SPHEREX INSIGHTS

A MULTI-TRILLION-DOLLAR FINANCIAL SYSTEM, A YESTERYEAR CENTRAL BANK

Guyana's national financial-sector balance sheet has quadrupled since 2020 and now rivals the region's deepest systems. The institution charged with steering it still operates as though it were a fraction of that size.

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KEY INSIGHTS

◆ **A multi-trillion-dollar system, a yesteryear central bank.** The national financial-sector balance sheet holds over G$2 trillion; with the NRF, it approaches G$4 trillion—about four times its 2020 size and close to 200 per cent of non-oil GDP, up from about 90 per cent before oil. That is the range of the region's deepest systems: Trinidad and Tobago at nearly twice GDP, Barbados at 180 per cent. Guyana reached it in five years; its central bank still runs on yesteryear's toolkit.

⌁ **Balances have outgrown the markets that should intermediate them.** Deposits at five banks rose 115.9 per cent in 2019–2024 against 82.5 per cent for loans; bank foreign assets rose 118.1 per cent in 2019–2025; savers earned negative real returns in 88 per cent of months since 2020.

▦ **The region modernised with far smaller balance sheets.** Commercial-bank assets in the ECCB area grew about 22 per cent in 2021–2025; Barbados' financial system grew 3.9 per cent in 2025. Yet Jamaica runs an inflation-targeting policy rate, Trinidad and Tobago a repo rate and a published Treasury yield curve, and the ECCB a regional securities market out to 15 years. Guyana's observed Treasury curve stops at 364 days.

↗ **Scale demands an institution to match. This is not mission creep; it is what the mandate now requires.** A multi-trillion-dollar system needs a modern operating framework, a market-development role, exposure-level supervision, an innovation sandbox and a forward-looking research function. These would strengthen the Bank's independence, not dilute it.

A pulchritudinous paradox

There is a pulchritudinous paradox at the centre of Guyana's oil story. In five years, the country has built a multi-trillion-dollar financial system. The national financial-sector balance sheet now holds over G$2 trillion in total assets; add the Natural Resource Fund, and it approaches G$4 trillion—about four times its size in 2020. Before oil, that balance sheet stood at roughly 90 per cent of non-oil GDP; today it is close to 200 per cent. That is the territory of the region's deepest financial systems. The IMF has described Trinidad and Tobago's financial system as nearly twice the size of its economy, and its central bank's 2024 Financial Stability Report records only moderate growth since; on top of that sits a Heritage and Stabilisation Fund worth about a quarter of GDP.[1] Barbados reports financial-system assets of 180 per cent of GDP.[2]

Those systems took decades to reach that depth, and built their central banks alongside them. Guyana got there in five years—and is steering a multi-trillion-dollar system with a yesteryear central bank. Scarcity was never the reason. A central bank can be modern in lean times: Jamaica rebuilt its monetary framework while still working down one of the region's heaviest debt burdens. The Bank of Guyana, by contrast, still operates much as it did a generation ago. The posted Bank Rate of 5.0 per cent prices almost nothing: in 2025 the 91-day Treasury bill yielded 1.10 per cent

[1] IMF, T&T FSSA 2020 (financial system nearly 2× GDP); CBTT, FSR 2024 (GDP +2.5%); IMF, Art. IV 2026 (HSF ≈25% GDP; US$6.38bn).
[2] CBB/FSC, FSR 2025 (assets +3.9% to 180.2% of GDP); CBB/FSC, Regulatory Sandbox 2018.

and the small-savings rate was 0.81 per cent. There is no routine central-bank bill programme, no operational interest-rate corridor and no observed government curve beyond one year. Since mid-2024 the interbank foreign-exchange market has been inactive, leaving the Bank as the economy's settlement window of first resort. The question, therefore, is not whether the mandate should expand. It is how a yesteryear central bank can steer a multi-trillion-dollar financial system with a toolkit built for one a quarter of that size.

What the evidence shows

My monetary-policy paper for the 57th Annual Monetary Studies Conference documents the shift. Recorded Bank of Guyana FX sales rose from US$322.8 million in 2024 to US$1.55 billion in 2025, while the Bank's own annual report records interbank FX trading as inactive. Broad money outgrew real non-oil GDP in 31 of 33 years since 1993, and the gap widened to an average of 10.03 percentage points in 2021–2025. Velocity has fallen since 2012. Excess reserves stood at G$66.0 billion at end-2025. Treasury yields move savings rates but show no reliable link to contemporary lending rates. In short, the official rate held at G$208.50 while the central bank absorbed a far larger settlement role and the transmission channels stayed weak.

The companion paper prepared for the Columbia/BPI conference, *The Liquidity Trap of Abundance*, shows the same constraint from the banks' balance sheets. Between 2019 and 2024, deposits at five commercial banks rose 115.9 per cent; reported loans rose 82.5 per cent, and the loan-to-deposit ratio fell from 55.1 to 46.5 per cent. Gross bank foreign assets rose 118.1 per cent between 2019 and 2025, and despite an aggregate capital adequacy ratio of 18.5 per cent, the banking sector failed the Bank of Guyana's Level 2 foreign-investment stress scenario and the industry failed Level 3. Savers, meanwhile, earned negative real returns in 88 per cent of months from 2020 to March 2026; a G$1 million balance held since 2004 has lost about a third of its purchasing power. None of this establishes misconduct or systemic weakness. Taken together, however, it describes a liquidity trap of abundance: funding the domestic market cannot absorb, a cost borne partly by savers, and a foreign-investment book that supervisors cannot yet see clearly.

> *"Scarcity was never the excuse. Guyana has built a multi-trillion-dollar financial system and is still steering it with a yesteryear central bank."*

The region is not waiting

The contrast with the region is instructive, and uncomfortable. The Bank of Jamaica targets inflation of 4 to 6 per cent, steers it through the overnight rate on bank balances held at the central bank, takes policy decisions eight times a year and publishes a quarterly Monetary Policy Report. Jamaica's government is auctioning benchmark investment notes maturing in 2046, giving its market a twenty-year curve.[3] Trinidad and Tobago introduced a repo rate in 2002, manages liquidity through open-market operations with primary dealers, prices reverse repos 50 basis points below the policy rate and publishes an overnight interbank rate.[4] The Eastern Caribbean Central Bank built a regional, fully electronic government securities market in 2002, with T+1 settlement and maturities from 91 days to 15 years, and now sells retail government bonds from EC$500.[5]

The same pattern holds in payments and inclusion. Jamaica operates a fintech sandbox and a legal-tender digital currency; Barbados has run a joint regulatory sandbox since 2018; The

[3] BOJ, Monetary Policy Instruments; BOJ balance sheet 2025 (J$1.265tn; Bhagwandin 2026, Table 1); GOJ auction notices; BOJ, Fintech Sandbox/JAM-DEX 2022.
[4] CBTT, Indirect Monetary Policy Instruments; CBTT, TTYC.
[5] ECCB, RGSM; ECCB, Key Financial Statistics (assets EC$30.3bn in 2021; EC$36.9bn in 2025).

Bahamas launched the SandDollar in 2020; and Belize is building a national instant-payment system. In the World Bank's Global Findex, 68 per cent of Belizean adults held an account in 2024, as did 73 per cent of Jamaicans in 2021. Guyana, the region's fastest-growing economy, does not appear in the latest dataset at all. A country cannot manage what it does not measure.

The paradox becomes sharper when the balance sheets are placed side by side. The region modernised its central banks with financial systems that grew modestly. Guyana's quadrupled, and its operating framework barely moved.

EXHIBIT 1. Like-for-like framework: balance-sheet scale and central-bank architecture

Common measure	Guyana	Barbados	Trinidad and Tobago	Jamaica	ECCB
A. Balance-sheet scale					
Financial-system assets relative to GDP	Close to 200% of non-oil GDP, incl. NRF (SphereX gross); about 90% pre-oil	About 180% of GDP (2025)	Nearly 2× GDP (IMF FSSA, 2020)	n.c.	n.c.
Recent growth in system assets	About 4× since 2020 (incl. NRF)	+3.9% in 2025	"Moderate growth" in 2024 (CBTT FSR 2024); real GDP +2.5%	n.c.	Bank assets +22%, 2021–2025 (banks only)
Central-bank total assets	G$1.054 tn (Dec 2025)	n.c.	n.c.	J$1.265 tn (10 Dec 2025)	n.c.
Sovereign resource or stabilisation fund	NRF US$3.64 bn (Mar 2026)	—	HSF US$6.38 bn (Feb 2026); about 25% of GDP (IMF, 2026)	—	—
B. Central-bank and market architecture					
Operative policy rate	Bank Rate 5.0% posted, not operative; no corridor	n.a.	Repo rate since 2002	Overnight policy rate; 4–6% inflation target; 8 decisions a year	n.a.
Liquidity operations and interbank pricing	Treasury bills; no central-bank bill programme; interbank FX inactive since mid-2024	n.a.	OMOs with primary dealers; published overnight interbank rate	Corridor, standing facilities and OMOs	n.a.
Longest government benchmark	364 days (observed curve)	n.a.	Standardised Treasury yield curve, updated monthly	Benchmark notes to 2046	Regional market, 91 days to 15 years
Innovation and inclusion platform	No regulatory sandbox; not in latest Global Findex	Joint CBB–FSC sandbox since 2018	n.a.	Fintech sandbox since 2020; JAM-DEX legal tender	Retail government bonds from EC$500

What a modern Bank of Guyana requires

First, a modern operating framework. An explicit operational target, an interest-rate corridor with standing facilities, and collateralised open-market operations would give the Bank direct instruments for managing structural liquidity. NRF conversions, Treasury balances, bank reserves and FX demand should feed one forward liquidity forecast. Treasury bills already perform a monetary function; the reform is to make objectives, costs and decision rights explicit.

Second, market development as monetary infrastructure. A government securities curve beyond one year, active interbank and repo markets, and modern custody and settlement would give banks and savers domestic alternatives to idle deposits and offshore placement—and give the Bank a price signal it currently lacks. Tokenisation can lower issuance and settlement costs over time, but only after legal ownership, settlement finality, disclosure and investor protection are in place. A tokenised claim is still a claim; technology does not cure weak credit.

Third, exposure-level supervision. Bank foreign assets should be reported by currency, instrument, issuer, maturity, encumbrance and settlement availability, and linked to capital and stress outcomes. A foreign security can be liquid in normal markets yet unavailable for an importer's payment next week. Gross foreign assets are not usable FX liquidity, and in a small, import-dependent economy that distinction is a financial-stability question.

Fourth, research that informs decisions before risks crystallise. Statistical abstracts record the past. The Bank should add a financial-stability report, an FX-availability dashboard, a lending-conditions survey, expectations surveys and regular analysis of savings, market structure and fiscal–monetary transmission. Independence is not silence; it is the capacity to publish candid analysis while leaving political choices to elected authorities.

Fifth, a home for innovation. A joint sandbox involving the Bank, the Guyana Securities Council and the Financial Intelligence Unit could test payment products, open-finance applications, digital identity tools and tokenised securities within defined limits, with the Bank setting standards for interoperability, cyber resilience and consumer redress.

Sixth, inclusion as productive infrastructure. Instant payments, low-cost merchant acceptance and risk-based onboarding bring households and small firms into the formal system. Access alone is not inclusion. The test is whether payments connect to savings, credit histories, insurance and investment products that finance productive activity.

The direction of reform

01 An operating framework fit for scale. Equip the Bank to manage liquidity at the scale the economy now generates.

02 Market depth as part of the mandate. Treat domestic financial-market development as integral to monetary transmission and stability.

03 Earlier sight of financial risk. See balance-sheet and external exposures sooner, and at the level where they arise.

04 Innovation within a stable perimeter. Allow new financial technology to widen access under clear rules and supervision.

05 Research as a policy function. Build the analytical capacity to inform decisions before risks crystallise.

Design, sequencing and calibration are matters for subsequent work.

The SphereX reading

The choice is not between a conservative central bank and a developmental one. It is between an institution that reads its mandate narrowly and one that builds the capability to deliver that mandate in a changed economy. Petroleum wealth has enlarged fiscal space and external assets; it has also enlarged liquidity, settlement, portfolio and market risks. The central bank must see those risks earlier and shape the infrastructure through which they are managed.

A modern central bank does not displace the Ministry of Finance, the securities regulator or the banks. It coordinates where mandates intersect, supplies the analytical base and protects the monetary and prudential core. The region has already accepted this, with balance sheets that grew far more slowly. Guyana's case is more urgent because its multi-trillion-dollar financial system is changing faster than the institution that steers it.

The paradox is not that Guyana has become wealthy. It is that Guyana has built a multi-trillion-dollar financial system while keeping a yesteryear central bank—financially deep in its balance sheet, shallow in its institutions. Scarcity did not cause that gap, and abundance will not close it on its own. In light of the foregoing, the Bank of Guyana must move from a yesteryear operating model to one built for the system it now oversees. This is not an expansion of the mandate. It is what the mandate now demands.

Source note. Bhagwandin, J., *Monetary Policy and Exchange-Rate Design in an Emerging Oil Economy: Evidence from Guyana*, prepared for the 57th Annual Monetary Studies Conference, Central Bank of Belize and CERT, November 2026; Bhagwandin, J. (13 November 2026), *Bank Regulation under Resource Abundance*, subtitle: *The Liquidity Trap of Abundance: Financial Intermediation, Bank Liquidity and Exposure-Level Supervision in an Emerging Oil Economy — A Case Study of Guyana* [conference paper prepared for submission to the 2027 Columbia/BPI Research Conference on Bank Regulation, Columbia University School of International and Public Affairs and Bank Policy Institute, 18 February 2027, Columbia University, New York]; Bank of Guyana, *Annual Report 2025*; Natural Resource Fund, *Quarterly Report, January–March 2026*. Guyana's national financial-sector balance sheet is a SphereX gross aggregate: financial-sector total assets of over G$2 trillion, rising to approaching G$4 trillion when Natural Resource Fund holdings are included, compiled from Bank of Guyana and NRF reports. It measures scale, not consolidated net financial depth; the ratios to non-oil GDP and the 2020 comparison are SphereX estimates. Exhibit 1 applies common measures across jurisdictions and reports a value only where the relevant authority publishes it on that basis; regional sources for Barbados, Trinidad and Tobago, Jamaica and the ECCB are given in the footnotes. Conference-paper figures are the author's research estimates, not official statistics. Regional developments are institutional context, not templates for Guyana.

ABOUT SPHEREX

SphereX Professional Services Inc. is a Guyana-headquartered, finance-led advisory firm specialising in investment readiness, capital structuring, project finance, economic and market intelligence, governance and strategy execution. Founded in 2022, SphereX combines rigorous analysis, regional insight and execution discipline to support governments, institutions and private-sector clients in Guyana and the Caribbean.

Finance-led advisory. Applied intelligence. Disciplined execution.

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