BANK OF GUYANA

Annual Report

BANK OF GUYANA

2018

CONTENT

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

March 29, 2019

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 2018, 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 2018 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,

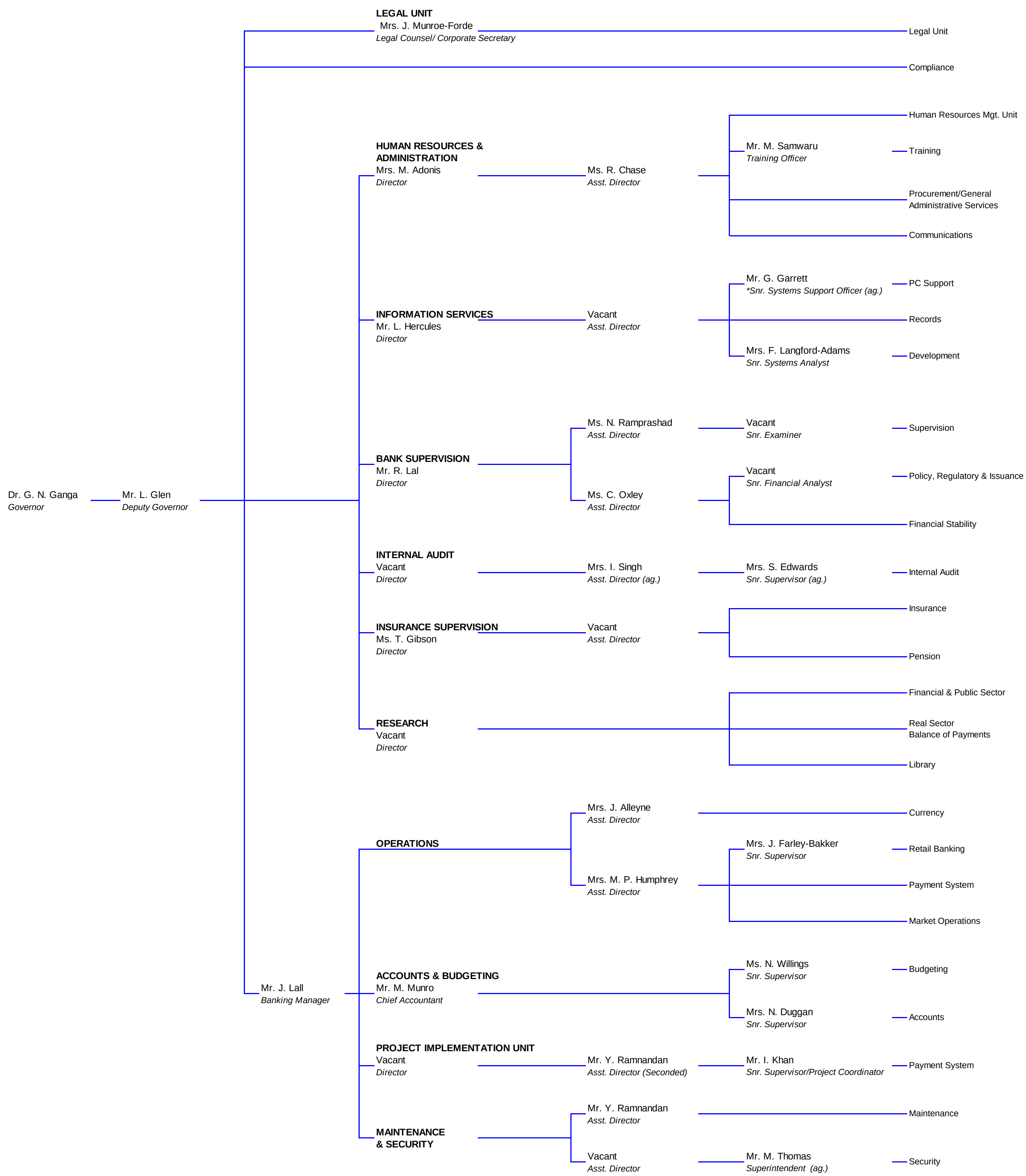
Signed
Dr. Gobind N. Ganga
Governor

BOARD OF DIRECTORS DURING 2018

Dr. Gobind Ganga (Chairman)
Mr. Leslie Glen (Deputy Chairman)
Dr. Maurice Odle
Dr. Patrick Kendall
Mr. Rawle Lucas
Mrs. Sharon Roopchand-Edwards
Ms. Sonya Roopnauth (Ex-Officio Member)
Mrs. Jeanenime Munroe-Forde (Corporate Secretary)

ORGANISATION OF THE BANK

as at December 31, 2018



** Ms. M. Mc Pherson has been seconded to e-Government*

INTRODUCTION

The fifty-fourth 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

1. SUMMARY

Global economic growth remained steady at 3.7 percent in 2018 and is projected to decline to 3.5 percent in 2019. Growth in advanced economies declined, reflecting weaker performance in the Euro Area and the UK. The Euro Area experienced reduced domestic demand and political uncertainty. The United Kingdom experienced declining growth as the effects of Brexit continue to take a toll on the economy. Emerging and developing economies' growth declined due to decreased internal demand and volatile commodity markets, respectively. Inflation increased on account of high food and energy prices while unemployment rates were largely unchanged in most of the world economies.

Guyana's economic growth rate was stronger at 4.1 percent for 2018 when compared to the 2.1 percent growth in 2017. This outturn was on account of higher production of bauxite, livestock, forestry and other crops as well as increases in construction, manufacturing and service activities. Favourable commodity prices, greater investment expenditure and moderate domestic demand were major factors influencing growth. However, the output of sugar, rice, gold and fishing declined, reflecting poor weather and road conditions as well as lower domestic demand from regulatory requirements. The urban inflation rate was contained at 1.6 percent, despite moderate increases in the prices of food and fuel.

The overall balance of payments deficit widened due to a relatively larger current account deficit, reflecting foreign direct investments (FDIs) in the oil and gas sector for both merchandise and service imports. The capital account surplus resulted from higher inflows to the private sector in the form of FDIs and to the Non-Financial Public Sector in the form of disbursements. The overall deficit was financed from the gross foreign reserves of the Bank of Guyana and debt forgiveness. Gross international reserves was equivalent to approximately 2.3 months of import cover.

The total volume of foreign exchange transactions increased by 19.6 percent to US$8,548.1 million. The market was impacted by increases in transactions in most segments – licensed bank and non-bank cambios, as well as hard currency and foreign currency accounts. Money transfer transactions were valued at US$276.1 million or 0.9 percent below the 2017 level. There was a net purchase of US$146.0 million in the market enabling the Guyana dollar to remain stable against the United States dollar at G$208.50.

The public sector total financial operations recorded a reduced deficit in 2018, owing to expansions in Central Government's current revenues that outweighed current expenditures. However, the Non-Financial Public Enterprises' (NFPEs) balance further deteriorated from its 2017 position due to heightened current expenditures. Budget 2019 states that Central Government fiscal deficit is estimated to increase significantly from higher current and capital spending, while the NFPEs' overall deficit is estimated to decline on account of larger increments in current receipt relative to the increase in current expenses.

The total stock of government's public debt increased by 1.5 percent, representing 43.9 percent of Gross Domestic Product (GDP). The stock of government's domestic bonded debt, which represented 10.0 percent of GDP, declined by 9.3 percent during the review period. This outturn reflected a reduction in the issuance of treasury bills coupled with the redemption of the second National Insurance Scheme (NIS) debenture certificate. The stock of external debt increased by 5.5 percent and accounted for 33.9 percent of GDP. The increase in the external debt stock reflected higher disbursements received mainly from the International Development Association (IDA) and the Inter-American Development Bank (IADB) for project financing.

The monetary aggregates of reserve and broad money grew by 14.4 percent and 7.5 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 and other items (net)[1]. Credit to both the public and private sectors increased by 94.8 percent and 4.2 percent respectively. Commercial banks' interest rates were lower during the review period. The financial resources of Non-Bank Financial Institutions (NBFIs), which include depository and non-depository licensed and unlicensed financial institutions, expanded by 14.3 percent or G$33,458 million to G$268,242 million. The sector's share of total assets in the financial sector increased from 33.3 percent to 34.8 percent.

The Bank of Guyana's Financial Stability Committee continuously assesses a number of risk indicators pertinent to the financial and economic systems. The technicalities are mainly manoeuvred through its financial stability frameworks to ceaselessly help build financial system resilience. The Bank views the analytics of micro and macro prudential indicators, banking stress tests and macroeconomic data to be critical for all Licensed Depository Financial Institutions (LDFIs) in its comprehensive framework. In addition, the Bank extended the framework to include analyses of the insurance and pension sectors' soundness indicators. In 2018, the results from the framework suggested that risks to the financial system increased but were at controllable levels.

The eight LDFIs maintained high levels of capital and recorded greater profits when compared with the previous year. The Capital Adequacy Ratio (CAR) remained above the prudential 8.0 percent benchmark by an average 29.4 percentage points. The loan portfolio grew by 4.2 percent but non-performing loans deteriorated by 2.6 percent. Notwithstanding, the LDFIs generally held adequate provision and collateral against adversely classified loans.

The insurance sector, which comprises long-term insurance and general insurance, accounted for 7.8 percent of total financial assets and 29 percent of non-bank assets as at December 31, 2018. 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 2016. The insurance sector's assets accounted for 9.4 percent of the country's GDP. Potential risks stirring from the volatile global conditions were prudently managed and had no major adverse effect on the industry.

The private pension sector continued to experience consistent growth while maintaining its prominence as an institutional investor with a relatively low penetration rate and impact to systemic risk. In 2018, total assets in the sector increased and accounted for 8.0 percent of GDP, 6.5 percent of the total financial sector's assets and 24.1 percent of those of the NBFIs. Pension plans experienced sufficient solvency levels with an average of 147.6 percent recorded for the sector, which indicated that total pension obligations were fully backed by total assets to meet promised benefits with a corresponding asset reserve of more than 40 percent.

The Bank of Guyana received support from the World Bank to the tune of US$6 million to modernize Guyana's Payment System infrastructure. This entailed implementing a new Payments System Act with supporting regulations and modernization of the Payment System infrastructure. The latter include the implementation of a Real Time Gross Settlement (RTGS) and a Central Securities Depository (CSD) systems. The modernization efforts from paper-based

[1] Includes commercial banks' undistributed profits.

instruments to electronic payments will result in significant cost savings and efficiency improvements while reducing operational, credit, legal, liquidity investment and custody risks.

The conduct of monetary policy remained focused on price stability, ensuring an adequate level of liquidity in the banking system and creating an enabling environment for credit and economic growth. Bank of Guyana utilised the issuance of treasury bills and foreign exchange intervention as the variable tools of monetary policy, while the reserve requirement ratio remained fixed at 12.0 percent and the discount rate was unchanged at 5.0 percent. At the end of December 2018, there was a net redemption of G$56.9 billion in government treasury bills issued for monetary purpose, while the Bank transacted net-purchases in foreign currencies of US$178.2 million. In addition, the Bank facilitated efficient intermediation through the issuance of notes and coins as well as promotion of an enhanced payment system operation.

Global growth in 2019 is projected to decline to 3.5 percent, partly because of the negative effects of tariff increases enacted in the US and China. Growth in advanced economies is expected to decline to 2.3 percent. Additionally, economic expansion in emerging markets and developing economies is expected to hold steadfast in 2019 at 4.5 percent. Latin America and the Caribbean is expecting growth of 2.0 percent in 2019. The 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 2019 shows an expansion to 2.0 percent.

The economy is projected to grow by 4.4 percent at the end of 2019 on account of growth in the major economic sectors. The agriculture sector is expected to increase by 3.2 percent, due to the increases in other crops by 4.0 percent, production of rice by 3.4 percent and the output of sugar by 3.2 percent. The mining & quarrying sector is forecasted to expand by 3.4 percent due to increases in the production of bauxite by 10.0 percent and gold by 1.7 percent. The services industry is estimated to grow by 3.7 percent on account of higher outturns of wholesale & retail trade by 5.0 percent and transportation & storage activities by 3.5 percent. The construction and manufacturing industries are projected to increase by 10.5 percent and 3.8 percent respectively. The inflation rate is forecasted at 2.5 percent on account of moderate increases in food and fuel prices. ❐

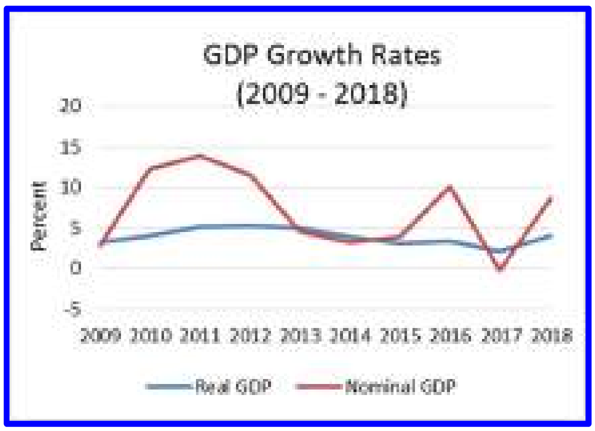
2. PRODUCTION, AGGREGATE EXPENDITURE, EMPLOYMENT AND INFLATION

Guyana's economic growth rate was stronger at 4.1 percent for 2018 when compared to the 2.1 percent growth in 2017. This outturn was on account of higher production of bauxite, livestock, forestry and other crops as well as increases in construction, manufacturing and service activities. Favourable commodity prices, greater investment expenditure and moderate domestic demand were major factors influencing growth. However, the output of sugar, rice, gold and fishing declined, reflecting poor weather and road conditions as well as lower domestic demand from regulatory requirements. The urban inflation rate was contained at 1.6 percent, despite moderate increases in the prices of food and fuel.

GROSS DOMESTIC PRODUCT (GDP)

Real and nominal GDP grew by 4.1 percent and 8.8 percent respectively. This outcome was due to higher production of bauxite, livestock, forestry and other crops as well as increases in the activities of construction, manufacturing, wholesale & retail trade, rental of dwellings and other services. In contrast, the output of sugar, rice, gold and fishing declined.

Figure I



In terms of the sectoral composition of real GDP, there were marginal movements in most industries from the 2017 level. The contribution of services and construction activities increased to 53.8 percent and 11.7 percent relative to 53.7 percent and 11.0 percent respectively at end-2017. Conversely, the agriculture and mining sectors' contribution fell to 16.1 percent and 13.6 percent after registering 16.6 percent and 13.7 percent respectively in 2017. Manufacturing and electricity & water activities declined to 6.4 percent and 1.7 percent respectively from 6.6 percent and 1.8 percent respectively in 2017.

PRODUCTION

Agriculture, Fishing and Forestry

The agriculture sector expanded by 1.5 percent compared to the 0.4 percent growth in 2017. Agricultural growth was buoyed by higher output of livestock, forestry and other crops, which more than offset the shortfalls in sugar, rice and fishing output.

Table I

Selected Production Indicators Agriculture, Fishing & Forestry			
Commodity	**2016**	**2017**	**2018**
Sugar (tonnes)	183,491	137,307	104,642
Rice (tonnes)	534,450	630,104	626,684
Fish (tonnes)	20,296	18,777	18,549
Shrimp (tonnes)	21,351	23,399	21,941
Poultry (tonnes)	32,763	30,668	41,922
Eggs ('000)	20,052	28,673	32,077
Total logs (cu.mt.)	272,309	280,889	293,081
Sawnwood (cu.mt.)	42,082	47,935	44,539
Plywood (cu. mt.)	14,956	7,334	14,572

Sugar

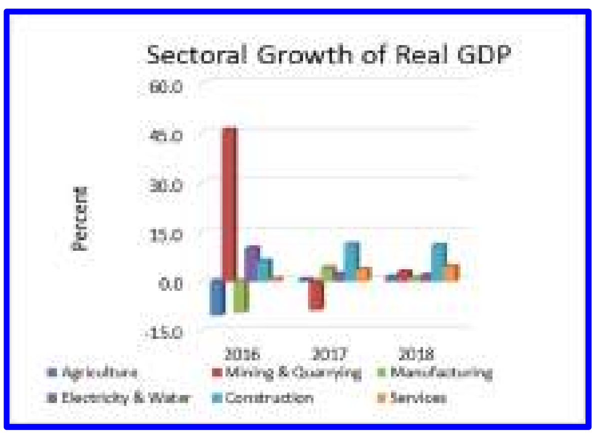
Sugar output decreased by 23.8 percent and represented 90.6 percent of the targeted amount of 115,447 tonnes for 2018. This outturn was due to structural reforms of GUYSUCO, unfavourable weather conditions and lesser supply of quality canes. Output was lower in both the first half and latter half of 2018 by 30.6 percent at 34,451 tonnes and 20.0 percent at 70,191 tonnes respectively.

Rice

Rice production declined by 0.5 percent to approximately 626,684 tonnes, which was 101.5 percent of the targeted amount of 617,353 tonnes for 2018. This outcome stemmed from poor weather conditions, paddy bug infestation, lesser hectares harvested and lower crop investments.

In the first half of 2018, output of rice was 3.8 percent lower than the 2017 level and was 52.6 percent of the overall production. Acreage harvested reduced by 4.1 percent to 86,631 hectares compared with 90,341 hectares in 2017. Further, during the second half of 2018, production was 297,173 tonnes. Acreage harvested decreased by 1.7 percent to 80,528 hectares compared with 81,914 hectares in 2017.

Figure II



Fishing and Livestock

The fishing sub-sector declined by 6.2 percent compared with a 1.0 percent growth in 2017. The overall amount of shrimp and fish catches decreased by 6.2 percent and 1.2 percent respectively, attributed to market challenges, the implementation of rigorous international certification requirements and increased seaweed infestation.

The livestock sub-sector expanded by 23.1 percent from a decline of 2.8 percent in 2017. This performance was due to increased output of poultry meat and eggs by 36.7 percent and 11. 9percent respectively, resulting from strong consumer demand. Livestock growth was also driven by higher pork and beef production of 21.6 percent and 0.7 percent, respectively due to enhanced production practices and better breeds.

Forestry

Output of roundwood and total logs increased by 13.4 percent and 4.3 percent respectively, on account of favourable demand in the construction industry and improved foreign market conditions. However, the output of sawnwood declined by 7.1 percent, attributed to poor road and weather conditions.

Mining and Quarrying

The mining sector improved by 2.9 percent following an 8.8 percent decline in 2017. This outturn was due to the increase in bauxite output and quarrying activities which offset the shortfall in gold declarations

Bauxite

Output of bauxite increased by 31.9 percent and represented 101.4 percent of the targeted amount of 1,897,205 tonnes for 2018. The bauxite industry experienced greater production of Metal Grade (MAZ), Chemical Grade (CGB) and Refractory Grade (RASC) bauxite by 34.4 percent, 29.2 percent and 9.6 percent respectively, as a result of stable demand.

Table II

Selected Production Indicators Mining & Quarrying			
Commodity	**2016**	**2017**	**2018**
Bauxite (tonnes)	1,479,090	1,459,223	1,924,558
RASC	145,725	165,404	181,272
CGB	260,865	135,827	175,465
MAZ	955,499	1,036,579	1,393,389
Gold (oz)	712,706	653,753	613,073
Diamond (mt. ct.)	139,890	52,161	62,111
Stone (tonnes)	412,177	448,161	637,708

Gold and Diamonds

Total gold declaration declined by 6.2 percent and represented 83.3 percent of the targeted amount of 736,000 troy ounces for 2018. This level of production reflected lower declarations from small & medium scale miners by 14.5 percent. The local gold mining industry was hampered by increased smuggling activities and impassable roads in the hinterland regions, caused by heavy rainfall which delayed maintenance works. In contrast, the two large foreign gold mining companies' combined production increased by 8.6 percent. This higher declaration was due to increased output of Troy Resources Ltd. by 37.3 percent while the output of Guyana Goldfields Inc. declined by 2.7 percent, owing to higher operational costs. The foreign companies' share of overall declarations was higher at 41.5 percent compared to 35.8 percent last year.

Total diamond declaration increased by 19.1 percent to 62,111 carats, due to favourable market demand and an increase in average export price by 5.8 percent to US$180.1 per metric carat from US$170.3 per metric carat end-2017.

Manufacturing

Manufacturing output increased marginally by 1.0 percent, relative to the 4.2 percent growth in 2017. This outturn was due to increased production of light manufacturing products and rice milling by 5.2 percent and 0.2 percent respectively. However, sugar value added was lower by 28.6 percent.

Manufacturing goods grew on account of increased production of stockfeed, paints, liquid pharmaceuticals and alcoholic beverages by 11.8 percent, 6.5 percent, 4.5 percent and 3.8 percent respectively due to higher market demand.

Table III

Selected Production Indicators Manufacturing			
Commodity	**2016**	**2017**	**2018**
Alcoholic Beverages ('000 litres)	26,176	26,907	27,938
Malta ('000 litres)	558	544	566
Non-Alcoholic Beverages ('000 litres)	53,853	56,040	49,844
Liquid Pharmaceuticals ('000 litres)	481	512	536
Paints ('000 litres)	2,666	2,802	2,982
Electricity ('000 MWH)	790	809	823

Construction

The construction industry experienced growth of 11.0 percent after registering 11.4 percent increase in 2017. This outturn was bolstered by greater investments in private construction, such as residential houses.

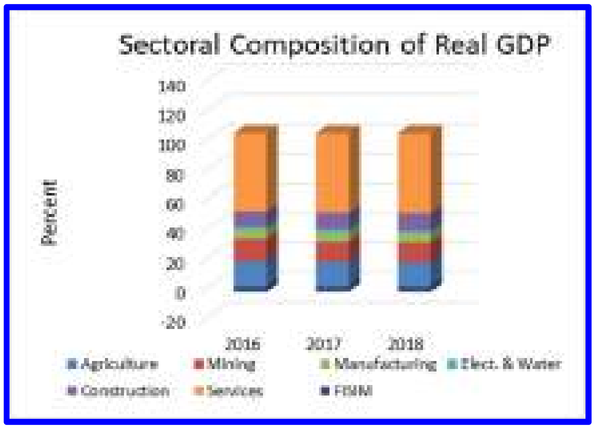
Electricity and Water

The electricity & water industry expanded by 2.0 percent relative to the 2.3 percent expansion in 2017. Electricity generation increased by 1.7 percent to 823,223 megawatt hours.

Services

The services sector, which accounted for 53.7 percent of GDP in 2018, grew by 4.5 percent relative to 3.6 percent growth the previous year. This outcome reflected increased activities of wholesale & retail trade, rental of dwellings, financial and insurance as well as other services by 8.1 percent, 7.5 percent, 5.2 percent and 14.0 percent respectively.

Figure III



Wholesale & retail trade grew by 8.1 percent compared with 8.7 percent expansion in 2017. This was fuelled by an upsurge in imports of consumption goods by 1.8 percent.

Rental of dwellings increased by 7.5 percent compared with a 5.0 percent growth in 2017, due to increased rentals from visitors attending social & cultural events and oil & gas related activities.

Financial & insurance activities rebounded to grow by 5.2 percent compared with a 2.0 percent decline at end-2017. This performance reflected higher credit for distribution and real estate activities.

Other service activities expanded by 14.0 percent relative to the 3.5 percent growth end-2017 due to social and cultural activities in the first half of 2018 alongside seasonal demand.

AGGREGATE EXPENDITURE

Aggregate expenditure increased by 10.7 percent to G$942.8 billion from G$851.3 billion in 2017. Total share of investment expenditure increased to 36.6 percent from 26.6 percent at end-2017. In contrast, total consumption expenditure as a share of aggregate expenditure decreased to 63.4 percent from 73.4 percent in 2017.

The resource gap (the difference between GDP at purchaser prices and aggregate expenditure as a percentage of GDP at purchaser prices) widened to 17.0 percent from 16.0 percent end-2017.

Table IV

Aggregate Expenditure (Base Year: 2006=100) G$ Billion	2016	2017	2018
GDP at Market Price	723.6	734.2	805.7
Expenditure	786.7	851.3	942.8
Investment	214.4	226.6	345.0
Private	157.3	163.2	281.6
Public	57.1	63.4	63.4
Consumption	572.3	624.7	597.8
Private	448.4	498.5	454.1
Public	123.9	126.2	143.7
Resource Gap	63.1	117.1	137.1

Total Consumption Expenditure

Total consumption expenditure decreased by 4.3 percent to G$597.8 billion and represented 74.2 percent of GDP at purchaser prices. Private and public consumption expenditure represented 48.2 percent and 15.2 percent respectively of aggregate expenditure.

Private Consumption Expenditure

Private consumption expenditure decreased by 8.9 percent to G$454.1 billion, attributed to lower income earnings in the gold, sugar and fishing industries.

Public Consumption Expenditure

Public consumption expenditure increased by 13.9 percent to G$143.7 billion from G$126.2 billion in 2017. This was attributed to increased expenditure on employment costs, goods & services and transfer payments.

Total Investment Expenditure

Total investment expenditure increased by 52.2 percent to G$345.0 billion and represented 42.8 percent of GDP at purchaser prices. Private and public investment expenditure as a share of aggregate expenditure represented 29.9 percent and 6.7 percent respectively.

Private Investment Expenditure

Private investment expenditure increased by 72.6 percent to G$281.7 billion. This performance was attributed to improved investments in the housing and distribution sectors.

Public Investment Expenditure

Public investment expenditure decreased marginally by 0.1 percent to G$63.36 billion from G$63.43 billion in 2017. This outturn was attributed to lesser disbursements for capital projects.

EMPLOYMENT, EARNINGS & INFLATION

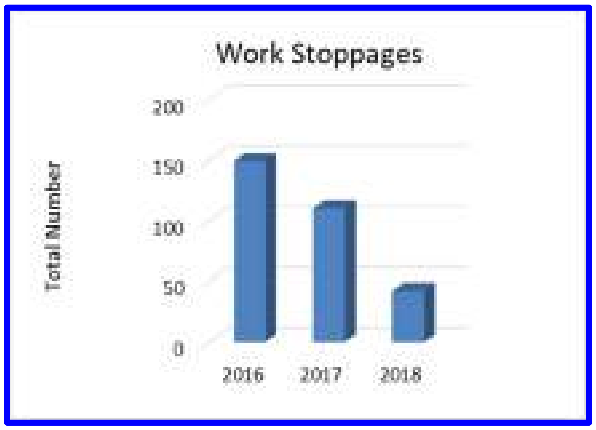
Employment

Public sector employment declined by 11.1 percent at end-2018. There was lower recruitment in the core civil services by 0.5 percent, which represented 63.1 percent of total public sector employment. In the rest of the public sector, employment fell by 29.4 percent. Employment in public corporations contracted on account of lower recruitment by GUYSUCO and financial institutions by 39.2 percent and 0.6 percent respectively.

Although private sector employment data is unavailable, developments were mixed in the private labour market. The distribution, construction, transportation & storage and other services industries experienced job creation. Conversely, the local gold mining and fishing industries experienced reduced employment.

Industrial unrest decreased in 2018; the number of strikes decreased to approximately 44 from 110 in 2017. GUYSUCO was accountable for most of the strikes, which were related to wages, working conditions and other disputes. When compared with 2017, there were lower total man–days lost by 58.0 percent to 10,449 from 24,892 and wages lost fell by 56.9 percent to G$28.7 million from G$66.5 million. The reduced loss of man-days and wages in 2018 was attributed to the downsized operations at Rose Hall, Wales, Skeldon and Enmore Sugar Estates.

Figure IV



Earnings

During late 2018, the government awarded public servants salary increases ranging from 0.5 percent for the highest scale, that is G$1.0 million and above per month, to 7.0 percent on the lowest scale, that is up to G$100,000 per month. Public servants who earned salaries between G$100,000 and G$299,999 per month gained an increase of 6.5 percent, while those earning salaries between G$300,000 and G$499,999 per month gained an increase of 5.0 percent. The salary increases were retroactive from January 1st, 2018 and was free of income tax.

The public sector monthly minimum wage increased to G$64,200 per month. The income tax threshold remained at G$60,000. Central Government employment cost as a percent of GDP at purchaser prices remained approximately the same at 7.4 percent at end-2018 from end-2017's position.

Inflation

Consumer prices measured by the Urban Consumer Price Index (CPI) registered an inflation of 1.6 percent relative to 1.5 percent end-2017. The monthly average inflation rate was 0.8 percent. The monthly change (year to date) in the Consumer Price level ranged from as low as -0.4 percent in April to a high of 1.8 percent in October.

The domestic basket of food cost increased by 3.0 percent, which reflected higher prices of fruits, meat, fish & eggs, alcoholic beverages & intoxicants and milk & milk products by 10.9 percent, 8.2 percent, 4.2 percent and 2.3 percent respectively. The unpredictable weather conditions influenced food cost. Conversely, there were declines in the prices of pulse & pulse products, vegetables, sugar, honey & related products and cereals by 8.4 percent, 1.7 percent, 1.5 percent and 0.3 percent respectively.

Table V

Consumer Price Index December 2009 = 100			
Commodity	**Dec. 2017**	**Jun. 2018**	**Dec. 2018**
All Items	115.2	116.2	117.1
Food	134.4	135.9	138.5
Meat, Fish & Eggs	*170.3*	*169.4*	*184.2*
Cereals & Cereal Products	*118.4*	*118.2*	*118.0*
Milk & Milk Products	*105.2*	*103.5*	*107.6*
Vegetables & Vegetable Products	*142.7*	*151.1*	*140.3*
Clothing	95.7	97.2	94.2
Housing	99.3	100.1	100.4
Footwear and Repairs	94.3	87.9	82.4
Furniture	91.9	90.8	90.6
Transport & Communication	118.0	120.2	120.3
Medical Care & Health Services	126.9	126.7	129.6
Education, Recreational & Cultural Service	97.7	96.6	96.0
Miscellaneous Goods & Services	119.8	119.7	120.3

There was an increase in the price index of housing by 1.1 percent compared to 0.4 percent rise for 2017. This was due to the upward movement in fuel & power (domestic gas, kerosene & electricity) by 4.8 percent compared with the 1.9 percent increase at end-Dec 2017.

The transportation & communications category registered an increase of 1.9 percent relative to 1.1 percent decline at end-Dec 2017. The sub-category of operation/personal transport (tyres, gas, parts & repairs) increased by 9.8 percent compared to an 8.3 percent decline at end-Dec 2017.

Other price indices that registered increases were medical care & health services and miscellaneous good & services by 2.1 percent and 0.4 percent respectively.

Conversely, there were declines in the price indices of footwear & repairs, education, recreation & culture, clothing and furniture by 12.6 percent, 1.7 percent, 1.6

percent and 1.3 percent respectively attributed to lesser domestic spending.

Outlook for 2019

The economy is projected to grow by 4.4 percent at the end of 2019 on account of growth in the major economic sectors. The agriculture sector is expected to increase by 3.2 percent, due to the increases in other crops by 4.0 percent, production of rice by 3.4 percent and the output of sugar by 3.2 percent. The mining & quarrying sector is forecasted to expand by 3.4 percent due to increases in the production of bauxite by 10.0 percent and gold by 1.7 percent. The services industry is estimated to grow by 3.7 percent on account of higher outturns of wholesale & retail trade by 5.0 percent and transportation & storage activities by 3.5 percent. The construction and manufacturing industries are projected to increase by 10.5 percent and 3.8 percent respectively. The inflation rate is forecasted at 2.5 percent on account of 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, reflecting FDIs in the oil and gas sector for both merchandise and service imports. The capital account surplus resulted from higher inflows to the private sector in the form of FDIs and to the Non-Financial Public Sector in the form of disbursements. The overall deficit was financed from the gross foreign reserves of the Bank of Guyana and debt forgiveness. Gross international reserves was equivalent to approximately 2.3 months of import cover.

CURRENT ACCOUNT

The current account deficit expanded to US$679.7 million compared with a deficit of US$297.2 million in 2017. This outturn was mainly on account of an expansion in the merchandise trade and services deficits, reflecting FDIs in oil and gas.

Table VI

Balance of Payments US$ Million	January – December		
	2016	2017	2018
CURRENT ACCOUNT	**(12.4)**	**(297.2)**	**(679.7)**
Merchandise Trade	(30.8)	(206.6)	(451.2)
Services (Net)	(302.1)	(372.3)	(726.6)
Transfers	320.4	281.7	498.2
CAPITAL ACCOUNT	**(13.2)**	**228.0**	**549.1**
Capital Transfers	14.8	23.2	23.5
Non-financial Public Sector (net)	(21.8)	43.9	70.0
Private Capital	(1.8)	159.3	460.4
Other	-	-	-
Short term Capital	(4.4)	1.6	(4.8)
ERRORS & OMISSIONS	**(27.7)**	**(0.3)**	**(1.7)**
OVERALL BALANCE	**(53.3)**	**(69.5)**	**(132.2)**

Merchandise Trade

The merchandise trade deficit amounted to US$451.2 million, US$244.6 million above the 2017 level. This position was on account of an 11.0 percent or US$181.0 million growth in the value of imports owing to increased importation of intermediate and capital goods for the oil and gas sector. Export earnings declined by 4.4 percent or US$63.6 million.

Figure V

Exports

Total export receipts declined by 4.4 percent or US$63.6 million to US$1,373.8 million from US$1,437.3 million in 2017. Receipts from sugar, rice, timber and gold declined by 44.1 percent, 7.5 percent, 6.9 percent and 6.2 percent respectively. Higher receipts were from bauxite and "other exports" which increased by 22.6 percent and 1.0 percent respectively.

Sugar

Sugar export earnings amounted to US$27.1 million, 44.1 percent less than the 2017 earnings. This outturn was attributed to a 28.0 percent decline in the volume of sugar exported as well as a decline in the average export price. The volume of sugar exported amounted to 77,796 metric tonnes or 30,191 metric tonnes less than the level exported in 2017. As a percent of total sugar exports, those to the EU under the ACP/EU

Sugar Protocol was 47.9 percent compared with the 57.2 percent recorded in 2017. Exports to the CARICOM region amounted to 29.3 percent compared with 23.7 percent recorded at end-2017.

Average export price for sugar declined by 22.4 percent or US$100.8 to US$348.4 per metric tonne, compared to US$449.2 per metric tonne in 2017.

Table VII

Exports of Major Commodities				
		January – December		
Product	**Unit**	**2016**	**2017**	**2018**
Sugar	Tonnes	158,451	107,986	77,796
	US$Mn.	73.4	48.5	27.1
Rice	Tonnes	499,192	539,387	470,312
	US$Mn.	178.8	201.0	186.1
Bauxite	Tonnes	1,493,678	1,443,475	1,943,367
	US$Mn.	92.1	104.5	128.1
Gold	Ounces	677,788	664,848	611,234
	US$Mn.	830.7	817.5	766.8
Timber	Cu. Metres	118,565	115,172	105,427
	US$Mn.	40.4	35.8	33.3

Rice

Rice export earnings amounted to US$186.1 million, 7.5 percent below the 2017 level as a result of lower export volume for the commodity. The volume of rice exports amounted to 470,312 metric tonnes, 12.8 percent or 69,075 metric tonnes less than the 539,387 metric tonnes exported in 2017. The EU's share of rice exports fell to 28.0 percent from 30.7 percent in 2017, while CARICOM's share increased to 21.9 percent from 21.2 percent in 2017. Latin America and the rest of the world's share was 34.6 percent compared with 33.9 percent in 2017 due to the inclusion of the Mexican market. The West African market accounted for 15.5 percent of total rice exported.

The average export price of rice increased by 6.1 percent or US$22.9 to US$395.6 per metric tonne compared to US$372.7 per metric tonne in 2017.

Bauxite

Bauxite export earnings totalled US$128.2 million, 22.6 percent above the 2017 level of US$104.5 million due to an increase in its export volume. Export volume expanded by 34.6 percent or 499,892 metric tonnes from 1,443,475 metric tonnes in 2017 to 1,943,367 metric tonnes. This outturn was as a result of higher export volumes of metal and dried grade bauxite, which increased by 38.9 percent and 38.3 percent from the 2017 level.

The average export price of bauxite decreased by 8.9 percent or US$6.5 from US$72.4 to US$65.9 per metric tonne in 2018.

Figure VI

Gold

Gold export receipts was US$766.8 million, 6.2 percent or US$50.7 million lower than the 2017 level of US$817.5 million. This outturn was attributable to lower export volume for the metal which declined by 8.1 percent or 53,614 ounces to 611,234 ounces in 2018.

The average export price per ounce of gold was higher by 2.0 percent or US$24.9 moving to US$1,254.5 per ounce from US$1,229.6 per ounce in 2017.

Timber

The value of timber exports was US$33.3 million, 6.9 percent below the 2017 value on account of lower export volume. The average export price per cubic metre increased by 1.7 percent or US$5.4 to US$315.8 in 2018.

Receipts from plywood exports increased by 31.0 percent to US$1.6 million from US$1.2 million in 2017, while that from 'other timber' exports declined by 8.2 percent to US$31.7 million from US$34.5 million in 2017.

Other Exports

Total earnings from all other exports, which included re-exports, were US$232.4 million, 1.0 percent higher than the value in 2017. The increase reflected higher receipts for "other" exports, beverages, rum & other spirits and wood products as shown in Table VIII.

Table VIII

Other Exports US$ Million			
	January - December		
Commodities	**2016**	**2017**	**2018**
Fish & Shrimp	82.8	99.7	97.2
Fruits & Vegetables	7.8	8.7	8.0
Pharmaceuticals	3.3	4.0	3.0
Garments & Clothing	1.1	0.4	0.3
Wood Products	2.1	3.5	3.7
Prepared Foods	29.3	28.5	29.9
Rum & Other Spirits	37.0	43.1	48.2
Beverages	3.4	2.5	3.0
Diamond	18.2	13.6	12.3
Molasses	8.2	6.0	0.4
Re-Exports	12.8	9.4	8.9
Others [1)]	13.0	10.6	17.5
Total	**219.0**	**230.0**	**232.3**

Notes:
(1) This category includes exports of wild life, personal effects, handicrafts and nibbi-furniture.

Imports

The value of merchandise imports increased by 11.0 percent or US$181.0 million to US$1,825.0 million. This increase was on account of higher imports of consumption, intermediate and capital goods. The growth in intermediate and capital goods was due to higher imports for the oil and gas sector.

Table IX

Imports US$ Million			
	January – December		
Items	**2016**	**2017**	**2018**
Consumption Goods			
Food-Final Consumption	143.9	158.0	158.9
Beverage & Tobacco	42.2	38.2	38.1
Other Non-Durables	85.5	115.4	98.5
Clothing & Footwear	19.0	25.6	27.4
Other Semi-Durables	31.2	33.3	38.4
Motor Cars	34.6	34.7	38.7
Other Durables	65.4	66.0	79.8
Sub-total	***421.8***	***471.1***	***479.8***
Intermediate Goods			
Fuel & Lubricants	344.7	411.4	496.0
Food-Intermediate use	78.2	67.7	81.3
Chemicals	83.0	93.6	98.1
Textiles & Fabrics	5.9	5.3	4.7
Parts & Accessories	75.4	95.4	107.2
Other Intermediate Goods	154.5	185.6	206.4
Sub-total	***741.8***	***858.9***	***993.5***
Capital Goods			
Agricultural Machinery	41.1	37.2	31.0
Industrial Machinery	24.0	23.5	37.7
Transport Machinery	52.2	46.8	51.3
Mining Machinery	34.7	66.1	71.9
Building Materials	82.3	81.7	84.5
Other Goods	59.7	51.6	67.4
Sub-total	***294.0***	***306.9***	***343.7***
Miscellaneous	**7.6**	**7.0**	**7.9**
Total Imports	**1,465.2**	**1,644.0**	**1,825.0**

In the consumption goods sub-category, imports amounted to US$479.8 million, 1.8 percent or US$8.7 million above the 2017 level. This position was due to a higher value of imports of other durable goods, other semi-durable goods, motor cars, clothing & footwear and food for final consumption by 21.0 percent, 15.4 percent, 11.5 percent, 7.0 percent and 0.6 percent respectively. Import value of other non-durable goods and beverages & tobacco decreased by 14.7 percent and 0.2 percent respectively.

In the intermediate goods sub-category, imports rose by 15.7 percent or US$134.6 million to US$993.5 million from US$858.9 million in 2017. This outturn was due to an increase in imports of fuel & lubricants, food for intermediate use, parts and accessories, other intermediate goods and chemicals, by 20.6 percent, 20.1 percent, 12.4 percent, 11.2 percent and 4.7 percent respectively. Lower imports were realised for textiles & fabrics by 11.2 percent.

In the sub-category of capital goods, imports expanded by 12.0 percent or US$36.8 million to US$343.7 million. This outturn was due to an increase in imports of industrial machinery, other capital goods, transport machinery, mining machinery and building machinery by 60.2 percent, 30.6 percent, 9.6 percent, 8.8 percent and 3.4 percent respectively. Lower imports were realized for agricultural machinery by 16.6 percent, as shown in Table IX.

Services and Unrequited Transfers

Net payments for services were US$726.6 million, 95.2 percent or US$354.4 million above the level in 2017. This increase was due to higher net outflows of both factor and non-factor services by US$12.6 million to US$24.1 million and US$341.8 million to US$702.5 million, respectively.

Factor services recorded a higher net outflow of US$24.1 million, compared to US$11.5 million last year. This was mainly the result of lower investment income and interest payments.

Net payment for non-factor services increased by 94.7 percent or US$341.8 million to US$702.5 million from US$360.8 million in 2017. This performance was on account of higher payments for other business services (which includes services contracted for oil exploration) and transportation services, which increased from US$45.4 million to US$368.9 million and US$217.3 million to US$232.9 million, respectively. Payments for consulting & management services increased from US$75.1 million to US$86.6 million, while insurance services and advertising & marketing research expanded from US$34.4 million to US$45.6 million and US$26.7 million to US$40.0 million, respectively. Similarly, payments for communication services grew from US$1.6 million to US$7.5 million at the end of 2018.

Net current transfers increased by 76.9 percent to US$498.2 million, reflecting higher inflows of other current transfers. Inflows of current transfers were higher at US$754.2 million from US$676.7 million in 2017. Outflows of current transfers were lower at US$256.0 million from US$395.0 million in 2017. Inflows of workers' remittances increased by 3.4 percent or US$10.7 million to US$327.9 million whereas receipts from bank accounts abroad increased by 24.1 percent or US$64.4 million to US$331.6 million. The main sources of outflows were remittances to bank accounts abroad, and workers' remittances which amounted to US$130.4 million and US$101.3 million respectively.

CAPITAL ACCOUNT

The capital account recorded a surplus of US$549.1 million from US$228.0 million in 2017. This outturn reflected higher inflows to the private sector in the form of foreign direct investment inflows which increased by US$282.7 million to US$494.8 million compared to US$212.2 million in 2017. The Non-Financial Public Sector's disbursements amounted to US$125.1 million.

Short-term private capital recorded a decline of US$6.4 million in the net foreign assets of the commercial banks.

Table X

	Disbursements US$ Million January – December		
	2016	**2017**	**2018**
IDA	5.6	8.4	42.1
CDB	9.8	11.0	36.4
IFAD	0.0	0.0	6.7
IDB	8.1	25.1	0.8
INDIA	0.0	0.0	0.7
CHINA	32.4	37.3	34.7
BOP Support	0.0	0.0	0.0
Others [1)]	1.8	2.3	3.6
Total	**57.7**	**84.1**	**125.1**

Notes:
(1) This category includes Credits associated with the PetroCaribe Agreement.

Capital grants and debt relief received by the combined public sector increased by US$0.3 million to US$23.5 million from US$23.2 million in 2017. The other grants were associated with projects under the Public Sector Investment Programme (PSIP).

Overall Balance and Financing

The higher overall deficit of US$132.2 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 2.3 months of import cover at the end of the year.

Outlook for 2019

The overall balance of payments is expected to record a surplus in 2019. 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. ❐

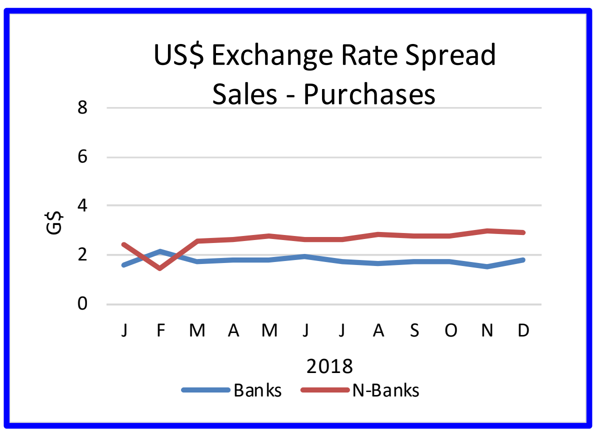
4. FOREIGN EXCHANGE MARKET DEVELOPMENTS

The total volume of foreign exchange transactions increased by 19.6 percent to US$8,548.1 million. The market was impacted by increases in transactions in most segments – licensed bank and non-bank cambios, as well as hard currency and foreign currency accounts. Money transfer transactions were valued at US$276.1 million or 0.9 percent below the 2017 level. There was a net purchase of US$146.0 million in the market enabling the Guyana dollar to remain stable against the United States dollar at G$208.50.

OVERALL MARKET VOLUMES

Total foreign currency transactions increased by 19.6 percent to US$8,548.1 million from US$7,149.3 million in 2017 due to increases in licensed bank and non-bank cambio transactions, hard currency and foreign currency accounts transactions. Purchases and sales in the market were US$4,347.0 million and US$4,201.1 million respectively. Net purchases were US$146.0 million compared with net purchases of US$50.2 million in 2017.

Figure VII



The licensed bank and non-bank cambios, which accounted for 43.9 percent of the total volume, recorded a 21.7 percent increase in turnover to US$3,751.7 million. The combined transactions of the six bank cambios were US$3,640.3 million, an expansion of US$663.0 million or 22.3 percent from the 2017 level. Interbank transactions totalled US$54.3 million, an increase of US$4.9 million or 9.9 percent from the US$49.4 million for the preceding year. The twelve non-bank cambios' transactions amounted to US$111.4 million, an increase of US$5.9 million or 5.6 percent. Non-bank cambios' market share remained negligible at 1.3 percent.

Hard currency transactions conducted at the Bank of Guyana totalled US$1,219.4 million, an increase of US$141.7 million or 13.2 percent over the previous year. Purchases and sales were US$581.2 million and US$638.2 million respectively. Receipts increased by US$49.1 million or 9.2 percent. The Bank also recorded an increase in net hard currency payments of US$92.6 million or 17.0 percent. Fuel imports constituted 58.2 percent of total payments. The Bank sold US$8.1 million to commercial banks, a decline of 4.7 percent from the 2017 level of US$8.5 million. Purchases from commercial banks and non-bank institutions totalled US$186.3 million for the period under review. The Banks' share of all transactions declined to 14.3 percent from 15.1 percent in 2017.

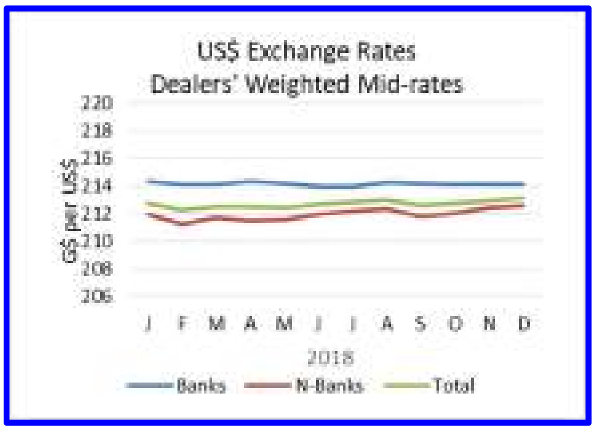
Approved foreign currency accounts transactions increased by 22.2 percent to US$3,280.6 million. The major categories of activities included government, non-resident transactions, other, rice, hotel/tourism, forestry, shipping and engineering. The debits and credits to these accounts totalled US$1,636.7 million and US$1,643.9 million respectively, compared with the previous year amounts of US$1,351.4 million and US$1,334.3 million respectively. The Bank approved applications for twenty three new foreign currency accounts in 2018.

THE EXCHANGE RATES

The weighted mid-rate, based on the rates of the three largest banks' turnover, remained stable at G$208.50 at the end of 2018. The un-weighted mid-rate using the same method depreciated by 0.85 percent to G$212.72 compared with G$210.92 in 2017.

The commercial banks and non-bank cambios' average buying and selling rates fluctuated during the review period. The commercial banks cambios' average buying and selling rates were G$213.31 and G$215.06 from G$213.11 and G$215.37 respectively in 2017. The non-bank cambios' average buying and selling rates were G$210.98 and G$213.28 from G$211.22 and G$212.96 respectively.

Figure VIII



The disparity between the buying rates of the bank and non-bank cambios increased from G$1.77 to G$2.12 in 2018. The difference in the selling rates was also lower at G$0.97 from G$2.30 in 2017.

The average market spread was lower at G$1.57 compared with G$2.25 in 2017. The bank and non-bank spreads fluctuated at G$1.57 and G$1.39 from G$2.27 and G$1.74 respectively in the previous year.

In the cambio market, the majority of foreign currency transactions involved the United States dollar accounting for 94.3 percent of the total trades. The Euro, Canadian dollar and Pound Sterling each held 2.8 percent, 2.2 percent, and 0.7 percent respectively of the market shares.

CARICOM CURRENCIES

The CARICOM currencies traded on the market declined by 17.7 percent to US$20.3 million in 2018. The main currencies transacted on the market were Trinidad & Tobago dollar, Barbados dollar and the Eastern Caribbean dollar. The Trinidad and Tobago dollar comprised US$11.4 million or 56.4 percent of the overall regional volume while Barbados and the Eastern Caribbean dollar comprised US$7.0 million or 34.4 percent and US$1.9 million or 9.2 percent respectively.

The exchange rates of the Barbados and Eastern Caribbean dollars remained fixed against the US dollar. The Trinidad & Tobago currency appreciated against the US dollar by 23.9 percent to TT$6.74 while the Jamaican currency depreciated by 5.2 percent to J$128.58.

MONEY TRANSFER ACTIVITIES

The Bank licensed four agencies with a total number of certified agents of 233. 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$276.1 million, 0.9 percent lower than the previous year. Inbound and outbound transactions were US$237.1 million and US$39.0 million respectively. The highest volume of transfers occurred in the months of December, March and June of 2018.

Outlook for 2019

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.

The Bank is projecting purchases of US$615.9 million primarily from Guyana Gold Board and GUYSUCO. Sales to accommodate imports and debt servicing are projected at US$640.3 million. Foreign exchange flows to the market are expected to adequately cover imports and support a stable exchange rate. ❐

5. PUBLIC FINANCE

The public sector total financial operations recorded a reduced deficit in 2018, owing to expansions in Central Government's current revenues that outweighed current expenditures. However, the Non-Financial Public Enterprises' (NFPEs) balance further deteriorated from its 2017 position due to heightened current expenditures. Budget 2019 states that Central Government fiscal deficit is estimated to increase significantly from higher current and capital spending, while the NFPEs' overall deficit is estimated to decline on account of larger increments in current receipt relative to the increase in current expenses.

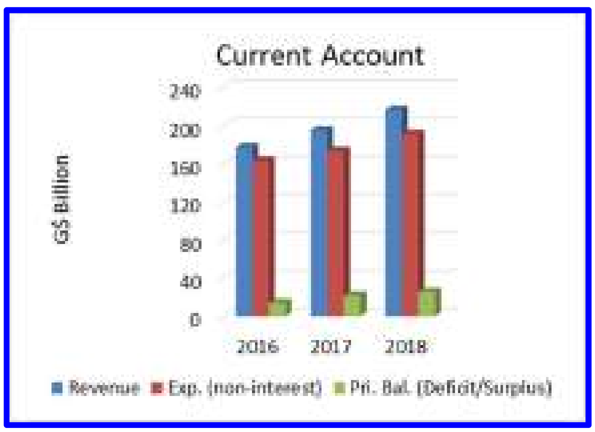
CENTRAL GOVERNMENT

The Central Government's overall deficit was lower at G$27,287 million in 2018 from G$32,759 million end-2017, which was a result of expansions in tax revenues.

Current Account

The current account surplus expanded by G$3,401 million to G$17,061 million. This development was due to increases in current revenues by G$21,664 million, which more than offset the increases in current expenditures.

Figure IX



Revenue

Total current revenue grew by 11.1 percent to G$216,724 million. This performance was attributed to enhanced collection of value added taxes (VAT) and excise taxes; income taxes from private corporations and personal taxes; greater earnings on trade taxes, and increased collection of other tax revenues. In contrast, non-tax revenues declined by 23.8 percent.

VAT & excise taxes expanded by 15.2 percent to G$87,951 million. This was accredited to increased collection of VAT by 13.2 percent to G$48,181 million and excise taxes by 18.6 percent to G$39,680 million. Conversely, other local consumption taxes decreased by 70.7 percent to G$89 million.

Income tax revenues increased by 15.5 percent to G$78,235 million. Private companies' income taxes, personal income taxes, and withholding taxes expanded by 10.4 percent, 19.1 percent, and 38.8 percent to G$38,576 million, G$25,808 million, and G$12,703 million respectively. However, public corporation taxes declined by 42.2 percent to G$1,148 million.

Trade taxes grew by 18.9 percent to G$21,986 million, on account of increased collection of import duties, travel tax, and export duties by 18.7 percent, 18.2 percent, and 44.9 percent to G$19,321 million, G$2,603 million, and G$33 million respectively.

Other taxable current revenues increased by 20.4 percent to G$10,341 million. Property & estate taxes grew by 22.2 percent to G$4,421 million. Vehicle licensing, environmental levy, and other (professional fees, surtax, etc.) increased by 5.4 percent, 16.2 percent, and 7.9 percent to G$1,095 million, G$1,979 million, and G$1,626 million respectively. Revenues from other tax receipts amounted to G$1,220 million.

On the other hand, non-tax revenues declined by G$5,699 million to G$18,212 million, due to reductions in other public department receipts, Bank of Guyana surplus, and other private sector revenues by G$5,300 million, G$419 million, and G$299 million respectively. Nevertheless, rents & royalties, and fees, fines & charges increased by G$436 million, and G$133 million respectively.

Table XI

Central Government Finances G$ Million	2016	2017	2018
CURRENT ACCOUNT			
Revenue	177,322	195,060	216,724
Non-interest Exp.	163,425	173,373	191,153
Current Primary Bal.	***13,897***	***21,687***	***25,572***
less Interest	*6,727*	*8,027*	*8,511*
Current a/c Balance	***7,170***	***13,660***	***17,061***
CAPITAL ACCOUNT			
Receipts	7,877	12,199	10,772
Expenditure	46,618	58,618	55,119
Capital a/c Balance	***(38,741)***	***(46,419)***	***(44,348)***
OVERALL BALANCE	**(31,571)**	**(32,759)**	**(27,287)**
FINANCING	**31,571**	**32,759**	**27,287**
Net External Borrowing (+) / Savings (-)	7,837	8,740	7,745
Net Domestic Borrowing (+) / Savings (-) [1)]	23,734	24,019	19,541
o/w Net Banking Loans	*(8,482)*	*(1,536)*	*(24,060)*
o/w Net Govt. Securities	*1,588*	*1,985*	*(1,620)*

Notes:
1) Domestic Financing includes other financing.

Expenditure

Total current expenditure (including debt charges) increased by 10.1 percent to G$199,663 million, due to increases in non-interest current expenditures and interest charges by 10.3 percent and 6.0 percent respectively.

Total non-interest current expenditure grew by G$17,779 million to G$191,153 million due to increases in transfer payments, employment costs, and other goods & services expenses by 15.4 percent, 9.2 percent, and 4.1 percent respectively.

Transfer payments increased by G$10,719 million to G$80,412 million resulting from greater payouts to subsidies & contribution to local & foreign organisations, pensions, and education subventions, grants & scholarships by 20.0 percent, 9.3 percent, and 9.5 percent to G$50,464 million, G$22,003 million, and G$7,583 million respectively. However, rates & taxes and subvents to local authorities fell by 39.8 percent to G$345 million.

Employment costs rose by G$5,030 million to G$59,474 million, reflecting developments in wages, salaries, and benefits of public servants.

Purchases of other goods & services expanded by G$2,030 million to G$51,266 million. There were increased spending on materials & supplies by 6.2 percent, maintenance of infrastructures by 8.9 percent, transport, travel & postage by 2.0 percent, fuels & lubricants expenses by 11.0 percent, and miscellaneous goods & services by 7.3 percent. Conversely, rental & maintenance of buildings, electricity charges, and water charges declined by 2.4 percent, 15.0 percent, and 11.4 percent respectively.

Interest charges rose by G$484 million to G$8,511 million. External interest charges increased by 18.5 percent to G$7,178 million, while domestic interest costs declined by 32.4 percent to G$1,333 million due to lower interest payments on treasury bills and debentures.

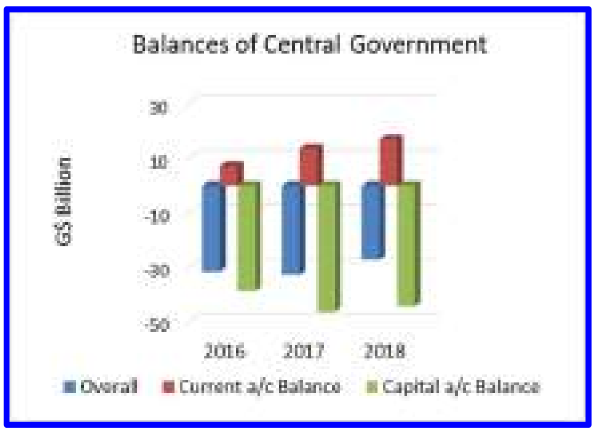
Capital Account

The capital account deficit, after grants, reduced by 4.5 percent to G$44,348 million, due to reductions in disbursements to capital projects relative to last year. However, capital revenue earned domestically (excluding grants) continues to be miniscule.

Capital revenue (including grants) declined by 11.7 percent to G$10,772 million. Revenues earned domestically declined by 91.8 percent to G$1.4 million, while grants & debt relief received from external agents declined by 11.6 percent to G$10,771 million. The latter was due to reductions in grant proceeds for non-projects by 51.8 percent, and projects by 0.2 percent. Enhanced HIPIC relief decreased by 0.1 percent, whereas CMCF transfers increased by 200.0 percent to G$966 million.

Capital expenditure declined by 6.0 percent to G$55,119 million and was below the budgeted amount of G$59,702 million. This was due to reductions in disbursements to construction by 15.3 percent, environment & pure water by 0.6 percent, agriculture by 0.9 percent, education by 8.7 percent, social welfare by 29.9 percent, public safety by 19.5 percent, culture & youth by 1.2 percent, tourist development by 95.1 percent, and administration by 2.9 percent. In contrast, capital spending increased in the areas of transport & communication by 41.4 percent, manufacturing by 13.6 percent, housing by 68.4 percent, national security & defence by 21.3 percent, fishing by 111.9 percent, financial transfers by 51.1 percent, and power generation by 0.3 percent.

Figure X



Overall Balance and Financing

The overall deficit reduced by G$5,472 million to G$27,287 million end-2018. Central government financing amounted to G$19,541 million by domestic and G$7,745 million by external. The net domestic financing amount was mainly due to net banking advances of G$24,060 million and net government securities of G$1,620 million.

Outlook for 2019

The Central Government's overall deficit is expected to expand by G$14,211 million to G$41,498 million. Both current revenue and expenditure are projected to increase by 10.0 percent and 11.1 percent to G$238,323 million and G$221,763 million respectively; as a result, the current account surplus is projected to decrease to G$16,560 million.

The capital account deficit (after grants) is projected to widen by G$13,710 million to G$58,057 million. This position will result from higher budgeted capital expenditures of G$69,279 million, while capital revenue (including grants & relief) is estimated to increase by 4.2 percent to G$11,221 million.

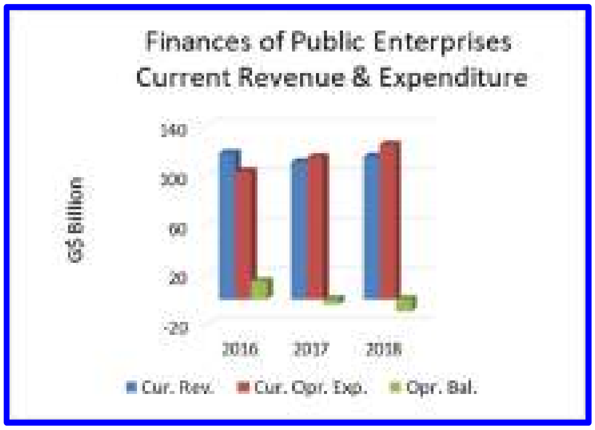
NON-FINANCIAL PUBLIC ENTERPRISES

The overall balance of the Non-Financial Public Enterprises (NFPEs), which includes GUYSUCO, Guyana Oil Company Limited (GUYOIL), Guyana National Shipping Company (GNSC), Guyana Power & Light (GPL), and the National Insurance Scheme (NIS), further deteriorated to a deficit of G$17,313 million in 2018 from a deficit of G$12,957 million in 2017. Expansions in current expenditures were the main resultant of the higher deficit position.

Current Account

The current primary operating balance worsened to a deficit of G$9,806 million from a deficit of G$4,218 million the previous year. This was due to surges in current expenditures, which overshadowed the G$4,695 million increase in current revenue.

Figure XI



Receipts

Current cash receipts increased by 4.3 percent to G$115,118 million, due to greater contributions by NIS and GUYOIL. Receipts from debtors grew by 25.0 percent to G$27,779 million, on account of higher debt collection by GUYOIL of G$5,446 million. VAT refunds also increased by G$2,248 million. Conversely, local sales decreased by 0.9 percent to G$49,659 million, occurring from G$1,461 million decline in domestic sales by GPL. Export sales and other income contracted by 46.6 percent and 4.6 percent to G$6,352 million and G$24,863 million respectively. Furthermore, financing from NICIL/SPU amounted to G$4,058 million.

In specific, total receipts of NIS grew by 21.4 percent to G$43,428 million, reflecting 6.4 percent improvement in contributions by the employed, self-employed, and recovery of arrears. Conversely, contributions by investment income decreased by 9.0 percent to G$1,000 million.

Expenditure

Total current expenses (including interest charges) increased by 8.6 percent to G$125,737 million, mainly due to increases in non-interest current expenditures.

Non-interest current expenditure grew by 9.0 percent to G$124,924 million, on account of greater spending by GUYOIL and GPL. Payments to creditors expanded by 20.2 percent to G$35,539 million, where GUYOIL accounted for 97.4 percent of the increase. Charges for materials & supplies were higher by 17.7 percent to G$29,781 million that was attributed to G$4,837 million increase by GPL. In contrast, expenditures on employment costs, repairs & maintenance, payments of local government rates & taxes, and VAT payments to GRA declined by 6.4 percent, 13.8 percent, 10.0 percent, and 6.4 percent respectively. In addition, corporation & property taxes paid declined by 38.2 percent to G$1,305 million, while transfers to the Central Government, in the form of dividends, etc., amounted to G$1,200 million.

NIS current expenditure expanded by 12.4 percent to G$23,881 million. This was due to increases in employment costs 4.6 percent and materials & supplies by 3.5 percent. In addition, payment of benefits and other administration amounted to G$21,886 million and G$578 million respectively.

Interest payments decreased by 31.6 percent to G$814 million from G$1,189 million in 2017, primarily due to decreases in domestic interest payments by GPL and GUYSUCO.

Capital Account

The NFPEs' capital account usually runs a deficit due to little or no capital receipt transactions. Moreover, capital expenditures remain high, but it experienced a reduction in 2018 by 11.3 percent to G$6,694 million from G$7,550 million in 2017, resulting mainly from declines by GUYSUCO and GUYOIL.

Table XII

Summary of Public Enterprises Finances G$ Million	2016	2017	2018
CURRENT ACCOUNT			
Revenue	117,899	110,423	115,118
Non-interest Exp.	99,362	111,328	122,419
less Taxes	*1,747*	*2,114*	*1,305*
less Dividends	*2,200*	*1,200*	*1,200*
Primary Operating Bal. Sur.(+)/Def. (-)	***14,590***	***(4,218)***	***(9,806)***
less Interest	*1,521*	*1,189*	*814*
Current Balance Sur.(+)/Def. (-)	***13,069***	***(5,407)***	***(10,619)***
CAPITAL ACCOUNT			
Revenue	-	-	-
Expenditure	**1,977**	**7,550**	**6,694**
Capital a/c Bal.	***(1,977)***	***(7,550)***	***(6,694)***
OVERALL BALANCE	**11,092**	**(12,957)**	**(17,313)**
FINANCING	**(11,091)**	**12,957**	**17,313**
Ext. Borrowing (net)	(1,901)	(819)	92
Domestic Fin. (net) [1]	(9,190)	13,776	17,222
o/w Transfers from Cent. Govt.	*470*	*11,505*	*10,682*

Notes:
1) Domestic Financing includes other financing.

Overall Balance and Financing

The NFPEs recorded an overall deficit of G$17,313 million in 2018. Financing needs amounted to G$17,222 million for domestic and G$92 million for external. Net banking system advances of G$1,189 million, transfers from Central Government of G$10,682 million, and net holdings of government securities of G$1,505 million were some of the main components of domestic financing.

Outlook for 2019

The NFPEs overall deficit is expected to reduce to G$13,301 million. Total receipts of the public enterprises are projected to increase by 17.4 percent to G$135,200 million, while total expenses are projected to expand at a lower rate of 12.1 percent to amount to G$148,501 million. ❐

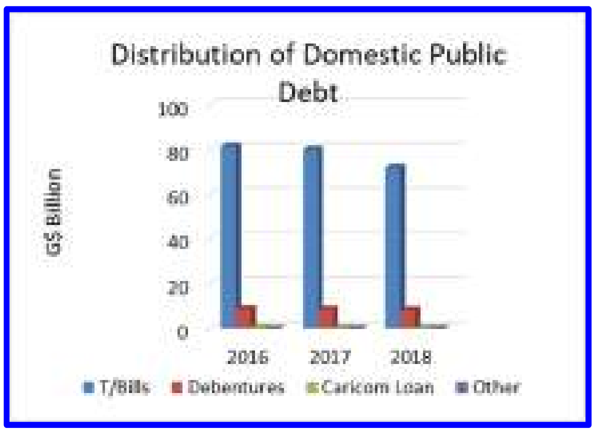
6. PUBLIC DEBT

The total stock of government's public debt increased by 1.5 percent, representing 43.9 percent of GDP. The stock of government's domestic bonded debt, which represented 10.0 percent of GDP, declined by 9.3 percent during the review period. This outturn reflected a reduction in the issuance of treasury bills coupled with the redemption of the second NIS debenture certificate. The stock of external debt increased by 5.5 percent and accounted for 33.9 percent of GDP. The increase in the external debt stock reflected higher disbursements received mainly from the International Development Association (IDA) and the Inter-American Development Bank (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 9.3 percent to G$80,552 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 second certificate of the Non-Negotiable Debenture issued to NIS was redeemed at a value of G$244 million. This debenture was issued to NIS for offsetting its loss on investment in the Colonial Life Insurance Company Limited (CLICO).

Figure XII



The total outstanding stock of treasury bills fell by 10.0 percent to G$72,005 million as a result of lower issuance of the 182-day and 364-day treasury bills during the review period. There was no issuance of the 91-day treasury bills in 2018.

The maturity structure of treasury bills revealed that the share of 364-day bills represented 89.8 percent of the total stock of treasury bills compared with 84.6 percent at end-2017. The share of the 182-day bills was lower at 8.8 percent from 14.2 percent at end-2017, while that of the 91-day bills (K-Series) was higher at 1.4 percent from 1.2 percent at end-2017.

Table XIII

Central Government Bonded Debt by Holders G$ Million			
	2016	**2017**	**2018**
TOTAL BONDED DEBT	**90,572**	**88,816**	**80,552**
Treasury Bills	**81,469**	**79,992**	**72,005**
91-day [1]	5,998	997	997
182-day	7,152	11,333	6,353
364-day	68,319	67,662	64,655
CARICOM Loan	**319**	**284**	**251**
Debentures	**8,781**	**8,537**	**8,293**
Defense Bonds	**3**	**3**	**3**

Notes:
(1) This category includes K-Series.

Commercial banks continued to retain the largest share of the outstanding stock of treasury bills with 79.8 percent, 12 basis points higher from the corresponding period one year ago. The public sector's share, which includes NIS and GPL, declined to 9.9 percent from 10.9 percent at end-2017 while that of other financial intermediaries rose to 8.9 percent from 8.2 percent at end-2017.

Redemption of treasury bills declined by 12.5 percent to G$89,437 million resulting primarily from lower redemptions of the 91-day bills, which fell by 100.0

percent or G$10,000 million in 2018. In addition, redemption of the 182-day and 364-day bills fell by 10.7 percent or G$2,134 million to G$6,353 million and 1.0 percent or G$657 million to G$64,655 million respectively, at the end of 2018.

The stock of debentures fell by 2.9 percent to G$8,293 million due to the redemption of the second Non-Negotiable NIS Debenture certificate of G$244 million during the review period.[2]

Domestic Debt Service

Total domestic debt service payments declined considerably by 28.3 percent to G$1,613 million from G$2,250 million in 2017, largely on account of a decline in total interest payments by G$637 million or 32.4 percent in 2018.

Table XIV

Domestic Debt Service G$ Million	2016	2017	2018
TOTAL DEBT SERVICE	**1,920**	**2,250**	**1,613**
Principal Payments	**35**	**280**	**280**
Total Interest	**1,885**	**1,970**	**1,333**
Treasury Bills	**1,795**	**1,715**	**1,083**
91-day [1)]	*171*	*56*	*15*
182-day	*22*	*150*	*100*
364-day	*1,602*	*1,509*	*968*
CARICOM Loans	**17**	**16**	**14**
Debentures	**73**	**134**	**130**
Other [2)]	**0**	**106**	**106**

Notes:
(1) This category includes K-Series.
(2) Unpaid Interest on Treasury bills to Bank of Guyana.

Interest costs on treasury bills redeemed declined by 36.8 percent to G$1,083 million resulting primarily from a 35.8 percent or G$541 million reduction in interest charges on the volume of 364-day bills redeemed during the year. This was due to an average decline of 78 basis points in the yield for 364-day bills. Additionally, interest charges for 182-day bills and 91-day bills fell by 33.6 percent or G$50 million and 72.6 percent or G$40 million, respectively during the review period. The former was on account of a reduction in the average yield of 42 basis points coupled with lower redemption while the latter was owing to non-issuance of the 91-day bill in 2018. Interest cost for debentures and the Caricom loan fell by 3.1 percent and 10.6 percent, respectively in 2018.

Outlook for 2019

Total domestic debt stock is projected to increase as a result of higher issuance of treasury bills, while domestic debt service payments are estimated to decline at end-2019 on account of lower yields from treasury bills as well as the redemption of the 3rd NIS Non-Negotiable Debenture certificate.

Stock of External Debt

The stock of outstanding public external debt increased by 5.5 percent to US$1,309 million from US$1,241 million at end-2017, accounting for 33.9 percent of GDP at purchaser prices. This increase reflected higher loan disbursements primarily by the International Development Association (IDA) and the Inter-American Development Bank (IADB) for project financing targeting citizen security strengthening, sanitation improvement, economic diversification, education sector improvement and financial & fiscal stability.

Table XV

Structure of External Public Debt US$ Million	2016	2017	2018
TOTAL EXTERNAL PUBLIC DEBT	**1,162.5**	**1,240.6**	**1,309.4**
Multilateral	**693.8**	**725.5**	**787.9**
Bilateral	451.0	479.9	487.2
Suppliers' Credit	12.5	12.5	12.5
Financial Markets/Bonds	5.2	22.7	21.8

[2] 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 working day of the first month every year for 20 years.

Obligations to multilateral creditors, which accounted for 58.5 percent of total external debt, increased by 8.6 percent or US$62 million to US$788 million. Liabilities to the IADB increased by 4.3 percent to US$525 million, reflecting a change in the debt stock of US$22 million during 2018. Indebtedness to the International Development Association (IDA) expanded by 112.2 percent or US$40 million to US$75 million. Commitments to the "Other"[3] category of multilateral creditors rose by 4.5 percent to US$38 million. In contrast, obligations to the Caribbean Development Bank (CDB) decreased slightly by 0.5 percent or US$1 million to US$150 million.

Total bilateral obligations, which represented 37.2 percent of total external debt, increased by 1.5 percent to US$487 million. Indebtedness to the EximBank of China increased by 10.7 percent or US$19 million to US$201 million. Liabilities to Kuwait and Libya rose by 2.9 percent and 0.7 percent to US$80 million and US$44 million respectively. Conversely, obligations to Venezuela, the EximBank of India and Trinidad & Tobago declined by 4.7 percent, 6.9 percent and 64.4 percent to US$115 million, US$16 million and US$4 million respectively.

Liabilities to Commercial Banks declined by 4.3 percent to US$18 million from US$19 million in 2017.

External Debt Service

External debt service payments increased by 27.7 percent to US$78 million from US$61 million in 2017. This represented 5.1 percent of export earnings and 7.5 percent of Central Government's current revenue. Principal and interest payments amounted to US$55 million and US$23 million respectively.

Payments to multilateral creditors rose by 14.2 percent to US$40 million, and represented 51.3 percent of total external debt service. Similarly, payments to bilateral creditors were higher by 49.3 percent to US$36 million, accounting for 46.3 percent of external debt service payments.

Debt servicing to the IADB and CDB were higher by 16.2 percent and 4.4 percent to US$25 million and US$11 million respectively, jointly representing 90.6 percent of total repayments by multilateral creditors and 46.5 percent of total external debt service. While, in the bilateral category, repayments to the EximBank of China, which accounted for 50.8 percent of bilateral repayments and 23.5 percent of total external debt service, increased by 66.6 percent to US$18 million at end-2018.

Table XVI

External Debt Service Payments US$ Million	Principal	Interest	Total
End-December 2018			
Total	**55.1**	**22.6**	**77.7**
Multilateral	24.6	15.3	**39.9**
Bilateral	29.8	6.2	**36.0**
Private Creditors	0.7	1.1	**1.8**
End-December 2017			
Total	**40.2**	**20.6**	**60.8**
Multilateral	21.3	13.6	**34.9**
Bilateral	18.9	5.2	**24.1**
Private Creditors	0.0	1.8	**1.8**

HIPC Assistance and Multilateral Debt Relief Initiative

Total assistance under the Heavily Indebted Poor Countries (HIPC) Initiative was US$59 million. Relief under the Original-HIPC (O-HIPC) Initiative totalled US$14 million, while debt relief accruing under the Enhanced-HIPC (E-HIPC) Initiative totalled US$45 million. Debt relief under the Multilateral Debt Relief Initiative (MDRI) totalled US$25 million, with the IDA and the IADB providing US$5 million and US$20 million respectively, as stock-of-debt relief.

[3] The "Other" category of multilateral creditors include OPEC fund, EEC, EIB and IFAD

Table XVII

Actual HIPC Assistance and Multilateral Debt Relief Initiative US$ Million			
	Principal	Interest	Total
	End-December 2018		
TOTAL	**73.6**	**10.5**	**84.1**
MDRI	**19.5**	**5.5**	**25.0**
Total HIPC	**54.2**	**4.9**	**59.1**
O-HIPC	12.0	2.3	**14.3**
E-HIPC	42.2	2.7	**44.8**
	End-December 2017		
TOTAL	**63.4**	**13.4**	**76.8**
MDRI	**20.1**	**5.8**	**26.0**
Total HIPC	**43.2**	**7.6**	**50.8**
O-HIPC	11.4	4.0	**15.4**
E-HIPC	31.8	3.6	**35.4**

Outlook for 2019

The stock of outstanding public external debt is projected to increase by 5.6 percent to US$1,370 million at the end of 2019. This outturn is expected to be on account of higher multilateral and bilateral debt by 8.2 percent and 2.2 percent to US$834 million and US$503 million respectively. Liabilities to IADB and CDB are forecasted to increase by 5.1 percent and 3.2 percent to US$535 million and US$154 million respectively. Liabilities to the EximBank of China are also estimated to increase by 2.1 percent to US$204 million while liabilities to Venezuela are likely to decline by 4.2 percent to US$110 million.

Total external debt service payments are projected to increase by 3.6 percent to US$80 million during 2019 compared with US$77 million in 2018, resulting primarily from an increase in principal and interest payments to multilateral creditors. Principal payments are expected to increase by 1.6 percent to US$56 million while interest payments are projected to increase by 8.7 percent to US$24 million. Payments to multilateral creditors are likely to rise by 9.0 percent to US$43 million, while payments to bilateral creditors are expected to decline by 2.9 percent to US$35 million. ❐

7. FINANCIAL SECTOR DEVELOPMENTS

The monetary aggregates of reserve and broad money grew by 14.4 percent and 7.5 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 and other items (net)[4]. Credit to both the public and private sectors increased by 94.8 percent and 4.2 percent respectively. Commercial banks' interest rates were lower during the review period. The financial resources of Non-Bank Financial Institutions (NBFIs), which include depository and non-depository licensed and unlicensed financial institutions, expanded by 14.3 percent or G$33,458 million to G$268,242 million. The sector's share of total assets in the financial sector increased from 33.3 percent to 34.8 percent.

MONETARY DEVELOPMENTS

Reserve Money

Reserve money expanded by G$23,463 million or 14.4 percent to G$186,490 million. This increase was due to higher net domestic assets of G$33,890 million while net foreign assets fell by G$10,428 million.

Table XVIII

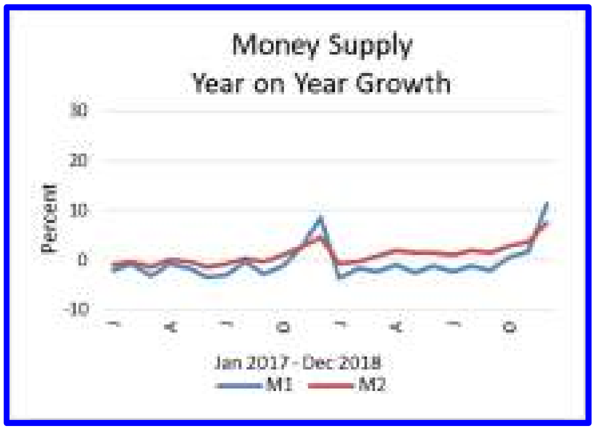
Reserve Money G$ Million	2016	2017	2018
Net Foreign Assets	122,502	119,888	109,460
Net Domestic Assets	36,168	43,139	77,030
Credit to Public Sector	12,230	12,314	41,227
Reserve Money	**158,671**	**163,027**	**186,490**
Liabilities to:			
Commercial Banks	75,709	70,877	83,709
Currencies	*8,353*	*8,828*	*9,713*
Deposits	*67,295*	*61,988*	*73,936*
EPDs	*61*	*61*	*61*
Currency in Circulation	82,962	92,150	102,781
Monthly Average			
Reserve Money	148,499	157,681	174,245
Broad Money (M2)	338,516	352,071	374,377
Money Multiplier	2.28	2.23	2.15

The growth in reserve money reflected an 11.5 percent or G$10,630 million increase in currency in circulation. Similarly, liabilities to the commercial banks were higher by 18.1 percent or G$12,832 million which resulted mainly from a 19.3 percent or G$11,947 million expansion in their deposits.

Money Supply

Broad money (M2) grew by 7.5 percent in 2018 compared with a growth of 4.6 percent one year ago. The growth was attributed to a 15.7 percent and 7.5 percent increase in net domestic credit and other items (net) respectively, while net foreign assets declined by 5.0 percent.

Figure XIII



[4] Includes commercial banks' undistributed profits.

Narrow money (M1) grew by 11.2 percent faster than the 8.6 percent growth recorded at the end of 2017. This position resulted from the expansions in demand deposits and currency in circulation by 12.9 percent and 11.5 percent respectively, while cashiers' cheques and acceptances contracted by 4.3 percent. Quasi money was also higher by 4.8 percent, reflecting an increase of 6.2 percent in savings deposits which offset a contraction in time deposits by 6.6 percent.

COMMERCIAL BANKS DEPOSITS AND INVESTMENTS

Deposits

Deposits by residents (comprising the public & private sectors and the non-bank financial institutions) amounted to G$378,766 million, an increase of 7.7 percent compared with a 2.6 percent decline for the corresponding period last year.

Private sector deposits, which accounted for 75.1 percent of total deposits by residents, grew by 6.5 percent to G$284,522 million. Business enterprises' and individual customers' deposits grew by 9.0 percent and 5.8 percent respectively to G$66,271 million and G$218,251 million.

The deposits of the public sector amounted to G$58,783 million, an increase of 16.0 percent from the December 2017 position. This performance reflected an increase in the deposits of central government by G$12,641 million compared with a growth of G$525 million for the corresponding period last year. In contrast, the deposits of the public non-financial enterprises declined by 3.5 percent or G$977 million resulting mainly from lower deposits by GPL.

The deposits of the non-bank financial institutions were higher by 4.3 percent to G$1,476 million at the end of 2018 compared with an increase of 19.7 percent one year ago.

Domestic Investments

Commercial banks' gross investments, comprising of private sector loans and advances as well as securities, expanded by 6.5 percent to G$219,749 million and accounted for 43.7 percent of the banks' total assets.

Loans and advances, inclusive of the public sector loans, which accounted for 65.7 percent of the total domestic investment, increased by 4.9 percent to G$144,427 million. Securities, which accounted for the remaining 34.3 percent of the banks' investment portfolio, grew by 9.7 percent to G$75,321 million.

Holdings of commercial banks' securities comprised of government treasury bills and debentures, amounting to G$57,067 million and G$14,145 million respectively, during the review period.

BANKING SYSTEM

Net Domestic Credit

Net domestic credit of the banking system grew by 15.7 percent or G$34,428 million compared with an increase of 10.3 percent or G$20,395 million in 2017. This position resulted from increased credit to the private and public sectors.

Net Position of 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$54,758 million compared with a net credit position of G$28,111 million one year ago. This performance was attributed to lower deposits by the other category of the public sector which includes Local Government and the NIS.

The public enterprises (net) deposits amounted to G$26,152 million, a 4.8 percent increase from December 2017. Conversely, net deposits of the other category of the public sector decreased by 14.2 percent to G$22,744 million.

Table XIX

Monetary Survey G$ Million	2016	2017	2018
Narrow Money	144,827	157,322	174,998
Quasi Money	206,208	209,892	219,933
Money Supply (M2)	**351,035**	**367,214**	**394,932**
Net Domestic Credit	***198,882***	***219,276***	***253,705***
Public Sector (Net)	6,929	28,111	54,758
Private Sector Credit	219,092	224,192	233,560
Agriculture	*11,172*	*11,359*	*13,285*
Manufacturing	*16,841*	*14,195*	*14,481*
Construction & Engineering	*11,866*	*10,327*	*9,978*
Distribution	*32,977*	*34,920*	*38,358*
Personal	*32,584*	*33,507*	*34,774*
Mining	*4,172*	*5,348*	*5,130*
Other Services	*29,108*	*30,953*	*31,403*
Real Estate Mortgages	*74,542*	*77,894*	*81,771*
Other	*5,830*	*5,690*	*4,382*
Non-bank Fin. Inst.	(27,140)	(33,026)	(34,614)
Net Foreign Assets	***179,934***	***176,991***	***168,105***
Other Items (Net)	***(27,781)***	***(29,052)***	***(26,878)***

Credit to the Private Sector

Loans and advances to the private sector grew by 4.2 percent reflecting a mixed allocation of credit to the various sectors at end-December 2018. Credit to all the sectors increased except to the other category of the private sector[5], mining and construction & engineering sectors. Loans extended to the agriculture and distribution sectors were higher by 17.0 percent and 9.8 percent respectively. Similarly, credit to the mortgage loans and personal sectors also rose by 5.0 percent and 3.8 percent respectively. In contrast, lending to the other category of the private sector, mining and construction & engineering sectors were lower by 23.0 percent, 4.1 percent and 3.4 percent respectively.

[5] Includes investments in local securities and shares & other equity in local companies.

Figure XIV

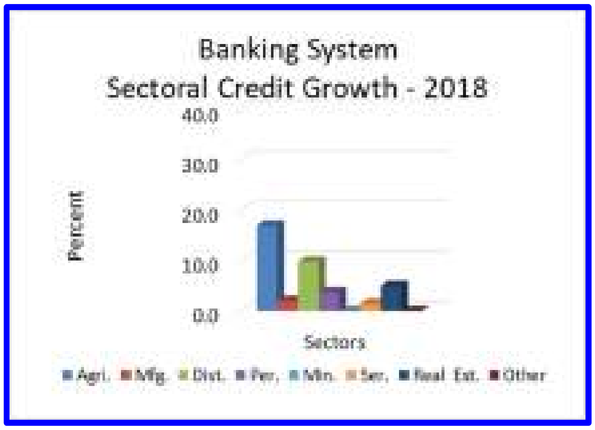


Figure XV

Net Position of the Non-Bank Financial Institutions

The non-bank financial institutions continued to be net depositors with the banking system. Net deposits increased by 4.8 percent to G$34,614 million. This outturn stemmed from a 4.3 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 5.9 percent to US$806.3 million. This reduction resulted from a decline in the net foreign assets of the Bank of Guyana. The Bank of Guyana's net foreign assets decreased by 9.6 percent to US$525.0 million, resulting mainly from a 9.5 percent decline in its gross foreign assets while liabilities declined by 1.0 percent respectively. Conversely, the commercial banks' net foreign assets grew by 1.7 percent to US$281.3 million mainly on account of a 1.3 percent growth in its gross foreign assets while foreign liabilities declined by 0.1 percent respectively.

Interest Rates and Spreads

The Bank rate was stable at 5.0 percent at end-December 2018. The 182-day and 364-day treasury bill yields declined by 16 basis points to 0.96 percent and 2 basis points to 1.23 percent respectively which resulted from the competitive bidding for those treasury bills. In contrast, the 91-day treasury bill yield remained unchanged at 1.54 percent due to the non-issuance of the bill during the review period. The commercial banks' interest rates trended downwards over the review period. The weighted average time deposit rate of the banks declined by 4 basis points to 1.10 percent while the weighted average lending rate fell by 17 basis points to 10.02 percent respectively. The small savings rate was also lower by 7 basis points to 1.04 percent while the prime lending rate remained stable at 13.00 percent. The interbank market interest rate ranged between 4.00 percent and 4.50 percent during the review period.

The commercial banks' interest rate spread between the prime lending rate and small savings rate increased by 7 basis points to 11.96 percent. Similarly, the spread between the 91-day treasury bill rate and the small savings rate also fell by 7 basis points at end-December 2018. The high spreads reflected the commercial banks' strategy to maintain profit margins.

Table XX

Commercial Banks
Selected Interest Rates and Spread
All interest rates are in percent per annum

	2016	2017	2018
1. Small Savings Rate	1.26	1.11	1.04
2. Weighted Avg. Time Deposit Rate	1.31	1.14	1.10
3. Weighted Avg. Lending Rate	10.43	10.19	10.02
4. Prime Lending Rate	13.00	13.00	13.00
5. End of period 91-day Treasury Bill Discount Rate	1.68	1.54	1.54
Spreads			
A (3-1)	***9.17***	***9.08***	***8.98***
B (4-1)	***11.74***	***11.89***	***11.96***
C (5-1)	***0.43***	***0.43***	***0.50***
D (3-2)	***9.12***	***9.04***	***8.92***
E (4-2)	***11.69***	***11.86***	***11.90***

Liquidity

Total liquid assets of the commercial banks expanded by 7.4 percent to G$120,265 million. This position resulted from higher balances due from other banks abroad as well as higher excess reserves. Holdings of government treasury bills which accounted for 47.5 percent of total liquid assets contracted by 9.8 percent. The banks' excess liquid assets amounted to G$36,352 million or 43.3 percent above the required amount.

Total reserves deposited with the Bank of Guyana increased by 20.3 percent to reach G$75,048 million. The required statutory reserves of the banks expanded by G$3,126 million reflecting an increase in deposit liabilities. Reserves in excess of the minimum requirement stood at G$28,082 million at the end of 2018.

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 14.3 percent or G$33,458 million to G$268,242 million. The sector's share of total assets in the financial sector increased from 33.3 percent to 34.8 percent.

The increase in total NBFIs' resources resulted mainly from foreign liabilities, pension funds and other liabilities. Foreign liabilities and pension funds expanded by 59.4 percent or G$10,682 million and 21.4 percent or G$11,395 million respectively. Other liabilities which comprise capital and reserves were also higher by G$11,409 million to G$118,342 million while insurance premium grew at a slower pace of G$1,076 million to G$5,796 million. In contrast, deposits decreased by 2.1 percent or G$1,105 million with other and share deposits contracting by 3.0 percent or G$277 million and 1.9 percent or G$828 million respectively.

Investments in all sectors increased during the period under review as shown in Table XXI. Claims on the non-resident sector expanded by 62.0 percent or G$20,305 million, resulting from the G$20,720 million increase in other foreign securities (which excludes debentures and treasury bills). The acquisition of other assets and claims on the banking sector also recorded increases of 10.0 percent or G$3,094 million and 8.2 percent or G$2,965 million respectively. Investments in the private sector, which accounted for 50.6 percent of total assets, grew at a slower rate of 5.5 percent or G$7,058 million, owing mainly to the 8.0 percent growth in the holdings of private sector securities. Similarly, mortgage loans, which accounted for 41.2 percent of the private sector's claims, increased by 1.5 percent or G$811 million. Investments in the public sector grew marginally by 0.5 percent to G$6,506 million.

Table XXI

NON-BANK FINANCIAL INSTITUTIONS [1] Selected Sources & Uses of Funds G$ Million	Balances		
	2016	**2017**	**2018**
Sources of Funds:	**219,735**	**234,784**	**268,242**
Deposits	50,026	51,786	50,681
Share Deposits	40,826	42,561	41,733
Other Deposits	9,201	9,226	8,949
Foreign Liabilities	16,502	17,976	28,658
Premium	4,451	4,721	5,796
Pension Funds	47,298	53,368	64,763
Other Liabilities	101,458	106,933	118,342
Uses of Funds:	**219,735**	**234,784**	**268,242**
Claims on:			
Public Sector	6,828	6,470	6,506
Private Sector	119,855	128,716	135,774
Banking System	31,377	36,032	38,997
Non-Residents	31,521	32,736	53,042
Other Assets	30,154	30,829	33,923

Notes:

1) Adjustments in the valuation method used by the pension companies contributed to the significant increase in the balance sheet of the non-bank financial institutions from December 2016.

The New Building Society

Total resources of the New Building Society (NBS) increased by 3.0 percent or G$1,892 million to G$65,141 million and accounted for 24.3 percent of total assets of the NBFIs. This performance was mainly due to the 14.7 percent or G$2,088 million expansion in other liabilities and the 10.1 percent or G$570 million growth in foreign liabilities. Other deposits also grew by 7.3 percent or G$61 million, while share deposits declined by 1.9 percent or G$828 million.

Funds mobilized by the NBS were largely invested in the private sector in the form of loans and advances alongside investments in local securities. Claims on the private sector increased by 3.8 percent or G$1,525 million and accounted for 63.8 percent of total assets. The acquisition of other assets were also higher by G$750 million to G$2,843 million while there was no claims on the non-resident sector. Conversely, investments in Government of Guyana treasury bills decreased by 6.2 percent or G$359 million and represented 8.4 percent of total assets. Similarly, claims on the banking system deceased marginally by 0.2 percent or G$24 million, owing mainly to the G$24 million decline in deposits at local commercial banks.

Table XXII

NEW BUILDING SOCIETY Selected Sources & Uses of Funds G$ Million	Balances		
	2016	2017	2018
Sources of Funds:	**60,040**	**63,249**	**65,141**
Share Deposits	40,826	42,561	41,733
Other Deposits	881	838	899
Foreign Liabilities	5,299	5,656	6,226
Other Liabilities	13,035	14,194	16,282
Uses of Funds:	**60,040**	**63,249**	**65,141**
Claims on:			
Public Sector	6,314	5,812	5,453
Private Sector	38,812	40,011	41,536
Banking System	12,644	15,333	15,309
Non-Residents	52	-	-
Other Assets	2,217	2,093	2,843

Trust Companies

The resources of the trust companies, which include Hand-in-Hand Trust Corporation Incorporated and Trust Company Guyana Limited, decreased by 2.2 percent or G$249 million. Deposits, which represented 71.0 percent of total liabilities, contracted by 3.6 percent or G$297 million, resulting from the 6.4 percent or G$172 million decline in deposits of NIS. Conversely, foreign liabilities and other liabilities increased by 20.2 percent or G$30 million and 0.6 percent or G$18 million respectively.

Claims on the banking sector decreased by 20.6 percent or G$317 million, resulting mainly from the 59.3 percent or G$301 million contraction in deposits at local commercial banks. Investments in the private sector also contracted by 0.4 percent or G$27 million and accounted for 64.4 percent of total assets. This outturn was attributed to the 2.0 percent or G$6 million decline in holdings of private sector securities. In contrast, the acquisition of other assets and claims on the non-resident sector grew by 17.4 percent or G$51 million and 1.8 percent or G$45 million respectively.

Table XXIII

TRUST COMPANIES Selected Sources & Uses of Funds G$ Million	Balances		
	2016	2017	2018
Sources of Funds:	**11,228**	**11,552**	**11,303**
Deposits	8,147	8,324	8,027
Foreign Liabilities	131	148	178
Other Liabilities	2,950	3,080	3,098
Uses of Funds:	**11,228**	**11,552**	**11,303**
Claims on:			
Public Sector	-	-	-
Private Sector	7,869	7,302	7,274
Banking System	1,724	1,535	1,218
Non-Residents	1,444	2,424	2,469
Other Assets	191	291	341

Finance Companies

Financial resources of the finance companies increased by 7.5 percent or G$2,377 million compared to 1.0 percent or G$317 million expansion recorded one year earlier. This improvement was due to the 9.3 percent or G$1,715 million expansion in other liabilities, which includes capital & reserves and the 4.6 percent or G$555 million growth in retained earnings. Similarly, loans received locally from companies' affiliates and foreign liabilities were also higher by G$72 million and G$34 million to G$1,144 million and G$83 million respectively.

Claims on the non-residents sector, which represented 58.1 percent of finance companies' total assets, grew by G$17,441 million to G$19,836 million. This performance was attributed mainly to the G$17,477 million expansion in investments in other foreign securities (which excludes debentures and treasury bills). Similarly, claims on the banking system and the acquisition of other assets (comprising of other real estate, prepayments, accounts receivable and stocks) expanded by 26.1 percent or G$77 million and 9.5 percent or G$444 million respectively. In contrast, investments in the private sector declined by 63.9 percent or G$15,584 million, owing mainly to the 73.5 percent or G$15,666 million contraction in the holdings of private sector securities.

Table XXIV

FINANCE COMPANIES [1] Selected Sources & Uses of Funds G$ Million	Balances		
	2016	**2017**	**2018**
Sources of Funds:	**31,422**	**31,739**	**34,116**
Loans Received	1,036	1,071	1,144
Retained Earnings	11,712	12,150	12,706
Foreign Liabilities	57	49	83
Other Liabilities	18,616	18,468	20,183
Uses of Funds:	**31,422**	**31,739**	**34,116**
Claims on:			
Public Sector	-	-	-
Private Sector	22,957	24,395	8,811
Banking System	638	295	372
Non-Residents	4,045	2,395	19,836
Other Assets	3,781	4,654	5,098

Notes:

(1) 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 institutions (Institute of Private Enterprise Development and Small Business Development Trust).

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 or G$375 million. Provision for outstanding loans, which represented 50.0 percent of total liabilities, increased by 4.1 percent or G$390 million to G$10,016 million.

Interest receivable, which represents 50.0 percent of total assets, expanded by 4.1 percent or G$390 million. Claims on the banking system were also higher by G$16 million to G$76 million, resulting from the 27.5 percent expansion in deposits at local commercial banks. Conversely, the acquisition of other assets and claims on the private sector decreased by G$30 million and G$1 million respectively.

Table XXV

ASSET MANAGEMENT COMPANIES Selected Sources & Uses of Funds G$ Million	Balances		
	2016	**2017**	**2018**
Sources of Funds:	**19,281**	**19,644**	**20,020**
Provisions for Loans	9,236	9,626	10,016
Other Liabilities	10,046	10,019	10,004
Uses of Funds:	**19,281**	**19,644**	**20,020**
Claims on:			
Private Sector	7,573	7,573	7,572
Interest Receivable	9,236	9,626	10,016
Banking System	37	60	76
Other Assets	2,436	2,386	2,356

Pension Schemes

The consolidated resources of the pension schemes expanded by 21.3 percent or G$11,488 million compared to 12.8 percent or G$6,130 million growth in 2017, owing mainly to the 21.4 percent increase in pension funds. The pension schemes share represented 24.4 percent of total NBFIs' resources.

Investments in all sectors of the pension schemes increased during the period under review. Investments in the private and non-resident sectors grew by 23.6 percent or G$7,353 million and 17.6 percent or

G$2,118 million respectively. The former was largely due to the 34.3 percent expansion in the holdings of private sector securities and the latter from higher investment of 22.3 percent in other foreign securities (which excludes debentures and treasury bills). Claims on the banking system which represents 14.6 percent of total assets, also recorded increases of G$1,652 million to G$9,550 million, resulting mainly from the 21.3 percent growth in deposits at local commercial banks. Likewise, investments in the public sector and the acquisition of other assets by the various pension schemes increased by G$245 million and G$120 million to G$903 million and G$2,250 million respectively.

Table XXVI

PENSION COMPANIES [1] Selected Sources & Uses of Funds G$ Million			
	Balances		
	2016	2017	2018
Sources of Funds:	**47,747**	**53,877**	**65,364**
Pension Funds	47,298	53,368	64,763
Other Liabilities	449	509	601
Uses of Funds:	**47,747**	**53,877**	**65,364**
Claims on:			
Public Sector	515	658	903
Private Sector	27,758	31,135	38,488
Banking System	6,690	7,897	9,550
Non-Residents	10,316	12,056	14,174
Other Assets	2,469	2,130	2,250

Note:
(1) Adjustments in the valuation method contributed to the significant increase in the balance sheet of the pension companies from December 2016.

Domestic Insurance Companies

The total resources of the domestic insurance companies (life and non-life segments), expanded by 32.1 percent or G$17,575 million. The life component accounted for 68.2 percent of the industry's resources and grew by 33.8 percent while the non-life component increased by 28.6 percent and accounted for 31.8 percent of the industry's resources.

Total insurance premium increased by 9.2 percent or G$1,275 million, of this, local life premium increased by 22.8 percent. Conversely, non-residents premium decreased marginally by 0.1 percent or G$6 million and accounted for 55.1 percent and 38.9 percent of life insurance fund and life insurance foreign liabilities respectively.

Table XXVII

DOMESTIC INSURANCE COMPANIES Selected Sources & Uses of Funds G$ Million			
	Balances		
	2016	2017	2018
Sources of Funds:	**50,017**	**54,723**	**72,298**
Premium	4,451	4,721	5,796
Foreign Liabilities	11,014	12,123	22,170
Other Deposits	172	63	22
Other Liabilities	34,380	37,817	44,310
Uses of Funds:	**50,017**	**54,723**	**72,298**
Claims on:			
Public Sector	-	-	150
Private Sector	14,885	18,300	32,093
Banking System	9,642	10,913	12,473
Non-Residents	15,627	15,801	16,487
Other Assets	9,863	9,709	11,096

Total private sector investments, in the form of securities and loans & advances to residents, expanded by 75.4 percent or G$13,793 million to G$32,093 million. Investments in private sector securities, which constituted 88.8 percent of total private sector investment, increased by 79.9 percent or G$12,656 million to G$28,489 million. Claims on the banking system and the acquisition of other assets were also higher by G$1,560 million and G$1,387 million respectively. 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 4.3 percent to

G$16,487 million. This improvement was due to the 75.6 percent or G$273 million expansion in foreign debentures and the 22.9 percent or G$915 million growth in other foreign securities (which excludes debentures and treasury bills). Conversely, deposits with foreign banks, which represented 41.7 percent of non-resident claims, contracted by 10.3 percent or G$792 million.

Interest Rates

The interest rate structure of the NBFIs remained unchanged during the year 2018. 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. ❒

II

FINANCIAL STABILITY ASSESSMENT

1. SUMMARY

The Bank of Guyana's Financial Stability Committee continuously assesses a number of risk indicators pertinent to the financial and economic systems. The technicalities are mainly manoeuvred through its financial stability frameworks to ceaselessly help build financial system resilience. The Bank views the analytics of micro and macro prudential indicators, banking stress tests and macroeconomic data to be critical for all LDFIs in its comprehensive framework. In addition, the Bank extended the framework to include analyses of the insurance and pension sectors' soundness indicators. In 2018, the results from the framework suggested that risks to the financial system increased but were at controllable levels.

The eight LDFIs maintained high levels of capital and recorded greater profits when compared with the previous year. CAR remained above the prudential 8.0 percent benchmark by an average 29.4 percentage points. The loan portfolio grew by 4.2 percent but non-performing loans deteriorated by 2.6 percent. Notwithstanding, the LDFIs generally held adequate provision and collateral against adversely classified loans.

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. During the previous year, the stress test was expanded to include all LDFIs in the areas of investments, liquidity and credit (large exposure)[6]. 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 and credit 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 experienced increased risks during 2018; however, some positive macro indicators provided some assurance. Uncertainty in the global environment emanating from the ongoing geopolitical tensions, perturbing trade wars, unfavourable commodity prices, slowing demand, narrowed finances, and climate change disruptions have had some negative impacts on the Guyanese economy. Domestic industries in agriculture and manufacturing, which account for a fair share of the labour force, experienced some setbacks. Nevertheless, the economy saw favourable performances in the construction and services sectors. In addition, an improved fiscal

[6] The foreign currency and sectoral credit stress tests only focus on banks due to limited data on non-banks for these tests.

balance, rather stable exchange rates, manageable debt levels, and profitable financial institutions have helped to build confidence, despite the edging political tension in the economy. However, major foreign exchange outflows, relatively large NPLs, high interest rate spreads, and fragilities in the international market remain major downside risks to domestic financial stability.

The insurance sector, which comprises long-term insurance and general insurance, accounted for 7.8 percent of total financial assets and 29 percent of non-bank assets as at December 31, 2018. 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 2016. The insurance sector's assets accounted for 9.4 percent of the country's GDP. Potential risks stirring from the volatile global conditions were prudently managed and had no major adverse effect on the industry.

The private pension sector continued to experience consistent growth while maintaining its prominence as an institutional investor with a relatively low penetration rate and impact to systemic risk. In 2018, total assets in the sector increased and accounted for 8.0 percent of GDP, 6.5 percent of the total financial sector's assets and 24.1 percent of those of the NBFIs. Pension plans experienced sufficient solvency levels with an average of 147.6 percent recorded for the sector, which indicated that total pension obligations were fully backed by total assets to meet promised benefits with a corresponding asset reserve of more than 40 percent.

The Bank of Guyana received support from the World Bank to the tune of US$6 million to modernize Guyana's Payment System infrastructure. This entailed implementing a new Payments System Act with supporting regulations and modernization of the Payment System infrastructure. The latter include the implementation of a RTGS and a CSD systems. The modernization efforts from paper-based instruments to electronic payments will result in significant cost savings and efficiency improvements while reducing operational, credit, legal, liquidity investment and custody risks.

In its assessment of potential risks to financial stability, the Bank would anticipate possibility of risks materializing and work on reducing its impact to the financial system. Further, both global and domestic risks were carefully watched and relatively provisioned for by the Bank's Financial Stability Committee, in order to mitigate negative spillovers and disruptions to the domestic financial system. Overall, the financial sector remained sound, well capitalised, liquid, and profitable in year 2018. ❐

2. MICROPRUDENTIAL REVIEW

The eight LDFIs maintained high levels of capital and recorded greater profits when compared with the previous year. The CAR remained above the prudential 8.0 percent benchmark by an average 29.4 percentage points. The loan portfolio grew by 4.2 percent but non-performing loans deteriorated by 2.6 percent. 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 2018 was 31.1 percent, 1.6 percentage points above end-December 2017 level, resulting from the LDFIs' improved capital levels.

Table XXVIII

Licensed Depository Financial Institutions (LDFIs) Capital Adequacy Profiles G$ Million			
	Dec 2016 [1)]	Dec 2017 [2)]	Dec 2018
Total Qualifying Capital	64,928	70,841	83,301
Total Tier I capital (Net)	65,193	71,523	84,206
Risk-weighted Assets (Net)	234,331	240,412	267,583
	Percent		
Average CAR	27.7	29.5	31.1
Tier I ratio	27.8	29.8	31.5

Notes:

1) RBL's tier I capital was amended July 12, 2017.

2) BNS' deficiency in provision was amended February 13, 2018 following their submission of the LPRS as at December 2017.

The LDFIs' total qualifying capital of G$83,301 million reflected respective increases of 17.6 percent and 28.3 percent above end-December 2017 and end-December 2016 levels. This period's increase resulted mainly from a 17.7 percent expansion in net Tier I capital (G$84,206 million at end-December 2018), due largely to a 19.5 percent increase in retained earnings over the end-December 2017 level. GBTI and RBL were mainly responsible for this expansion in retained earnings, with respective increases of 41.9 percent and 32.5 percent.

Net Risk-weighted Assets

The LDFIs' aggregate net risk-weighted assets expanded by 11.3 percent to reach G$267,583 million at end-December 2018, an increase from the 2.6 percent growth the previous year. The increase in risk-weighted assets reflected growth in credit primarily to the services, real estate mortgages and household sectors of six percent, five percent and 4.1 percent respectively.

The LDFIs' capital and reserves to total assets ratio as at December 2018 was 15.8, 40 basis points higher when compared to the previous year.

ASSET QUALITY

Non-performing loans

The level of non-performing loans (NPLs) deteriorated by 2.6 percent (following the 4.3 percent reduction at end-December 2017), to close at G$29,737 million at end-December 2018. The deterioration was attributed to increases in three LDFIs' portfolios ranging from 4.6 percent to 34.9 percent, taking the aggregate level of NPLs 2.6 percent (G$767 million) above the $28,970 million reported at end-December 2017. The five LDFIs with improved loan portfolios recorded declines ranging from 0.2 percent to 27.8 percent in non-performing loans.

Non-performing loans to total loans represented an improved 10.6 percent, 20 basis points below end-

December 2017. Total loans grew by 4.2 percent over the comparative period to G$280,524 million, with five LDFIs recording increases ranging from 3.4 percent to 12.3 percent.

Sectoral Non-Performing Loans

Non-performing loans in the business enterprises sector rose 5.1 percent (G$1,012 million), while the households sector showed a reduction of 2.7 percent (G$245 million) when compared with 2017. Increases in the mining & quarrying, services and manufacturing sub-sectors of 25.7 percent, 13.7 percent and 5.7 percent respectively were responsible for the overall increase in the business enterprises NPLs.

Table XXIX

Licensed Depository Financial Institutions (LDFIs) G$ Million	Dec 2016	Dec 2017	Dec 2018
Economic Sector			
Business Enterprises	**22,210**	**19,863**	**20,875**
Agriculture	4,191	3,134	2,127
Mining & Quarrying	673	855	1,075
Manufacturing	5,781	4,729	4,997
Services	11,565	11,145	12,676
Households [1]	**8,076**	**9,107**	**8,862**
Total	**30,286**	**28,970**	**29,737**

Notes:
(1) Households include personal loans only.

NPLs concentration

The highest concentration of NPLs were in:

(i) Construction & engineering - 62.3 percent of manufacturing;

(ii) Distribution (wholesale and retail trade) - 50.3 percent of services; and

(iii) Sugar cane - 39.1 percent of agriculture.

Provision for loan losses

Provision for loan losses covered 38.9 percent of NPLs at end-December 2018, compared with 47.7 percent at end-December 2017.

Risk Assessment

The overall assessment of the banks' credit risk remained high and increasing, despite the slight reduction in NPLs ratio to 11.9 percent, down from 12.2 percent at end-December 2017. Two banks and one non-bank were rated as high and increasing. One non-bank credit risk rating was assessed as low and stable.

Loan Concentration

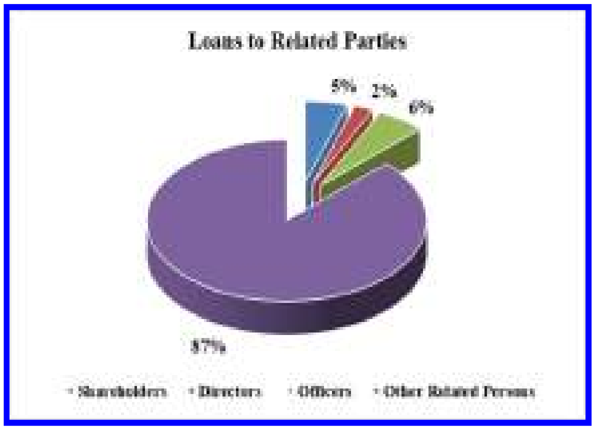
Loan concentration among large borrowers deepened further, with exposure to the industry's top twenty borrowers at end-December 2018 of G$79,483 million, reflecting a 16.9 percent (G$11,480 million) expansion over end-December 2017. Three LDFIs recorded increases ranging from 0.4 percent to 81.4 percent, while four LDFIs recorded decreases ranging from 12.9 percent to 74.9 percent. One LDFI did not record any exposure to the industry top twenty borrowers. The ratio of the industry's top twenty borrowers to total exposure was 18.3 percent, 2.1 percentage points above end-December 2017.

Loans to Related Parties

Related Parties' Loans of G$7,193 million were 9.5 percent below the end-December 2017 level, following a 12.9 percent falloff the previous year. The ratio of related parties' loans to total loans was 2.6 percent, 40 basis points below the previous year.

Loans to other related persons accounted to 87 percent (G$6,286 million) of related parties' loans. See figure XIV for the classes of related parties' loans.

Figure XVI



Risk Assessment

The banks' concentration risk was assessed as moderate and stable. NBS' concentration risk was assessed as moderate and stable while HIHT's was rated as high and increasing. The industry's top twenty borrowers to total loans ratio was 28.3 percent. Fifty-nine percent of these accounts were favourably classified.

EARNINGS

Income

LDFIs' operating income for the year 2018 amounted to G$37,239 million, 0.9 percent (G$319 million) below the 2017 level and less than one percent (G$159 million) above the 2016 level. Interest income of G$28,757 million fell 1.6 percent (G$476 million) and 2.6 percent (G$756 million) below the 2017 and 2016 levels respectively. Additionally, fees and commissions of G$2,737 million were 5.0 percent (G$144 million) and 1.4 percent (G$39 million) below the 2017 and 2016 levels respectively. On the other hand, other operating income of G$1,452 million was 25.6 percent (G$296 million) and 45.1 percent (G$451 million) above the 2017 and 2016 respective levels, while gains from foreign exchange activities of G$4,293 million, were less than 1 percent (G$5 million) and 13.3 percent (G$503 million) above the 2017 and 2016 levels respectively.

Table XXX

Consolidated Income Statement of LDFIs G$ Million			
	January – December		
	2016	**2017**	**2018**
Operating Income	**37,080**	**37,558**	**37,239**
Interest Income	29,513	29,233	28,757
Foreign exchange gains	3,790	4,288	4,293
Fees and Commission	2,776	2,881	2,737
Other operating income	1,001	1,156	1,452
Non-operating income	**5**	**-**	**5**
Operating Expenses	**21,755**	**21,526**	**19,310**
Interest Expense	5,137	4,713	4,258
Salaries and other staff costs	5,947	6,231	6,740
Foreign exchange losses	27	-	(170)
Provision for loan losses	3,380	2,886	1,617
Bad debts written off/Recovered	(76)	(502)	(74)
Other operating expenses	7,341	8,198	6,939
Non-Operating Expenses	**1**	**31**	**31**
Net income before tax	**15,330**	**16,001**	**17,903**
Taxation	**4,401**	**4,136**	**4,474**
Net income/loss after tax	**10,929**	**11,865**	**13,429**
Profitability Ratios - Percent (%)			
Return on Assets (ROA)	**2.13**	**2.25**	**2.45**
Return on Equity (ROE)	**15.13**	**15.19**	**15.69**

Expenses

LDFIs' operating expenses of G$19,311 million reflected decreases of 10.3 percent (G$2,215 million) and 11.2 percent (G$2,445 million) below the 2017 and 2016 levels, as three of the six expense categories contracted.

LDFIs' provision for loan losses of G$1,617 was 44 percent (G$1,268 million) and 52.2 percent (G$1,763 million) below the respective 2017 and 2016 levels.

Other operating expenses amounted to G$6,939 million, 15.4 percent (G$1,259 million) and 5.5 percent (G$402 million) below the 2017 and 2016 respective levels, while interest expense of G$4,258 declined 9.7 percent (G$455 million) and 17.1 percent (G$879 million) from the two comparative periods.

Conversely, salaries and other staff costs of G$6,740 million rose 8.2 percent (G$510 million) and 13.3 percent (G$793 million) above the 2017 and 2016 levels respectively. Further, LDFIs' losses from foreign exchange activities amounted to G$170 million in 2018.

For the year under review, LDFIs recovered G$74 million (net of bad debts written-off), compared to G$502 million and G$76 million in 2017 and 2016 respectively.

Net profit after tax and profitability ratios

LDFIs' net income after tax of G$13,429 million) was 13.2 percent (G$1,564 million) above the 2017 level and 22.9 percent (G$2,500 million) above the 2016 level.

For the January – December 2018 period, both ROA and ROE were greater than the previous years' level by 20 basis points and 50 basis points respectively.

Risk Assessment

The risk to LDFIs' earnings remained 'moderate and increasing'. Despite the core profitability ratios showing slight resurgence, the persistent high level of NPLs continues to be cause for concern.

LIQUIDITY

The level of liquidity in the financial sector remained high throughout 2018, with all the LDFIs exceeding the minimum statutory requirements. During the year, excess liquid assets holdings for individual LDFIs ranged from 7.0 percent to 306 percent. The average aggregate amount of liquid assets held at end-December 2018 exceeded the statutory liquid assets requirement by 91.0 percent (G$81,897 million) compared with an 88.1 percent (G$73,956 million) excess at end-December 2017.

At end-December 2018, the average level of liquid assets held by LDFIs amounted to G$171,937 million, an 8.8 percent (G$13,999 million) increase from the average level recorded for the same period in 2017. This expansion resulted mainly from increases in deposits with BOG and net balances due from other banks abroad of 19.1 percent (G$11,749 million) and 26.0 percent (G$3,243 million) respectively; stymied by a decline in local treasury bills of 6.6 percent (G$1,366 million).

Table XXXI

Licensed Depository Financial Institutions (LDFIs)
Liquidity Indicators
G$ Million

	Dec 2016	Dec 2017	Dec 2018
Avg. Actual Liq. Assets	160,320	157,939	171,937
Avg. Required Liq. Assets	84,842	83,983	90,040
Avg. Excess Liq. Assets	75,478	73,956	81,897
Liquidity Ratios - Percent (%)			
Liquid Asset Ratio (LAR)	30.6	29.8	30.3
Customer deposits to total (non-interbank) loans	163.7	158.4	162.4

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, 2018: 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), Hand-in-Hand Trust Corporation Incorporated (HIHT), New Building Society (NBS).

The average liquid assets ratio (LAR) increased 50 basis points above the end-December 2017 position to 30.3 percent at end-December 2018. Customers' deposits to total (non-interbank) loans ratio, which indicates the ability of the LDFIs to support loan growth with deposits, also increased by 400 basis points to 162.4 percent at end-December 2018. This higher ratio is indicative of deposits increasing at a faster rate than lending signalling marginal tightening of intermediation in the industry. A year-on-year comparison revealed increases in customers' deposits and non-interbank loans by 6.9 percent and 4.2 percent respectively.

Risk Assessment

The liquidity risk among the LDFIs was assessed as moderate and stable due to their continued high levels. Six institutions were rated as moderate and stable, while two were moderate and increasing. ❒

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. During the previous year, the stress test was expanded to include all LDFIs in the areas of investments, liquidity and credit (large exposure)[7]. 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 and credit portfolios.

a) Investments

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.

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. While the banking sector showed resilience to both shocks, it was found that a shock of 86.5 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 remain the most significant risk facing 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 2018, with the post-stress CAR well above 8.0 percent, while the banking sector failed the test at the level three shock due to failure by three banks.

[7] The foreign currency and sectoral credit stress tests only focus on banks due to limited data on non-banks for these tests.

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 banks have assets and liabilities.

The test revealed a still resilient banking sector to the applied shocks. It was estimated that an appreciation of the G$ by 91.1 percent would deteriorate the sector's CAR to the prudential requirement. However, only two banks showed 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 respective *run-off rates* and *percentage of liquidity drawn from 'other assets'* are standardized to reflect three scenarios: **5/5**; **3/7** and **0/10**.

For the quarter under review, 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, the same as the previous quarter. Furthermore, under an extreme scenario of a 10 percent daily run off of deposits, the industry would go illiquid after three 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 (MiPI) exhibited a moderately stable banking sector in 2018. Compared to the tranquil[8] period, the index improved to 32 points relative to a 31 points average during the first three quarters of the year and 36 points from the corresponding period in 2017.

The improvement of the MiPI was mainly reflected by marginal reduction of risks in the earnings and profitability indicators, primarily an improvement in asset returns in 2018 relative to 2017. Conversely, these improvements were stymied by the recurrent risk emanating from the liquidity and asset quality indicators.

Figure XVII

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.

Despite the marginal decline in non-performing loans (both as a percentage of gross loans and capital & reserves), asset quality indicators continued to negatively influence the MiPI (see Figure XVII). Similarly, while the reserves for loan losses to non-performing loans ratio marginally declined from the corresponding period in 2017, the indicator continued to signal a high level of risk.

[8] The tranquil period December 2011 to September 2013 for the MiPI 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.

Figure XVIII

Banks' gross loans to deposits showed a slight decline despite a higher deposit to gross assets ratio. This suggested that while the deposits of customers increased, loan disbursements relative to these deposits declined. Moreover, the ROE continued to signal high risk, consistent with the threat to banks' profitability posed by the current quality of assets in the MiPI.

Notwithstanding, the aforementioned vulnerabilities signalled in the MiPI were off-set mainly by commercial banks' high adequate capital, which signalled no immediate vulnerabilities to the sector.

Table XXXII

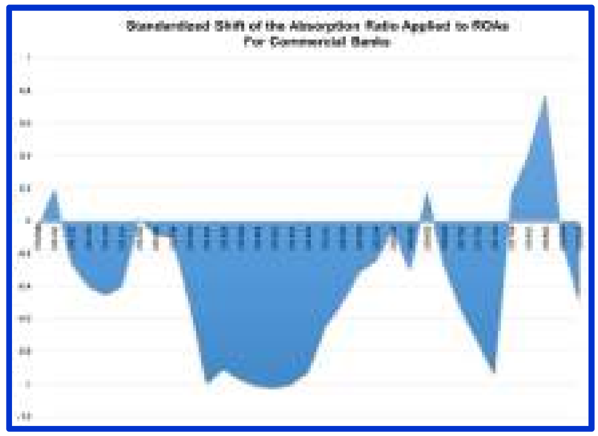
Macro-prudential Index Guyana's Banking Sector	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
Risk Ratios					
RLL/NPLs	48.48	47.86	38.32	38.31	38.99
NPLs/GL	12.19	13.22	12.83	12.58	11.93
NPLs/C&R	41.1	42.35	40.61	39.25	38.38
ROE	3.9	4.25	3.86	3.69	3.95
ROA	0.57	0.6	0.57	0.55	0.59

2. Absorption Ratio

The Standardised Shift in the Absorption Ratio (SAR) measures the degree of linkage of asset returns across the banking portfolios as reflected in their return on assets (ROA). The value of the SAR, had shown a considerable decoupling in the asset portfolios of commercial banks during the third quarter, indicating a de-linkage of commercial banks' common asset holdings. However, the SAR trended upwards since the fourth quarter of 2017.

The significant reduction of the SAR from 0.78 in June 2018 to negative 0.48 in the last quarter of 2018, indicates a high level divergence among commercial banks' profitability ratios. This downward movement in the value also implies improvements in commercial banks' resilience to systemic risk.

Figure XIX



3. Banking Stability Index

During 2018, the banking stability fluctuated to end the year with a lower level of stability relative to last year. As at end-December 2018, the BSI sled to negative 0.15 from negative 0.05 in December 2017, driven primarily by deteriorations in foreign exchange, liquidity, and capital adequacy indicators, which stymied marginal improvements in the profitability, interest rate, and total asset quality indicators.

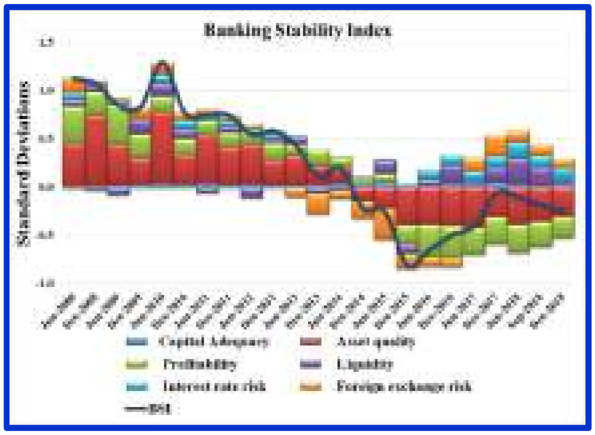
Table XXXIII

Weighted Components of the Banking Stability Index	Dec 2017	Jun 2018	Dec 2018
BSI	**-0.05**	**-0.09**	**-0.15**
Capital Adequacy	0.05	0.03	0.02
Asset Quality	-0.31	-0.39	-0.30
Profitability	-0.27	-0.29	-0.22
Liquidity	0.15	0.27	0.11
Interest Rate Risk	0.12	0.17	0.15
Foreign Exchange Risk	0.22	0.12	0.09

Over the review period, the foreign exchange spread increased by 7 basis points, thus signalling increased foreign exchange risk in the banking sector. On the liquidity side, gross loans to deposits declined by 2.2pp when compared to the corresponding period in 2017, which resulted in a 400 basis point fall in the liquidity indicator. In relation to capital adequacy, the banking sector's Tier II capital to risk weighted assets ratio as at December 2018 declined 83 basis points from the December 2017 position.

Given the aforementioned, along with the low liquidity and interest rate risks relative to 2017's level, the BSI continues to signal moderate stability in the banking sector.

Figure XX



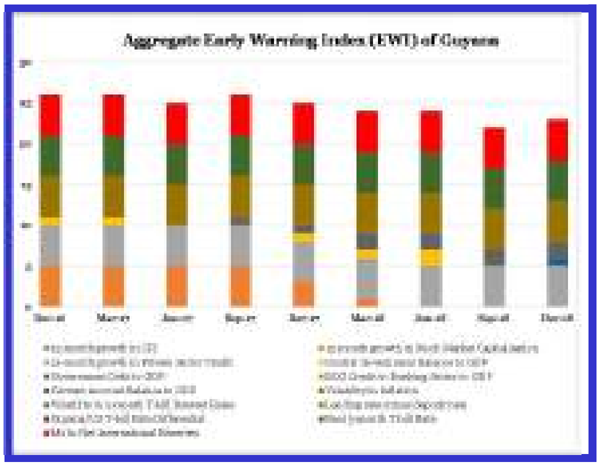
2. Macro-Financial 'Signal' Index

The Early Warning Index (EWI)[9] allows for the monitoring of the overall macroeconomic environment to capture various degrees of risk exposures to the economy. The EWI scored 28 points at end-December 2018, which signalled a 1 point increase in the exposure of risks against the previous quarter. This outturn was due mainly to the deterioration in the external current account balance to GDP.

Further, five indicators continued to signal high levels of risks; these include the slowing of private sector credit growth, high interest rate spread, falling real 3-mth T-bill rate, low net foreign assets to total assets, and augmenting ratios for M2 to net international reserves. These indicators show persistent vulnerabilities and requires ongoing surveillances and risk-assessments, as they can pose serious threats to the financial soundness. Nevertheless, the good performances by other variables should continue to provide buffers in future unfavourable situations.

[9] 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. 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 XXI



Credit to GDP Gap

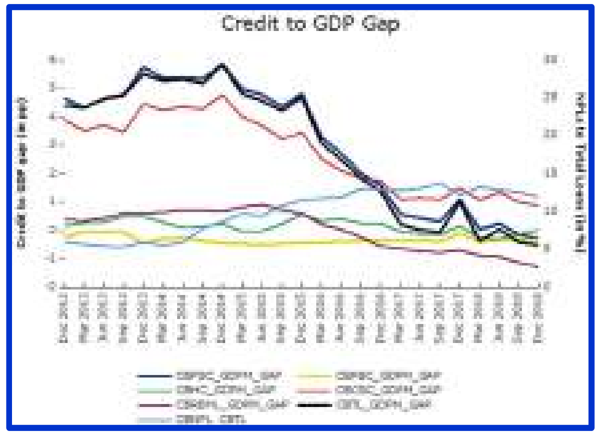
The credit to GDP gap, an early warning indicator of financial stress or crises, captures the build-up of credit relative to the long run trend. The gap is measured by the difference between the credit to GDP ratio and the ratio's long term trend.

As at December 2018, the total credit to GDP gap was negative 0.51 percentage points (pp), indicating that the credit to GDP ratio was below its long run trend. Both the private and public sector credit to GDP gaps were below their long run trends at negative 0.28 pp and negative 0.31 pp, respectively, indicating no heightened risks from rapid credit growth as the gaps are close to zero.

The credit to GDP ratio of 29.6 percent remained on a slight downward trend from a record high of 32.5 percent in December 2015. This downward trend resulted from a slowdown in year-on-year credit growth with fluctuating GDP (at purchaser's price) growth.

Total credit of the commercial banking sector was estimated at G$234 billion as at December 2018, a growth of 3.0 percent over the previous quarter. The year-on-year growth of 4.2 percent was supported by a 4.9 percent (G$10.7 billion) growth in private sector credit, which overrode the G$2.1 billion decline in public sector credit.

Figure XXII



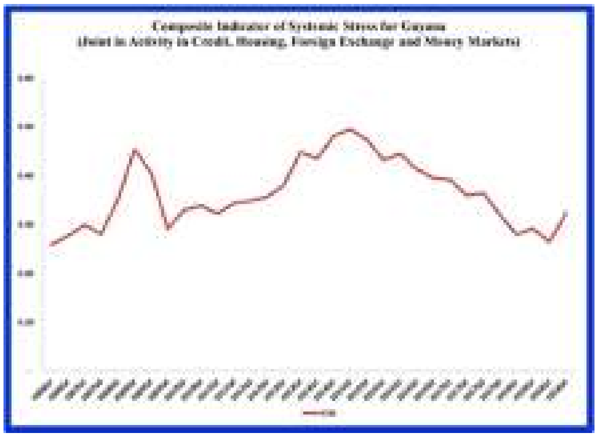
All three subcategories contributed to the growth in private sector credit to G$229.2 billion. Household credit expanded by 5.2 percent, while real estate credit expanded 5.0 percent, and business sector credit by 4.7 percent (G$4.9 billion).

The level of non-performing loans to total loans decreased marginally over the year and was 11.9 percent at end-December 2018. Credit growth of the commercial banking sector has improved over the last year, and most banks have signalled a positive outlook towards oil production in 2020.

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). As at end December 2018, the CISS signalled a constant level of aggregate stress, with mixed signals during the year in the four markets assessed. Following falling levels during 2018, the foreign exchange and money markets showed a slight uptick in risks during the fourth quarter, while the housing and credit markets showed contracted levels. The lower levels experienced across markets were offset by increased stress levels in the fourth quarter. Consequently, the CISS signalled a constant level of stress in 2018 relative 2017 level.

Figure XXIII



a) The Foreign Exchange Market

As at December 2018, the bid-ask spread widen to its largest gap since 2017Q1 (up $2.56). This is consistent with observed behaviour during the holiday season as cambio dealers sought to capitalise on the increased volume of US dollar trades. Returns on the sale of US dollars were $0.04 per dollar at the end of the quarter, pushing the cumulative return on the US dollar for 2018 up to $0.58 per dollar. Consequently, the market index rose 9 points above the 2017 level and is not expected to significantly increase in the short term as the relative stability of the Guyana to US dollar is projected to remain over the near term.

Figure XXIV

b) The Money Market

The stress level in the money market was up 5 points above December 2017 level, on account of increased stress levels in both market indicators. The volatility in the 3-months treasury bill rate rose 6.82 basis points in response to a 105 basis points increase in the US 3-months treasury bill rate, while the spread between the 364-day and 182-day treasury bills' rates expanded by 18.1 basis points above 2017 levels. The 91-day treasury bill rate remained stable at 1.54 percent due to no issuance of the instrument in 2018, while there were greater supply and demand for longer term instruments. Collectively, both indicators signalled higher stress levels for 2018Q4 compared to 2017Q4.

Figure XXV

c) The Housing & Credit Markets

The housing and credit markets continued to track each other, as both markets reflected a slight uptick in stress levels in the last quarter of 2018. However, a year on year comparison showed stress levels below the 2017 levels. Within both markets, all indices trended towards their respective long term level, as gaps narrowed. In quarter four, greater demand for mortgages stemmed from expansions in both Government and private developers housing projects across the country, leading to aggregate increases in housing and total credit by 6.4 percent (est.) and 3.0 percent (est.) respectively. Additionally, non-performing loans (NPLs) in both markets also increased but at lower percentages. However, no significant increase in the markets' stress levels are expected within the near term despite the political uncertainty.

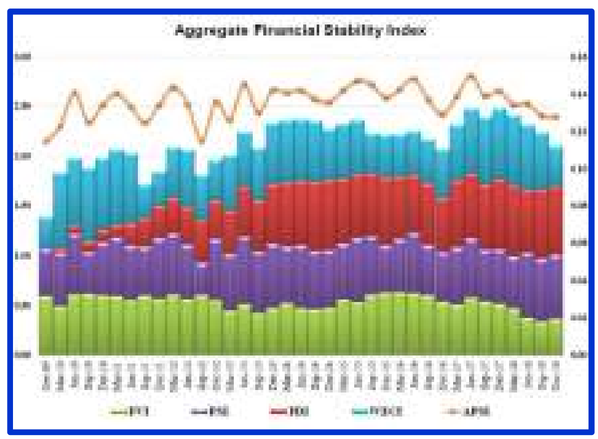
Figure XXVI

7. Aggregate Financial Stability Index (AFSI)

The Aggregate Financial Stability Index (AFSI)[10] continued on its usual quarterly trend[11], registering a decline in the index at 0.128 end-December 2018 from 0.129 the previous quarter (September 2018). This outcome was due to deteriorations in two of the four sub-indices − the WECI and FDI, with increased vulnerabilities in the world economic climate index, global growth, equity market volatility index, and total assets HHI. In addition, the current account balance to GDP, liquid assets to total assets ratio, and the foreign exchange bid-ask spread also worsened. On the upside, the FVI and FSI improved, particularly in the net international reserves to external debt, commercial banks' net foreign assets to total assets, fiscal balance to GDP, NPLs to total loans, and Tier I capital to risk weighted assets.

Conversely, the AFSI also weakened from 0.142 the same period last year (December 2017), with increased vulnerabilities observed in three sub-indices − the FVI, WECI and FDI. The variables which contributed to the erosion were the current account balance to GDP, M2 to net international reserves, net international reserves to external debt, total credit to GDP, total assets HHI, and some world economic climate variables. On the other hand, improved outcomes were in the stock market capitalisation to GDP, fiscal balance to GDP, NPLs to total loans, Tier I capital to risk weighted assets and liquid assets to total assets indicators. The Guyanese economy saw increased risks during 2018 which calls for careful monitoring and building sustainable buffers to prevent further deterioration, as fragile global conditions continue to be major risks to domestic growth and financial stability.

Figure XXVII



[10] 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, which are 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.

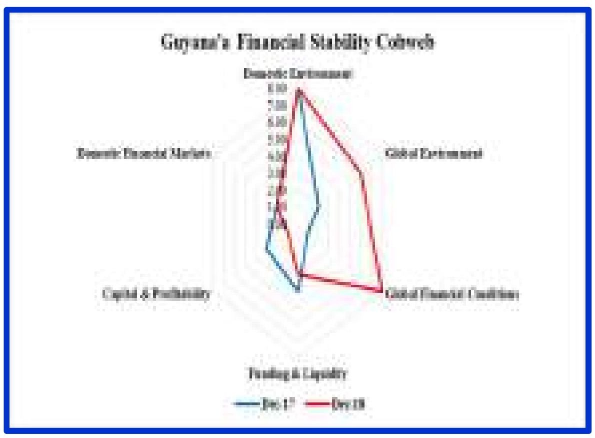
[11] Fluctuations in the AFSI i.e. seasonal changes in the macroeconomic environment are mainly responsible for the pattern of the AFSI curve. According to trending data, economic activities in Guyana usually peaks in the latter half of the year, predominantly in the fourth quarter, where productivity, trade, and debt would usually heighten, thus increasing vulnerabilities to the economy; therefore, reducing the overall AFS-Index. Then after, the economy comes a general slowdown in the first quarter, followed by elevated activities and lower debt in the second quarter, then in the third quarter, the preparations for activities in the fourth quarter intensify, which would result in a dip in the index.

8. Financial Stability Cobweb

The financial stability cobweb is a measure of the system's risk level 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 from the aforementioned areas, is reflected by the capital, profitability, funding, and liquidity indicators. Reduction in financial stability risk is represented by movement towards the center of the diagram and vice versa.

Risks to financial stability within the global environment (both financial market and general environment) increased in 2018 when compared to last year. The World Economic Climate Indicator fell from 17.1 in 2017 to negative 2.2 in 2018. Experts opined that the global economic climate deteriorated significantly, as their economic expectations were considerably scaled back due to waning growth in the world economy, particularly the emerging and developing countries[12]. The global financial arena also displayed high levels of market volatility when compared to the previous year reflecting an increase in financial stability risks.

Figure XXVIII



[12] http://www.cesifo-group.de/ifoHome/facts/Survey-Results/World-Economic-Survey/World-Economic-Climate/Archive/2018/World-Economic-Climate-20181112.html

The Domestic Financial Markets and Domestic Environment indicated low levels of risk to financial stability as it did the previous year. While, there was increased volatility in the US and Guyana 3-months T-bill differential rate, moderately low risk was maintained in the domestic financial market by positive stock market growth. In the Domestic environment, while there was a marginal improvement in the fiscal balance and sovereign debt to GDP, the increase in money stock to a declining international reserves sustained the risk within this facet of the financial environment. *International reserves fell by 9.5 percent in 2018. (It should be noted that the international reserves has been improving over the last three quarters.)*

The financial system continues to be adequately liquid and well capitalized. A growth in liquid assets to total demand & time liabilities to total assets, resulted in the reduction of risks in the Funding and Liquidity dimension of the banking sector. Increases in Tier I capital to total risk weighted assets and return on assets indicated an improvement in the capital and profitability dimension, reducing the level of risk in the banking sector when compared to last year.

Despite challenges in the global environment, low risk to financial stability was maintained in the funding & liquidity, capital & profitability, and the domestic financial markets, indicating the domestic financial sector's resilience and ability to absorb shocks.

Conclusion

The systemic risk indicators largely signalled sustained degrees of resilience despite increased vulnerabilities in the global environment. While the micro & macroprudential indices signalled marginally lower levels of risk, the BSI reflected reduced stability at end December 2018. Persistent levels of NPLs continued to directly impact asset quality and threaten profitability indicators. The aggregate financial stability indicator also signalled a lower stability levels with major risk emanating from the global environment. Consistent with the AFSI, the financial sector's cobweb showed amplified risk to financial stability from the global environment (including the global financial market), while the domestic environment remained subdued. However, the degree of resilience in the domestic environment increased relative to the previous year.

Credit to GDP remained below its long term trend as the credit to GDP gap stayed on a slightly downward trajectory from a record high in December 2015. The CISS reflected a constant level of risk relative to year 2017. Stress levels in the housing and credit markets were subdued while the foreign exchange and money markets exhibited a slight uptick in stress levels. Further, the absorption ratio indicated increased resilience by banks as de-linking of common assets were observed.

In light of the foregoing, the financial system remained stable and required no immediate policy action. However, increase monitoring of risks, both domestic and global, are necessary to ensure that timely policies and strategies are executed to mitigate any negative effects from identified risks. ❐

5. MACROECONOMIC REVIEW

The domestic financial system experienced increased risks during 2018; however, some positive macro indicators provided some assurance. Uncertainty in the global environment emanating from the ongoing geopolitical tensions, perturbing trade wars, unfavourable commodity prices, slowing demand, narrowed finances, and climate change disruptions have had some negative impacts on the Guyanese economy. Domestic industries in agriculture and manufacturing, which account for a fair share of the labour force, experienced some setbacks. Nevertheless, the economy saw favourable performances in the construction and services sectors. In addition, an improved fiscal balance, rather stable exchange rates, manageable debt levels, and profitable financial institutions have helped to build confidence, despite the edging political tension in the economy. However, major foreign exchange outflows, relatively large NPLs, high interest rate spreads, and fragilities in the international market remain major downside risks to domestic financial stability. The forecast for 2019 indicates expansions in all the economic sectors, and together with prudent fiscal and accommodative monetary policies should continue to help build financial sector resilience.

The global economy underwent intensified challenges during 2018 that resulted in lowered estimated growth of 3.7 percent from the previously projected 3.9 percent. Heightened geopolitical conflict, controversial trade policies, poor global demand, unfavourable commodity prices, fragile financial conditions, exchange rate pressures, and climate change disasters have weighed on potential growth prospects. Momentum in advanced economies decelerated as political and trade tensions were unresolved, and global trade plummeted. Although the dollar appreciated and fed rates increased in the United States, the US yields declined and productivity and consumer confidence sank. Performance weakened and risks were elevated in the Euro Area and UK with dismal outlooks, while Japan performed better than expected with positive growth despite the number of natural disasters and adverse trading environment. The emerging & developing economies had mixed outcomes, China growth slowed amid trade disputes with the US (its largest trading partner); while, growth in India was strong due to increasing private consumption. Economic activity in Latin America & the Caribbean appeared modest due to low demand, currency depreciations, and tight financial conditions. In addition, natural disasters (earthquakes, floods, droughts, etc.) around the world (specifically in Indonesia, Japan, India, and Nigeria) have exacerbated and disrupted the livelihood of many in 2018; thus, affecting the rate of recovery of the global economy. The IMF WEO Report (January 2019) strongly advised against any further slowdown in the world economy by encouraging nations to find cooperative solutions that promote international trade and global economic integration, reinforce financial market sentiment, and reduce overall uncertainty; employ policies and reforms that are more growth inclusive to bolster and sustain economic activities; strengthen financial resilience against possibly higher market volatility; moderate the devastating effects of climate change on humanity and economic soundness; and exercise a good mix of fiscal and monetary policies that would respectively create good buffers and sustainable debt, and achieve growth and inflation targets.

The Guyanese economy saw increasing risks from an unsettling global atmosphere, stemming from the lack of trade confidence, sluggish global demand, vulnerable commodity prices, insecure global financial conditions, and risky international securities. Further, the US restrictions on Iran and the reduction in fuel supply by Venezuela had sent fuel prices soaring during the first half of 2018, which caused some upheavals in Guyana, but after some deliberations by policymakers, gas-oil was reduced by 1.8 percent in early July. Unfavourably, fuel prices remained high, and fuel being a major import commodity and input for other products and processes, had negatively affected businesses' financial operations, consumers' spending brackets, and the country's balance of payments. Notwithstanding these downside risks and underperformances in a few major industries (gold, sugar, and rice), the economy recorded GDP growth of 4.1 percent. Output expanded in construction, wholesale & retail trade, transportation & storage, information & communication, financial & insurance activities, livestock, other crops, and other manufacturing. Fundamentally, the general increases in income/revenue, specifically for the business sector, had positively impacted the financial system, resulting in higher deposits at banks to make loans thus registering net profitability.

Urban inflation (year-to-date) was recorded at 1.6 percent end-Dec 2018, while the average rate for the year was 1.3 percent. Price increases were mainly in the categories and sub-categories of food and fuel, where fuel being a major input for other goods and services contributed to price surges in other items of the CPI basket. Essentially, appropriate price increases give indications to changes in revenue/income, which in turn can positively influence the asset value of households and businesses, their ability to service debt, and consequently the improvement of banks' asset quality and profitability.

The commercial banking industry recorded higher net profits and maintained capital reserves above the required amount end-2018. Loans to the private sector increased by 4.9 percent, of which 49.1 percent were loans to the economic sectors that grew by 5.2 percent. Adversely, the stock of NPLs increased by 2.0 percent; however, the ratio of NPLs to total loans declined to 11.9 percent. Households and agriculture NPLs declined, while services, manufacturing, and mining & quarrying worsened. However, households' NPLs still remain relatively high and should be under close surveillance.

Commercial banks average interest rate spread was lower at 8.99 percent end-Dec 2018 from 9.08 percent end-Dec 2017, due to reductions in both the weighted-average lending rate to 10.03 percent and the average savings rate to 1.04 percent. Nevertheless, the spread remains high and investors are faced with small returns on savings (and smaller when measuring in real terms). In addition, high lending rates continue to discourage potential clients and viable investment opportunities, while existing borrowers are overwhelmed with high-cost burdens. Persistent high interest costs have led to some loans underperforming, especially during economic slowdowns where businesses may be cash-strapped, which eventually affect banks' profitability and their performance indicators. 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 need to be encouraged, as the market is fairly concentrated in this setting of an oligopolistic structure, and banks being price setters can manipulate the market to their best advantage.

The money market remained relatively stable in 2018, as transactions among banks and some favourable money indicators reflected a fairly liquid banking system. Interbank market activities recorded lower values and number of trades compared to last year, thus indicating no excessive funding or liquidity pressures in the financial market.

In addition, the Bank of Guyana continues to aptly manage excess liquidity in the system through open market operations and foreign exchange market interventions; at the same time, facilitating conditions for credit creation and economic growth. Total treasury bills transacted on behalf of the government registered a net-redemption of G$8.0 billion. T-bills issued for sterilisation amounted to G$28.6 billion, and for fiscal purposes were G$48.9 billion end-Dec 2018. The 364-day rate increased by 0.02 percentage points, while the 182-day rate fell by 0.16 percentage points; however, the 91-day rate remained stable at 1.54 percent.

Macroeconomic indicators such as the external balance, foreign reserves, exchange rate, fiscal balance, and external & domestic debt levels, in Table

XXXIV, are important indicators that may signal vulnerabilities to the country's financial system soundness.

The external sector recorded a larger balance of payments deficit and represented 3.4 percent of GDP. This was mainly due to greater expenditures on imports of goods & services, while exports of goods & services declined. Disappointingly, the increase in trade prices for gold and rice did not result in a similar expansion in earnings; this was probably due to uncompetitive prices and/or low demand for the product(s). On the upside, the capital account registered a higher surplus due to increased FDIs. To note, small open economies, like Guyana, would incur larger import bill than export bill; but, the problem lies where the level of imports (particularly for consumption and intermediate goods) are not consistent with the country's level of development and standard of living, and also the issue of decelerating exports. This gives indication of high income inequality and 'spending more than earnings' concept, where more is spent on less lucrative/non-essential goods & services (with fewer turnover opportunities) relative to what is locally produced and exported; hence, enlarging the debt burden. However, increasing imports of capital goods (which grew by 12.0 percent) can signal growing business ventures and social infrastructure developments.

The external account is also an imperative variable to the stock of foreign reserves and the exchange rate, and requires thorough attention. Gross international reserves at the Bank declined in 2018. It was 9.5 percent lower than 2017 and represented 2.6 months of import cover end-Dec 2018. The average declines during the year were largely due to increased payments for high fuel costs, and reductions in foreign receipts by Guyana Gold Board (GGB) and Guyana Sugar Corporation (GUYSUCO). Furthermore, in keeping with the Bank's foreign assets management mandate (Bank of Guyana Act 1998, Section 22), the Bank was a net buyer of foreign currencies, not only to fulfil foreign reserves requirements, but to facilitate the operations of Government's payouts and external debt obligations; and importantly, moderating risks to the exchange rate and liquidity level.

Guyana's foreign exchange market registered an increase in the volume of foreign exchange transactions by 24.6 percent to US$8,563 million, which amounted to US$146 million in net-purchases of foreign currencies. Commercial banks accounted for approximately 43.4 percent of total purchases and 44.6 percent of total sales. The market FX mid-rate depreciated marginally by 0.28 percent to G$213.16/US$ from Dec-2017, while the Bank of Guyana's mid-rate depreciated by 0.97 percent to G$208.50/US$. Moreover, the relatively sound Forex environment had helped to foster financial system stability and some confidence in the economy during the year.

The fiscal balance recorded a reduced deficit and was 3.4 percent of GDP, due to lower disbursements for capital spending by 6.0 percent. Capital projects, known to vastly contribute to the country's structural and social development, reduced in the areas of construction, agriculture, environment & pure water, education, and public safety. Favourably, current revenue grew by 11.1 percent on account of increased collections of VAT & excise taxes, personal & corporation income taxes, and trade taxes, which have helped to some degree to cushion some expenditure activities. Although the fiscal deficit declined, central government operational spending needs to be carefully managed, while capital spending should be geared towards social infrastructural development, so as to complement advancements in the various economic sectors and to improve people's wellbeing.

Guyana's total debt stock as a percent of GDP decreased to 43.9 percent end-Dec 2018. Domestic debt stock to GDP decreased to approximately 10.0 percent due to lower issuance of government securities, and external debt to GDP decreased to approximately 33.9 percent on account of the growth in GDP that overshadowed the increases in external disbursements. The solvency indicators for both domestic and external debts, respectively, remained below the 25 percent and 40 percent debt sustainability thresholds for medium policy income countries. 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 the pre-defined thresholds. Overall debt remains at a manageable level, which implies greater fiscal space for taking on additional debt, particularly domestic debt, to facilitate developmental projects and the country's standard of living.

Increased risks to the domestic economy have raised some concerns and would require structural adjustments (particularly to the traditional sectors) combined with complementing polices to promote desired/potential growth. To emphasize, vulnerabilities in the traditional sectors still remain, as possible underperformance of mining, rice production & manufacturing, construction, and wholesale & retail trade, can significantly slow GDP growth, export earnings, foreign reserves, and increase debt burdens. Deficiencies in these sectors/sub-sectors would eventually affect households' and businesses' abilities to pay their loans, hence affecting the overall performance of the financial system. Efforts to vigorously address structural constraints and activate workable solutions are pertinent and urgent, so as to enhance and broaden growth prospects and ultimately generate efficient and aggressive growth sectors, amplify effective employment, spur competitiveness and export revenue, and to bourgeon the domestic financial system.

Domestic outlook for 2019 suggest favourable outcomes, with projected growth in all of the economic sectors. Inflation is estimated to increase, but at low single-digits, and macroeconomic policies should be aligned to promote sustainable debt, stable money, and sound financial market outcomes. Altogether and robustly addressing the constraints should help to strengthen the financial system and moderate vulnerabilities to the domestic economy.

Table XXXIV

PRUDENTIAL INDICATORS' VULNERABILITY SIGNAL								Vulnerability Signals				
	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Threshold		Dec-14	Dec-15	Dec-16	Dec-17	Dec-18
Money, Credit and Interest Rates												
Velocity of Money	1.91	1.98	2.08	1.88	2.03	**2.0**		1	1	0	0	0
Total Deposits % of GDP	51.4	54.0	51.7	50.2	49.5	**45.0**		0	0	0	0	0
M2 % of Net International Reserves	244.8	272.4	284.8	304.5	338.2	**200.0**		1	1	1	1	1
Weighted Avg. Lending Rate - Small Savings Rate	9.6	9.5	9.2	9.1	9.0	**7.0**		1	1	1	1	1
							Sub Total	**3.0**	**3.0**	**2.0**	**2.0**	**2.0**
Banking & Household Debt												
Total Loans to Total Deposits	60.0	60.2	58.5	60.8	58.7	**70.0**		0	0	0	0	0
Net Private Sector Credit % of GDP	31.8	32.5	30.8	30.5	29.0	**45.0**		0	0	0	0	0
Bank Capital % of Total Assets	12.6	13.3	13.6	14.8	14.8	**8.0**		0	0	0	0	0
Comm. Banks' Credit to Households % of GDP [1]	14.5	15.2	14.5	14.8	14.2	**15.0**		0	0	0	0	0
Loans to Economic Sectors % of Private Sector Loans [2]	51.7	51.2	49.8	49.0	49.1	**65.0**		0	0	0	0	0
							Sub Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Public Sector												
Fiscal Deficit/Surplus % GDP	-3.5	-1.4	-4.4	-4.5	-3.4	**-4.5**		1	0	0	0	0
Domestic Debt Stock % of GDP	12.9	12.4	12.5	12.1	10.0	**20.0**		0	0	0	0	0
External Debt Stock % of GDP	39.5	35.8	33.2	34.8	35.9	**40.0**		0	0	0	0	0
							Sub Total	**1.0**	**0.0**	**0.0**	**0.0**	**0.0**
External Account												
Trade Balance % of GDP	-20.3	-10.6	-0.9	-5.4	-11.6	**-20.0**		0	0	0	0	0
Current Account Balance % of GDP	-12.5	-5.5	-0.4	-7.9	-17.5	**-10.0**		1	0	0	0	1
Import Cover (months)	3.3	3.7	3.8	3.1	2.6	**4.0**		1	1	1	1	1
BOG Exchange Rate (Period Average)	206.5	206.5	206.5	206.5	208.5							
							Sub Total	**2.0**	**1.0**	**1.0**	**1.0**	**2.0**
Real Sector												
Real GDP Growth Rate	3.9	3.1	3.4	2.1	4.1	**4.5**		1	1	1	1	1
Inflation Rate	1.2	-1.8	1.4	1.5	1.6	**5.0**		0	0	0	0	0
							Sub Total	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**
							TOTAL	**7.0**	**5.0**	**4.0**	**4.0**	**5.0**

Source: *Bank of Guyana*

Disclaimer: Please note that the "Threshold" levels provided 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.

[1] Household Credit provided by Commercial Banks includes general purpose loans (vehicle, travel, education, etc.), credit cards, and real estate (private dwellings) mortgages.

[2] Loans to Economic Sectors are commercial banks' loans (private component) to the agriculture, mining, manufacturing and services sectors.

'1' rep. exceeding the safety range

'0' rep. either stable condition

6. INSURANCE SECTOR REVIEW

The insurance sector which comprises long-term insurance and general insurance, accounted for 7.8 percent of total financial assets and 29 percent of non-bank assets as at December 31, 2018. 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 2016. The insurance sector's assets accounted for 9.4 percent of the country's GDP. The long-term and general insurance sectors' assets exceeded liabilities by 70.9 percent and 174.5 percent, respectively. The sector experienced decreases in both its penetration and density in the domestic market when compared with the previous year. The average per capita spending on insurance has reduced which indicates that there has been a decrease in the density of insurance products in the market. The sector's penetration into the domestic market has also seen a decline as its total gross written premium now represents 1.6 percent (Dec 2017 – 1.8 percent) of the economy's GDP. Reinsurance for the long-term insurance sector increased marginally to 8.4 percent, indicating that more risks were transferred to reinsurers. In contrast, reinsurance for the general insurance sector decreased to 22.4 percent from 22.5 percent. Potential risks stirring from the volatile global conditions were prudently managed and had no major adverse effect on the industry.

CAPITAL TO TOTAL ASSETS

Capital to total assets ratio for the long-term and general insurance sectors stood at 41.5 percent and 65.8 percent relative to 25 percent and 58.3 percent respectively in 2017. 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 2018 to 20.5 percent from 52.2 percent, while the general insurance sector decreased to 37.5 percent from 48.2 percent. The reduced ratios by both sectors indicates that companies in the industry were unable to maximise their full potential.

INVESTMENT ASSETS TO TOTAL ASSETS

The industry's investment assets portfolio was seen as fairly stable. The ratio of investment assets to total assets for the long-term and general sectors were 62.9 percent and 52.9 percent at end 2018 when compared with the previous year's 86.3 percent and 63.6 percent respectively. Both sectors continues to benefit from investment income generated from the holding of large investment 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 each reinsurer is monitored on an annual basis.

The cession rates are 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 8.4 percent for the long-term insurance category and decreased to 22.4 percent for the general insurance category, when compared to the respective 6.7 percent and 22.5 percent ceded in 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 premium in the last three years for the long-term sector was 559.2 percent, an increase of 86.3 percentage points from 472.9 percent at end 2017. This ratio implies that the long-term sector's actuarial liabilities were approximately 5.5 times its average triennial net written premiums. This suggests 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 44.1 percent from 71.1 percent at end-December 2017. In contrast the general insurance sector ratio increased to 82.4 percent from 77.9 percent. The drop in the ratio by the long-term insurance sector resulted from combined decreases in claims and underwriting expenses while the increased ratio of the general insurance sector resulted from an increase in claim expenses. The reduced combined ratio by the long-term sector implies that the sector generated improved underwriting profit, thus signalling better underwriting performance of the companies in this sector.

RETURN ON ASSETS

Returns on assets were 6.2 percent and 3.2 percent respectively for the long-term and general insurance sectors. Comparatively for December 2017, these were 5.9 percent and 6.2 percent, respectively. The increased ratio by the long-term sector indicated that the companies in this sector were more efficient in utilizing their income generating assets, which can also be attributed to the increase in the sector's underwriting performance.

RETURN ON EQUITY

Returns on Equity were 14.9 percent and 4.8 percent respectively for the long-term and general insurance sectors. Comparatively for December 2017, they were 23.6 percent and 10.6 percent respectively. The decrease ratio by the general insurance sector resulted from a reduced after tax net profit by companies in this sector. On the contrary, the decrease by the long-term sector resulted mainly from the sector's weighty increase in capital in comparison to the increase in after tax net profits.

INVESTMENT INCOME TO AVERAGE INVESTED ASSETS

The ratios of investment income to average invested assets for the long-term sector decreased to 2.4 percent when compared with 3 percent the previous year. Similarly, the general insurance sector's ratio declined to 2.0 percent from 2.8 percent the previous year. The reduction by both sectors resulted mainly from a reduction in investment income generated from the sector's investment assets.

LIQUIDITY

The industry's liquid assets to current liabilities ratios for the long-term and general insurance sectors were 488.6 percent and 295.2 percent at end-December 2017 when compared with the previous year's 513.1 percent and 326.8 percent respectively. The high liquidity levels reflect the sectors' ability to meet their current financial obligations from the available liquid assets.

OUTLOOK & THE WAY FORWARD

Although the concentration of assets was 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's performance. The systemic failures by CLICO have reinforced the need for enhanced regulation in the insurance sector. The Insurance Act 2016 and its attendant regulations officially commenced on the 16 and 17 April 2018. Supervisory Guidelines, namely Guide to Intervention and Investment Guidelines dated 23 May 2018 were also issued under the new Insurance Act. The sector is in a transitionary stage of adaption to the new regulatory regime, which is expected to lead to improved resilience in the sector to withstand adverse shocks. This 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. ❐

7. PENSION SECTOR REVIEW

The private pension sector continued to experience consistent growth while maintaining its prominence as an institutional investor with a relatively low penetration rate and impact to systemic risk. In 2018, total assets in the sector increased and accounted for 8.0 percent of GDP, 6.5 percent of the total financial sector's assets and 24.1 percent of those of the NBFIs. High liquidity levels, which was almost 35 percent of total pension assets continued to surpass the long-term nature of pension liabilities. Defined Benefit (DB) plans were sensitive to market risk due to significant asset exposure in capital uncertain investments, particularly in equities. On the other hand, Defined Contribution (DC) plans were exposed to the Deposit Administration Contracts (DACs) offered by the life insurance companies. Further, 22 percent of pension assets were exposed to foreign market risk, however these investments were below the 30 percent statutory threshold. Additionally, though pension funds benefited from positive real net investment returns (1.5 percent), the rate was subdued mainly due to the impact of inflation, limited investment opportunities and the fees charged to pension funds. Regardless, the sector's exposure to credit risk remained insignificant. Sector coverage also increased marginally to 5.7 percent due to an overall growth in pension schemes' membership to 17,089 participants at the end of 2018. Notwithstanding, pension plans experienced sufficient solvency levels with an average of 147.6 percent recorded for the sector, which indicated that total pension obligations were fully backed by total assets to meet promised benefits with a corresponding asset reserve of more than 40 percent.

SYSTEMIC RISK

The assets of the private pension sector continued to exhibit positive growth, however, the sector's relationship to systemic risk remained diminutive. At the end of 2018, pension assets represented 8.0 percent of gross domestic product, an increase when compared to 7.2 percent in 2017. Similarly, the sector remained an important institutional investor as reflected in the respective increases in the share of pension assets to total financial assets and NBFIs, 6.5 percent from 5.7 percent and 24.1 percent from 22.1 percent respectively in 2017.

FUNDING RISK

The principal risk of pension plans is its ability to meet pensionable obligations from total assets. This risk is particularly important to DB pension plans since DC pension plans by nature are fully funded. In 2018, the estimated solvency level of reporting plans improved with an overall ratio of 147.6 percent compared to 132.2 percent in 2017. This indicated that total pension obligations were fully backed by total assets to meet promised benefits with a corresponding asset reserve of more than 40 percent. Similarly, the average funding level of DB plans improved to 158 percent despite there being some DB plans in an actuarial deficit at the end of the same period.

LIQUIDITY RISK

At the end of 2018, the sector's liquid assets with maturities less than one year represented 34.8 percent of total pension assets. The latter reflected an increase from 32.1 percent in 2017 with the value of liquid assets at the end of the current period exceeding the pension related payments projected for the next three months by an estimate of 30 times over. Pension liabilities have an inherently long-term nature and therefore, the December 2018 liquidity level was considered a mismatch with the corresponding long-term nature of the sector's accumulated liabilities.

MARKET RISK

Asset Allocation

Market risk arises from pension funds' investments in capital uncertain assets. There were no significant changes in the exposure of pension funds' investments to various asset classes. At the end of 2018, the percentage of pension assets invested in treasury bills and real estate remained unchanged at 2 percent while loans stood at 1 percent. Whereas, the percentage of investments held in time and savings deposits, bonds (private and government), and DACs, offered directly by insurance companies respectively contracted to 24 percent, 16 percent and 15 percent. On the other hand, other investments, largely inclusive of mutual funds and equities, which represented the highest investment exposure of which both categories increased from the previous year and accounted for 4 percent and 36 percent of total pension assets respectively.

DB & DC Investments

DB pension plans were sensitive to market risk emanating from investments mainly held in equities, bonds and real estate. In aggregate, these investments accounted for 60 percent of DB assets of which 40 percent represented DB investments in equities alone. On the contrary, DC pension investments were largely exposed to the life insurance companies through insured investment arrangements under DACs. The DACs represented approximately 85 percent of DC assets at the end of the year.

Foreign Exposure of Pension Assets

Pension funds' foreign exposure, these being solely investments, accounted for approximately $14 billion or 22 percent of total pension assets at the end of 2018. In particular, pension funds' foreign investments were mainly exposed to overseas bond markets and other fixed interest securities – 61 percent, equities – 16 percent, time and savings deposits – 10 percent and mutual fund investments – 10 percent.

INFLATION RISK

Inflation risk is especially applicable to pension funds when there is volatile domestic inflation that negatively impacts real interest earnings. At the close of 2018, 41 percent of the sector's assets were exposed to domestic inflation volatility, a 9 percent decrease when compared with 50 percent in 2017. Conversely, pension funds did not benefit from this out-turn since real net investment returns decreased to 1.5 percent from a revised 3.0 percent in the corresponding year.

CREDIT RISK

The sector's credit risk exposure arising from monies owed to pension funds was insignificant at the end of 2018. Accounts receivable as a ratio of total assets remained comparably low and stable at 1.6 percent. Further, the exposure to DB and DC pension plans was also insignificant with both recording ratios below 5 percent at the end of 2018. In addition, credit risk exposure may also arise as a result of companies issuing corporate bonds becoming insolvent and unable to fully meet debt obligations. In this regard, the credit risk exposure deriving from the sector's investment portfolio in private bonds to total bonds was particularly high at 78 percent. However, the measurable impact on pension funds in the sector remained low with only 13 percent of the sectors' assets invested in corporate bonds at the end of 2018.

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 contributing to a pension plan. At the end of 2018, the sector continued to be constrained by limited coverage. Approximately 6 percent of the estimated labour force contributed to a private pension plan and for every covered individual, approximately $3.8 million of pension assets was under management. On the other hand, payments with respect to early withdrawals declined to 41.7 percent of total benefit payments at the end of the year from 49.9 percent in 2017. Despite the decreased level, the high rate of early withdrawals persisted. This is directly as a result of long vesting periods and lack of locking-in provisions in the rules of pension plans, which allow the premature withdrawal of pension benefits and in turn, a negative impact on the coverage of the sector.

THE WAY FORWARD

For 2019, it is expected that the sector will continue to grow consistently. It is envisaged that better organised and well managed pension plans with appropriate governance structures will propel the sector forward and increase its prominence among institutional investors. Additionally, conducive capital market outcomes, especially positive changes in stock market prices and low domestic inflation volatility will significantly benefit pension funds' real interest earnings from investments. Nonetheless, the sector will continue to experience returns that are reflective of the investment climate and those particularly accessible to pension funds domestically. Finally, enhanced regulatory monitoring is expected on DB pension funds' actuarial risk. There will also be enhanced monitoring of pension schemes' governance risk. The on-going industry consultations on a new draft of the Private Pensions Act will continue into 2019. This will be coupled with appropriate training of trustees and a national pension awareness program to assist members of the public with their immediate and long-term pension literacy, which is aimed to build trust and improve public confidence in the industry. ❐

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 infrastructure. This entailed implementing a new Payments System Act with supporting regulations and modernization of the Payment System infrastructure. The latter include the implementation of a RTGS and a CSD systems. The modernization efforts from paper-based instruments to electronic payments will result in significant cost savings and efficiency improvements while reducing operational, credit, legal, liquidity investment and custody risks.

The Project Implementation Unit (PIU) has been functioning and continues to execute its mandate since it was formed in fiscal year 2017 to implement the project which had a shelf life of four years (2017–2021). The project has three main components:

Component 1

Developing the Payment System Infrastructure (US$4.30 million). This component will finance the hardware and software for the RTGS and CSD to be operated by the BoG.

Component 2

Capacity Building of the Bank (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 Systems.

Component 3

Project Implementation Unit (US$0.32 million). This sum supports the implementation agency to execute the project.

During 2018, the project progressed well in line with its scheduled Work Plan. Its major accomplishment was the finalization of the National Payments System Act 2018 which was assented to by the President in August 2018. Four (4) supporting regulations on Agents, Electronic Funds Transfer, Electronic Money and Oversight are at the draft stage of development. Work also commenced on procurement activities relating to the hiring of a Procurement and Implementation Consultant and a Vendor for the supply and implementation of the RTGS and CSD systems. Additionally, the required fibre optic interconnectivity activity for networking is well under way. The Oversight functions with respect to the Oversight Payments Unit within the Bank of Guyana along with the Council for guidance are at the initial stage of development.

During the planning and procurement phase of the project, which occurred in 2018, the Bank of Guyana continued to monitor the payment services that currently exist within the system.

Meanwhile, the Bank of Guyana continues to monitor payment services. The number of Mobile Money accounts at the end of December 2018 increased by 6.8 percent from 37,157 (19,814 inactive and 17,343 active) to 39,666 (30,253 inactive and 9,413 active) while the value of payments increased by 19.0 percent from G$379.3 million to G$449.7 million for the same period. The number of merchants accepting mobile money payments also increased from 42 (33 inactive and 9 active) to 61 (53 inactive and 8 active). MMG's e-wallet increased from $175 million in December 2017 to $225 million in February 2018. The use of the electronic switch continued in 2018. The value of transactions settled through the switch increased from G$1,355 million at the end of 2017 to G$1,687 million at the end of 2018. ❐

III

INTERNATIONAL ECONOMIC AND MONETARY DEVELOPMENTS

The World Economy

Global economic growth remained steady at 3.7 percent in 2018 and is projected to decline to 3.5 percent in 2019. Growth in advanced economies declined, reflecting weaker performance in the Euro Area and the UK. The Euro Area experienced reduced domestic demand and political uncertainty. The United Kingdom experienced declining growth as the effects of Brexit continue to take a toll on the economy. Emerging and developing economies' growth declined due to decreased internal demand and volatile commodity markets, respectively. Inflation increased on account of high food and energy prices while unemployment rates were largely unchanged in most of the world economies.

ADVANCED ECONOMIES

Growth

Growth in the advanced economies moved downward to 2.3 percent, a slight decrease from the 2.4 percent recorded in 2017. The decline in growth mostly reflected weakened domestic demand amid diminished political risk and policy uncertainty. The US economy expanded by 2.9 percent stemming from private sector activity buoyed by a sizable fiscal stimulus. The Euro Area experienced a decline in growth of 1.8 percent. Higher energy imports dampened demand in energy importers, while some countries were also affected by political uncertainty and industrial actions. Within the Euro Area, Spain experienced a decline from 3.0 percent in 2017 to 2.5 percent in 2018 while growth in Germany was 1.5 percent from 2.5 percent in 2017. France also grew by 1.5 percent.

Growth in the UK decreased to 1.4 percent from 1.8 percent in 2017 partly because of weather-related disruptions in the first quarter and BREXIT-related forces. Canada's economy grew by 2.1 percent while Japan's growth of 0.9 percent was driven by unfavorable demographics and a trend decline in the labor force. In most of the other advanced economies, the pace of economic activity has been stable.

Inflation

In advanced economies, inflation increased from 1.7 percent in 2017 to 2.0 percent in 2018, reflecting the continued cyclical recovery in demand as well as the impact of currency depreciations and rising energy prices. The US inflation rate was 2.3 percent while that of the Euro Area was 1.7 percent. Headline inflation in Japan also increased to 1.7 percent while both the UK and Canada recorded inflation rates of 2.1 percent.

Employment

Employment improved in most developed countries. There was development in the US job market as unemployment declined to 3.5 percent, driven by the continued upward trend in professional and business services, manufacturing and health care. Spain's unemployment rate remained high at 14.7 percent. Unemployment in the Euro Area stood at 8.0 percent, slightly lower than the previous year. Unemployment in Canada was 6.2 percent while that of the UK was 4.2 percent. Japan remained at 2.9 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 1.25 percent in 2017 to 2.25 percent in 2018. The 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 to ensure the continued sustained convergence of inflation. The Bank of England rate increased to 0.75 percent from 0.50 percent one year earlier.

The US dollar strengthened against the world major currencies during the year. The dollar was US$1.14 vis-à-vis the Euro while the Pound Sterling weakened against the dollar to US$1.26. The Japanese Yen decreased to ¥113.20 against the dollar.

EMERGING ECONOMIES

Growth

The growth rate for emerging economies declined to 4.6 percent in 2018. In India, growth spiked to 7.3 percent reflecting strengthened investment and robust private consumption. China's economic growth was 6.6 percent on account of slowing external demand and financial regulatory tightening. Mexico's growth remained steady at 2.1 percent. Russia's growth of 1.7 percent reflected the increase in oil prices and recovering domestic demand. In Brazil, growth was 1.3 percent driven by a recovery of private demand.

Inflation

Inflationary rates increased in emerging economies to 4.9 percent in 2018 from 4.3 percent in 2017. Russia's inflation accelerated to 5.7 percent, reflecting moderately tight monetary policy. Inflation accelerated in Brazil to 4.2 percent in 2018 as monetary policy remained supportive and food price inflation rebounded. Inflation in China picked up at 2.3 percent, driven by higher food and energy prices.

Employment

Unemployment levels relatively improved in most emerging economies. Brazil's unemployment rate decreased to 10.7 percent from 12.8 percent in 2017. Russia's unemployment rate declined to 5.3 percent. India's unemployment hovered around 5.3 percent while that of China was 4.0 percent.

DEVELOPING COUNTRIES

Growth

Growth in developing countries declined to 4.6 percent in 2018. Economic growth in Sub-Saharan Africa remained steady at 2.9 percent in 2018. Nigeria's growth reached 1.9 percent buoyed by the impact of recovering oil production and prices. In South Africa, growth subdued at 0.8 percent in 2018 due to heightened political uncertainty that sapped consumer and business confidence.

Asia has grown by a steady 6.5 percent. In Latin America and the Caribbean, growth declined to 1.1 percent from 1.3 percent in 2017 as a result of escalating trade tensions, tighter financial conditions and volatile commodity markets. Although growth held up well in Central America, domestic demand continues to underperform in the Caribbean.

Inflation

Inflation in developing economies (excluding Venezuela) increased in 2018 to 4.9 percent. The Sub-Saharan African Region's inflation stood at 9.7 percent. Headline inflation in South Africa hovered around 5.3 percent in 2018. The Latin American and Caribbean Region's inflation level was 4.9 percent while inflation in the Asian region averaged 3.2 percent.

Employment

Unemployment remained high in developing countries. Diminished foreign investment 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.

CARIBBEAN ECONOMIES

Growth

Growth in the Caribbean region continued to escalate although recovery was uneven. Rising tourism demand triggered an acceleration in growth to 3.7 percent in 2018. St. Kitts & Nevis' growth accelerated to 3.5 percent while that of Antigua & Barbuda hovered around 3.0 percent. Guyana's growth was 4.1 percent. The economies of Suriname and Jamaica experienced growths of 2.2 percent and 1.5 percent respectively. Trinidad and Tobago's growth rate increased to 0.9 percent while Barbados' growth contracted to 0.1 percent. High debt and large negative fiscal balances continue to present major downside risk to most Caribbean economies.

Inflation

Inflation in most Caribbean economies rose in 2018. The inflation rates in Jamaica and Trinidad and Tobago were 5.0 percent and 3.1 percent on account of moderate increase in food and fuel prices. Guyana and Barbados's inflation rates were 1.6 percent and 1.4 percent respectively from 1.5 percent and 4.4 percent in 2017.

Employment

The labour market in the Caribbean continued to be weak due to slow FDI flows. The unemployment rate in Guyana hovered around 12.0 percent while that of Jamaica was 11.0 percent. Barbados's unemployment rate was 10.6 percent compared to Trinidad & Tobago's at 4.9 percent.

Exchange Rates

Barbados, Belize and ECCU continued their policy of fixed exchange rates vis-à-vis the US dollar. The Guyana dollar depreciated to G$208.50 against the US dollar. The Jamaican dollar hovered around J$128.58 to the US dollar while the Trinidad & Tobago dollar was under extreme pressure at TT$6.74 vis-à-vis the US dollar.

Commodity Markets

Prices of industrial commodities continued to strengthen while most agricultural prices remain broadly stable. Sugar prices averaged around US$0.27 per kilogram while the price of rice stood at US$420.18 per metric tonne. Gold prices hovered around US$1,259.94 per ounce while oil prices increased to US$72.40 per barrel at the end of 2018.

Outlook for 2019

Global growth in 2019 is projected to decline to 3.5 percent, partly because of the negative effects of tariff increases enacted in the US and China. Growth in advanced economies is expected to decline to 2.3 percent. Additionally, economic expansion in emerging markets and developing economies is anticipated to hold steadfast in 2019 at 4.5 percent. Latin America and the Caribbean is expecting growth of 2.0 percent in 2019. 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 2019 shows an expansion to 2.0 percent. ❐

IV
MONETARY POLICY AND BANK ACTIVITIES

The conduct of monetary policy remained focused on price stability, ensuring an adequate level of liquidity in the banking system and creating an enabling environment for credit and economic growth. Bank of Guyana utilised the issuance of treasury bills and foreign exchange intervention as the variable tools of monetary policy, while the reserve requirement ratio remained fixed at 12.0 percent and the discount rate was unchanged at 5.0 percent. At the end of December 2018, there was a net redemption of G$56.9 billion in government treasury bills issued for monetary purpose, while the Bank transacted net-purchases in foreign currencies of US$178.2 million. In addition, the Bank facilitated efficient intermediation through the issuance of notes and coins as well as promotion of an enhanced payment system operation.

MONETARY POLICY

Monetary policy recommendations were determined within the framework of monetary programming and the evolving circumstances impinging on inflation expectance, liquidity condition, and macroeconomic stability. The Bank's principal instrument of monetary control continued to be the auction of treasury bills at the primary market level, and to a lesser extent, foreign exchange intervention. However, the transmission mechanism of the reserve requirement ratio (RRR) and the discount rate is minimal or none at all, since the market is rather liquid and commercial banks rarely need to borrow.

MONETARY PROGRAMMING

In principle, monetary programming allowed the Bank to set a targeted path for the growth of broad money, consistent with economic growth and inflation. Its foundation rested on the observation that the Bank controls the supply of reserve or base money, which comprises currency in circulation and commercial banks' reserves at the Bank. The underlying assumption for the effective operation of the reserve money programme is the long term stability of the money multiplier, which is defined as the relationship between reserve money and broad money supply.

Reserve money is influenced mainly by the operations of the Bank. Changes in the Bank's net foreign assets and net domestic assets (which are 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 will affect the liquidity condition in the system when it buys or sells foreign currency. 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.

A sale of foreign currency by the Bank will increase the net foreign assets and reduce 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 as well as reserve money. On the other hand, a purchase of foreign currency by the Bank will increase its net foreign assets as well as reserve money.

The operations of the government will either 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 with the increase in revenue. The net deposits of the central government are therefore affected.

During the review period, weekly forecasts of the Bank's balance sheet were produced based on estimated liquid reserve positions of the commercial banks and the public. These forecasts were compared with the weekly targeted monetary growth which 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. The actual weekly intervention was determined by the Open Market Operation Committee (OMOC) on the baseline scenario and prevailing developments.

The OMOC adopted a consultative approach during the review period by liaising closely with agencies which impacted directly on 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 non-bank financial institutions facilitated more informed decisions by the OMOC.

Reserve money was G$186.5 billion, G$23.5 billion more than the end-December 2017 level due to an increase in net domestic assets. Treasury bills issued for monetary purposes were G$32.6 billion while redemptions amounted to G$89.4 billion, resulting in a net redemption of G$56.9 billion. The commercial banks' holdings of treasury bills fell by G$6,277 million compared with a decline of G$3,417 million for the corresponding period last year.

The liquidity condition varied among commercial banks and was reflected by the inter-bank market. There were thirty one (31) trades during 2018 compared with sixty (60) for 2017. The value of funds traded was G$28.7 billion compared with G$61.8 billion during the corresponding period last year. The inter-bank market interest rate hovered around 4.0 percent to 4.5 percent over the review period.

Monetary policy was able to control the liquidity condition in the banking system which contributed to the maintenance of macroeconomic stability and an environment for fostering economic growth in the economy.

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 2016 to 2018. The total supply of currency in 2018 registered a decrease of 1.5 percent over 2017. The decrease was due to fewer notes purchased.

Notes

The total value of currency notes in circulation (including notes held in the vaults of commercial banks) at the end of 2018 amounted to G$111.4 billion, an increase of 11.5 percent compared with a circulation of G$99.9 billion in 2017. The share of $5,000 notes in the total value of notes in circulation increased to 82.3 percent from 78.0 percent, the $1,000 decreased to 13.8 percent from 18.0 percent in the previous year while the $500 remained at 1.5 percent. The share of $100 notes decreased from 1.7 percent to 1.6 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$424 million were surrendered for replacement in 2018 as compared with G$403 million in the year 2017.

Table XXXV

Supply & Disposal of Bank of Guyana Currency Notes Thousands of Notes			
	2016	**2017**	**2018**
Opening Stock	35,456	32,895	32,891
Purchased	24,015	26,885	20,464
Withdrawn from circulation	126,475	100,835	104,842
TOTAL SUPPLY	**185,946**	**160,615**	**158,197**
Issued	127,434	104,989	107,812
Destroyed	25,617	22,735	22,449
TOTAL DISPOSAL	**153,051**	**127,724**	**130,261**
End-of-Period Stock	**32,895**	**32,891**	**27,936**
New Notes	23,600	31,379	27,764
Re-Issuable Notes	8,390	1,228	155
Other Notes [1)]	905	284	17

Notes:

(1) Notes awaiting sorting, cancellation and destruction.

Coins

The value of coins in circulation at the end of 2018 was G$1,078 million, an increase of 2.8 percent above the G$1,049 million in 2017. 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 57.4 percent share. The shares of $5 and $10 coins accounted for 26.8 percent and 15.8 percent respectively.

Payments System

During 2018, 902,257 low-value transactions (LVT) were settled through the National Clearing House (NCH), a decrease of 1.7 percent when compared with the volume recorded in 2017. The volume of high-value transactions (HVT) increased by 3.2 percent to reach 132,786. The overall value of total transactions increased by 3.2 percent in 2018 to reach G$1,209 billion. The total value of high-value transactions increased to G$771 billion whereas the low-value transactions also increased to G$437 billion. The shares of HVT in total value of transactions decreased to 63.8 percent in 2018 from 66.5 percent in 2017. As a result, the share of LVT rose to 36.2 percent in 2018 from 33.5 percent in the previous year. The average value of HVT decreased from G$6.1 million to G$5.8 million in 2018, while the average value of LVT increased from G$0.44 million in 2017 to G$0.48 million in 2018.

Table XXXVI

Selected Data on Transactions Cleared through the National Clearing House (G$ Million)			
	2016	**2017**	**2018**
Daily avg. number of LVT	3,638	3,622	3,653
Daily avg. value of LVT	1,534	1,601	1,770
Avg. value of LVT	0.42	0.44	0.48
Daily avg. number of HVT	**523**	**525**	**538**
Daily avg. value of HVT	2,887	3,182	3,123
Avg. value of HVT	5.5	6.1	5.8
Total number of LVT	902,147	887,413	902,257
Total value of LVT	380,309	392,153	437,282
Total number of HVT	129,604	128,681	132,786
Total value of HVT	715,995	779,588	771,370

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, 2018, the gross foreign assets reserves totalled US$528.4 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

The Bank of Guyana continued with its risk-based supervision of the licensed financial institutions. The Bank also continued to fulfil 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) is 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 is 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 fulfils its statutory objective of promoting domestic price stability through other instruments such as the reserve requirement, the rediscount rate and by means of 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 2018 and continued to make the operating framework consistent with the drive toward monetary control.

The Reserve Requirement Circular - No. 33/98 and revised circular- No. 77/98, sets out the specifications for: (i) the institutions subject to reserve requirements; (ii) the prescribed ratio 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 in force in 2018 for all 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 achieved. Accordingly, the required reserve ratio of the deposit-taking licensed NBFIs stood at 12.0 percent at end-2018.

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 carries a penalty, which takes the form of an interest charge on the deficiency (actual reserves less required reserves). This is calculated at a rate equal to twice the rate of interest on the 91-day treasury bills which is prevailing at the beginning of the reserve maintenance period over which the deficiency occurrs.

Liquid Assets

Circular No. 52/98 on Liquid Assets Requirements, which became effective from October 26, 1998, remained in force throughout 2018. This circular provides for:

- the 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 demand and time deposit liabilities remained at 25.0 percent and 20.0 percent respectively.

During the year, the banks remained compliant with the LAR. The average monthly required liquid assets which amounted to G$81,592 million compared with G$77,880 million in 2017, reflected an expansion in average deposit liabilities. The increase in liquid assets in excess of the required amount increased by 50.0 percent from 50.4 percent a year ago. Holdings of treasury bills continue to dominate - accounting for an average share of 47.5 percent of total liquid assets in 2018 compared with 56.5 percent in 2017.

Interest Rates

The Bank rate, which is determined by the 91-day treasury bill rate, remained stable at 5.0 percent at end-December 2018. The the 91-day treasury bill yield remained unchanged at 1.54 percent due to the non-issuance of the bill during the review period while the spread between the Bank rate and 91-day treasury bill stood at 3.5 percent.

The Bank continued to keep its re-discounting policy and terms under review during 2018. 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 213 active Government accounts were held at the Bank at end-December 2018 compared with a total of 194 at the end of December 2017. At the end of the year, Government deposits, net of treasury bills held by the Bank, amounted to negative G$26,730 million. The Bank's holdings of treasury bills remained at G$997 million. Government debentures held totalled G$46,771 million at end-2018, of which G$38,478 million were non-interest bearing and G$4,394 million were non-negotiable NIS debentures.

Relations with Commercial Banks

During 2018, the Bank continued to support the payments system by providing cheque clearing facilities and inter-bank settlement services.

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 to the amounts deposited by the commercial banks under the external payments deposit scheme remained unchanged at G$61.0 million at end-December 2018.

Relations with International Organizations

The Bank continued to act as fiscal agent for the Government via its relations with the Multilateral Financial Institutions of which Guyana is a member. At the end of 2018, Guyana repaid US$40 million through the Bank to Multilateral Financial Institutions, of which US$25.1 million and US$11.0 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$55.6 million or 9.5 percent to US$528.4 million and was equivalent to approximately 2.3 months of imports. This performance was influenced by low foreign currency inflows of US$581.2 million during the year and comprised mainly of US$129.4 million from export receipts. Foreign currency outflows during the year related to debt servicing, fuel imports and other payments were US$82.8 million, US$371.1 million and US$129.1 million respectively.

Bank Supervision

During 2018, the Bank Supervision Department (BSD) conducted fourteen examinations. Eight examinations were risk-based and six were special examinations, two of which were to follow-up on outstanding recommendations of previous examinations. The other four special examinations targeted specific areas of the institutions operations including, among other areas, the branches. Four of the fourteen examinations were conducted on the operations of the Money Transfer Agencies.

These examinations revealed that 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. All the LFIs were generally committed to good corporate governance practices in accordance with legal and prudential requirements and international best practices.

Basel II/III

With reference to the implementation of Basel II/III, Pillar 1 – the Minimum Capital Requirement, the specific guidelines and reporting templates on the three main risk areas were amalgamated into a single guideline and template with assistance from CARTAC and the World Bank. This revised guideline and the reporting template were dispatched to the industry to commence the conduct of a Quantitative Impact Study (QIS). The returns of the QIS is being reviewed presently.

Financial Sector Assessment Programme (FSAP)

Several recommendations from the Financial Sector Assessment Program (FSAP)[13] were incorporated into the strategic activities of the BSD. Recommendations in the areas of financial stability, amendments to current legislations and issuance of new legislations were addressed, among these are:

- Amendments to Part VIII (failed bank resolution) of the Financial Institutions Act 1995 was passed in the National Assembly on July 12, 2018 and assented to on September 28, 2018.

- Amendments to the Bank of Guyana Act on Emergency Liquidity Assistance which was passed in the National Assembly on July 13, 2018 and assented to on September 7, 2018.

- Deposit Insurance Bill of 2018 was passed in the National Assembly on July 13, 2018 and assented to on August 13, 2018.

The BSD continues to work towards implementation of the remaining recommendations as outlined in its five year strategic plan for 2018 to 2022.

Financial Consumer Protection

The Bank of Guyana requested technical assistance from the World Bank in developing the Financial Consumer Protection (FCP) legislative framework and the requisite guidelines.

The first draft of a proposed FCP legislation was submitted to the Bank and is currently being reviewed. The draft Bill covers the areas of establishing the FCP authority, requirements for financial service providers, appropriate product design and delivery, disclosure principles, client treatment policies and procedures, privacy and protection of client data, and complaint resolution.

Insurance Supervision

The Insurance Supervision Department continued to successfully discharge its supervisory and regulatory responsibilities. The Commencement Order No. 6 of 2018 solidified its regulatory oversight by bringing into effect the new Insurance Act 2016. It is expected that the new regulatory regime would promote the maintenance of efficient, fair, safe and stable insurance markets for the benefit and protection of the policyholders and to enhance public confidence in those markets. These strides would allow for improved resilience in the sector to withstand any adverse shocks, which in turn, will serve to strengthen the sector's financial stability.

[13] Conducted in May 2016

The Department further focused on implementing a Risk-based Capital Regime in light of the risk-based principles incorporated in the Insurance Act 2016. Individual discussions on the framework have commenced with the insurance companies. Particularly this regime is aligned to international standards and is also being undertaken by other Caribbean territories. The risk monitoring process involves two pillars, namely, Pillar I – Capital Adequacy and Solvency, and Pillar II – Corporate Governance, Enterprise Risk Management, and Own Risk and Solvency Assessment, which are in keeping with the requirements of the Insurance Core Principles. To improve efficiency in accordance with provisions of the Act, the Bank has placed guidelines and applications forms for insurance business on its website.

A communication campaign on pensions was conducted with the general public, while industry consultations continued to be held. The proposed Private Pensions 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. The department intends to carry out its mandate by having the risk-based framework implemented and performing on-site inspections at the insurance companies and brokers.

2. INSTITUTIONAL DEVELOPMENTS

National Payments System Project

Guyana's National Payments System Vision as articulated in the National Payments System Strategy 2018 is to:

> *"Build a robust, safe and sound, efficient and inclusive National Payments System that meets the current and future needs of the economy, supports financial activity and financial sector development, advances the use of electronic payments, contributes to financial risk mitigation, achieves compatibility with international systems, and adheres to the relevant international standards, guidelines and codes."*

The existence of a sound and predictable legal environment for payments is considered to be the basis for a sound and efficient National Payments System. According to Principle 1 of the Principles on Financial Market Infrastructure[14] "a Financial Market Infrastructure should have a well-founded, clear, transparent and enforceable legal basis for each material aspect of its activities."

The National Payments System Strategy and Plan of Action defines the priority goals and actions of relevance for the immediate future as well as those to be achieved over the medium to long-term. The enactment of a robust National Payments System Act (NPSA) is one of the first actions identified to be taken.

Building on the existing framework the National Payments System Bill which creates a sound legal framework for the operation and oversight of the payments system in Guyana and facilitates its effective modernization was tabled in Parliament in April, passed in July and assented to in August of 2018.

The National Payments System Act 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.

[14] Bank of International Settlements and the International Organisation of Securities Commissions 2012.

The Act, when brought into force, will reduce 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, electronic money and electronic presentment of cheques.

The Act which will be supported by several pieces of implementing regulations will be brought into operation during 2019.

Deposit Insurance

Deposit insurance is one of the components of the financial sector safety net, alongside supervision, resolution, and emergency liquidity assistance. It seeks to address the inherent instability of maturity transformation in the banking sector—that is, the financing of long-term assets through the issuance of demand or short-term deposits. This makes banks vulnerable to depositor runs and to contagion from less sound institutions.

The Deposit Insurance Act 2018 which seeks to provide protection of depositors' funds was passed in July and assented to in August. The Act establishes a Deposit Insurance Scheme for the protection of insured depositors comprising a Deposit Insurance Fund and a Deposit Insurance Corporation responsible for managing the Fund and other related purposes.

The Deposit Insurance Corporation is given a pay-box plus mandate, with functions and powers instrumental to the objective of fostering financial stability through depositor protection and resolution financing. The core functions of the Corporation are to reimburse the funds held by insured depositors at a failed member institution and to finance the resolution of a member institution.

This piece of legislation will be brought into force in 2019.

Effective Resolution of deposit taking Financial Institutions

Part VIII of the Financial Institutions Act 1995 was amended by the Financial Institutions (Amendment) Act 2018. This amendment modified the bank resolution framework in keeping with regional and global practices. It introduces a more efficient administrative procedure as against the court administered procedure which has proved to be protracted resulting in loss to depositors and shareholders.

A banking resolution regime creates a set of separate rules and procedures for insolvency of banks, exempting them from the corporate insolvency framework for the resolution stage but allowing liquidation later if no other option is available, as is now becoming global practice. The key purpose of the new regime is to enable an orderly resolution of a failing bank in a manner preserving the public interest, particularly by maintaining financial stability, preserving confidence in the banking sector, and protecting both depositors and taxpayers from unnecessary losses or costs.

Resolution therefore is, in essence, a more complex and phased sale plus insolvency proceeding which aims to maintain an institution's operating assets. Under such a proceeding the proper objective of resolution is to protect the interests of depositors. This should be accomplished by preserving the value of the assets of a financial institution and providing an opportunity, inter alia, for a financial transfer of viable assets with matching deposits to a sound and willing financial institution.

The importance of the implementation of this process which begins with a preference for an orderly resolution is underscored by the introduction of the Deposit Insurance Fund which will take part as a last resort "creditor" participating in the asset and deposit transfers of failing banks. A Deposit Insurance Fund will only stay solvent and grow if it is not required to "pay out" during bank failures and can instead be a participant in a structured resolution process which is completed in a manner that minimizes resource outlays of the Fund.

Enhanced legal framework for Emergency Liquidity Assistance

Section 5 of The Bank of Guyana Act provides that the Bank is to "be guided in all its actions by the objective of fostering domestic price stability through the promotion of stable credit and exchange conditions as well as sound financial intermediation conducive to the growth of the economy of Guyana."

Like central banks in other jurisdictions, the Bank of Guyana acts inter alia, as a provider of liquidity to the financial system. This "lender of last resort" (LOLR) function has been a fundamental one of central banks since the 19th century.[15]

Through this tool, the Bank has the discretion to provide a loan or advance to eligible financial institutions facing serious liquidity problems. This liquidity assistance is expected to be applied/provided on an extraordinary basis.

There are two very important features of the LOLR function which must be noted and which makes it an invaluable tool in the prevention and control of banking crises-

1. The immediacy of the availability of central bank assistance (this contrasts with the time framework of other crisis management instruments);

2. The capacity of the central bank to provide liquidity either to the market in general or to individual banks as needed.

The ability of the central bank to act quickly and to provide adequate liquidity makes it possible to prevent liquidity problems from developing into serious financial crises. Neither deposit insurance nor bank resolution proceedings can achieve this because, by nature, they are lengthy processes and so although they are both important they cannot provide immediate assistance to prevent a crisis worsening. This liquidity insurance to the banking sector is important as banks also play a crucial role in the payment system.

The **Bank of Guyana (Amendment) Act 2018** provides a proper/statutory basis for an Emergency Liquidity Assistance (ELA) framework and explicitly allows the Bank of Guyana to provide ELA. The amendment Act will have the following result-

1. Temporary financial assistance is allowed to be granted to illiquid but solvent banks and other deposit taking financial institutions with adequate collateral for pre-established periods of 91 days with one possible extension.

2. The Bank can also grant temporary financial assistance in systemic situations once the

[15] H. Thornton, " An Enquiry into the Nature and Effects of the Paper Credit of Great Britain" (London,1802)

institution complies with the strict parameters and procedures indicated in the law are complied with. As solvency support should ultimately be the responsibility of the government there is the requirement for a guarantee to be granted by the Government in these circumstances. This would compensate for losses arising from the Bank's solvency support in order to protect the Bank's financial position/condition.

3. The range of eligible collateral is expanded with mortgages being included in very rare circumstances.

4. The Bank has the flexibility to place a cap on the total to be provided as a percentage of the capital and reserves of the borrower.

5. Provides the flexibility for the details and eligibility requirements for deposit taking financial institutions and the range of eligible collateral to be addressed in regulations.

Insurance Legislation

The Insurance Act 2016, 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 and was brought into operation on April 16, 2018 via a commencement order issued by the Minister of Finance.

The Act which 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 is supported by comprehensive implementing regulations. These Regulations were promulgated and gazette on April 17, 2018.

The Act provides a consolidated legal framework for the prudential supervision of insurers and satisfies various policy objectives by enhancing –

- The regulatory framework;
- The financial soundness of insurers and the protection of policyholders through a new Solvency Assessment and Management (SAM) regime; and
- Providing an introductory framework for insurance group supervision; and its alignment with international standards and best practices, custom made to emerging Guyanese circumstances in the "post Clico debacle" period.

The Act was amended in July to reinstate Parts XX, XXI and XXII of the 1998 Act as substantive parts of the 2016 Act. These provisions were inadvertently omitted because it was then intended to be incorporated into the supporting subsidiary legislation. These provisions are important as they will enable a policyholder to designate either his personal representative or a named person to be his beneficiary under the life policy and to alter or revoke such a designation at any time by a declaration in writing save and except where the designation is irrevocable. That designation may be made either at the time of effecting the policy or at any time thereafter. This is an important departure from the legal position under the Married Person's Property Act (1904) which requires contemporaneity, i.e. that the designation should be made at the time when the policy was effected if the statutory trust was to be effective.

3. OTHER BANKING ACTIVITIES

Staff Training and Technical Assistance

Staff

The strength of the Bank's employ at December 31, 2018 was two hundred and seventy eight (278). Thirty two (32) new staff members were recruited. Twelve

(12) persons resigned, twelve (12) retired while the contractual obligation of three (3) came to an end. The service of one (1) person was terminated and two (2) students from the Carnegie School of Home Economics were accommodated for a six week period on work attachment.

Training

During 2018, the Bank's Training Division focused on in-house, local and overseas courses sponsored by reputable and accredited organizations. The Bank hosted some courses with the aim of enabling larger numbers of persons being trained in several areas.

In-house Training

On January 11, the Bank hosted a presentation on 'Investigating the Operational Risk Management Posture of the Commercial Banking Industry.' Sixty one (61) persons attended. On January 29, the Bank in collaboration with ACCA hosted a session to inform participants about changes in the modules and administration of ACCA. Twenty six (26) persons attended. On January 30, the Bank organised a panel discussion on Business Continuity Plan. There was a repeat of this discussion on January 31. A total of sixty three (63) persons attended. On January 31, twelve (12) persons started the Joy at Work Course. This was an online course and it lasted for six weeks. On February 1, the Bank hosted an AML/CFT Training. Thirty four (34) persons attended. On March 6, the Bank organized a series of presentations in preparation of the Bank's contingent to the Intra Regional Central Bank Games. Presenters were from various entities in Guyana and twenty two (22) persons attended. On March 20, the twelve (12) staff members participated in a webinar on 'The Evolving Cash Cycle.'

During April 16-20, the Bank hosted a workshop entitled 'Monitoring of Correspondent Banking Relationships.' This workshop was spearheaded by a consultant from CARTAC and Twelve (12) persons attended. On April 25, an Orientation Seminar was held for new recruits. This seminar was spearheaded by the Training Officer. Sixteen persons attended. On June 13, an AML session was organized by the Compliance Officer. There was a repeat of this session on June 20. A total of thirty two (32) persons attended. On June 14, a Time Management Course was conducted by the Training Officer. Twenty four (24) persons attended. During June 21-22, a Memo Writing Course was conducted by the Training Officer. Twenty five (25) persons attended. This course was repeated during July 3-4 and thirty (30) persons attended.

During July 5-6, the Bank's Compliance Officer conducted an AML/CFT Refresher Training. Thirty (30) persons attended. On August 29, there was a presentation on Sovereign Wealth Fund. Eleven (11) Bank Staff attended. During September 3-6, the Bank hosted a workshop on 'Risk Based Supervision.' It was spearheaded by a Consultant from CARTAC. Twenty six (26) persons attended. On September 28, the Bank hosted a seminar on 'Developing the Macro-Prudential Framework for Guyana.' A consultant from the CARTAC led the discussions. Twenty nine (29) Bank staff attended. On October 2, a workshop under the heading 'Deposit Insurance' was held. Twenty four (24) persons were in attendance.

Local Training

On January 5, 2018, six (6) staff members attended a session on Business Continuity and Disaster Management at CAGI. On January 10, four (4) staff members attended a conference on Social Dialogue and Industrial Relations. This conference was hosted by the Guyana Bar Association.

On April 23, five staff members a seminar on the Introduction of Arbitration. This seminar was organised by the Chartered Institute of Arbitrators and was hosted by the CARICOM Secretariat. Two of these staff members have since completed the London Based Exams and awarded certificates. On April 25, nine (9) persons attended a seminar on Administrative

Professionals organised by the Diamond-Grove Lions Club. During May 23-24, seven (7) members of staff attended a seminar and workshop hosted by the Institute of Internal Auditors (IIA). On June 14, two staff members attended a CAGI course entitled Effective inventory Management.

On September 12, four (4) staff members attended a Motivational Day for HR Professionals and Managers. This event was organised by JTW Management Training Institute Inc. During November 22-23, three staff members attended the Institute of Chartered Accountant of Guyana (ICAG) Annual Conference.

Other Training

Several members of staff completed academic and professional programmes during the year. One completed a Master in Business Administration (MBA), one in Master in Public Administration (MPA). Eight staff members were offered assistance through the Bank's Employee Grant for Studies. Four staff members are reading for the MBA with different specialization such as finance etc. Four are reading for Bachelor's Degrees in areas such as Banking and Finance and Public Administration. Several staff members are reading for ABE, Computer Programming and some at the CSEC level so as to further upgrade themselves to enter the University of Guyana to further study.

Overseas Training

Attendance at overseas training programmes/courses/ seminars/conferences were mainly in the Caribbean Region and South American continent and were sponsored by a number of reputable organizations. 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 twenty one (21) persons attended courses overseas during the year.

Some topic areas in which staff members were trained include Compilation of Balance of Payments Statistics, Macroeconomic Forecasting and Analysis, Anti-Money Laundering, Central Bank's Information Systems Specialist, Human Resources Management, Central Bank Treasurer, Experts on the Fight of Money Counterfeiting, Macroprudential Regulation of SIFIs in the Caribbean and FATF Standards Training.

INFRASTRUCTURAL DEVELOPMENTS

The following is a list of the projects that were successfully completed during 2018:

- Replacement of all the Central Air AC Units with Variable Refrigerant Flow (VRF) AC units.
- Repainting of Eastern exterior walls of the Bank's building.
- Expansion of the Insurance Supervision Department.
- UPS power solution upgrade for Server
- Room Equipment (SMARTROW)- improving on the UPS power availability, reliability, redundancy and increasing the runtime.

CORPORATE GOVERNANCE

The Board of Directors

The Governor, Dr. Gobind Ganga and Deputy Governor, Mr. Leslie Glen served as Chairman and Deputy Chairman of the Board respectively, in accordance with the provisions of the Bank of Guyana Act 1998.

The Board of Directors continued to meet frequently during 2018. Dr. Maurice Odle, Mrs. Sharon Roopchand-Edwards and Mr. Rawle Lucas continued to serve as non-executive members of the Board during 2018. Dr. Nelson Modeste resigned in July 2018 and was replaced by Dr. Patrick Kendall as the fourth non-executive director on the Board. Ms. Sonia Roopnauth, Director of Budget, continued to serve 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 did not unduly expose it to risks and to devise and recommend measures to manage risks. The 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. The Bank's Investment Policy was also revised with the aim of providing more opportunities to maximize returns and minimize risks within a changing international financial market environment.

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, 2018. 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

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.

Governance initiatives 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 Ms. Roopnauth and the other members of the

Committee (Deputy Governor and Mrs. Roopchand-Edwards). This Committee was established pursuant to section 17A of the Bank of Guyana Act 1998 and is responsible for, inter alia, 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 statements together with an Annual Report 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 deposit-taking 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
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AG: 31/2019 29 March 2019

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 2018

Opinion

I have audited the financial statements of Bank of Guyana which comprise the statement of financial position as at 31 December 2018, 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 2018, 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 Section of my report. I am independent of the Bank of Guyana, in accordance with the ethical requirements 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 $14.671M which is the loss on revaluation for foreign currency transactions.

Also, Note 23 to the financial statements states that *"…….The Bank of Guyana Act, Section 7 allows for the deduction of provision before declaration of profits and payments into the Consolidated Fund. 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 IAS 37- Provisions, Contingent Liabilities and Contingent Assets, but, is 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 $1.600 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 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.

AUDIT OFFICE GUYANA

D. SHARMA
AUDITOR GENERAL

AUDIT OFFICE OF GUYANA
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

BANK OF GUYANA

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER, 2018

ASSETS

	Notes	**2018** G$'000	2017 G$'000
FOREIGN ASSETS			
Gold	3	2,137,792	4,015,909
Balances with Foreign Banks	4	28,325,738	22,219,441
Foreign Assets in the Process of Redemption		1,583,087	2,006,233
Holdings of Special Drawing Rights	5	71,773	152,481
Foreign Capital Market Securities	6	78,061,555	92,205,122
		110,179,945	120,599,186
LOCAL ASSETS			
Special Issue of Government of Guyana Securities	7	42,391,510	42,376,839
Government of Guyana Treasury Bills	8	995,048	995,006
International Monetary Fund Obligations	9	39,778,781	35,281,112
Funds for Government Projects		12,833,816	12,868,645
Other Financial Assets	10	10,809,185	8,159,331
		106,808,340	99,680,933
FIXED ASSETS	11	3,270,337	3,352,182
		220,258,622	**223,632,301**

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

BANK OF GUYANA

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER, 2018

LIABILITIES

	Notes	**2018** G$'000	**Restated** 2017 G$'000
CURRENCY IN CIRCULATION			
Notes		111,415,555	99,928,802
Coins		1,078,061	1,049,671
		112,493,616	100,978,473
DEPOSITS			
Commercial Banks		66,990,868	55,626,272
Government of Guyana		(55,190,237)	(26,478,247)
International Financial Institutions	12	35,381,826	32,362,407
Private Investment Fund		6,500	6,500
Funds for Government Projects		12,833,816	12,868,645
Other Deposits	13	7,923,674	7,638,040
		67,946,447	82,023,617
Allocation of Special Drawing Rights	14	26,111,272	24,655,241
Gov't of Guyana Portion of Net Profit Payable		1,880,978	3,332,282
Other Liabilities	15	9,043,204	7,642,970
		37,035,454	35,630,493
CAPITAL AND RESERVES			
Authorised Share Capital	16	1,000,000	1,000,000
Paid-up Capital		1,000,000	1,000,000
General Reserve Fund		5,767,296	5,558,299
Revaluation Reserves		3,051,830	3,051,830
Revaluation for Foreign Reserves		(9,426,775)	(6,999,687)
Contingency Reserve	17	2,356,377	2,356,377
Other Reserves		34,377	32,898
		2,783,105	4,999,717
		220,258,622	**223,632,301**

Approved on behalf of the Management of the Bank

Dr. G. Ganga (Governor)

Mr. R. Lucas (Director)

BANK OF GUYANA

STATEMENT OF INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2018

	Notes	**2018**	2017
OPERATING INCOME		G$'000	G$'000
Discount Received		20,435	15,541
Interest on Gov't of Guyana Securities		60,105	60,758
Interest on Foreign Securities		4,544,858	4,859,785
Interest on Deposits		83,065	93,592
Interest on Loans		8,650	8,943
Other Income		1,733,962	2,146,386
INCOME		6,451,075	7,185,005
OPERATING EXPENSES			
Administrative Expenses	18	(1,739,438)	(1,682,586)
Interest and Charges	19	(243,127)	(130,503)
Interest on Money Employed	20	103,159	82,938
Cost of Printing Notes & Minting Coins	21	(276,738)	(229,072)
Depreciation Charge on Fixed Assets		(214,165)	(213,465)
Bad Debt Written Off	22	(236,728)	(236,728)
		(2,607,037)	(2,409,416)
NON-OPERATING INCOME/(EXPENSES)			
Pension/Ex-Gratia	15	(134,266)	(6,358)
Accrued Leave Cost		(17,972)	(21,602)
Gains/(losses) on Disposal of Fixed Assets		(1,553)	6,319
Market Exposure on Foreign Investment	23	(1,600,272)	(1,051,412)
		(1,754,063)	(1,073,053)
Net Profit/(Loss)	24	2,089,975	3,702,536

BANK OF GUYANA

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2018

	2018	2017
	G$'000	G$'000
Net Profit/(Loss)	2,089,975	3,702,536
Gains/(Losses)		
Revaluation on Foreign Currency Transactions	(14,671)	(169,519)
Revaluation of Foreign Investments	(2,427,088)	(2,940,717)
Actuarial Remeasurement/Pension	786,434	(1,545,409)
Comprehensive Gains/(Losses)	434,650	(953,109)

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2018

	Paid up Capital	General Reserve Fund	Revaluation Reserves	Other Reserves	Revaluation of Foreign Assets Reserve	Contingency	Total
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	-	3,702,536	-	-	-	-	3,702,536
Revaluation for Foreign Assets Disposed	-	-	-	-	(588,788)	-	(588,788)
Revaluation for Foreign Assets On Books	-	-	-	-	(2,351,930)	-	(2,351,930)
Revaluation of Property	-	-	-	-	-	-	-
Net Profit due to Consolidated Fund	-	(3,332,282)	-	-	-	-	(3,332,282)
Actuarial Remeasurement/Pension	-	-	-	-	-	-	-
Balance as at December 31, 2017	1,000,000	5,558,299	3,051,830	32,898	(6,999,687)	2,356,377	4,999,717
Net Profit	-	2,089,975	-	-	-	-	2,089,975
Revaluation for Foreign Assets Disposed	-	-	-	-	23,306	-	23,306
Revaluation for Foreign Assets On Books	-	-	-	-	(2,450,394)	-	(2,450,394)
Transfer from Financial Institutions	-	-	-	1,479	-	-	1,479
Net Profit due to Consolidated Fund	-	(1,880,978)	-	-	-	-	(1,880,978)
Actuarial Remeasurement/Pension	-	-	-	-	-	-	-
Balance as at December 31, 2018	**1,000,000**	**5,767,296**	**3,051,830**	**34,377**	**(9,426,775)**	**2,356,377**	**2,783,105**

BANK OF GUYANA

CASH FLOW STATEMENT

FOR YEAR ENDED 31ST DECEMBER, 2018

	2018 G$'000	Restated 2017 G$'000
Operating Activities		
Government of Guyana Portion of Net Profit Payable	1,880,978	3,332,282
Transfer to General Reserve	208,998	370,254
Grant Assets	-	-
Net Profit/(Loss)	2,089,976	3,702,536
Actuarial remeasurement	-	-
Adjustments to reconcile Net Profit/(Loss) to Net Cash Flow from Operating Activities:-		
Depreciation	214,165	213,465
Reduction in Grant Assets	-	76
Profit/ Loss on the Disposal of Fixed Assets	1,553	(6,319)
Net Cash Flow from Operating Activities	2,305,694	3,909,758
Investing Activities		
Foreign Assets in the Process of Redemption	423,146	183,392
Holdings of Special Drawing Rights	80,708	117,441
Foreign Capital Market Securities	14,143,567	(1,092,062)
Additions to Fixed Assets	(133,994)	(103,843)
Proceeds from the Disposal of Fixed Assets	122	6,711
Funds for Government Projects	34,829	(4,898,132)
International Monetary Fund Obligations	(4,497,670)	832,733
Other Financial Assets	(2,649,854)	(1,766,591)
Special Issue of Government of Guyana Securities	(14,671)	(169,518)
Gold Deposits	1,878,117	3,404,070
Government of Guyana Treasury Bills	(42)	88
Net Cash Flow from Investing Activities	9,264,258	(3,485,711)
Financing		
Currency in Circulation	11,515,142	9,664,070
Commercial Bank Deposits	11,364,596	(7,985,493)
Government of Guyana Deposits	(28,711,991)	(5,170,300)
International Financial Institutions Deposits	3,019,419	1,067
Funds Due To Government Projects	(34,829)	4,898,132
Other Deposits	285,634	2,804,404
Government of Guyana Portion of Net Profit Payable	(3,332,282)	(3,751,154)
Allocation of Special Drawing Rights	1,456,031	(832,733)
Other Liabilities	1,400,234	2,867,376
Revaluation Reserves	-	-
Revaluation for Foreign Reserves	(2,427,088)	(2,940,718)
Contingency Reserve	-	-
Other Reserve	1,479	-
Grant Assets	-	-
Net Cash Flow from Financing	(5,463,655)	(445,349)
Net Increase/(Decrease) in Cash for year	6,106,297	(21,302)
Cash as at beginning of year	22,219,441	22,240,743
Cash as at end of year	**28,325,738**	**22,219,441**
Balances with Foreign Banks	**28,325,738**	**22,219,441**

BANK OF GUYANA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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 2018. 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 estimate 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

IFRS 9 – 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, 2018.

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.

IAS 19	Employee Benefits (effective January 1, 2019)

Improvements to IFRSs applied January 1, 2018

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

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.

Expressed in thousands of Guyana dollars ($'000)

(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:

2018	2017
8,000 (ozs)	15,000 (ozs)

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

4. BALANCES WITH FOREIGN BANKS

	2018	2017
Balances with Central Banks	6,708,370	5,899,594
Current accounts in US Dollars	19,328,357	15,856,637
Current accounts in other currencies	2,289,011	463,210
Total	**28,325,738**	**22,219,441**

5. HOLDINGS OF SPECIAL DRAWING RIGHTS

This amount represent the equivalent of SDR's held as at 31st December, 2018 and 2017.

6. FOREIGN CAPITAL MARKET SECURITIES

	2018	2017
Available-for-sale:		
Caribbean Government Guaranteed Bonds	34,052,001	42,242,850
Others	-	-
US Treasuries/ Agencies	19,370,415	6,087,200
Supranational Bonds	24,639,139	43,875,072
Total	**78,061,555**	**92,205,122**

Expressed in thousands of Guyana dollars ($'000)

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

Balance as at December 31, 2016	91,113,059
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)
Balance as at December 31, 2017	**92,205,122**
Additions	16,943,068
Disposals	(28,319,716)
Foreign Gain or (Loss) in currency exchange	809,467
Gain or (Loss) on Fair Value	(3,576,386)
Balance as at December 31, 2018	**78,061,555**

	2018	2017
Net realised gains from disposal of financial assets	318,209	710,120

7. SECURITIES – SPECIAL ISSUE OF GOVERNMENT OF GUYANA DEBENTURES

This amount represents 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.

	2018	2017
Total at the beginning of the year	42,376,839	42,207,320
Add/(Less)		
Debenture issued as per Section 49(3) of the Bank of Guyana Act	22,933	169,519
Adjustment to debenture issued at 31/12/2017	(8,262)	-
Total	**42,391,510**	**42,376,839**

Expressed in thousands of Guyana dollars ($'000)

8. GOVERNMENT OF GUYANA TREASURY BILLS

	2018	2017
At the beginning of the year	995,006	995,094
Net increase/(decrease) during the year	42	(88)
At the end of year	**995,048**	**995,006**

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

9. INTERNATIONAL MONETARY FUND

	2018	2017
Revaluation of IMF Accounts	31,211,153	26,713,484
Claim on IMF	8,567,628	8,567,628
Total	**39,778,781**	**35,281,112**

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

	2018	2017
Cost of Notes and Coins not yet written off	874,239	901,986
Government Agencies	2,367,282	2,604,010
Sundry Other Assets	7,567,664	4,653,335
	10,809,185	**8,159,331**

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.

Expressed in thousands of Guyana dollars ($'000)

11. FIXED ASSETS

	Building	Furniture, Equipment & Software	Total
Cost:			
As at December 31, 2017	3,426,198	1,899,791	5,325,989
Adjustments during the year	-	16,860	16,860
Additions during the year	-	133,994	133,994
Revaluation	-	-	-
Disposals during the year	-	(62,688)	(62,688)
As at December 31, 2018	3,426,198	1,987,957	5,414,155
Accumulated Depreciation:			
As at December 31, 2017	484,850	1,488,957	1,973,807
Adjustments during the year	-	16,860	16,860
Additions during the year	57,681	156,483	214,164
Disposals during the year	-	(61,013)	(61,013)
Depreciation Grant Asset	-	0	0
As at December 31, 2018	542,531	1,601,287	2,143,818
Net Book Value:			
As at December 31, 2017	2,941,348	410,834	3,352,182
As at December 31, 2018	2,883,667	386,670	3,270,337

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

12. INTERNATIONAL FINANCIAL INSTITUTIONS

	2018	2017
International Monetary Fund:		
No. 1 Account	34,238,797	31,199,173
No. 2 Account	683	645
ESAF Loan	-	-
Other International Financial Institutions	1,142,346	1,162,589
Caribbean Regional Facilities	-	-
	35,381,826	**32,362,407**

Expressed in thousands of Guyana dollars ($'000)

13. OTHER DEPOSITS

	2018	2017
National Insurance Scheme	309,518	591,515
Staff Pension Fund	47,527	14,167
Other Deposits	7,566,629	7,032,358
	7,923,674	**7,638,040**

14. ALLOCATION OF SPECIAL DRAWING RIGHTS

2018	2017
26,111,272	24,655,241

This amount represents the liability in respect of SDRs allocated to Guyana as at 31st December 2018, valued at the equivalent Guyana dollar rate to the SDR at the SDR/GYD quoted by the IMF as at 30th April 2018.

15. OTHER LIABILITIES

	2018	Restated 2017
Included are:		
Accruals	2,111,967	1,927,185
Uncleared Cheques	362,205	99,584
Others	7,407,276	5,990,588
Pension Obligations	(838,244)	(374,387)
Total	**9,043,204**	**7,642,970**

i. Others

Included in others liabilities:

Uncleared Cheques

Included in 2017 restated amount are cheques drawn on Bank of Guyana for deferred and personal income account schemes.

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 31st December, 2018 there were 243 active members of the Scheme and 53 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.

Expressed in thousands of Guyana dollars ($'000)

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 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 the Bank's defined benefit pension scheme and ex-gratia pension obligation as at December 31, 2018 totaled $2,037.748 million and $1,656.889 million respectively based on the following assumptions:

	2018	2017
	%	%
Discount Rate (p.a.)	4.5	4.5
Rate of pension increases (p.a.)	5.0	5.0
Future salary increases (p.a.)	7.0	9.0
National Insurance Ceiling increases (p.a.)	5.0	5.0

	Pension Scheme	
	2018	2017
Movement in Present Value of Defined Benefit Obligation		
Defined Benefit Obligation at start of year	3,103,251	1,993,087
Current Service Cost	149,160	77,618
Interest Cost	140,653	88,203
Members' Contributions	15,218	15,716
Past Service Cost/(Credit)	-	-
Experience adjustments	(9,093)	151,810
Actuarial Gain/(Loss)	(775,202)	936,926
Benefits paid	(119,150)	(160,109)
Defined Benefit Obligation at end of year	**2,504,837**	**3,103,251**

Expressed in thousands of Guyana dollars ($'000)

Fair Value of Scheme Assets at start of year	2,136,619	2,034,992
Interest Income	96,448	90,929
Return on Scheme assets, excluding interest income	(208,823)	39,708
Bank Contributions	117,436	115,383
Member's Contribution	15,218	15,716
Benefits Paid	(119,150)	(160,109)
Fair Value of Scheme Assets at end of year	**2,037,748**	**2,136,619**

Actual return on Plan assets	(112,375)	130,637

Current Service Cost	149,160	77,618
Net Interest on Defined Benefit Liability/(Asset)	44,205	(2,726)
Past Service Cost/(Credit)	-	-
Net Pension Cost	**193,365**	**74,892**

	Pension Scheme	
Net Liability in Statement of Financial Position	**2018**	2017
Present Value of Defined Benefit Obligation	2,504,837	3,103,251
Fair Value of Assets	(2,037,748)	(2,136,619)
(Surplus)/Deficit	467,089	966,632
Effect of asset Ceiling	-	-
Net Defined Benefit Liability/(Asset)	**467,089**	**966,632**

	Pension Scheme	
Reconciliation of Opening and Closing Statement of Financial Position	**2018**	2017
Opening Defined Benefit Liability/(Asset)	966,632	(41,905)
Net Pension Cost	193,365	74,892
Re-measurements recognised in Other Comprehensive Income	(575,472)	1,049,028
Bank Contributions Paid	(117,436)	(115,383)
Closing Defined Benefit Liability/(Asset)	**467,089**	**966,632**

Expressed in thousands of Guyana dollars ($'000)

	Ex-Gratia	
	2018	2017
Movement in Present Value of Defined Benefit Obligation		
Defined Benefit Obligation at start of year	2,599,684	1,818,873
Current Service Cost	93,218	64,562
Interest Cost	117,510	81,925
Members' Contributions	-	-
Past Service Cost/(Credit)	-	-
Experience adjustments	35,550	174,791
Actuarial Gain/(Loss)	(432,262)	520,688
Benefits paid	(69,679)	(61,155)
Defined Benefit Obligation at end of year	**2,344,021**	**2,599,684**

	Ex-Gratia	
	2018	2017
Movement in Fair Value of Plan Assets		
Fair Value of Plan Assets at start of year	415,782	2,429,915
Interest Income	83,878	39,894
Return on Plan assets, excluding interest income	(185,750)	199,098
Bank Contributions	1,412,658	(2,191,970)
Member's Contribution	-	-
Benefits Paid	(69,679)	(61,155)
Fair Value of Plan Assets at end of year	**1,656,889**	**415,782**

Actual return on Plan assets	(101,872)	238,992

	Ex-Gratia	
Net Liability in Statement of Financial Position	**2018**	2017
Present Value of Defined Benefit Obligation	2,344,021	2,599,684
Fair Value of Assets	(1,656,889)	(415,782)
(Surplus)/Deficit	687,132	2,183,902
Effect of asset Ceiling	-	-
Net Defined Benefit Liability/(Asset)	**687,132**	**2,183,902**

Expressed in thousands of Guyana dollars ($'000)

	Ex-Gratia	
Expense Recognised in Statement of Income	**2018**	2017
Current Service Cost	93,218	64,562
Net Interest on Defined Benefit Liability/(Asset)	33,632	42,031
Past Service Cost/(Credit)	-	-
Net Pension Cost	**126,850**	**106,593**

	Ex-Gratia	
Reconciliation of Opening and Closing Statement of Financial Position	**2018**	2017
Opening Defined Benefit Liability/(Asset)	2,183,902	(611,042)
Net Pension Cost	126,850	106,593
Re-measurements recognised in Other Comprehensive Income	(210,962)	496,381
Bank Contributions Paid	(1,412,658)	2,191,970
Closing Defined Benefit Liability/(Asset)	**687,132**	**2,183,902**

Experience history

	Pension Scheme				
	2018	2017	2016	2015	2014
Present Value of Defined Benefit Obligation	2,504,837	3,103,251	1,993,087	2,102,476	1,641,497
Fair Value of Assets	(2,037,748)	(2,136,619)	(2,034,992)	(1,848,012)	(1,672,228)
(Surplus)/Deficit	**467,089**	**966,632**	**(41,905)**	**254,464**	**(30,731)**

	Ex-Gratia				
	2018	2017	2016	2015	2014
Defined Benefit Obligation:	2,344,021	2,599,684	1,818,873	1,775,260	1,442,286
Fair Value of Assets	(1,656,889)	(415,782)	(2,429,915)	(1,464,280)	(1,598,923)
(Surplus)/Deficit	**687,132**	**2,183,902**	**(611,042)**	**310,980**	**(156,637)**

Expressed in thousands of Guyana dollars ($'000)

	Pension	Ex-Gratia
Funding expected for 2019 Bank Pension Scheme contributions/ex-gratia benefit payments	196,000	73,000

16. SHARE CAPITAL

	2018	2017
Authorised	1,000,000	1,000,000
Issued and Fully paid	1,000,000	1,000,000

17. CONTINGENCY RESERVE

	2018	2017
Contingency Reserve	2,356,377	2,356,377

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

18. ADMINISTRATIVE EXPENSES

Included in Administrative Expenses are:

	2018	2017
Staff Cost	1,440,892	1,373,808
Premises Maintenance	87,937	107,062
Services and Supplies	164,640	163,856
Other Expenses	45,969	37,860
Total	**1,739,438**	**1,682,586**

Employee numbers and costs.

The number of employees at the end of year 2018 was 278 while the number at end of year 2017 was 273.

The related costs for these employees were as follows:

	2018	2017
Salaries and Wages	871,447	822,282
Statutory payroll contributions	73,668	72,883
Staff Welfare	638,446	497,352
Pension/Ex-Gratia	(134,266)	(6,358)
Accrued Leave Cost	(17,972)	(21,602)
Other	9,569	9,251
Total	**1,440,892**	**1,373,808**

Expressed in thousands of Guyana dollars ($'000)

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 employee benefits, pension costs and directors' fees.

	2018	2017
Short term benefits & pension cost	110,274	100,932
Directors Compensation	531	576

19. INTEREST AND CHARGES

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

20. INTEREST ON MONEY EMPLOYED

2018	2017
103,159	82,938

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 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 31st, 2018 is $180,523,309.

21. COST OF PRINTING NOTES AND MINTING OF COINS

	2018	2017
Printing of Notes	249,750	190,730
Minting of Coins	26,988	38,342
Total	**276,738**	**229,072**

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, 2018 is $2,367,281,775.

Expressed in thousands of Guyana dollars ($'000)

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 and Caribbean Countries.

	2018	2017
Provision for Revaluation of Foreign Investment at start of year	4,341,284	3,289,872
Provision for exchange rate and market movements	232,219	411,393
Provision for bad debts	1,368,053	640,019
Provision for Market Exposure of Foreign Investment at end of year	**5,941,556**	**4,341,284**

24. PROFIT/LOSS FOR THE YEAR

2018	2017
2,089,975	3,702,536

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 IFRS 9 to recognize revaluation, gains and losses on foreign investments through profit and loss.

	2018	2017
Profit as per Income Statement	2,089,975	3,702,536
Revaluation of Foreign Currency Transactions	(14,671)	(169,519)
Revaluation of foreign investments	(2,427,088)	(2,940,717)
Provision for exchange rate movements	232,219	411,393
Total	**(119,565)**	**1,003,693**

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.

Expressed in thousands of Guyana dollars ($'000)

26. COMMITMENTS

Capital commitments are as follows:

	2018	2017
Authorised and Contracted	12,500	80,000
Authorised but not Contracted	207,869	139,930
Total	**220,369**	**219,930**

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:

i. Market Risk
ii. Credit Risk
iii. 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.

Expressed in thousands of Guyana dollars ($'000)

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 31st December 2018.

	2018	2017
USD/G$	208.50	206.50
GBP/G$	266.21280	278.96085
EURO/G$	238.77420	247.42830
CAD/G$	159.41910	164.80765

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)

2018

	Assets	Liabilities	Net Position	Impact on Equity	
	GYD	GYD		0.05%	-0.05%
United States Dollar	106,271,394	12,681,460	93,589,934	467,950	(467,950)s
Pounds Sterling	314,411	0	314,411	1,572	-1,572
Canadian Dollar	295,645	0	295,645	1,478	-1,478
Euro	2,012,362	0	2,012,362	10,062	-10,062
Other	71,773	34,239,480	-34,167,707	-170,839	170,839

Restated
2017

	Assets	Liabilities	Net Position	Impact on Equity	
	GYD	GYD		0.50%	-0.50%
United States Dollar	118,723,923	12,267,817	-106,456,106	532,280	-532,280
Pounds Sterling	276,452	-	276,452	1,382	-1,382
Canadian Dollar	1,251,629	-	1,251,629	6,258	-6,258
Euro	194,697	-	194,697	973	-973
Other	152,481	31,199,818	-31,047,337	-155,237	155,237

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, 2018

	GYD	USD	GBP	CAD	EURO	OTHERS	TOTAL
FINANCIAL ASSETS							
Accounts Receivable	2,861,000	-	-	-	-	-	2,861,000
Regional & Foreign Currencie	332,408	5,020,160	-	-	-	3	5,352,571
Balances With Foreign Banks	-	19,328,357	276,650	-	2,012,362	-	21,617,369
Balances With Central Banks	-	2,937,885	37,761	295,647	-	-	3,271,293
Domestic Assets	45,442,823	9,733,015	627,774	244,017	172,825	-81	56,220,373
Gold	-	2,137,792	-	-	-	-	2,137,792
IMF Balances	39,778,781	-	-	-	-	71,773	39,850,554
Investments Securities	-	78,061,555	-	-	-	-	78,061,555
Other Assets	7,613,668	2,110	-	-	-	-	7,615,778
Total Financial Assets	**96,028,680**	**117,220,873**	**942,185**	**539,664**	**2,185,187**	**71,694**	**216,988,285**
FINANCIAL LIABILITIES							
Demand Liabilities	124,905,740	13,201,303	-	-	-	-	138,107,043
Demand Foreign Liabilities	1,070,261	7,016,780	-	-	-	-	8,087,041
IMF Balances	26,111,272	-	-	-	-	34,239,480	60,350,752
Other Liabilities & Payables	9,091,170	-47,898	-	-	-	-	9,043,272
Regional Governments	6,500	-	-	-	-	-	6,500
Total Financial Liabilities	**161,184,943**	**20,170,185**	**-**	**-**	**-**	**34,239,480**	**215,594,608**
NET ON-BALANCE SHEET POSITION	**-65,156,264**	**97,050,688**	**942,185**	**539,664**	**2,185,187**	**-34,167,786**	**1,393,677**

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

	GYD	USD	GBP	CAD	EURO	OTHERS	TOTAL
FINANCIAL ASSETS							
Accounts Receivable	1,690,506	-	-	-	-	-	1,690,506
Regional & Foreign Currencie	396,212	5,217,714	-	-	-	3	5,613,929
Balances With Foreign Banks	-	15,856,637	268,513	-	194,697	-	16,319,847
Balances With Central Banks	-	2,624,222	7,940	55,948	-	-	2,688,110
Domestic Assets	44,530,585	10,689,325	613,609	210,016	197,037	-81	56,240,490
Gold	-	4,015,909	-	-	-	-	4,015,909
IMF Balances	35,282,112	-	-	-	-	152,481	35,433,593
Investments Securities	-	91,009,441	-	1,195,681	-	-	92,205,122
Other Assets	6,070,524	2,089	-	-	-	-	6,072,613
Total Financial Assets	**87,968,939**	**129,415,337**	**890,061**	**1,461,646**	**391,733**	**152,403**	**220,280,118**
FINANCIAL LIABILITIES							
Demand Liabilities	133,259,503	13,284,737	-	-	-	-	146,544,240
Demand Foreign Liabilities	2,384,529	6,427,419	-	-	-	-	8,811,948
IMF Balances	24,655,241	-	-	-	-	31,199,818	55,855,060
Other Liabilities & Payables	7,455,857	-47,898	-	-	-	-	7,407,959
Regional Governments	6,500	1,877	-	-	-	-	8,377
Total Financial Liabilities	**167,761,631**	**19,666,134**	**-**	**-**	**-**	**31,199,818**	**218,627,584**
NET ON-BALANCE SHEET POSITION	**-79,792,692**	**109,749,202**	**890,061**	**1,461,646**	**391,733**	**-31,047,415**	**1,652,535**

Interest rate risk is the risk that 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.

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.

Expressed in thousands of Guyana dollars ($'000)

The table below analyses the effective year end interest rates for each class of financial assets and liabilities:

	2018	2017
	%	%
Foreign Assets		
Caricom Central Banks	-	-
SDR Holdings	0.050	0.050
Capital Market Securities	4.844	5.110
Money Market Securities	2.000	2.216
Liabilities		
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 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:

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.

Expressed in thousands of Guyana dollars ($'000)

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.

Investments	49,781,214	18,537,777	2,629,555	7,113,009	78,061,555
Loans and advances	124,946	-	-	-	124,946
Cash Resources	116,027,697	-	-	-	116,027,697
	165,933,857	**18,537,777**	**2,629,555**	**7,113,009**	**194,214,198**

			Restated 2017		
	Superior	**Desirable**	**Acceptable**	**Special Monitoring**	**Total**
Investments	55,622,881	23,802,442	9,591,078	3,188,721	92,205,122
Loans and advances	153,070	-	-	-	153,070
Cash Resources	109,084,750	-	-	-	109,084,750
	164,860,701	**23,802,442**	**9,591,078**	**3,188,721**	**201,442,942**

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)

	2018	2017
United States of America	52,808,919	43,451,210
Caribbean Countries	39,017,236	45,454,335
Europe	3,429,612	9,201,668
Other	11,131,525	16,317,350
Total Foreign Assets Exposed to Credit Risk	**106,387,292**	**114,424,563**

3. LIQUIDITY RISK

Liquidity risk is 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 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 demand.
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 – 2018

	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
Assets						
Notes and Coins	-	-	-	-	874,239	874,239
Gold	2,137,792	-	-	-	-	2,137,792
Cash and cash equivalents	29,908,825	-	-	-	-	29,908,825
Foreign currency denominated investments	2,122,581	7,843,410	15,947,399	52,148,165	-	78,061,555
IMF - Holdings of SDRs	-	-	-	-	71,773	71,773
Due from Govt & Govt Agencies & Projects	-	-	-	-	12,833,816	12,833,816
Local currency denominated investments	995,048	-	-	3,898,537	38,492,974	43,386,559
IMF - Claims	-	-	-	-	8,567,628	8,567,628
Property, plant & equipment	-	-	-	-	3,270,337	3,270,337
Employee benefits	247	5,431	44,965	73,837	466	124,946
Other assets	-	-	-	-	41,021,152	41,021,152
Total Assets	35,164,493	7,848,841	15,992,364	56,120,539	105,132,385	220,258,622
Liabilities						
Notes & Coins in circulation	-	-	-	-	112,493,616	112,493,616
Deposits & Other Demand Liabilities	-	-	-	-	34,445,599	34,445,599
IMF - Allocation of SDRs	-	-	-	-	26,111,272	26,111,272
Foreign Liabilities	717,152	-	-	-	34,664,674	35,381,826
Employee benefits obligation	-	-	-	-	(746,305)	(746,305)
Other liabilities	-	-	-	-	9,789,513	9,789,513
Total liabilities	717,152	-	-	-	216,758,369	217,475,521
Net Liquidity Gap	34,447,341	7,848,841	15,992,364	56,120,539	(111,625,984)	2,783,101

Expressed in thousands of Guyana dollars ($'000)

LIQUIDITY RISK – 2017

	Restated					
	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**
Assets						
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
Total Assets	32,494,897	1,444,321	26,995,250	64,558,365	98,139,468	223,632,301
Liabilities						
Notes & Coins in circulation	-	-	-	-	100,978,474	100,978,474
Deposits & Other Demand Liabilities	-	-	-	-	52,993,493	52,993,493
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
Total liabilities	717,152	-	-	-	216,460,872	217,178,024
Net Liquidity Gap	31,777,745	1,444,321	26,995,250	64,558,365	(118,321,404)	6,454,277

Sensitivity analysis

As the Banks fixed rate financial instruments are carried at amortised cost, changes in the market interest rates would not impact carrying values or future income/expense from these instruments. However changes in market rates would affect floating rate 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 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

1. MONETARY AUTHORITY

1-I **Bank of Guyana: Assets**
1-II **Bank of Guyana: Liabilities**

2. COMMERCIAL BANKS

2-I(a) **Commercial Banks: Assets**
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3. BANKING SYSTEM

3-I **Monetary Survey**

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5. NON-BANK FINANCIAL INSTITUTIONS

5-I **Summary of Non-Bank Financial Institutions: Assets**
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6. PUBLIC FINANCE

6-I **Central Government: Finances (Summary)**
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7. PUBLIC DEBT

8. INTERNATIONAL TRADE AND PAYMENTS

9. FOREIGN EXCHANGE RATES

10. DOMESTIC PRODUCT INCOME AND EXPENDITURE

11. OTHER GENERAL ECONOMIC INDICATORS

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
2009	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
2010	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
2011	240,564.4	162,659.9	-	30,621.9	804.6	131,233.3	995.1	-	995.1	-	-	44,109.5	32,799.8
2012	259,487.1	174,968.2	-	22,541.5	374.4	152,052.3	994.4	-	994.4	-	-	43,305.4	40,219.0
2013	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
2014													
Mar	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
Jun	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
Sep	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
Dec	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
2015													
Mar	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
Jun	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
Sep	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
Dec	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
2016													
Mar	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
Jun	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
Sep	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
Dec	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
2017													
Jan	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
Feb	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
Mar	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
Apr	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
May	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
Jun	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
Jul	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
Aug	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
Sep	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
Oct	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
Nov	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
Dec	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
2018													
Jan	216,360.4	113,945.0	2,219.2	19,562.4	152.5	92,010.9	995.0	-	995.0	-	-	42,376.8	59,043.5
Feb	210,624.3	107,062.3	1,908.5	13,800.7	106.8	91,246.4	993.8	-	993.8	-	-	42,376.8	60,191.3
Mar	205,827.1	101,938.7	1,913.7	13,478.6	106.8	86,439.6	993.5	-	993.5	-	-	42,376.8	60,518.2
Apr	208,252.6	104,740.6	2,744.4	15,430.0	106.4	86,459.9	993.5	-	993.5	-	-	42,376.8	60,141.7
May	208,450.4	100,269.7	3,261.4	11,328.7	53.6	85,626.0	993.5	-	993.5	-	-	42,376.8	64,810.3
Jun	207,351.3	98,636.4	3,128.9	10,584.5	53.6	84,869.3	1,143.3	-	1,143.3	-	-	42,376.8	65,194.7
Jul	204,433.0	95,181.2	3,128.9	9,109.8	122.9	82,819.6	993.5	-	993.5	-	-	42,376.8	65,881.5
Aug	206,377.1	93,393.2	3,019.5	8,837.6	60.9	81,475.1	1,988.5	-	1,988.5	-	-	42,376.8	68,618.6
Sep	207,022.3	94,346.8	2,961.1	16,110.5	60.9	75,214.2	993.5	-	993.5	-	-	42,376.8	69,305.3
Oct	209,117.8	100,060.3	3,046.7	21,244.6	135.9	75,633.2	993.5	-	993.5	-	-	42,376.8	65,687.2
Nov	210,819.3	101,327.8	3,435.3	21,378.6	71.8	76,442.2	993.5	-	993.5	-	-	42,376.8	66,121.1
Dec	220,258.6	110,179.9	2,137.8	29,908.8	71.8	78,061.6	995.0	-	995.0	-	-	42,391.5	66,692.1

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
								Banks						
		Total	Notes	Coins	Total	Gov't	Int'l Orgs.	EPDS	Other	Other	Authorised Share Capital	Other Reserves		
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	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														
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
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
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
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
2018														
Jan	216,360.4	93,835.4	92,783.9	1,051.6	84,551.7	(36,538.1)	32,343.7	60.8	72,797.0	15,888.4	1,000.0	3,442.9	24,655.2	8,875.1
Feb	210,624.3	94,375.7	93,321.7	1,054.0	78,702.8	(44,839.4)	32,348.1	60.8	74,206.2	16,927.1	1,000.0	2,762.8	24,655.2	9,127.8
Mar	205,827.1	96,649.4	95,592.6	1,056.7	71,848.9	(46,364.4)	32,348.1	60.8	68,464.9	17,339.5	1,000.0	3,453.1	24,655.2	8,220.6
Apr	208,252.6	96,402.9	95,344.7	1,058.2	75,456.4	(51,706.2)	32,348.8	60.8	77,151.0	17,602.1	1,000.0	2,483.6	24,655.2	8,254.6
May	208,450.4	96,818.6	95,759.4	1,059.1	73,924.9	(58,321.6)	35,387.7	60.8	78,557.3	18,240.7	1,000.0	2,221.2	26,111.3	8,374.4
Jun	207,351.3	95,906.5	94,846.7	1,059.8	77,859.7	(54,024.9)	35,371.6	60.8	76,855.8	19,596.4	1,000.0	1,367.9	26,111.3	5,105.9
Jul	204,433.0	96,740.4	95,680.0	1,060.4	73,507.2	(59,294.0)	35,377.6	60.8	79,124.7	18,238.1	1,000.0	1,881.8	26,111.3	5,192.3
Aug	206,377.1	96,284.6	95,221.1	1,063.5	73,988.8	(61,635.6)	35,381.9	60.8	82,410.3	17,771.3	1,000.0	2,884.9	26,111.3	6,107.6
Sep	207,022.3	95,697.0	94,630.4	1,066.6	76,290.1	(55,388.3)	35,381.9	60.8	77,861.8	18,373.8	1,000.0	2,333.8	26,111.3	5,590.2
Oct	209,117.8	97,401.2	96,330.5	1,070.7	76,161.7	(51,960.0)	35,381.7	60.8	76,191.8	16,487.5	1,000.0	2,240.0	26,111.3	6,203.6
Nov	210,819.3	99,643.1	98,569.2	1,073.9	75,255.8	(55,635.2)	35,381.8	60.8	80,407.2	15,041.2	1,000.0	2,921.8	26,111.3	5,887.3
Dec	220,258.6	112,493.6	111,415.6	1,078.1	69,385.0	(55,183.0)	35,381.8	60.8	73,935.6	15,189.8	1,000.0	1,783.1	26,111.3	9,485.6

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. Instits. 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									
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	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																		
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
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
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
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
2018																		
Jan	479,023	84,667	25,426	1,888	57,354	65,038	62,972	62,971	1	2,028	38	797	140,303	79,222	71,713	61	7,448	108,996
Feb	481,390	84,420	25,224	1,860	57,337	63,780	62,718	62,700	18	1,003	59	815	141,167	81,133	73,430	61	7,642	110,075
Mar	478,721	87,254	27,915	1,844	57,495	64,875	63,791	63,784	7	997	87	722	140,996	74,153	67,004	61	7,089	110,721
Apr	486,754	87,273	26,735	2,545	57,993	63,571	62,250	62,184	66	1,244	78	760	141,315	84,465	77,599	61	6,805	109,369
May	498,062	83,616	24,140	2,480	56,996	73,907	72,462	72,414	48	1,365	80	816	143,681	84,609	76,897	61	7,651	111,432
Jun	494,567	81,542	21,828	2,778	56,937	71,342	69,897	69,832	65	1,343	102	784	145,629	83,427	77,314	61	6,052	111,842
Jul	498,683	85,496	26,407	2,569	56,520	71,567	70,219	70,162	57	1,237	111	937	142,483	87,029	79,993	61	6,975	111,171
Aug	498,938	82,838	23,901	2,489	56,447	71,354	69,995	69,949	47	1,239	120	914	143,726	88,563	81,400	61	7,102	111,542
Sep	497,106	79,310	22,869	2,480	53,960	72,229	70,960	70,956	4	1,158	112	889	146,641	87,308	80,601	61	6,646	110,729
Oct	496,788	80,068	22,337	2,556	55,175	72,354	71,120	71,091	29	1,156	78	746	149,563	83,265	75,960	61	7,244	110,792
Nov	503,709	80,751	22,812	2,607	55,331	72,263	71,035	70,969	65	1,120	109	742	150,060	85,240	78,383	61	6,796	114,652
Dec	503,427	80,339	21,455	2,722	56,161	72,314	71,059	71,052	7	1,124	131	848	151,517	83,094	73,320	61	9,713	115,316

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						
2009	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
2010	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
2011	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
2012	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
2013	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
2014															
Mar	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
Jun	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
Sep	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
Dec	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
2015															
Mar	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
Jun	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
Sep	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
Dec	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
2016															
Mar	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
Jun	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
Sep	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
Dec	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
2017															
Jan	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
Feb	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
Mar	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
Apr	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
May	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
Jun	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
Jul	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
Aug	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
Sep	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
Oct	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
Nov	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
Dec	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
2018															
Jan	479,023	21,176	2,399	18,778	-	51,977	10,599	30,421	10,957	35,161	273,787	61	-	15,955	80,906
Feb	481,390	22,341	2,045	20,296	-	49,463	10,090	28,338	11,035	35,498	273,349	61	-	19,006	81,672
Mar	478,721	21,308	2,576	18,731	-	48,329	10,223	27,385	10,722	36,005	275,823	61	-	14,908	82,286
Apr	486,754	26,072	3,577	22,495	-	48,010	10,346	26,820	10,844	34,523	278,002	61	-	17,223	82,863
May	498,062	23,202	1,848	21,354	-	63,252	26,717	27,018	9,518	33,872	278,176	61	-	16,206	83,292
Jun	494,567	21,452	3,070	18,382	-	62,332	26,626	25,904	9,802	34,691	277,635	61	-	15,946	82,450
Jul	498,683	23,990	4,074	19,916	-	63,875	28,227	26,680	8,969	34,542	278,120	61	-	14,514	83,580
Aug	498,938	21,692	1,910	19,783	-	61,003	26,003	26,356	8,644	34,937	281,269	61	-	15,448	84,528
Sep	497,106	21,527	1,877	19,650	-	60,514	25,974	26,201	8,339	36,326	280,265	61	-	14,640	83,774
Oct	496,788	22,199	2,385	19,814	-	56,330	24,584	25,856	5,890	34,872	283,866	61	-	15,765	83,694
Nov	503,709	23,048	2,044	21,004	-	60,148	23,592	28,844	7,712	35,249	284,859	61	-	15,782	84,561
Dec	503,427	21,694	1,867	19,827	-	58,783	23,828	27,277	7,678	35,462	284,522	61	-	19,258	83,648

Source: Commercial Banks

TABLE 2-II
COMMERCIAL BANKS: MINIMUM RESERVE REQUIREMENTS
(G$ Million)

End of Period	Day Of Res. Per. (Week)	Required Reserves	Actual Reserves	Surplus (+) Deficits (-)
2009		25,865.3	30,705.4	4,840.1
2010		29,335.0	45,101.9	15,766.9
2011		33,007.4	37,873.2	4,865.9
2012		37,466.3	45,541.5	8,075.2
2013		40,062.0	46,090.0	6,028.0
2014		39,919.3	50,882.1	10,962.8
2015		41,933.9	53,030.3	11,096.4
2016		44,431.9	68,730.8	24,299.0
2017				
Jan	06th	44,425.4	73,203.7	28,778.2
	13th	44,553.8	78,288.6	33,734.8
	20th	44,883.8	79,912.7	35,028.9
	27th	45,034.1	81,670.1	36,636.0
Feb	03rd	45,282.0	83,122.7	37,840.7
	10th	45,367.9	83,671.0	38,303.1
	17th	45,506.0	79,096.1	33,590.1
	24th	44,966.2	76,875.9	31,909.7
Mar	03rd	44,222.7	77,185.7	32,963.0
	10th	43,925.3	74,407.5	30,482.2
	17th	43,725.3	76,312.2	32,586.9
	24th	43,825.7	75,845.9	32,020.2
	31st	43,587.8	74,165.0	30,577.2
Apr	07th	43,443.0	73,517.9	30,074.9
	14th	43,249.8	73,794.5	30,544.6
	21st	43,622.1	72,262.5	28,640.4
	28th	43,701.7	66,359.1	22,657.4
May	05th	43,318.2	63,777.8	20,459.6
	12th	43,347.7	62,973.2	19,625.5
	19th	43,208.6	65,633.0	22,424.4
	26th	43,562.2	65,428.4	21,866.2
Jun	02nd	43,696.2	66,855.3	23,159.1
	09th	43,700.5	65,286.0	21,585.5
	16th	43,665.5	64,456.4	20,790.9
	23rd	43,580.7	61,961.3	18,380.7
	30th	43,195.5	60,423.9	17,228.4
Jul	07th	43,211.7	63,462.4	20,250.7
	14th	43,384.6	63,567.4	20,182.9
	21st	43,738.8	65,373.2	21,634.4
	28th	43,666.2	66,460.7	22,794.6
Aug	4th	43,578.7	67,546.4	23,967.6
	11th	43,679.7	66,931.3	23,251.5
	18th	43,757.0	67,698.8	23,941.8
	25th	43,789.7	67,287.3	23,497.6
Sep	01st	43,593.3	65,591.2	21,997.9
	08th	43,421.8	64,944.2	21,522.4
	15th	43,381.6	64,474.8	21,093.1
	22nd	43,385.1	65,630.0	22,244.9
	29th	43,085.2	65,727.4	22,642.1
Oct	06th	42,785.7	65,207.3	22,421.6
	13th	43,292.7	62,280.8	18,988.1
	20th	43,102.3	64,887.7	21,785.4
	27th	43,328.3	66,015.0	22,686.7
Nov	03rd	43,572.1	66,659.7	23,087.6
	10th	43,720.2	65,910.4	22,190.3
	17th	43,719.4	67,225.5	23,506.1
	24th	43,839.3	68,090.0	24,250.8
Dec	01st	43,934.4	67,558.7	23,624.3
	08th	43,811.2	64,543.5	20,732.3
	15th	44,032.2	60,505.8	16,473.7
	22nd	43,738.1	59,059.9	15,321.8
	29th	43,839.0	62,387.0	18,548.0

End of Period	Day Of Res. Per. (Week)	Required Reserves	Actual Reserves	Surplus (+) Deficits (-)
2018				
Jan	05th	43,819.4	66,149.4	22,330.0
	12th	44,104.5	69,288.2	25,183.7
	19th	44,422.3	67,838.8	23,416.5
	26th	44,332.4	70,759.9	26,427.5
Feb	02nd	44,499.1	71,786.2	27,287.1
	09th	44,493.9	72,534.3	28,040.4
	16th	44,501.9	73,224.4	28,722.4
	23rd	44,382.3	72,280.1	27,897.8
Mar	02nd	44,345.4	72,550.5	28,205.1
	09th	44,398.6	68,593.8	24,195.2
	16th	44,358.8	67,198.0	22,839.1
	23rd	44,348.0	68,267.8	23,919.8
	30th	44,356.7	67,253.7	22,897.0
Apr	06th	44,266.1	68,904.0	24,637.8
	13th	44,265.5	74,086.7	29,821.1
	20th	44,961.4	77,269.8	32,308.4
	27th	44993.6	71363.7	26370.1
May	04th	44,664.4	70,606.6	25,942.2
	11th	44,760.4	75,490.1	30,729.6
	18th	44,867.4	77,735.7	32,868.3
	25th	44,775.6	77,024.5	32,248.9
Jun	01st	45,915.9	79,433.6	33,517.7
	08th	46,454.5	78,701.0	32,246.5
	15th	46,479.6	74,239.0	27,759.4
	22nd	46,337.3	76,680.4	30,343.1
	29th	46,250.7	74,781.6	28,531.0
Jul	06th	45,837.5	77,055.1	31,217.7
	13th	46,329.3	77,447.5	31,118.3
	20th	31,270.1	81,190.8	49,920.7
	27th	46,533.0	78,415.1	31,882.1
Aug	03rd	46,459.4	76,951.2	30,491.8
	10th	46,509.3	76,365.6	29,856.3
	17th	46,263.0	79,662.5	33,399.6
	24th	46,287.0	80,487.4	34,200.4
	31st	46,425.6	81,890.7	35,465.1
Sep	07th	46,464.7	81,106.7	34,642.0
	14th	46,619.3	76,134.1	29,514.8
	21st	46,297.8	76,887.0	30,589.3
	28th	46,371.1	81,107.1	34,736.1
Oct	05th	46,678.2	78,790.8	32,112.7
	12th	46,520.5	74,061.0	27,540.5
	19th	46,084.0	75,192.5	29,108.5
	26th	46,168.5	74,206.2	28,037.8
Nov	02nd	46,074.3	72,442.4	26,368.1
	09th	46,026.2	73,399.3	27,373.1
	16th	46,376.4	75,510.0	29,133.6
	23rd	46,715.5	77,168.0	30,452.5
	30th	46,734.5	79,173.9	32,439.4
Dec	07th	47,020.5	78,289.6	31,269.2
	14th	47,324.4	75,310.4	27,986.0
	21st	47,239.7	72,152.0	24,912.3
	28th	46,965.5	75,047.8	28,082.4

Source: Commercial Banks

TABLE 3-I
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. Instits. (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.	
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	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																
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
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
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
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
2018																
Jan	176,917.5	113,426.5	63,491.0	219,274.6	35,075.7	90,150.6	(28,392.6)	(26,682.3)	(34,363.7)	218,562.5	364,539.9	151,570.3	86,387.8	65,182.5	212,969.5	31,652.2
Feb	168,435.5	106,356.0	62,079.5	228,524.9	43,461.9	98,706.4	(27,335.3)	(27,909.1)	(34,683.6)	219,746.6	366,350.9	154,655.3	86,733.4	67,921.9	211,695.6	30,609.4
Mar	168,175.2	102,229.3	65,945.9	231,249.7	46,803.1	101,171.9	(26,388.1)	(27,980.7)	(35,283.0)	219,729.7	369,927.8	153,699.8	89,560.8	64,139.1	216,228.0	29,497.1
Apr	166,151.9	104,950.7	61,201.3	237,457.8	50,897.8	104,848.8	(25,575.9)	(28,375.0)	(33,763.0)	220,323.0	374,485.4	155,764.3	89,597.8	66,166.5	218,721.0	29,124.4
May	160,890.6	100,476.4	60,414.1	242,559.5	51,968.1	105,305.8	(25,653.0)	(27,684.6)	(33,055.1)	223,646.4	372,377.2	153,447.1	89,167.8	64,279.3	218,930.1	31,072.9
Jun	158,074.7	97,984.5	60,090.2	236,760.5	44,820.4	98,684.8	(24,561.5)	(29,302.8)	(33,906.5)	225,846.6	372,598.8	155,299.5	89,854.0	65,445.5	217,299.3	22,236.4
Jul	155,538.4	94,032.4	61,506.1	239,232.6	49,979.4	102,525.0	(25,443.3)	(27,102.3)	(33,604.6)	222,857.8	371,326.5	153,548.7	89,765.0	63,783.7	217,777.8	23,444.5
Aug	153,769.5	92,624.2	61,145.3	246,351.1	56,443.3	107,861.6	(25,116.7)	(26,301.6)	(34,023.5)	223,931.3	374,198.7	155,362.6	89,182.3	66,180.3	218,836.1	25,921.9
Sep	151,441.3	93,658.1	57,783.2	241,502.0	49,961.7	101,612.8	(25,043.5)	(26,607.6)	(35,436.2)	226,976.4	373,079.2	154,180.8	89,051.3	65,129.5	218,898.3	19,864.1
Oct	157,417.9	99,549.1	57,868.8	249,064.9	52,728.3	99,735.0	(24,700.8)	(22,306.0)	(34,126.3)	230,462.9	377,713.5	158,443.5	90,157.4	68,286.1	219,270.0	28,769.3
Nov	158,728.8	101,026.1	57,702.6	251,397.3	53,941.3	104,316.7	(27,724.4)	(22,650.9)	(34,507.6)	231,963.5	380,998.1	159,907.9	92,846.6	67,061.3	221,090.3	29,127.9
Dec	168,104.9	109,460.4	58,644.5	253,704.6	54,758.4	103,654.8	(26,152.4)	(22,743.9)	(34,614.0)	233,560.2	394,931.8	174,998.5	102,780.6	72,217.9	219,933.3	26,877.8

Sources: Bank of Guyana and Commercial Banks

TABLE 4-I

GUYANA: SELECTED INTEREST RATES [1)]

(Percent Per Annum)

Item	2009	2010	2011	2012	2013	2014	2015	2016	2017			
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Mar	Jun	Sep	Dec
BANK OF GUYANA												
Bank Rate	6.75	6.25	5.50	5.25	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Treasury Bill Discount Rate												
91 Days	4.18	3.78	2.35	1.45	1.45	1.67	1.92	1.68	1.54	1.54	1.54	1.54
182 Days	4.35	3.70	2.43	1.72	1.55	1.81	1.81	1.68	1.44	1.31	1.15	1.11
364 Days	4.47	3.59	2.51	1.54	2.14	2.37	2.38	2.13	1.60	1.38	1.23	1.20
COMMERCIAL BANKS												
Small Savings Rate	2.78	2.67	1.99	1.69	1.33	1.26	1.26	1.26	1.30	1.18	1.11	1.11
Prime Lending Rate (weighted average) [2)]	14.22	15.06	14.33	12.50	12.30	11.01	10.65	10.65	10.58	10.65	10.55	10.47
Prime Lending Rate [3)]	14.54	14.54	14.00	13.83	12.83	12.83	12.83	13.00	13.00	13.00	13.00	13.00
Comm. Banks' Lending Rate (weighted average)	12.17	11.95	11.68	11.08	11.16	10.86	10.56	10.43	10.39	10.33	10.26	10.19
HAND-IN-HAND TRUST CORP. INC												
Domestic Mortgages	14.00	14.00	14.00	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	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Average Deposit Rates	3.15	3.00	3.00	2.30	1.78	2.30	2.30	1.68	1.68	1.68	1.68	1.68
NEW BUILDING SOCIETY												
Deposits [4)]	2.50	2.50	1.75	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
Mortgage Rates [5)]	8.45	7.35	6.85	6.85	6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45
Five dollar shares	3.80	3.30	2.25	2.00	2.00	2.00	2.00	2.00	2.00	1.50	1.50	1.50
Save and prosper shares	4.50	4.00	2.60	2.25	2.25	3.00	3.00	3.00	3.00	2.75	2.75	2.75

Item	2018											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
BANK OF GUYANA												
Bank Rate	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	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54
182 Days	1.08	1.08	1.03	1.03	1.03	1.03	1.02	1.02	0.96	0.96	0.96	0.96
364 Days	1.11	1.07	1.07	0.99	0.99	0.99	1.09	1.10	1.14	1.14	1.17	1.23
COMMERCIAL BANKS												
Small Savings Rate	1.11	1.10	1.10	1.10	1.10	1.10	1.10	1.04	1.04	1.04	1.04	1.04
Prime Lending Rate (weighted average) [2)]	10.50	10.43	10.44	10.39	10.36	10.37	10.38	10.41	10.40	10.36	10.27	10.30
Prime Lending Rate [3)]	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)	10.19	10.21	10.21	10.21	10.15	10.13	10.10	10.13	10.11	10.12	10.12	10.02
HAND-IN-HAND TRUST CORP. INC												
Domestic Mortgages	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	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	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68
NEW BUILDING SOCIETY												
Deposits [4)]	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 [5)]	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	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Save and prosper shares	2.75	2.75	2.75	2.75	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

1) End of period rates

2) The prime lending rate reported by the banks has been weighted by the amount of loans issued at the corresponding rate

3) The average prime lending rate actually used by commecial banks, applicable to loans and advances

4) Small savings rate

5) 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.	Other Gov.t Sec.	Total	Mortgage Loans	Other Laons & adv.	Shares	
2009	127,180.8	24,077.5	15,026.2	594.6	14,431.6	10,380.2	8,750.5	150.0	1,479.6	55,825.1	24,170.0	11,139.3	20,515.8	21,871.8
2010	134,242.3	24,378.6	15,311.8	1,146.8	14,164.9	14,174.5	14,174.5	-	-	58,595.5	24,740.5	12,050.8	21,804.3	21,781.9
2011	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
2012	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
2013	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
2014														
Mar	188,566.2	29,114.9	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	27,444.6
Jun	191,664.5	29,151.6	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	27,543.7
Sep	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
Dec	198,896.7	28,201.8	23,965.5	1,488.2	22,477.2	4,786.0	4,786.0	-	-	110,926.4	41,175.2	14,609.3	55,141.9	31,017.1
2015														
Mar	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
Jun	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	31,468.2
Sep	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
Dec[1)]	217,614.8	36,322.9	27,295.0	2,687.4	24,607.6	6,728.4	6,728.4	0.0	-	116,936.9	41,059.6	15,667.1	60,210.2	30,331.6
2016														
Mar	219,431.3	31,897.5	29,692.7	2,058.0	27,634.7	7,382.9	7,382.8	0.0	0.0	119,902.7	41,058.9	15,417.8	63,426.0	30,555.6
Jun	216,105.8	31,549.0	29,341.7	1,879.5	27,462.2	6,899.7	6,899.6	0.0	0.0	117,126.2	41,053.6	15,751.4	60,321.2	31,189.3
Sep	218,465.8	30,971.5	30,576.4	1,677.5	28,898.9	6,814.8	6,814.8	0.0	0.0	119,141.8	40,872.9	15,925.0	62,344.0	30,961.3
Dec	219,735.2	31,484.2	31,376.5	1,905.1	29,471.4	6,828.4	6,828.4	0.0	0.0	118,397.8	41,449.3	15,697.8	61,250.6	31,648.3
2017														
Mar	224,695.4	31,372.1	34,275.6	2,001.0	32,274.6	5,839.1	5,839.0	0.0	0.0	121,316.0	41,449.4	15,624.6	64,242.0	31,892.6
Jun	225,826.4	31,016.6	34,195.8	2,119.4	32,076.4	6,786.8	6,786.7	0.0	0.0	121,534.4	42,015.9	15,522.7	63,995.7	32,292.8
Sep	228,693.0	31,053.5	34,475.9	2,250.5	32,225.4	6,895.6	6,895.6	0.0	0.0	123,878.2	42,519.7	15,697.7	65,660.8	32,389.8
Dec	234,783.9	32,676.5	36,160.9	2,433.1	33,727.8	6,470.4	6,470.4	0.0	0.0	127,353.1	43,309.7	15,535.9	68,507.5	32,123.0
2018														
Mar	244,922.1	49,827.5	37,117.0	2,447.7	34,669.3	6,801.9	6,801.8	0.0	0.0	117,360.2	43,789.1	15,731.5	57,839.6	33,815.5
Jun	248,829.9	52,330.4	37,566.8	2,646.3	34,920.5	6,139.4	5,989.3	150.0	0.0	119,557.7	44,493.2	15,306.6	59,757.8	33,235.7
Sep	261,768.3	52,461.5	38,664.4	2,748.1	35,916.3	6,530.8	6,380.7	150.0	0.0	130,380.8	44,957.5	15,347.6	70,075.6	33,730.8
Dec	268,241.6	52,965.4	39,128.2	2,761.4	36,366.8	6,505.8	6,355.7	150.0	0.0	134,708.7	47,397.7	14,444.9	72,866.1	34,933.5

Source: Non-Bank Financial Institutions

1) Adjustments in the valuation method used by the pension companies contributed to the significant increase in the balance sheet of the non-bank financial institutions from December 2015.

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	
2009	127,180.8	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
2010	134,242.3	6,184.3	37,043.5	3,557.6	2,986.0	30,499.9	73,345.5	35,487.1	3,179.3	13,358.3	21,320.8	17,668.9
2011	144,462.5	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
2012	161,848.7	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
2013	173,323.5	14,049.8	45,758.0	3,581.0	2,877.5	39,299.4	97,932.9	65,043.9	2,222.8	2,205.1	28,461.1	15,582.9
2014												
Mar	188,566.2	14,447.7	45,653.6	3,903.6	2,418.4	39,331.7	112,638.9	78,210.5	2,237.9	2,968.1	29,222.4	15,826.0
Jun	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
Sep	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
Dec	198,896.7	22,425.5	47,172.9	4,572.2	2,473.1	40,127.6	115,724.3	80,036.2	2,407.3	3,466.4	29,814.3	13,574.1
2015												
Mar	201,198.8	16,639.0	48,061.8	4,586.0	2,473.1	41,002.8	117,379.8	78,993.6	2,347.6	3,977.8	32,060.8	19,118.3
Jun	199,430.8	17,121.5	47,885.0	4,797.7	2,523.3	40,564.0	115,154.0	78,578.5	2,268.6	3,977.8	30,329.1	19,270.2
Sep	202,069.0	17,593.8	48,583.2	5,045.0	2,540.6	40,997.6	116,072.8	79,194.4	2,248.8	4,090.3	30,539.3	19,819.2
Dec[1)]	217,614.8	17,710.0	49,168.2	5,350.2	2,581.9	41,236.1	130,740.7	78,902.7	1,954.8	4,115.3	45,768.0	19,995.8
2016												
Mar	219,431.3	17,662.3	49,966.2	5,647.9	2,581.9	41,736.4	132,288.3	79,555.1	1,948.7	4,345.9	46,438.6	19,514.5
Jun	216,105.8	17,194.3	49,085.2	5,854.5	2,647.3	40,583.4	128,594.1	75,842.5	1,898.9	4,450.8	46,401.9	21,232.3
Sep	218,465.8	16,570.7	49,362.4	6,027.1	2,666.8	40,668.6	132,432.3	79,095.6	1,896.5	4,450.8	46,989.4	20,100.4
Dec	219,735.2	16,501.6	49,854.0	6,334.8	2,693.4	40,825.8	132,663.2	79,066.6	1,847.7	4,450.8	47,298.1	20,716.3
2017												
Mar	224,695.4	17,264.6	50,572.2	6,517.0	2,693.4	41,361.8	136,649.4	79,853.0	2,020.5	4,904.5	49,871.4	20,209.2
Jun	225,826.4	17,861.0	50,956.4	6,469.4	2,693.4	41,793.6	136,652.1	79,364.6	2,105.2	4,720.6	50,461.7	20,356.9
Sep	228,693.0	18,077.9	51,246.0	6,489.0	2,693.4	42,063.6	138,666.8	80,605.3	1,827.0	4,720.6	51,514.0	20,702.3
Dec	234,783.9	17,975.9	51,723.3	6,469.3	2,693.4	42,560.6	143,748.9	83,865.4	1,795.3	4,720.6	53,367.7	21,335.8
2018												
Mar	244,922.1	18,216.0	52,952.8	6,579.7	2,693.4	43,679.7	151,927.1	88,757.8	1,690.2	5,350.4	56,128.8	21,826.2
Jun	248,829.9	17,042.9	50,891.1	7,035.6	1,480.3	42,375.2	157,569.8	91,744.7	1,653.0	5,434.3	58,737.8	23,326.1
Sep	261,768.3	17,368.1	51,410.2	7,050.3	2,097.0	42,262.9	169,801.9	99,413.9	1,611.5	6,304.0	62,472.5	23,188.1
Dec	268,241.6	28,658.3	50,659.4	6,405.0	2,521.6	41,732.9	164,360.1	92,054.6	1,746.1	5,796.3	64,763.1	24,563.7

Source: Non-Bank Financial Institutions

1) Adjustments in the valuation method used by the pension companies contributed to the significant increase in the balance sheet of the non-bank financial institutions from December 2015.

TABLE 6-I
CENTRAL GOVERNMENT: FINANCES (SUMMARY)
(G$ Million)

Item	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
CURRENT ACCOUNT										
Revenue [1]	94,890.7	107,875.3	120,915.9	130,228.4	136,494.8	145,727.9	161,710.2	177,322.1	195,060.3	216,724.3
Non-interest Expenditure	73,853.4	78,506.9	92,546.0	108,379.1	115,947.5	127,494.1	141,152.2	163,425.0	173,373.3	191,152.6
Current Primary Balance	***21,037.4***	***29,368.4***	***28,369.9***	***21,849.3***	***20,547.3***	***18,233.8***	***20,558.1***	***13,897.1***	***21,687.0***	***25,571.6***
less Interest	*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*	*8,510.7*
Current Account Balance	***14,449.9***	***21,489.0***	***20,295.6***	***15,313.8***	***14,441.0***	***11,894.3***	***14,072.6***	***7,170.2***	***13,660.3***	***17,060.9***
CAPITAL ACCOUNT										
Receipts	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	10,771.9
Revenue [2]	*2,222.5*	*2,325.7*	*812.6*	*832.7*	*872.8*	*3,100.8*	*2,686.1*	*2,469.3*	*17.0*	*1.4*
External Grants	*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*	*10,770.5*
Expenditure	46,990.2	46,658.4	50,116.3	56,441.8	50,144.5	51,013.7	30,664.9	46,618.1	58,618.3	55,119.5
Capital Account Balance	***(29,715.1)***	***(34,878.1)***	***(36,663.5)***	***(42,932.3)***	***(41,472.8)***	***(46,822.7)***	***(23,392.0)***	***(38,740.9)***	***(46,419.4)***	***(44,347.6)***
OVERALL DEFICIT/SURPLUS	**(15,265.2)**	**(13,389.1)**	**(16,367.9)**	**(27,618.5)**	**(27,031.8)**	**(34,928.4)**	**(9,319.4)**	**(31,570.7)**	**(32,759.1)**	**(27,286.7)**
FINANCING	**15,265.2**	**13,389.1**	**16,367.9**	**27,618.5**	**27,031.8**	**34,928.4**	**9,319.4**	**31,570.7**	**32,759.1**	**27,286.7**
Net External Financing	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	7,745.4
Net Domestic Financial System [3]	(260.9)	399.7	(1,580.1)	5,574.3	8,486.6	48,681.8	14,584.2	23,733.8	24,019.0	19,541.3
Banking System	*(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)*	*(24,059.7)*
Non-Bank Borrowing	*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*	*(1,619.5)*
Other Financing	*2,374.2*	*(3,447.8)*	*(15,695.0)*	*20,316.2*	*(1,775.0)*	*37,172.5*	*(14,508.7)*	*13,663.3*	*23,569.3*	*45,220.5*

Sources: Ministry of Finance and Bank of Guyana

[1] Current Revenue includes GRIF payments received with effect from 2012.

[2] 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.

[3] Figures were 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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Current Revenue	**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**	**115,118.2**
Export Sales	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	6,351.6
Local Sales	45,832.7	55,483.1	66,005.5	68,413.4	69,017.6	72,149.4	70,604.2	66,351.8	50,087.7	49,658.9
VAT Refunds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22,229.8	27,779.3
VAT Refunds	347.9	203.3	628.3	488.0	349.0	212.2	339.1	722.5	159.9	2,407.5
Other	16,374.2	17,730.0	26,681.1	38,055.0	33,364.7	31,625.8	40,194.6	32,366.5	26,059.4	28,921.0
Current Expenditure	**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**	**122,418.6**
Materials & Supplies	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	29,780.8
Employment Cost	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	23,502.1
Payments to Creditors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	29,577.1	35,538.6
Local Taxes	330.2	112.8	172.2	128.8	114.0	57.2	40.9	163.9	198.2	178.3
VAT Payments	90.6	134.8	90.5	111.4	103.8	114.7	522.8	171.8	1,347.5	1,261.0
Other [1]	36,341.0	40,410.8	59,531.1	59,477.7	63,238.4	61,634.7	55,158.6	50,668.5	29,805.4	32,157.9
Transfers to Central Govt.	**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**	**2,505.1**
Taxes (Property and Corporation)	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	1,305.1
Dividends	156.5	475.0	1,400.0	1,000.0	1,000.0	0.0	1,002.5	2,200.0	1,200.0	1,200.0
Primary Operating (surplus(+)/deficit(-))	**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**	**-9,805.5**
less Interest	***637.2***	***452.9***	***322.8***	***250.4***	***331.7***	***568.6***	***573.2***	***1,521.5***	***1,188.8***	***813.6***
Current a/c Balance (surplus(+)/deficit(-))	**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**	**-10,619.1**
Capital Expenditure	**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**	**6,694.3**
Overall NFPE Balance (surplus(+)/deficit(-))	**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**	**-17,313.4**
Financing	**-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**	**17,313.4**
External Borrowing (Net) [2]	**1,175.2**	**1,854.2**	**-148.1**	**-1,351.5**	**742.2**	**2,419.6**	**-372.7**	**-1,901.2**	**-819.1**	**91.7**
Domestic Financing (Net)	**-2,814.0**	**935.1**	**6,712.5**	**-251.5**	**882.5**	**-921.5**	**-7,706.0**	**-9,190.2**	**13,775.7**	**17,221.7**
Banking System (Net)	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	1,189.3
Non-bank Fin. Inst.(Net)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,698.0
Holdings of Cent. Govt Sec.	-3,598.0	2,650.3	-3,451.0	-47.3	-311.7	-797.8	-867.9	1,498.0	2,215.5	-1,504.8
Transfers from Cent.Govt	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	10,682.0
Special Transfers	0.0	170.0	0.0	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	20.0	0.0
Privatisation Proceeds -Guysuco land Sal	0.0	-2,078.0	-1,691.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-1,627.9	-3,524.2	3,063.6	-16,251.2	-13,501.9	-9,320.5	17,896.0	16,038.7	-25,579.6	5,157.2

Sources: State Planning Secretariat, Public Enterprises, National Insurance Scheme and Bank of Guyana

[1] Includes repairs and maintenance, freight, and other current expenditure.

[2] External financing (net) comprises of changes in retention account and changes in foreign crop financing.

TABLE 7-I
DOMESTIC PUBLIC BONDED DEBT [1)]
(G$ Million)

Period Ended	Total	Bonds	Debentures [2)]	CARICOM Loan [3)]	Policy Instruments[4]	
					Monetary	Fiscal
2009	87,047.4	3.4	11,767.5	560.8	74,715.7	-
2010	100,489.5	3.4	6,823.5	523.2	93,139.4	-
2011	104,937.2	3.4	5,848.5	491.9	98,593.4	-
2012	93,461.9	3.4	4,873.5	456.2	88,128.8	-
2013	98,815.3	3.4	3,898.5	424.7	94,488.7	-
2014						
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	-
2015						
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	-
2016						
Mar	83,997.6	3.4	3,898.5	354.8	79,740.9	-
Jun	84,439.5	3.4	3,898.5	337.0	80,200.5	-
Sep	90,761.8	3.4	8,781.0	337.0	81,640.4	-
Dec	90,571.6	3.4	8,781.0	319.3	81,468.0	-
2017						
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	-
2018						
Jan	88,572.1	3.4	8,292.7	283.8	79,992.1	-
Feb	88,572.1	3.4	8,292.7	283.8	79,992.1	-
Mar	89,572.1	3.4	8,292.7	283.8	80,992.1	-
Apr	87,472.1	3.4	8,292.7	283.8	78,892.1	-
May	82,334.8	3.4	8,292.7	283.8	72,454.9	1,300.0
Jun	79,669.6	3.4	8,292.7	268.7	69,334.9	1,770.0
Jul	79,669.6	3.4	8,292.7	268.7	60,677.0	10,427.9
Aug	80,669.6	3.4	8,292.7	268.7	53,177.0	18,927.9
Sep	80,669.6	3.4	8,292.7	268.7	42,177.0	29,927.9
Oct	80,669.6	3.4	8,292.7	268.7	37,177.0	34,927.9
Nov	80,569.5	3.4	8,292.7	268.7	30,224.4	41,780.4
Dec	80,551.6	3.4	8,292.7	250.8	22,757.3	49,247.0

Source: Bank of Guyana.

[1)] Excludes non-interest bearing debentures

[2)] In Sep. 2016, there was an issuance of 20 NIS Non-Negotiable Debenture to the amount of G$4,882.4 million.

[3)] The CARICOM Loan was contracted to finance the construction of a building to house the CARICOM Secretariat.

[4)] In May 2018, the Bank of Guyana commenced issuance of Treasury Bills, unbehalf of the Governement, for budgetary support.

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		
2009	74,715.7	56,984.5	2,333.1	54,651.5	9,084.3	8,633.8	-	8,633.8	-	13.2	-
2010	93,139.4	66,547.1	1,032.9	65,514.2	14,833.6	11,758.2	-	11,758.2	-	0.5	-
2011	98,593.4	73,547.7	999.2	72,548.6	17,007.7	8,038.0	-	8,038.0	-	-	-
2012	88,128.8	70,253.5	996.9	69,256.6	11,063.9	6,811.4	-	6,811.4	-	-	-
2013	94,488.8	83,825.3	3,497.1	80,328.2	4,183.0	6,480.5	-	6,480.5	-	0.1	-
2014											
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	-	-	-
2015											
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	-
2016											
Mar	79,740.9	67,388.2	998.2	66,390.1	7,541.4	4,811.4	-	4,811.4	-	-	-
Jun	80,200.5	68,277.6	998.1	67,279.6	7,052.5	4,868.4	-	4,868.4	-	2.0	-
Sep	81,640.4	68,168.5	998.1	67,170.4	6,963.7	6,508.3	-	6,508.3	-	-	-
Dec	81,468.0	68,151.1	997.7	67,153.4	6,980.6	6,336.4	-	6,336.4	-	-	-
2017											
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	-	-	-
2018											
Jan	79,992.1	64,635.1	997.3	63,637.8	6,674.9	8,682.1	4,000.0	4,682.1	-	0.1	-
Feb	79,992.1	64,335.1	997.3	63,337.8	6,974.9	8,682.1	4,000.0	4,682.1	-	0.1	-
Mar	80,992.1	65,429.5	997.3	64,432.2	6,880.5	8,682.1	4,000.0	4,682.1	-	0.1	-
Apr	78,892.1	63,776.9	997.3	62,779.6	6,433.2	8,682.1	4,000.0	4,682.1	-	0.1	-
May	73,754.9	60,476.8	997.3	59,479.5	6,153.2	7,125.0	4,000.0	3,125.0	-	-	-
Jun	71,104.9	57,926.8	1,147.3	56,779.5	6,053.2	7,125.0	4,000.0	3,125.0	-	-	-
Jul	71,104.9	57,732.7	997.3	56,735.4	6,247.3	7,125.0	4,000.0	3,125.0	-	-	-
Aug	71,104.9	57,532.7	997.3	56,535.4	6,447.3	7,125.0	4,000.0	3,125.0	-	-	-
Sep	72,104.9	58,532.7	997.3	57,535.4	6,447.3	7,125.0	4,000.0	3,125.0	-	-	-
Oct	72,104.9	58,615.6	997.3	57,618.3	6,364.4	7,125.0	4,000.0	3,125.0	-	-	-
Nov	72,004.8	58,457.3	997.3	57,460.0	6,422.6	7,125.0	4,000.0	3,125.0	-	-	-
Dec	72,004.8	58,457.3	997.3	57,460.0	6,422.6	7,125.0	4,000.0	3,125.0	-	-	-

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
2009	933,039	375,224	536,993	3,818	13,440	3,528	36
2010	1,042,877	434,427	588,091	3,383	13,408	3,533	35
2011	1,210,095	559,057	631,090	2,989	13,404	3,520	35
2012	1,358,563	665,381	673,549	2,663	13,427	3,507	36
2013	1,246,478	510,627	716,647	2,240	13,450	3,477	37
2014							
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
2015							
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
2016							
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
2017							
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**	1,208,686	466,292	707,278	19,077	12,539	3,473	29
4th Qtr	1,240,587	479,865	725,515	19,165	12,539	3,473	30
2018							
1st Qtr	1,261,714	496,928	729,865	18,878	12,539	3,473	31
2nd Qtr	1,249,527	483,165	731,590	18,765	12,539	3,440	29
3rd Qtr	1,270,485	470,396	765,706	18,376	12,539	3,440	29
4th Qtr	1,309,407	487,182	787,884	18,334	12,539	3,440	28

Source: Ministry of Finance

TABLE 8-I
BALANCE OF PAYMENTS
(US$ Million)

Item	2009	2010	2011	2012	2013	2014	2015	2016	2017 **	2018
CURRENT ACCOUNT BALANCE	**(230.6)**	**(247.4)**	**(372.2)**	**(366.7)**	**(456.0)**	**(385.2)**	**(181.5)**	**(12.4)**	**(297.2)**	**(679.7)**
Merchandise Trade										
Exports f.o.b.	768.2	885.0	1,129.1	1,415.5	1,375.2	1,167.2	1,151.3	1,434.41	1,437.33	1,373.76
Imports c.i.f	(1,179.4)	(1,419.1)	(1,770.5)	(1,996.7)	(1,874.9)	(1,791.3)	(1,491.6)	(1,465.16)	(1,643.96)	(1,824.98)
Trade Balance	(411.2)	(534.1)	(641.4)	(581.3)	(499.7)	(624.1)	(340.3)	(30.76)	(206.63)	(451.22)
Net Services and unrequited Transfers	180.6	286.7	269.2	214.6	43.8	238.9	158.9	18.3	(90.6)	(228.5)
Non Factor Services (net)	(102.1)	(96.9)	(136.1)	(228.6)	(338.0)	(245.4)	(282.3)	(297.5)	(360.8)	(702.5)
Factor Services (net)	(16.9)	12.8	(9.3)	24.0	28.5	26.7	24.7	(4.6)	(11.5)	(24.1)
Transfers	*299.6*	*370.8*	414.6	419.2	353.2	457.6	416.5	320.4	281.7	498.2
CAPITAL ACCOUNT BALANCE	**454.0**	**339.2**	**373.2**	**418.3**	**314.8**	**210.1**	**71.4**	**(13.2)**	**228.0**	**549.1**
1. Capital Transfer (net) 1)	37.2	27.1	30.1	29.3	7.3	4.4	18.5	14.8	23.2	23.5
2. Medium and Long Term Capital (net)	***392.9***	***309.3***	**375.4**	**454.0**	**288.6**	**263.5**	**30.3**	**(23.6)**	**203.2**	**530.4**
1. Public Sector	184.9	39.6	67.7	90.4	70.9	0.5	(94.8)	(21.8)	43.9	70.0
A. Central Gov't and Non-Financial Public Secto	92.4	89.1	146.6	243.5	160.3	96.0	(69.6)	(21.8)	43.9	70.0
Disbursements	135.2	142.0	206.2	302.1	221.4	163.4	53.6	57.7	84.1	125.1
Amortization	(42.7)	(52.9)	(59.6)	(58.7)	(61.1)	(67.4)	(123.1)	(79.5)	(40.2)	(55.1)
B. Other (net) 2)	92.5	(49.5)	(79.0)	(153.1)	(89.4)	(95.5)	(25.2)	-	-	-
2. Private Sector (net)	208.0	269.7	307.8	363.6	217.7	263.0	125.1	(1.8)	159.3	460.4
3. Short Term Capital (net) 3)	***24.0***	***2.9***	**(32.3)**	**(65.0)**	**18.9**	**(57.8)**	**22.7**	**(4.4)**	**1.6**	**(4.8)**
ERRORS AND OMISSIONS	**11.0**	**24.7**	**(16.0)**	**(18.7)**	**21.8**	**58.7**	**2.3**	**(27.7)**	**(0.3)**	**(1.7)**
OVERALL BALANCE	**234.5**	**116.5**	**(15.0)**	**32.9**	**(119.5)**	**(116.4)**	**(107.7)**	**(53.3)**	**(69.5)**	**(132.2)**
FINANCING	**(234.5)**	**(116.5)**	**15.0**	**-32.9**	**119.5**	**116.4**	**107.7**	**53.3**	**69.5**	**132.2**
Change in Net Foreign Assets of Bank of Guyana (-increase) 4)	*(271.5)*	*(154.9)*	(25.4)	(75.5)	74.0	67.9	55.7	(2.0)	12.1	55.6
Change in Non-Financial Public Sector arrears	*0.0*	*0.0*	-	-	-	-	-	-	-	-
Change in Private Sector Commercial arrears	*0.0*	*0.0*	-	-	-	-	-	-	-	-
Exceptional Financing	*37.0*	*38.4*	40.4	42.6	45.5	48.5	52.0	55.3	57.4	76.6
Debt Relief	*4.5*	*4.3*	3.6	3.3	2.8	2.5	3.1	2.6	1.9	17.9
Debt Stock Restructuring	*(0.6)*	*(0.6)*	(1.0)	(1.0)	(1.0)	(1.0)	-	-	-	-
Balance of Payments Support	*0.0*	*0.0*	-	-	-	-	-			
Debt Forgiveness	*33.1*	*34.7*	37.7	40.2	43.6	47.0	48.8	52.8	55.6	58.7

Source : Bank of Guyana, Bureau of Statistics and Ministry of Finance.

1) Includes MDRI Debt Relief

2) Includes expenditures for Skeldon Modernisation Program and Berbice Bridge

3) Includes changes in Net Foreign Assets of Commercial Banks

4) 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
2009	569.4	627.5	58.1	534.8	627.5	92.7	163.9	221.3	57.4	698.7	848.8	150.1
2010	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
2011	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
2012	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
2013	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
2014												
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
2015												
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
2016												
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
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
Sep	610.4	610.4	-	606.9	610.4	3.5	314.2	388.3	74.2	921.1	998.7	77.6
Dec	596.7	596.7	-	593.2	596.7	3.5	278.1	355.4	77.3	871.4	952.1	80.8
2017												
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	256.0	333.1	77.1	848.8	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
2018												
Jan	552.8	552.8	-	549.3	552.8	3.5	307.5	410.0	102.5	856.7	962.8	106.0
Feb	518.5	518.5	-	515.0	518.5	3.5	300.6	408.8	108.2	815.7	927.3	111.7
Mar	498.5	498.5	-	495.1	498.5	3.5	319.4	422.5	103.2	814.4	921.1	106.7
Apr	506.8	506.8	-	503.4	506.8	3.4	293.5	418.6	125.0	796.9	925.4	128.5
May	485.3	485.3	-	481.9	485.3	3.4	289.8	401.0	111.3	771.7	886.4	114.7
Jun	473.4	473.4	-	469.9	473.4	3.4	288.2	391.1	102.9	758.2	864.5	106.3
Jul	454.4	454.4	-	451.0	454.4	3.4	218.7	410.1	191.3	669.7	864.5	194.8
Aug	447.7	447.7	-	444.2	447.7	3.4	293.3	397.3	104.0	737.5	845.0	107.5
Sep	452.6	452.6	-	449.2	452.6	3.4	277.1	380.4	103.2	726.3	833.0	106.7
Oct	480.9	480.9	-	477.5	480.9	3.4	277.5	384.0	106.5	755.0	864.9	109.9
Nov	488.0	488.0	-	484.5	488.0	3.4	276.8	387.3	110.5	761.3	875.3	114.0
Dec	528.4	528.4	-	525.0	528.4	3.4	281.3	385.3	104.0	806.3	913.7	107.5

Source: Bank of Guyana and Commercial Banks

TABLE 9-I

CHANGES IN BANK OF GUYANA TRANSACTION EXCHANGE RATE

(US$/G$)

Date							Rate
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	-	31	May	17	206.50
01	Jun	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	-				206.50
02	Aug	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	Sep	17	-	06	Sep	17	206.50
09	Sep	17	-	13	Sep	17	206.50
16	Sep	17	-	18	Sep	17	206.50
20	Sep	17					206.50
23	Sep	17	-	27	Sep	17	206.50
30	Sep	17	-	31	Sep	17	206.50
01	Nov	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	-	30	Nov	17	206.50
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
02	Jan	18	-	05	Jan	18	206.50
08	Jan	18	-	12	Jan	18	206.50
15	Jan	18	-	19	Jan	18	206.50
22	Jan	18	-	26	Jan	18	206.50
29	Jan	18	-	31	Jan	18	206.50
01	Feb	18	-	02	Feb	18	206.50
05	Feb	18	-	09	Feb	18	206.50

Date							Rate
12	Feb	18	-	16	Feb	18	206.50
19	Feb	18	-	22	Feb	18	206.50
26	Feb	18	-	28	Feb	18	206.50
01	Mar	18					206.50
05	Mar	18	-	09	Mar	18	206.50
12	Mar	18	-	16	Mar	18	206.50
19	Mar	18	-	23	Mar	18	206.50
26	Mar	18	-	29	Mar	18	206.50
03	Apr	18	-	06	Apr	18	206.50
09	Apr	18	-	13	Apr	18	206.50
16	Apr	18	-	20	Apr	18	206.50
23	Apr	18	-	25	Apr	18	206.50
26	Apr	18	-	27	Apr	18	208.50
30	Apr	18					208.50
02	May	18	-	04	May	18	208.50
07	May	18	-	11	May	18	208.50
14	May	18	-	18	May	18	208.50
21	May	18	-	25	May	18	208.50
28	May	18	-	31	May	18	208.50
01	Jun	18	-				208.50
04	Jun	18	-	08	Jun	18	208.50
11	Jun	18	-	15	Jun	18	208.50
18	Jun	18	-	22	Jun	18	208.50
25	Jun	18	-	29	Jun	18	208.50
03	Jul	18	-	06	Jul	18	208.50
09	Jul	18	-	13	Jul	18	208.50
16	Jul	18	-	20	Jul	18	208.50
23	Jul	18	-	27	Jul	18	208.50
30	Jul	18	-	31	Jul	18	208.50
02	Aug	18	-	03	Aug	18	208.50
06	Aug	18	-	10	Aug	18	208.50
13	Aug	18	-	17	Aug	18	208.50
20	Aug	18	-	24	Aug	18	208.50
27	Aug	18	-	31	Aug	18	208.50
03	Sep	18	-	07	Sep	18	208.50
10	Sep	18	-	14	Sep	18	208.50
17	Sep	18	-	21	Sep	18	208.50
24	Sep	18	-	28	Sep	18	208.50
01	Oct	18	-	05	Oct	18	208.50
08	Oct	18	-	12	Oct	18	208.50
15	Oct	18	-	19	Oct	18	208.50
22	Oct	18	-	26	Oct	18	208.50
29	Oct	18	-	31	Oct	18	208.50
01	Nov	18	-	02	Nov	18	208.50
05	Nov	18	-	09	Nov	18	208.50
12	Nov	18	-	16	Nov	18	208.50
19	Nov	18	-	23	Nov	18	208.50
26	Nov	18	-	30	Nov	18	208.50
03	Dec	18	-	07	Dec	18	208.50
10	Dec	18	-	14	Dec	18	208.50
17	Dec	18	-	21	Dec	18	208.50
24	Dec	18					208.50
27	Dec	18	-	28	Dec	18	208.50
31	Dec	18					208.50

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$/US$)

Year	Guyana Period Ended	Guyana Period Average
2009	203.25	204.09
2010	203.50	203.47
2011	203.75	204.09
2012	204.50	204.53
2013	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		
Mar	206.50	206.50
Jun	206.50	206.50
Sep	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
2018		
Jan	206.50	206.50
Feb	206.50	206.50
Mar	206.50	206.50
Apr	208.50	206.80
May	208.50	206.80
Jun	208.50	208.50
Jul	208.50	208.50
Aug	208.50	208.50
Sep	208.50	208.50
Oct	208.50	208.50
Nov	208.50	208.50
Dec	208.50	208.50

Source: Bank of Guyana

TABLE 10-I

GROSS DOMESTIC PRODUCT, INCOME AND EXPENDITURE (AT CURRENT BASIC PRICES)

(G$ Million)

Item	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
PRODUCT										
Sugar	19,788	11,657	19,669	24,578	22,060	15,521	24,339	21,995	17,188	10,285
Rice	21,803	24,447	30,135	31,913	38,226	36,869	39,508	27,119	33,547	41,053
Other Crops	14,553	15,727	12,840	12,963	13,618	14,299	14,657	15,610	15,922	16,511
Livestock	10,898	10,171	11,970	14,980	17,088	18,747	19,853	19,173	18,842	23,887
Fishing	7,987	10,598	10,252	12,101	11,701	9,183	9,653	11,270	11,643	10,847
Forestry	12,656	14,308	13,725	13,829	15,327	22,937	20,840	14,818	16,184	17,323
Mining and Quarrying	51,809	64,302	86,691	108,993	96,227	84,031	89,131	148,901	132,421	140,519
Manufacturing	15,459	16,238	17,302	18,271	19,915	20,911	21,957	22,154	22,420	22,958
Electricity & Water	8,678	10,620	6,756	7,945	11,316	12,816	19,120	22,489	22,052	20,389
Construction	38,318	41,605	43,996	39,764	48,037	56,868	52,491	55,525	57,163	82,355
Wholesale and Retail Trade	52,372	59,487	72,894	80,477	77,090	80,925	71,317	78,900	79,104	88,435
Transportation and Storage	21,434	25,228	27,451	32,199	37,456	37,214	43,535	43,690	47,427	50,547
Information and Communication	19,202	21,548	21,747	22,400	23,968	26,365	27,129	27,699	28,474	29,215
Financial and Insurance Activities	15,034	16,609	18,827	21,551	25,986	27,678	26,460	27,026	27,465	27,553
Public Administration	33,523	34,843	39,274	43,201	47,592	53,255	55,918	57,316	59,609	61,874
Education	14,691	16,819	16,036	17,054	18,847	20,132	21,541	21,853	22,334	22,635
Health and Social Services	5,451	6,446	7,360	7,790	8,829	9,495	10,562	10,723	10,952	11,258
Real Estate Activities	4,260	4,486	4,592	5,123	5,632	5,914	6,180	6,334	6,785	7,189
Other Service Activities	12,026	14,191	16,567	18,273	19,866	22,052	23,485	23,931	26,306	27,911
Less Adjustment for FISIM	(13,101)	(15,568)	(18,094)	(19,942)	(21,833)	(21,065)	(21,443)	(22,168)	(22,259)	(23,708)
Gross Domestic Product at Current Basic Prices	**366,842**	**403,760**	**459,991**	**513,465**	**536,951**	**554,148**	**576,233**	**634,359**	**633,579**	**689,035**
Taxes on Products net of subsidies	53,565	59,150	65,563	71,319	76,702	81,229	83,993	89,222	100,571	116,628
Gross Domestic Product at Purchaser Prices	420,407	462,910	525,554	584,784	613,653	635,377	660,227	723,581	734,150	805,663
Net Factor Income Paid Abroad	3,416	(2,601)	(1,895)	(254)	(5,874)	(5,518)	(5,094)	958	2,370	9,703
Gross National Product at Purchaser Prices	423,823	460,309	523,659	584,530	607,778	629,860	655,133	724,539	736,521	815,366
EXPENDITURE										
Total Domestic Final Expenditure	***522,094***	***591,092***	***683,652***	***750,837***	***786,069***	***815,355***	***782,762***	***786,635***	***851,327***	***942,816***
Public Investment [1]	52,996	60,578	61,341	67,529	58,602	56,558	25,053	57,131	63,431	63,357
Private Fixed Investment [2]	57,060	56,261	64,194	77,675	57,479	125,733	129,241	157,252	163,212	281,682
Public Consumption	66,811	69,533	81,206	76,872	97,796	107,512	111,278	123,867	126,179	143,700
Private Consumption	345,227	404,721	476,911	528,761	572,191	525,552	517,190	448,385	498,505	454,077

Source: Bureau of Statistics.

Note: FISIM - Financial Intermediation Services indirectly measured.

[1] Includes Investment of Public Enterprises.

[2] Includes Stock Changes.

TABLE 10-II
GROSS DOMESTIC PRODUCT (AT 2006 PRICES)
(G$ Million)

Item	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GDP AT CONSTANT BASIC PRICES	297,086	309,382	325,457	342,630	359,822	373,849	385,270	398,230	406,698	423,528
AGRICULTURE, FORESTRY AND FISHING	62,838	63,490	65,268	67,637	69,230	73,167	74,863	67,140	67,408	68,390
Sugar	13,757	13,000	13,920	12,835	10,993.1	12,724	13,601	10,800	8,082	6,159
Rice	7,974	8,009	8,891	9,337	11,845.3	14,053	15,220	11,823	13,940	13,869
Other Crops	14,508	14,871	15,716	16,549	17,244.7	18,107	18,469	18,931	19,385	20,354
Livestock	8,798	8,166	8,639	9,886	10,311.6	10,612	11,233	10,593	10,293	12,666
Fishing	8,638	9,207	8,813	10,144	9,505.1	7,038	6,840	8,082	8,166	7,659
Forestry	9,161	10,238	9,289	8,886	9,330	10,633	9,501	6,911	7,543	7,683
MINING AND QUARRYING	30,506	29,532	34,363	40,381	43,656	38,722	41,890	61,208	55,798	57,402
Bauxite	5,008	4,529	6,252	7,036	6,261	5,763	4,992	5,086	5,081	6,333
Gold	20,177	20,757	24,435	29,520	32,376	26,078	30,355	47,964	43,991	41,259
Other	5,320	4,246	3,676	3,826	5,018	6,880	6,543	8,158	6,726	9,810
MANUFACTURING	20,748	20,802	22,219	22,748	24,550	27,179	28,667	25,933	27,019	27,292
Sugar	3,701	3,497	3,745	3,453	2,957	3,423	3,659	2,905	2,174	1,657
Rice	4,986	5,003	5,570	5,849	7,420	8,804	9,532	7,461	8,796	8,752
Other Manufacturing	12,061	12,302	12,905	13,447	14,173	14,952	15,477	15,567	16,049	16,884
ELECTRICITY AND WATER	5,411	5,446	5,560	5,878	6,167	6,406	6,394	7,030	7,194	7,337
CONSTRUCTION	28,649	31,703	32,579	28,983	35,520	41,930	37,750	40,147	44,704	49,622
SERVICES	156,389	166,577	175,004	188,389	192,993	199,333	209,059	210,597	218,237	228,015
Wholesale and Retail Trade	39,886	44,233	46,241	49,352	48,930	47,485	47,181	46,337	50,375	54,459
Transportation and Storage	22,148	23,673	27,042	32,143	33,422	38,001	43,336	43,653	45,336	45,854
Information and Communication	20,668	22,115	22,447	23,389	24,769	25,711	27,125	27,450	28,082	28,607
Financial and Insurance Activities	11,903	12,799	14,041	16,646	17,764	17,910	19,248	19,722	19,321	20,324
Public Administration	25,619	25,619	25,772	26,133	26,787	27,188	27,868	27,877	28,240	28,607
Education	13,564	14,187	15,141	15,474	16,016	16,650	17,279	17,545	17,896	18,333
Health and Social Services	5,782	6,268	6,508	6,709	6,977	7,243	7,509	7,590	7,779	7,967
Real Estate Activities	3,650	3,723	3,782	3,953	4,176	4,426	4,537	4,594	4,825	5,187
Other Service Activities	13,169	13,959	14,029	14,590	14,153	14,719	14,976	15,829	16,383	18,677
Less Adjustment for FISIM [1]	-7,454	-8,168	-9,535	-11,386	-12,294	-12,887	-13,354	-13,825	-13,664	-14,531

Source: Bureau of Statistics

Note:
[1] FISIM - Financial Intermediation Services indirectly measured.

TABLE 11-I
INDICES OF OUTPUT OF SELECTED COMMODITIES

Commodities	Unit	Output in 2006	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
AGRICULTURE												
Sugar	Mt. Tonne	259,588	90.0	85.1	91.1	84.0	71.9	83.3	89.0	70.7	52.9	40.3
Rice	Mt. Tonne	307,036	117.2	117.6	131	137.5	174.4	206.9	224.0	174.1	205.2	204.1
Coconuts	Nuts	61,917,600	…	150.3	30.4	27.6	82.5	…	124.7	180.7	…	…
Cassavas[1]	Tonnes	23,134	…	43.6	16.2	17.3	33.1	…	290.6	317.1	232.3	255.8
Other Ground Provisions[2]	"	8,552	…	165.3	44.6	87.2	74.3	…	412.2	352.4	295.5	296.1
Plantains	Mt. Tonne	4,069	…	524.3	116.8	225.2	374.7	…	1,708.5	3,398.3	2,519.0	3,196.8
Bananas	"	6,601	…	-	94.0	58.3	78.3	…	235.9	413.5	236.3	243.6
Mango	"	5,092	…	51.0	67.7	29.4	22.1	…	51.2	91.5	164.4	141.5
Pineapples	"	3,036	…	125.3	81.4	99.9	201.3	…	634.3	906.8	557.6	1,148.5
Citrus[3]	"	9,927	…	125.3	44.5	27.2	43.3	…	55.8	130.7	139.2	292.5
Cereals & Legumes	"	1,916	…	-	47.2	52.8	84.1	…	53.2	23.5	…	…
Eschallot	"	789	…	330.1	492.7	250.0	561.0	…	299.9	204.5	287.6	329.7
Hot Pepper	"	2,103	…	205.1	174.7	164.5	378.9	…	600.4	510.9	706.2	797.7
Bora	"	4,287	…	298.0	224.5	144.5	192.9	…	504.5	509.3	651.8	705.8
Tomatoes	"	4,032	…	210.4	571.5	240.9	289.1	…	532.8	473.5	706.4	956.5
Coffee	"	290	…	-	2.3	3.2	1.7	…	52.4	48.8	85.8	163.9
Poultry Meat	"	20,691	130.9	120.7	123.6	147.0	141.5	137.4	148.3	158.3	148.2	202.6
Eggs	No.	5,396,400	354.2	262.6	435.6	393.5	332.9	425.7	484.3	371.6	531.3	594.4
FISHERIES												
Fish	Tonnes	25,675	98.5	98.1	92.5	105.5	96.4	74.7	65.6	78.3	73.1	72.2
Prawns	"	1,661	45.0	56.1	22.6	30.8	39.3	48.8	30.1	24.7	35.9	25.3
Shrimp	"	16,949	98.9	123.0	123.0	150.4	142.1	175.0	109.1	123.5	134.5	127.0
FORESTS												
Greenheart & Other Logs	Cu.Mt	393,968	67.6	80.8	74.8	70.4	77.3	103.2	85.4	69.1	71.3	74.4
Sawnwood	Cu.Mt	67,569	108.2	114.7	112.7	111.9	109.0	99.4	105.0	62.3	70.9	65.9
Plywood	Cu.Mt	34,875	54.1	40.8	38.2	30.3	46.4	53.9	41.9	42.9	21.0	41.8
MINING & QUARRYING												
Bauxite:												
R.A.S.C	Tonnes	149,370	86.5	123.9	136.1	137.0	143.0	132.7	82.8	97.6	110.7	121.4
C.G.B.	"	174,506	126.3	107.7	81.2	83.3	83.3	112.7	158.7	149.5	77.8	100.5
M.A.Z.	"	1,147,667	97.1	61.0	113.1	134.4	113.0	95.9	85.9	83.3	90.3	121.4
Gold	Ozs.	182,216	164.5	169.3	199.3	240.7	264.0	212.7	247.5	391.1	358.8	336.5
Diamonds	Met.cts.	340,544	42.3	14.7	15.3	12.0	18.8	29.4	34.8	41.1	15.3	18.2
MANUFACTURING												
Margarine	Kg	2,264,625	89.3	94.3	98.3	103.0	102.4	98.9	84.9	91.6	87.9	84.5
Flour[4]	Tonnes	37,401	97.6	106.4	103.1	95.1	95.9	94.9	91.1	89.7	91.5	60.3
Biscuits	Kg	1,070,500	64.0	110.4	113.7	116.8	113.1	111.9	104.2	111.4	105.5	95.3
Areated Bev.	Ltr	39,593,700	105.2	111.5	114.3	130.1	128.0	119.4	122.1	136.0	141.5	125.9
Rum	Ltr	11,868,400	23.0	33.9	36.3	35.1	34.4	36.6	43.2	41.1	42.9	48.1
Beer & Stout	Ltr	12,196,300	96.8	114.1	134.1	127.2	142.3	156.2	161.6	169.1	173.6	175.8
Malta	Ltr	1,062,659	68.1	65.6	59.0	71.8	64.2	55.8	48.8	52.5	51.2	53.3
Stockfeeds	Tonnes	40,320	117.3	122.7	134.1	140.9	108.8	128.2	103.6	100.9	117.7	133.2
Paints	Ltr	2,403,534	98.9	104.0	119.1	114.2	112.1	111.4	101.9	110.9	116.6	124.1
Pharmaceutical Liquids	Ltr.	609,863	68.0	75.5	72.4	80.2	71.1	58.6	87.7	78.8	84.0	87.9
Electricity	M.W.H.	534,564	112.6	117.4	120.7	129.2	133.0	134.1	134.6	149.2	151.4	154.0

Sources: Ministry of Agriculture and Bureau of Statistics

Indices were rebased to 2006=100

[1] Includes Sweet & Bitter Cassavas

[2] Include Eddo, Yams and Sweet Potato

[3] Include Oranges,Grapefruit, Limes & Other Citrus

[4] Figures represent Jan.-Aug. 2018.

TABLE 11-II

Georgetown: Urban Consumer Price Index

End of Period **	All Items Index	Sub-Group Indices			
		Food [1]	Housing [2]	Transportation & Communication	Miscellaneous
	(Jan 1994=100)				
2009	275.6	273.7	352.7	293.2	228.2
	(Dec 2009=100)				
2010	104.4	110.4	99.7	104.8	102.0
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					
Mar	111.3	124.7	98.2	116.2	121.0
Jun	113.0	129.4	98.7	116.6	120.7
Sep	113.1	129.6	98.7	116.8	120.8
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
2018					
Jan	116.2	137.3	99.5	118.3	119.8
Feb	115.4	134.5	99.6	118.9	119.7
Mar	114.8	132.9	99.6	118.7	119.7
Apr	114.8	132.5	99.7	119.1	119.6
May	115.4	134.1	99.8	119.7	119.6
Jun	116.2	135.9	100.1	120.2	119.7
Jul	116.0	135.3	100.1	120.2	120.2
Aug	116.8	137.5	100.0	120.3	120.6
Sep	116.9	137.8	100.2	120.0	120.6
Oct	117.3	138.6	100.4	120.1	120.8
Nov	117.0	138.3	100.5	120.2	120.3
Dec	117.1	138.5	100.4	120.3	120.3

Source: Bureau of Statistics

[1] Includes Beverages & Tobacco

[2] Includes Rent, Fuel & Power

TABLE 11-III

Estimated Population and Labour Force

(Thousand)

Year	Population (Mid Year) [1]	Population Aged 15-65 years	Labour Force
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	741.4	490.5	302.0
2018	745.0	492.9	303.4

Sources:

[1] 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, 2018

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.: 231-233 Camp Street & South Road, Lacytown, 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	-	Sub-lot lettered 'A' part of west 1/2 of lot #7, Henrietta, 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, 2018

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 Berbice
(i)	Vreed-en-Hoop	-	27 Sub lot 'C' Stelling Road, Vreed-en-Hoop, West Coast, 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, Triumph, East Coast Demerara

APPENDIX II

LIST OF LICENSED NON-BANK FINANCIAL INSTITUTIONS AS AT DECEMBER 31, 2018

1.	Beharry Stockbrokers Limited	191 Charlotte Street, Lacytown, Georgetown
2.	Guyana Americas Merchant Bank Inc.	GBTI's Corporate Office, High & Young Streets, 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, Corentyne, Berbice
5.	Secure International Finance Company Inc.	191 Charlotte Street, Lacytown, Georgetown
6.	Trust Company (Guyana) Limited	11 Lamaha Street, Queenstown, Georgetown

APPENDIX III

LIST OF INSURANCE COMPANIES, BRANCHES AND AGENCIES AS AT DECEMBER 31, 2018

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 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, 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 INCORPORTED: 47 Main Street, Georgetown

APPENDIX III (CONT'D)

LIST OF INSURANCE COMPANIES, BRANCHES AND AGENCIES AS AT DECEMBER 31, 2018 (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 (Kishan's Aluminum & Glass Factory Building)
(l) Diamond	-	Lot 34 Public Road, North West Grove, East Bank Demerara (GBTI Building)
(m) Port Kaituma	-	FItzburg, Port Kaituma, North West District
(n) Mahaica	-	Lot 24 Helena # 2, Mahaica

APPENDIX III (CONT'D)

LIST OF INSURANCE COMPANIES, BRANCHES AND AGENCIES AS AT DECEMBER 31, 2018 (CONT'D)

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	-	Sub lot '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
(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, 2018

1. A & N Sarjoo Cambio	-	15-16 America Street, Georgetown
2. Bank of Baroda (Guyana) Inc.	-	10 Avenue 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

APPENDIX IV (CONT'D)

LIST OF LICENSED FOREIGN CURRENCY DEALERS AS AT DECEMBER 31, 2018 (CONT'D)

4.	Cambio Royale	-	48 Robb Street, Lacytown, Georgetown
5.	(a) Citizens Bank Guyana Inc. (Head Office)	-	Lot 231-233 Camp Street & South Road, 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, Mandela Avenue Georgetown.
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)	-	230 Camp & South Streets, Lacytown, 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	-	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	-	214 Camp Street, North Cummingsburg 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 Ramada Georgetown Princess Hotel, 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

APPENDIX IV (CONT'D)

LIST OF LICENSED FOREIGN CURRENCY DEALERS AS AT DECEMBER 31, 2018 (CONT'D)

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 & Robb Street, Georgetown
(c) Camp Street	-	Lot 78-80 Camp & Robb Streets, Georgetown
(d) New Amsterdam	-	16 Strand, New Amsterdam, Berbice
(e) Rose Hall	-	Lot 29 Public Road, Rose Hall, Corentyne, Berbice
(f) Linden	-	Lot 101-102 Republic Avenue, Retrieve, Mackenzie, Linden
(g) Corriverton	-	Lot 5, No. 78 Village, Corriverton, Berbice
(h) Anna Regina	-	Lot 8 Public Road, Anna Regina, Essequibo
(i) Rosignol	-	4-6 Section 'D'D' Edward Village, 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
(M) Triumph	-	Lot 34-37 Section 'C', Triumph East Coast Demerara
17. R. Sookraj Cambio	-	108 Regent Street, Lacytown, Georgetown
18. El Dorado Trading	-	Lot 3 Anna Regina, Essequibo Coast

APPENDIX V

LIST OF LICENSED MONEY TRANSFER AGENCIES AS AT DECEMBER 31, 2018

No.	Name	Address of Licensed Premises	No. of Agents
1.	Grace Kennedy Remittance Services (Guyana) Limited	19C Water Street, South Cummingsburg, Georgetown	56
2.	Laparkan Financial Services Limited	William Fogartys' Building, 34-37 Water Street, Georgetown	66
3.	Massy Services (Guyana) Limited	Lot 5 Ruimveldt, Georgetown	46
4.	First Global Money (Guyana) Inc.	230 Camp Street, Lacytown, Georgetown	65

BANK OF GUYANA

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