown  
 (b) Rose Hall - Lot 71 Public Road, Rose Hall, Corentyne, Berbice  
 (c) Corriverton - No. 78 Village, Corriverton, Corentyne, Berbice  
 (d) Anna Regina - 41 Second Street, Cotton Field, Anna Regina, Essequibo  
 (e) Diamond - Plot DBL, Plantation Great Diamond, E.B.D  
 (f) Le Ressouvenir - East Half Lot 3 Public Road, Area 'M' Le Ressouvenir, E.C.D
  
- 5. GUYANA BANK FOR TRADE & INDUSTRY LIMITED:** High & Young Streets, Kingston, Georgetown  
**BRANCHES**  
 (a) Regent Street - Lot 138 Regent Street, Lacytown, Georgetown  
 (b) Corriverton - Lot 211, No. 78 Village, Corriverton, Berbice  
 (c) Anna Regina - Lot 2 Anna Regina, Essequibo Coast  
 (d) Parika - Lot 300 Parika, East Bank Essequibo  
 (e) Vreed-en-Hoop - Lot 'N' Plantain Walk, Vreed-en-Hoop, West Bank Demerara  
 (f) Lethem - Lot 121 Lethem, Rupununi  
 (g) Providence - c/o Princess International Hotel (Guyana), Providence, East Bank Demerara  
 (h) Water Street - 47-48 Water Street, Georgetown  
 (i) Diamond - Diamond Public Road, East Bank Demerara  
 (j) Port Kaituma - Turn Basin, Port Kaituma  
 (k) Port Mourant - Lot 2 Area Q, Port Mourant, Corentyne Berbice  
 (l) Bartica - 59 Second Avenue, Bartica, Essequibo

## **APPENDIX I (CONT'D)**

### **LIST OF COMMERCIAL BANKS AND BRANCHES AS AT DECEMBER 31, 2017**

**6. REPUBLIC BANK (GUYANA) LIMITED:** 155-156 New Market & Waterloo Streets,  
Georgetown

**BRANCHES**

- |     |                  |   |  |
|-----|------------------|---|--|
| (a) | Water Street     | - | Lot 38-40 Water Street, Georgetown                                     |
| (b) | Camp Street      | - | Lot 78-80 Camp & Robb Streets, Georgetown                              |
| (c) | New Amsterdam    | - | 16-17 Strand, Water & New Streets, New Amsterdam, Berbice              |
| (d) | Rose Hall        | - | Lot 29A Public Road, Rose Hall, Corentyne, Berbice                     |
| (e) | Linden           | - | Lot 101-102 Republic Avenue, Retrieve, Mackenzie, Linden               |
| (f) | Corriverton      | - | Lot 5, No. 78 Village, Corriverton, Berbice                            |
| (g) | Anna Regina      | - | Lot 8 Public Road, Anna Regina, Essequibo                              |
| (h) | D'Edward Village | - | Lots 4, 5 and 6 Section 'D' N ½ D'Edward Village, West Bank<br>Berbice |
| (i) | Vreed-en-Hoop    | - | 27 Sublot 'C' Stelling Road, Vreed-en-Hoop, West Coast,<br>Demerara    |
| (j) | Diamond          | - | Plot RBL, Great Diamond, East Bank Demerara                            |
| (k) | Lethem           | - | Manari Road, Lethem, Rupununi, Upper Takatu, Essequibo                 |
| (l) | Triumph          | - | W ½ of Lot 34 and 37 Section C, Truimp, East Coast Demerara            |

## **APPENDIX II**

### **LIST OF LICENSED NON-BANK FINANCIAL INSTITUTIONS AS AT DECEMBER 31, 2017**

- |    |   |   |
|----|---|---|
| 1. | Beharry Stockbrokers Limited              | 191 Charlotte Street, Lacytown, Georgetown                              |
| 2. | Guyana Americas Merchant Bank Inc.        | GBTI's Corporate Office, High & Young Streets,<br>Kingston, Georgetown  |
| 3. | Hand-In-Hand Trust Corporation Inc.       | 62-63 Middle Street, North Cummingsburg, Georgetown                     |
| 4. | (a) New Building Society (Head Office)    | 1 North Road & Avenue of Republic, Georgetown                           |
|    | (b) New Amsterdam                         | 15-16 New Street, New Amsterdam, Berbice                                |
|    | (c) Rosignol                              | 196 Section 'A' Rosignol, West Coast Berbice                            |
|    | (d) Corriverton                           | 31 No. 78 Village, Corriverton, Corentyne, Berbice                      |
|    | (e) Linden                                | 34 'A' Republic Avenue, Mackenzie, Linden                               |
|    | (f) Anna Regina                           | 29 Henrietta, Essequibo Coast   |
|    | (g) Rose Hall                             | 26 'B' Public Road, Williamsburg, Rose Hall Town,<br>Corentyne, Berbice |
| 5. | Secure International Finance Company Inc. | 191 Charlotte Street, Lacytown, Georgetown                              |
| 6. | Trust Company (Guyana) Limited            | 18 Lamaha Street, Queenstown, Georgetown                                |

## **APPENDIX III**

### **LIST OF INSURANCE COMPANIES, BRANCHES AND AGENCIES AS AT DECEMBER 31, 2017**

**1. ASSURIA GENERAL & LIFE (GY) INC.:**

Lot 78 Church Street, South Cummingsburg, Georgetown

**BRANCHES**

- |                         |   |   |
|-------------------------|---|---|
| (a) Vreed-en-Hoop       | - | Lot RF1 Vreed-en-Hoop, West Coast Demerara      |
| (b) East Bank Demerara  | - | Lot 20 Public Road Diamond, East Bank Demerara  |
| (c) Corentyne           | - | Lot 22 'B' Williamsburg, Corentyne, Berbice     |
| (d) East Coast Demerara | - | Shop # G17A, Turkeyen, East Coast Demerara      |
| (e) Parika              | - | Pursa Mall, Lot 317 Parika, East Bank Essequibo |

**2. CARICOM GENERAL INSURANCE COMPANY INC.:**

Lot 'A' Ocean View Drive, Ruimzeight Gardens, West Coast Demerara

**BRANCHES**

- |                      |   |  |
|----------------------|---|--|
| (a) New Amsterdam    | - | Lot 3 Strand, New Amsterdam  |
| (b) Corriverton      | - | Lot 25 No. 78 Village Springlands Corentyne, Berbice                                       |
| (c) Georgetown       | - | Lot 121 Regent & Oronoque Streets, Bourda, Georgetown<br>Lot 190 Church Street, Georgetown |
| (d) Leguan           | - | Lot 2 Enterprise, Leguan   |
| (e) Mahaicony        | - | Lot 1 Columbia Mahaicony, East Coast Demerara  |
| (f) D'Edward Village | - | Lot 8 Section 'A', D'Edward Village, West Coast Berbice                                    |
| (g) Linden           | - | Lot 1 Sir David Rose & Republic Avenue, Linden   |
| (h) Essequibo        | - | Lot 1 & 2 Henrietta, Essequibo Coast   |
| (i) Bartica          | - | Lot 12 First Avenue, Bartica   |
| (j) Rose Hall        | - | Lot 55 'A' South Public Road, Corentyne, Berbice   |

**3. DEMERARA MUTUAL LIFE & FIRE ASSURANCE SOCIETY LTD:**

61-62 Avenue of the Republic & Robb Street, Georgetown

**BRANCHES**

- |                                  |   |   |
|----------------------------------|---|---|
| (a) Mahaicony                    | - | Lot 2, Section A, Zes Kenderen, Central Mahaicony,<br>East Coast Demerara |
| (b) Linden                       | - | Lot 97/98 Republic Avenue, Mackenzie, Linden                              |
| (c) Berbice                      | - | Lot 4 Wapping Lane New Amsterdam, Berbice                                 |
| (d) Corriverton                  | - | Lot 4 Springlands, Corriverton, Corentyne, Berbice.                       |
| (e) Grenada                      | - | Granby Street, St. George's, Grenada                                      |
| (f) St. Lucia                    | - | Lot 37 Chisel Street, Castries, St. Lucia                                 |
| (g) St. Vincent & the Grenadines | - | Lot 65 Grenville Street, Kingston, St. Vincent                            |

**4. DIAMOND FIRE & GENERAL INSURANCE INC.:** Lot 11 Lamaha Street, Georgetown

**BRANCHES**

- |                  |   |   |
|------------------|---|---|
| (a) Port Mourant | - | Lot 1 Port Mourant, Corentyne, Berbice (IPED Building)  |
| (b) Corriverton  | - | Lot 9 West Public Road, Springlands, Corentyne, Berbice |
| (c) Bush Lot     | - | Lot 12 Section 'C' Bush Lot Village, West Coast Berbice |

**5. FRANDEC & COMPANY INC:** Lot 126 Carmichael & Quamina Streets, Georgetown

**6. GCIS INCORPORATED:** 47 Main Street, Georgetown

## **LIST OF INSURANCE COMPANIES, BRANCHES AND AGENCIES AS AT DECEMBER 31, 2017 (CONT'D)**

### **7. HAND IN HAND MUTUAL FIRE & LIFE INSURANCE COMPANIES:**

1-4 Avenue of the Republic, Georgetown

#### **BRANCHES**

- |                      |   |  |
|----------------------|---|--|
| (a) New Amsterdam    | - | Lot 15-16 New Street, New Amsterdam, Berbice                   |
| (b) Corriverton      | - | Lot 101 Section 'H' No.78 Village Corriverton, Berbice         |
| (c) D'Edward Village | - | Lot 23 Section 'F' D'Edward Village, West Coast Berbice        |
| (d) Rosehall         | - | Lot 82 A Rosehall Town, Berbice                                |
| (e) Linden           | - | Lot 23 Republic Avenue, Mackenzie, Linden                      |
| (f) Vreed-en-Hoop    | - | Lot 4 New Road, Vreed-en-Hoop, West Coast Demerara             |
| (g) Parika           | - | Lot 699 Parika, East Bank Essequibo                            |
| (h) Essequibo Coast  | - | Lot 18 Cotton Field, Anna Regina, Essequibo Coast              |
| (i) Bartica          | - | Lot 31 First Avenue, Bartica (W.K Shopping Mall)               |
| (j) Diamond          | - | Lot M Plantation G3 Mall, Great Diamond, East Bank Demerara    |
| (k) East Coast       | - | Lot 30 Track A Mon Repos (Mall) East Coast Demerara            |
| (l) Bush Lot         | - | Lot 5 Section 'C' Bush Lot Village, West Coast Berbice         |
| (m) Soesdyke         | - | Lot X Soesdyke, East Bank Demerara (Shawnee's Service Station) |

### **8. NORTH AMERICAN LIFE, FIRE & GENERAL INSURANCE COMPANIES LTD:**

Lot 30-31 Regent & Hinck Streets, Georgetown and Lot 189 Charlotte Street, Lacytown, Georgetown

#### **BRANCHES**

- |                   |   |  |
|-------------------|---|--|
| (a) New Amsterdam | - | Lot 1 Main Street, New Amsterdam, Berbice  |
| (b) Port Mourant  | - | Lot 39 Portugese Quarter, Port Mourant, Corentyne  |
| (c) Corriverton   | - | Lot 211 Section 'A', No. 78 Village, Corentyne   |
| (d) Bush Lot      | - | Lot 16 Section 'B', Bushlot, West Coast Berbice  |
| (e) Anna Regina   | - | Lot 1 Anna Regina, Essequibo Coast   |
| (f) Parika        | - | Lot 300 Parika Highway, East Bank Essequibo  |
| (g) Vreed-en-Hoop | - | Lot 'L' Plantain Walk, Vreed-en-Hoop, West Bank Demerara   |
| (h) Linden        | - | Lot 34 'B' Republic Avenue, Mackenzie, Linden  |
| (i) Bartica       | - | Lot 31 First Avenue, Bartica (W.K Shopping Mall)   |
| (j) Lethem        | - | Lot 40 Lethem, Rupununi, Essequibo   |
| (k) Good Hope     | - | Lot E Public Road Good Hope, East Coast Demerara<br>(Kishan's Aluminum & Glass Factory Building) |
| (l) Diamond       | - | Lot 34 Public Road, North West Grove, East Bank Demerara<br>(GBTI Building)                      |
| (m) Port Kaituma  | - | Flitzburg, Port Kaituma, North West District   |
| (n) Mahaica       | - | Lot 24 Helena # 2, Mahaica   |

### **9. THE GUYANA AND TRINIDAD MUTUAL FIRE & LIFE INSURANCE COMPANIES:**

27-29 Robb & Hinck Streets, Georgetown

#### **BRANCHES**

- |                       |   |  |
|-----------------------|---|--|
| (a) Corriverton       | - | Lot 90 No. 79 Village, Corriverton, Corentyne, Berbice   |
| (b) D' Edward Village | - | Lot 24 Ketting, D' Edward Village, West Coast Berbice    |
| (c) Port Mourant      | - | Sublot 'A' Ankerville, Port Mourant, Corentyne, Berbice  |
| (d) New Amsterdam     | - | Lot 17-18 Strand, New Amsterdam, Berbice                 |
| (e) Mahaica           | - | Ramsarup's Service Station, Mahaica, East Coast Demerara |
| (f) Anna Regina       | - | Lot 6 Anna Regina, Essequibo Coast                       |
| (g) Linden            | - | Lot 24 Republic Avenue, Mackenzie, Linden                |

## **LIST OF INSURANCE COMPANIES, BRANCHES AND AGENCIES AS AT DECEMBER 31, 2017 (CONT'D)**

### **THE GUYANA AND TRINIDAD MUTUAL FIRE & LIFE INSURANCE COMPANIES (cont'd):**

#### **BRANCHES**

- |                   |   |  |
|-------------------|---|--|
| (h) Vreed-en-Hoop | - | Lot 24 Plantain Walk, Vreed-en-Hoop, West Bank Demerara      |
| (i) Bagotstown    | - | Lot 10F Bagotstown, East Bank Demerara (Harbour Bridge Mall) |
| (j) Bartica       | - | Lot 31 First Avenue, Bartica (W.K Shopping Mall)             |
| (k) Lethem        | - | Lot CB 47 Commercial Zone, Lethem, Rupununi                  |
| (l) Diamond       | - | Guyoil Service Station, Public Road, East Bank Demerara      |
| (m) St. Vincent   | - | Lot 96 Grandby Street, Kingstown, St. Vincent                |
| (n) Grenada       | - | Church Street, St. George's Grenada                          |
| (o) St. Lucia     | - | Chaussee Road & Brazil Street, Castries, St. Lucia.          |

#### **AGENCIES**

- |              |   |   |
|--------------|---|---|
| (a) Grenada  | - | Ben Lones Street, Grenville, St. Andrew, Grenada  |
| (b) Montrose | - | Lot 224 Montrose Public Road, East Coast Demerara |

### **10. MASSY UNITED INSURANCE LIMITED:**

Lot 126 'F' Carmichael Street, South Cummingsburg, Georgetown

#### **BRANCHES**

- |                |   |  |
|----------------|---|--|
| (a) Providence | - | Massy Stores, Amazonian Mall, Providence, East Bank Demerara |
|----------------|---|--|

### **11. THE NEW INDIA ASSURANCE COMPANY (TRINIDAD & TOBAGO) LIMITED:**

58 B Brickdam, Georgetown

## **APPENDIX IV**

### **LIST OF LICENSED FOREIGN CURRENCY DEALERS AS AT DECEMBER 31, 2017**

- |   |   |   |
|---|---|---|
| 1. A & N Sarjoo Cambio                        | - | 15-16 America Street, Georgetown                      |
| 2. Bank of Baroda (Guyana) Inc.               | - | 10 Regent Street & Ave. of the Republic, Georgetown   |
| 3. (a) Bank of Nova Scotia (Head Office)      | - | 104 Carmichael Street, North Cummingsburg, Georgetown |
| (b) Robb Street                               | - | 63 Robb Street & Avenue of the Republic, Georgetown   |
| (c) New Amsterdam                             | - | Lot 12 Strand, New Amsterdam, Berbice                 |
| (d) Parika                                    | - | Lot 299 E ½ Parika Highway, Essequibo                 |
| (e) Bartica                                   | - | Lot 43 Second Ave., Bartica, Essequibo River          |
| 4. Cambio Royale                              | - | 48 Robb Street, Lacytown, Georgetown                  |
| 5. (a)Citizens Bank Guyana Inc. (Head Office) | - | 201 Camp & Charlotte Streets, Georgetown              |
| (b) Parika                                    | - | Lot 298, Parika, East Bank Essequibo                  |
| (c) Bartica                                   | - | Lot 16 First Avenue, Bartica, Essequibo               |
| (d) Linden                                    | - | Lot 11-12 Republic Avenue and Crabwood Street, Linden |
| (e) New Amsterdam                             | - | 18 Main & Kent Streets, New Amsterdam, Berbice        |
| (f) Thirst Park                               | - | Thirst Park, Georgetown.                              |

**LIST OF LICENSED FOREIGN CURRENCY DEALERS AS AT DECEMBER 31, 2017  
(CONT'D)**

6. Commerce House Cambio	-	93 Regent Street, Lacytown, Georgetown
7. Confidential Cambio	-	29 Lombard Street, Werk-en-Rust, Georgetown
8. (a) Demerara Bank Limited (Head Office)	-	214 Camp Street, North Cummingsburg, Georgetown
(b) Rose Hall	-	Lot 71 Public Road, Rose Hall, Corentyne, Berbice
(c) Corriverton	-	No. 78 Village, Corriverton, Corentyne, Berbice
(d) Anna Regina	-	Lot 41 Second Street, Cotton Field, Anna Regina, Essequibo
(e) Diamond	-	Plot DBL, Plantation Great Diamond, E.B.D
(f) Le Ressouvenir	-	East Half Lot 3 Public Road, Area 'M' Le Ressouvenir, E.C.D
(g) Camp Street	-	230 Camp Street & South Road, Georgetown
9. F&F Foreign Exchange Enterprise Cambio	-	25 'A' Water Street, Georgetown
10. (a) Guyana Bank for Trade & Industry Limited (Head Office)	-	High & Young Streets, Kingston, Georgetown
(b) Regent Street	-	138 Regent Street, Lacytown, Georgetown
(c) Corriverton	-	Lot 211, No. 78 Village, Corriverton, Berbice
(d) Anna Regina	-	Lot 2 Anna Regina, Essequibo Coast
(e) Parika	-	Lot 300 Parika, East Bank Essequibo
(f) Vreed-en-Hoop	-	Lot 'N' Plantain Walk, Vreed-en-Hoop, West Bank Demerara
(g) Lethem	-	Barrack Retreat, Lethem, Rupununi
(h) Providence	-	c/o Princess Internation Hotel (Guyana), Providence, East Bank Demerara
(i) Water Street	-	47-48 Water Street, Georgetown
(j) Diamond	-	Lot 34 Grove Public Road, Great Diamond, E.B.D
(k) Bartica	-	Lot 59 Second Avenue, Essequibo River, Bartica
(l) Corentyne	-	Lot 2 Area Q, Port Mourant, Corentyne, Berbice
11. Gobind Variety Store & Cambio	-	96 Regent Street, Lacytown, Georgetown
12. Hand-in-Hand Trust Corporation Inc.	-	62-63 Middle Street, North Cummingsburg, Georgetown
13. L. Mahabeer & Son Cambio	-	124 King Street, Lacytown, Georgetown
14. Martina's Cambio	-	19 Hinck Street, Robbstown, Georgetown
15. Dollar Empire Inc.	-	20 Regent Street, Robbstown, Georgetown
16. (a) Republic Bank (Guyana) Limited (Head Office)	-	155-156 New Market Street, Georgetown
(b) Main Branch	-	Lot 38-40 Water Street, Georgetown
(c) Camp Street	-	Lot 78-80 Camp & Robb Streets, Georgetown
(d) New Amsterdam	-	16-17 Strand, Water & New Streets, New Amsterdam, Berbice
(e) Rose Hall	-	Lot 29A Public Road, Rose Hall, Corentyne, Berbice
(f) Linden	-	Lot 101-102 Republic Avenue, Retrieve, Mackenzie, Linden



**LIST OF LICENSED FOREIGN CURRENCY DEALERS AS AT DECEMBER 31, 2017  
(CONT'D)**

(g) Corriverton	-	Lot 5, No. 78 Village, Corriverton, Berbice
(h) Anna Regina	-	Lot 8 Public Road, Anna Regina, Essequibo
(i) Rosignol	-	31-32 Public Road, Rosignol, West Bank Berbice
(j) Vreed-en-Hoop	-	Lot 27 Sublot 'C' Stelling Road, Vreed-en-Hoop, W.C.D
(k) Diamond	-	Plot RBL, Great Diamond, East Bank Demerara
(l) Lethem	-	Manari Road, Lethem, Rupununi, Upper Takatu, Essequibo
17. R. Sookraj Cambio	-	108 Regent Street, Lacytown, Georgetown
18. Salt & Pepper Cambio	-	Lot 144 Regent Road, Bourda, Georgetown
19. El Dorado Trading	-	Lot 3 Anna Regina, Essequibo Coast

**APPENDIX V**

**LIST OF LICENSED MONEY TRANSFER AGENCIES AS AT DECEMBER 31, 2017**

<b>No.</b>	<b>Name</b>	<b>Address of Licensed Premises</b>	<b>No. of Agents</b>
1.	Excel Capital Inc.	138 Light & Sixth Streets, Albertain, Georgetown	--
2.	Grace Kennedy Remittance Services (Guyana) Limited	19C Water Street, South Cummingsburg, Georgetown	54
3.	Laparkan Financial Services Limited	William Fogartys' Building, 34-37 Water Street, Georgetown	52
4.	Massy Services (Guyana) Limited	Lot 5 Ruimveldt, Georgetown	47
5.	First Global Money (Guyana) Inc.	230 Camp Street, Lacytown, Georgetown	66

## **BANK OF GUYANA**

1 Avenue of the Republic,  
P. O. Box 1003,  
Georgetown  
Guyana

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