



# Fort \ 72 IQ

Region - Guyana

Asset Class - Equity

Company - Republic Bank (Guyana) Limited

Nicholas Persaud & Team – 20/03/2024

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**Company Description** – Republic Bank Limited is one of the longest standing financial institutions in Guyana. It has 12 branches across the country offering retail, commercial, corporate, and investment banking financial services to clients.

**General Market** – The year 2023 has seen remarkable growth for the economy of Guyana, driven predominantly by the booming oil and gas sector. The country achieved a non-oil GDP growth rate of 11.7%, and an oil real GDP growth rate of 33%. All other major sectors have experienced growth as compared to 2022. The construction sector especially, due to the focus on infrastructural modernization in the country.

Despite the flourishing economic data in Guyana, the global economy continues to face pressures in geopolitics, and inflation. The global inflation rate has decreased to 6.8%, however, accompanied by a rise in unemployment and labour surplus.

**Industry Analysis** – The Banking Sector, encompassing commercial banks and other licensed depository financial institutions, performed satisfactory for the year 2023. The consolidated average capital adequacy ratio, computed at 20.6%, exceeds the prudential benchmark of 8.0%, indicating the overall resilience of the banking sector during such challenging times. The year 2023 has characterized the banking sector by strong capitalization and liquidity, with 19% increase in commercial bank deposits, and capital reserve requirements exceeding by 76.8%.

## Annual Report Highlights

- Auditor – Messrs. Ram & McRae
- Earnings per share – \$16.37
- Dividend – per share for 2023 GYD \$5.25
- Number of shares outstanding – 300 000 000
- Effective tax rate – non -commercial / commercial 40%

## Management's Shares

	<b>Number of Stock Units</b>	
	<b>2022</b>	<b>2021</b>
John G. Carpenter (held jointly with an associate)	<b>150,000</b>	150,000
Roy E. Cheong (75,000 held jointly with an associate, and 12,000 held by an associate)	<b>87,000</b>	87,000
Yolande M. Foo (held jointly with associates)	<b>315,000</b>	315,000
Richard I. Vasconcellos	<b>15,000</b>	15,000
Richard M. Lewis	<b>17,850</b>	17,850

From Pg.19 of Republic Bank Annual Report 2023

## Institutional Shareholders

	<b>Number of Stock Units</b>		<b>Number of Stock Units</b>	
	<b>2022</b>	<b>% held</b>	<b>2021</b>	<b>% held</b>
Republic Financial Holdings Limited	<b>152,898,395</b>	<b>50.97</b>	152,898,395	50.97
Demerara Mutual Life Assurance Society Limited	<b>16,306,080</b>	<b>5.44</b>	16,306,080	5.44
Guyana and Trinidad Mutual Fire and Life Group of Companies	<b>15,798,760</b>	<b>5.27</b>	15,798,760	5.27
Trust Company (Guyana) Limited	<b>20,347,081</b>	<b>6.78</b>	20,127,226	6.71
Hand-in-Hand Mutual Fire & Life Group of Companies	<b>17,661,232</b>	<b>5.89</b>	17,722,635	5.91

From Pg.18 of Republic Bank Annual Report 2023

## Fort \ 72 IQ Metrics

*Note: The data used for our evaluation below is based on the company's annual report and GASCI session 996 - 1051 for the fiscal year 2022 – 2023.*

Price movement: \$GY 520 - 450

Price to earnings: 27.49

Dividend: GYD \$5.25

Dividend yield: 1.17%

YOY dividend increase: 31.25%

Market Capitalization: 135,000,000,000

At price per share 450 from GASCI trading sessions #1051

## 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 (2023). *Annual Report 2023*. Retrieved from Demerara Distillers:

[https://www.demeraradistillers.com/images/pdf/DDL\\_AnnualReport\\_2023.pdf](https://www.demeraradistillers.com/images/pdf/DDL_AnnualReport_2023.pdf)

Republic Bank (2023). *Annual Report 2023*. Retrieved from Republic Bank:

<https://republicguyana.com/pdfs/annual-reports/RFHL-Annual-Report-2023.pdf>