



Fort \ 72 IQ

Region – Guyana

Asset Class – Equity

Company - Guyana Bank of Trade and Industry Limited

Nicholas Persaud & Team – 08/01/23

Risk Disclaimers: "Please note that the information presented in this report is classified under Fort 72's research program, which has analyzed and consolidated Guyana Bank of Trade and Industry Limited data for evaluation purposes. Fort 72 currently owns no shares of Guyana Bank of Trade and Industry Limited. Furthermore, this report does not promote or recommend investment decisions into the companies that it covers, instead this report should be used as an additionally premise for the companies that it covers. If there are any doubts regarding the merits of this report, please refer to the reference page.

Company Description – Guyana Bank of Trade and Industry Limited is a local financial institution that provides corporate and commercial services through their thirteen nation wide branches. The company’s services range from personal banking to investments and export trade financing.

General Market – Fueled by the newly emerging oil and gas sector, Guyana’s experienced a remarkable growth rate of 62.3% in 2022. Contributions from other major industries such as agriculture, forestry, and fishing accounted for 11.9% of the overall economic growth. On the contrary, the sugar industry faced major setbacks that resulted in an 18.9% decline as unprecedented floods in 2021 disrupted supply chains.

Despite the flourishing economic data in Guyana, the global economy faced pressure in 2022 as rising prices in both domestic and non-domestic sectors were caused by high inflation. The value of the United States Dollar remained constant at US\$1.00 = G\$208 during the second half of 2022. Looking forward, investors should closely monitor inflation and interest rates as they play a crucial role in determining the forecasted growth for 2023.

Industry Analysis – The Banking Sector, encompassing commercial banks and other licensed depository financial institutions, witnessed an influx of financial resources within the first half of 2022. As a result, there was an improvement in the level of non-performing loans compared to that of June 2021, with a rate of 6.1%. The consolidated average capital adequacy ratio, computed at 21%, exceeds the prudential benchmark of 8.0%, indicating the overall resilience of the banking sector during such challenging times.

The COVID-19 pandemic continued to pose a threat in 2022, particularly impacting the banking industry. Nonetheless, the Bank of Guyana has implemented measures to strengthen and protect banks by continuously executing standards to safeguard

Annual Report Highlights

- Auditor – TSD Lal & Co.
- Earnings per share – \$60.61
- Dividend – per share for 2022 was GYD \$12
- Number of shares outstanding – 40 000 000
- Effective tax rate – non -commercial / commercial 40%

Management's Shares

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

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

Directors' Fees Per Annum

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

From Pg.29 of GBTI Annual Report 2022

Institutional Shareholders

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

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

From Pg.30 of GBTI Annual Report 2022

Fort \ 72 IQ Metrics

Note: The data used for our evaluation below is based on the company's annual report and GASCI session 916 - 999 for the fiscal year 2021 – 2022.

Price movement: GY \$721 - \$1,509

Price to earnings: 24.90

Dividend: GYD \$12

Dividend yield: 0.8%

YOY dividend increase: - 25%

Market Capitalization: 60,360,000,000

At price per share \$1,509 from GASCI trading sessions #999

Guyana's Future Outlook

According to the World Bank's latest Global Economic Prospects report, Global growth for 2023 is expected to come in at 1.7. These estimates are expected to be widespread based on debt burdens and weak investments.

Guyana's economy is poised to sustain remarkable growth due to its emerging Oil and Gas Sectors. As Guyana continues to investments in these sectors, the economy will continue to experience exceptional growth at an abnormal pace.

Furthermore, the Government of Guyana is expected to inject substantial capital investments into public infrastructure, including power and human capacity buildings. The impact of these investments and public policy measures is likely to

contribute to additional development in the Guyanese economy, thereby contributing to the country's GDP growth.

Fort \ 72 Investment Thesis

- Track record of growth
- Strong cash flow generation ability
- Diversified lender of companies in country
- No international exposure to the world economy
- Knowledgeable and committed team
- Well positioned for future growth based on country economic conditions

Calendar of events

References

Demerara Distillers (2022). *Annual Report 2022*. Retrieved from Demerara Distillers:

https://www.demeraradistillers.com/images/pdf/DDL_AnnualReport_2022.pdf

GBTI (2022). *Annual Report 2022*. Retrieved from GBTI:

https://www.gbtibank.com/wp-content/uploads/2023/06/GBTI_AGMReport_2022_AC_230428-REVISED_FROM_WEBFX-V4.pdf