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EFFICIENCY OF THE COMMERCIAL BANKING SECTOR IN GUYANA

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INTRODUCTION

This paper seeks to analyse the operational efficiency of eight financial institutions. It has evolved out of a much broader consumer-oriented study of Guyana's financial sector undertaken by the author and Ms Bridget Welch, a former associate researcher at the IDS, during 1994.

Because of the often voiced concerns about the quality of financial services, a survey which covered the eight largest financial institutions (Appendix A) was conducted over a period of two days. The survey, it must be noted, was confined to Georgetown and to the Georgetown-based head-offices of the institutions concerned, since, in most cases, the head office branch traditionally offers the most in terms of facilities and efficiency, as innovations of any nature usually begin there.

The eight institutions were chosen because all of them were involved in the mobilisation of savings, and, in addition, some administered a payments system as well. Efforts were therefore made to assess the efficiency of the institutions by observing the delivery of a number of the more essential services.

As a consequence, Section I of the paper discusses the theoretical concepts of financial sector efficiency, Section II provides a brief description of the structure and performance of the financial sector, and Section III presents some of the findings of the survey. Section IV offers some recommendations based on the author's own perceptions and those gained from interviews with the management of the institutions.

SECTION I

FINANCIAL SECTOR EFFICIENCY

Institutions which accept deposits can be described as the society's "financial go-between". These deposits form a major component of the nation's money supply and represent the payment medium for the thousands of transactions by cheques, transfers, etc., every day. Moreover, these institutions are responsible for fulfilling the country's credit needs by allocating loans and advances to individuals and businesses.

In addition, over the years such institutions have undergone significant changes in the range of services offered, to the extent that they are now on the verge of becoming "one-stop financial institutions" which offer a host of financial services, including retail and personalised banking, brokerage and international banking services. How efficiently they carry out these functions is another matter.

From the point of view of the banker, efficiency is measured primarily on the basis of "balance sheet analyses", given the need to satisfy their shareholders' desire for higher dividends. The growth of the institution's assets, the actual amount of bad and doubtful debts, the return on assets employed and the capital to assets and current ratios are therefore of utmost importance.

Nevertheless, because of forever being chided about their social responsibility most bankers are now also willing to allow the efficiency of their institutions to be measured by some social criteria, which they however limit to:-

(1) upholding the code of ethics;

(2) making charitable donations and being involved in community activity in a limited way;

(3) facilitating access to branches by disabled persons; and,

(4) assisting in the prevention of financial crimes.

McClean (1980) however points out that the social role of these institutions must be consistent with the pursuit of the highest rate of economic transformation, subject to the constraints of existing resources, financial stability and the pressing immediate needs of the population. This suggests that bankers need to pay attention to their methods of savings mobilisation and patterns of credit allocation. This type of perception informed his qualitative analyses of the allocative aspect of efficiency.

Mitchell and Still (1979) adopted a somewhat more service-oriented approach and sought, among other things, to measure customers' perceptions of bank efficiency using such socio-demographic variables as convenience of location, parking and hours of operation.

However, a more all-embracing method of measuring efficiency emerges from Bain (1981) who argues that given the broad objective of the financial sector, that is to meet the needs of the society with regards to saving and investment, its efficiency must be measured both at the macro and microeconomic level.

Bain's measurement of macro-economic efficiency is similar to McClean's approach and is concerned with aggregate saving and investment as it focuses on:-

(a) the extent to which the financial system meets the nation's objectives in terms of desired levels of saving and investment; and,

(b) the stability of the two aggregates.

Micro-economic efficiency, on the other hand, he contends, is measured by assessing:-

(a) the range of financial investments available;

(b) the choices available to savers and investors;

(c) the ability of the system to cater for their needs regardless of who they are and the sum involved;

(d) the prices which prevail in the system; and,

(e) intermediation costs and the capacity of the system to innovate and adapt to changing needs.

The concepts discussed above foster the now growing perception that an efficient financial system not only must encourage the transfer of funds from surplus to deficit units but must provide many other facilities essential to the progress of modern society, including a convenient and economical means of making payment for every kind of transaction. Efficiency, therefore, can be more clearly categorised into:-

(a) operational efficiency - are the operations of intermediaries being conducted at least cost;

(b) dynamic efficiency - is the system reasonably adaptable to changes in the economic climate, technology and market preferences; and,

(c) allocative efficiency - are financial resources being put to the most productive uses.

Using this concept of operational efficiency, a cross-section of Guyana's financial sector will be assessed using cost to the

customer as the main determinant of operational efficiency.

SECTION II

STRUCTURE AND PERFORMANCE OF GUYANA'S FINANCIAL SECTOR

The financial sector in Guyana consists of seven[1] commercial banks and a narrow range of non-bank financial institutions, including four trust companies, two mortgage finance institutions, one development bank, ten insurance companies and sixty-five credit unions.

The ownership of these institutions exhibits a mixture of public and foreign and local private sector interests. Two of the commercial banks are foreign-owned with head offices abroad and of the ten insurance companies, two are owned by foreign interests.

However with the exception of the credit union sub-sector, the state plays an influential role in all other sub-sectors. It owns 97% and 53% of the two largest commercial banks, the only development bank, the largest trust company - which incidentally also grants mortgages; the smaller of the two mortgage institutions and an insurance company.

The sector is therefore oligarchic in structure and, as would be expected, the level of financial intermediation is low. With the exception of minor variations in the types of saving accounts offered (Appendix A) and the recent introduction of automated teller machines (ATMs) by one of the commercial banks

[1].At the time when this survey was conducted only five commercial banks were in existence.

(which was done in anticipation of increased competition from the two new entrants (Jamaica Citizens Bank and Demerara Bank Limited), there has been no innovation over the last ten years. The sector is therefore undeveloped and Guyana remains a virtual cash economy, as cheques enjoy limited use and credit cards remain something of the future. In fact, the institutions have literally dragged their feet on computerisation so much so that only one institution has fully computerised its operations.

This unwillingness to innovate was encouraged by the fact that the institutions of the financial sector have been able to generate substantial profits over the years. The high levels of profitability were however achieved under precarious circumstances and at great risk since the financial position of many institutions remain far from sound. For example, the amount of capital required to open a commercial bank remained at the ridiculously low level of G$1 million, and was only adjusted to G$250 million a few months ago. In addition, there is still no prescribed manner in which bad and doubtful debts should be accounted for. As a result, at least one institution was able to declare sizeable profits by using the inappropriate method of writing off a mere 10% of its loans and advances as bad and doubtful debts. Eventually, this institution had to be "bailed out" to the tune of G$1.4 billion by the Government.

The capital adequacy ratio, which is set at 10% for commercial banks has been rarely observed and moreover, there is no such stipulation for the non-bank institutions with the result that some

display ratios of less than 2%.

All of these factors, particularly the oligarchic structure of the institutions and the large proportion of "unbanked" people. allowed the institutions to pass on the cost of their inefficiency to the consumers.

SECTION III

OPERATIONAL EFFICIENCY OF GUYANA'S FINANCIAL SECTOR

Cost as a determinant of operational efficiency can be viewed in several ways, namely:

(1) the time it takes the customer to complete the transaction;

(2) the monetary cost of the transaction; and,

(3) the spread between deposit and loan rates.

(A) TRANSACTION TIME:

One of the determinants of the demand for financial assets by households, is the time it takes to acquire these assets. The issue of time is of particular macroeconomic importance since households usually have several other options when deciding how to allocate earnings among income-generating assets. For example, they can also acquire physical assets or other hedges against inflation, such as foreign currency and gold, both of which are not difficult to obtain in Guyana.

Time is therefore an important aspect of service for many customers and extensive transaction delays have been the cause of

much of the criticism made against many financial institutions. The "transaction times" of different institutions were therefore observed in order to derive both the volume of customers processed within a specific time, as well as the average time a customer spent in an institution.

Table 1

% of Customers Served in .... Minutes							
5 -10	10 -20	20-30	30-40	40-60	60-90	90-120	120 +
34.2	32.1	15.1	7.6	6.4	1.8	1.4	1.3

Table 1 gives an indication of the percentage of customers served within specific time periods by the sector as a whole. It shows that approximately 81% of the customers completed their business in under 30 minutes. Though this time span may appear reasonable, it is important to note that these statistics are significantly influenced by the better performance of the non-bank institutions.

A more detailed analysis (Appendix B) reveals that while the non-bank institutions were individually able to service at least 88% (and in some cases 95%) of their customers in the 30-minute period, only one commercial bank was able to reach this mark. Overall, the sector recorded a mean "transaction time" of approximately 22 minutes with a standard deviation of 20 minutes.

Further, if transaction time is broken down into "teller time" and the "time spent waiting in line", the survey reveals that 68% of the customers spent five minutes or less at the teller, indicating that the greater proportion of the time was spent waiting in line.

Overall "teller time" or the time used for paper work for the institutions under study was 7 minutes with a standard deviation of 3 minutes. Moreover, as figure 1 below shows, as the day progressed both overall transaction time and teller time got

longer. However, given that the total transaction time is dependent upon the number of consumers using the services of an institution at a given time, the gradual increase in teller time can only be attributed to reduced levels of efficiency as the day progresses.

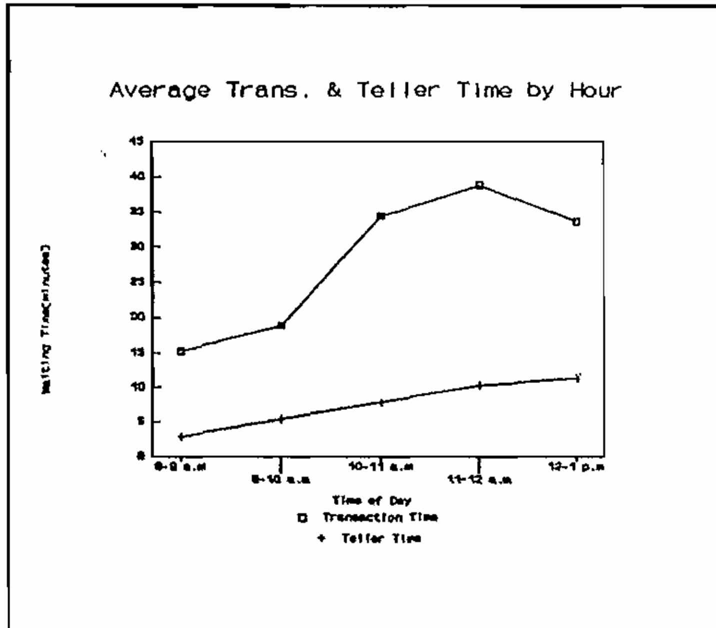

Figure 1

An examination of the "transaction" and "teller" times for the various transactions gives the following picture:

Table 2

Overall Transaction and Teller times by Type of Transaction					
	Dep./ With.	Deposit Cheque	Cash Cheque	Foreign Exchange	Opening Accts.
Trans. Time Std. Dev.	17.0 (11.7)	16.1 (14.8)	18.8 (19.3)	24.8 (17.8)	48.9 (10.6)
Teller Time Std. Dev.	6.1 (2.2)	6.1 (1.2)	6.4 (2.2)	7.7 (1.7)	6.2 (2.1)

On an individual basis the non-bank institutions recorded much better times which is probably due to a smaller number of customers. However, the irony of the situation is that the four

partially or fully computerised, commercial banks all record higher teller times for nearly all categories of transactions than the Bank of Baroda and the non-bank institutions all of which still use a manual system. Given that there is no significant difference in the methods of processing transactions across institutions, then this situation obviously suggests a higher level of efficiency for the counter staff of the non-bank institutions.

However, the major sources of disappointment are cash deposits-withdrawals and cashing and deposits of cheque which are the two most frequently completed transactions (Appendix A). At some institutions these transactions can utilise as much as one hour of a consumer's time, an ordeal that can have a negative impact on the individual's willingness to save and one which certainly affects the productivity of other sectors because of man-hours lost. The second point is illustrated by the fact that during the survey, the 832 employed persons interviewed spent a total of 340 man-hours attending to financial matters at the institutions concerned. It is not surprising, therefore, that 68% of the customers identified slowness and shortage of tellers as the major problems associated with the financial institutions.

Delays in Accessings Funds:

Another important aspect of time-related costs is the time it takes the inter-branch and inter-bank clearing systems to convert a financial instrument into cash. For all the commercial banks, a cheque drawn on a particular branch can be cashed at that branch immediately.

However, delays are inevitable if the cheque is drawn on another branch of the same bank. Of the five banks surveyed, three of them have branches but only one - because of "online" communication and a centralised data storage system - allows cheques drawn on one branch to be cashed at another branch.

Consequently, branches of the same bank in close proximity each other, provide access to funds the following day, usually late in the morning or afternoon. In practical terms, however, this can

mean a delay of two days, since banks close at 12.30pm. For GNCB, which has a wider network and is not fully computerised, the delay is longer and, depending upon the location of the branch, can extend to two weeks.

For inter-bank transactions, the minimum clearing time is four working days or a week if the cheque is presented at an outlying branch of another bank. With the non-bank intermediaries, the delay is two days longer as these institutions are dependent on one of the commercial banks to process all cheques presented.

Access to funds from foreign sources varies considerably according to the institution involved, and in some cases the type of the cheque. A manager's cheque from an overseas branch can be cashed immediately. For cheques originating at other overseas banks the delay is a minimum of two months. However, the trust companies have been successful in reducing this time to 15 days by using a courier service.

(B) MONETARY COSTS OF TRANSACTIONS:

(i) Charges on Withdrawals and Current Accounts

There are a few fees attached to withdrawals at most institutions. Some employ a nuisance fee, for example, a charge which is imposed on frequent withdrawals, and which ranges from two to five dollars per withdrawal, if customers go beyond the four allowed withdrawals per month.

All the banks also have monthly charges on their current accounts, and these are determined primarily by the number of times the customer uses the account. Ledger fees, as they are known, are charged according to the amount of cheques written, after provision for a number of free cheques, for example, the customer is penalised every time the banks' have to make a debit entry. Some banks also charge a monthly flat rate on all accounts so as to ensure an income even if the account is not used.

The banks also charge their customers for problems associated with processing a cheque, for example, stop payments, insufficient funds and other mistakes (Appendix C).

(ii) Charges on Foreign Exchange Transactions:

The exchange of cash does not involve any charges at any of the institutions since as the institutions acknowledge, a worthwhile profit is generated given the difference between the buying and selling rates of foreign currency. The other services, such as wire transfers, money orders foreign cheques and traveller's cheques are nevertheless subject to charges as summarised in Appendix C.

(C) INTEREST RATES:

(i) Interests on Deposits

The actual rates of interest paid on the different accounts gives a clear indication of collusion on the part of institutions.

Table 3

Rates of Interest on Accounts Offered				
ACCTS.	GNCB	GBTI	NBIC	GNCB/T
O/Sav Accts.	8.25-9%	8.5-11%	8.75%	9.25%
Term Accts.	10.5-11.25%	9.5-10.5%	10.5-11.5%	11.25-12%
Bus. Accts.	10.5%	9.75-10.5%	10.25%	*
ACCTS.	SCOTIA	GLOBE/T	BARODA	NBS
O/Sav Accts.	7.85%	9.25%	8.75%	9&12%
Term Accts.	9%	11.25-12%	9.75%	*
Bus. Accts.	8.6%	*	*	*
Youth. Acct	7.85%	*	*	*

* Not Offered.

As outlined in Table 3, the rates of interest offered by the commercial banks on ordinary savings and term deposits range from 7.85 - 11% (depending on the amount held in the account) and 9.5 to 11.25%, respectively, while for the trust/mortgage companies they range from 9 - 12% and 11.25 - 12% for the same two types of accounts. This obviously supports the belief that there is collusion among the commercial banks on the one hand and the non-banks on the other, as the variation in rates offered is very limited. This collusion works against customers, since it limits the choices available. The only financial institution which

is apparently not part of this collusion is Bank of Nova Scotia but, in this case, this is detrimental to depositors, as this bank offers interest rates which are far lower than the other institutions.

Another striking feature is that the interest on all savings accounts are calculated on the minimum quarterly balances on all accounts. To a certain degree this is understandable, since the financial institutions need to protect themselves against customers who deposit large sums just prior to the payment of interest and withdraw same immediately after. However, somewhat disappointing is the fact that some institutions, even though calculating the interest on the minimum quarterly balance, only pay interest on accounts larger than $2,500. Thus, an individual saving a small amount on a monthly or weekly basis will be forced to wait for quite a while before his\her saving begins to earn interest. Moreover, some institutions do not pay interest on dormant accounts. This practice allows the institutions to earn income by lending dormant funds without having to pay interest to the consumer.

Important also is the fact that all institutions calculate interest in one period and pay it in a future period. In the case of an Ordinary Savings Account, it is calculated quarterly and paid half yearly; for Business Accounts it is calculated weekly and paid quarterly; for the Daily Interest Account it is calculated daily and paid monthly, while for the Seven Day Call Account it is calculated weekly and paid monthly or quarterly. As noted above, this is a protective measure the banks employ. Nevertheless, this system is unfair in some instances since not all institutions compound the interest over the entire period of one year.

A further problem for customers arises if the account is closed after the first quarter, but before the end of the half year period; all first quarter interest is lost, that is, retained by the institution. In fact the period/time when an account is opened can effect the amount of interest earned and when it is credited to your account. If, for example, an account is opened during the

first half of the year, it would not earn interest until the end of the second half of the year. Thus the customer needs to hold the account for the entire half-year period in order to receive interest.

These practices are not known to most customers, who assume that his/her money earns interest immediately. Almost all of these practices - higher interest on large accounts only, timing of payment of interest, non-payment of interest on dormant accounts, failure to compound interest - put customers at a disadvantage, since it increases the cost of savings relative to the holding other types of assets. Financial institutions should stipulate these conditions clearly, and notify customers of changes.

(ii) Interest on Loans:

The most important determinant in accessing credit is the level and type of security, as security affects both the rate of interest to be paid on the loan as well as the speed with which the loan will be approved. Most institutions - with the exception of the two mortgage institutions which, because of their lines of business, accept a lien on property as security - have a distinct preference for cash security, as this lends itself to easier and less costly recovery of loans in default.

However, one institution goes unreasonably further by requiring that all loans be 60 to 70% cash secured, which means that they are only lending customers 30% of the required amount but collecting interest on the entire 100%. Obviously the security is placed in a fixed deposit and earns interest, and the customer, therefore, does not lose out entirely. Nevertheless, the cash security will be loaned to some other customer, with the institution benefiting tremendously. This institution therefore uses its credit system which lends 30% of the funds required, to garner cash rather than to allocate funds. The other institutions do not stipulate a level of cash security but vary interest rates accordingly.

(iii) Comparison of Deposit & Lending Rates:

Deposit rates range from just over 8 - 11½% depending on the type and size of the account. Interests on loans range from (with one exception) 16 - 22% depending on the size of the loan and the type of security.

These large spreads would have been quite understandable if the institutions were involved in areas of lending which exposed them to a greater degree of risk. As it is, all financial institutions have over 50% of their portfolio in virtually riskless treasury bills and government securities. Thus, contrary to what the institutions argue there is ample scope for a reduction in the spreads, which the NBS has demonstrated by operating with a spread of only one and one-half per cent.

Table 4

Comparison of Deposit and Lending Rates of Institutions

INSTITUTION	DEPOSIT RATES %	LENDING RATES %	SPREAD
GBTI	9.75	17	7.25
NBIC	10	18.5	8.5
GNCB	9.3	19.25	9.95
Baroda	9.25	19	9.75
Scotia	8.4	N.A	
GNCB Trust	10.25	18.5	9.25
GLOBE Trust	10.6	21	10.4
NBS	10.5	12	1.5

(D) CUSTOMER PERCEPTIONS OF THE QUALITY OF SERVICE AND MAJOR PROBLEMS

Customers were asked to rate the overall quality of service at the various institutions in terms of either excellent, good, fair or poor and the results showed that only 25% of them felt that the services they received were excellent. In fact, only 62% of them

rated the services either excellent or good. Also there was not much difference of opinion between those using the commercial banks and those using the non-banking institutions. Thirty-six per cent of the non-bank customers thought services were excellent, and for the commercial banks the figure was the same. However, the commercial banks received a "poor" rating of 13% while for the non-banks this was only 3%.

These results may seem to contradict other results which show that 65% of those interviewed felt that the financial sector, as a whole, was meeting the needs of the industry. However, there was a strong correlation between those who rated their individual financial institutions highly and those who felt that the sector was meeting the needs of the society. The suspicion, therefore, is that interviewees based their opinions on individual institutions rather than on the sector as a whole.

A number of problems were also identified by customers using the financial sector. The responses indicated that customers were preoccupied with the time involved to conduct business as the major problems cited were:-

(i) Not enough tellers
(ii) Slowness
(iii) Lack of modern equipment
(iv) Poor service
(v) Location
(vi) Interest Rates

and the respective frequencies are illustrated by the figures below.

These financial institutions are, however, not operating in a vacuum. In some instances, the services being offered are affected by factors outside of the managements' control. The factors most often cited were:-

(i) the slow processing of documents at the Deeds Registry and the delays in publishing the Official Gazette. The inefficiency of operations in these areas significantly

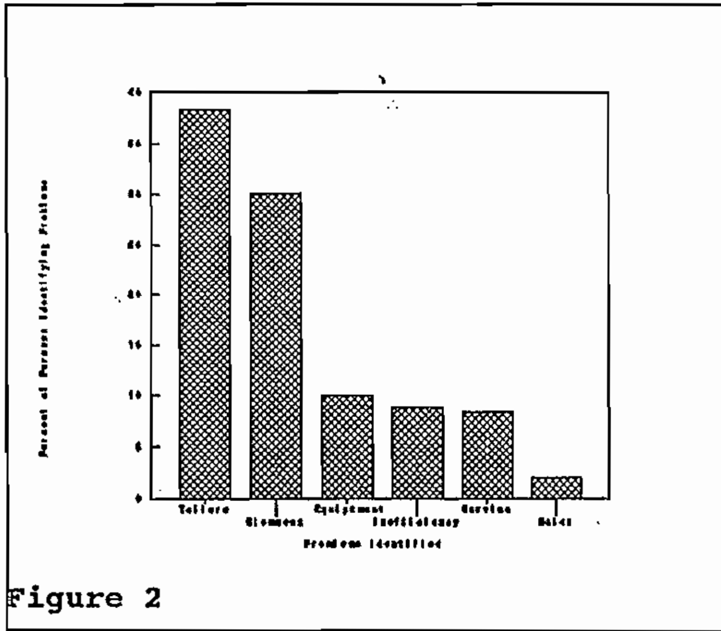

Figure 2

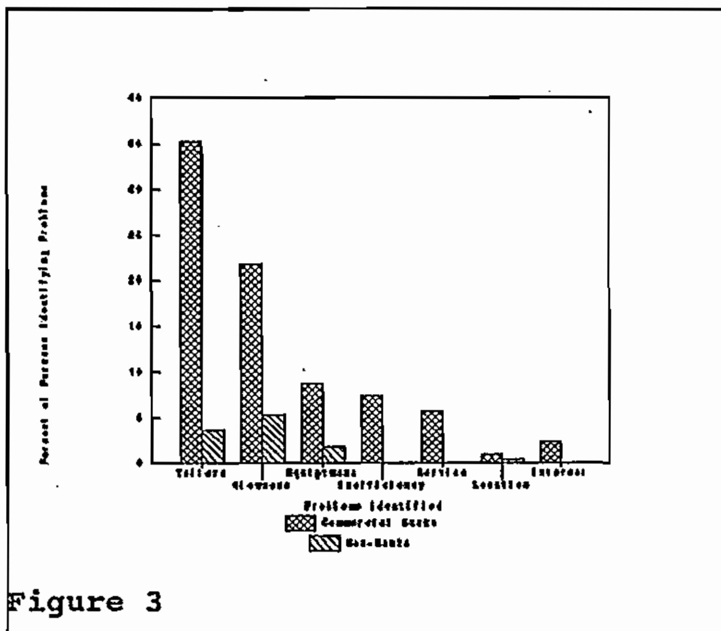

Figure 3

hinder speedy processing of mortgage and loan applications. Often, as a result of these delays, prospective home owners\borrowers have to wait months and, in some cases, years to complete the procedures associated with the transfer of deeds, titles etc.

(ii) the inefficiency of the postal services. Although some institutions acknowledged recent steps to improve the postal services, many complained of unreliable service and delays which affect the speed at which financial institutions can carry out foreign transactions.

(iii) the unavailability of telephone lines to expand "on-line" service as in the case of those institutions which operate branches.

(iv) government policy or, in some cases, a lack of it. Some institutions held the view that the lack of foreign exchange control by the Central Bank was the cause of the serious foreign exchange shortage. Managers felt this would have a negative effect on customers in manufacturing and mining sectors who need foreign currency for more productive purposes.

(v) fluctuating interest rates, which according to some institutions, prevented mobilisisation efforts, particularly in relation to long-term deposits.

Finally, concerns were raised about the soundness of the economy as a whole, and the commitment of the Government to promoting economic growth. Some managers felt the Government should better clarify its economic policy, a step which would in turn improve confidence in the economy.

SECTION IV

CONCLUSION AND RECOMMENDATIONS

Because of the lack of comparative regional data on this aspect of financial sector efficiency, it is difficult to see how the transaction and teller times recorded in the study compare with those for other Caribbean territories. However, the finding that approximately 340 man-hours were lost during the course of the survey, and further that as far as the customers were concerned, the major problems were all related to time, it is reasonable to assume that the transaction times were indeed too lengthy.

This problem of lengthy transaction times will no doubt be corrected given the greater competition which the sector will now experience due to the advent of ATMs. Banks should also consider longer opening hours. This would spread servicing the volume of daily customers over a longer period, thereby reducing the average waiting time per customer. The traditional closing time of 12:30p.m. had been introduced to allow the institutions to complete their daily accounting routines, but since all institutions are gradually tending towards computerised accounting, this tradition can be relaxed.

Teller times, however, pose another problem, and though this can hardly be significantly reduced given the need to carry out basic fraud prevention measures, efforts can be made to rotate frontline staff during the course of the day in order to prevent a reduction in the levels of efficiency as the day progresses.

The monetary costs of transactions is linked to the institutions' operating costs and though these may seem reasonable, there is still scope for decreasing same if institutions reduce their operating costs. But the tendency has been that reductions in operating costs do not have a similar effect on the consumers transaction costs. Thus, in the long-run, it can be expected that if some of these benefits are not passed on to the consumer in the form of higher deposit rates, lower rates on loans or a reduction in transaction time, the institutions will lose deposits. If the sector as a whole behaves the same way, it will lose ground to real

estate and other forms of profitable investment.

The interest rate spreads are also affected by the institutions' operating cost and their levels of efficiency, but there are still a few specific areas which can be addressed. The first is the high opening balance required for term accounts by some institutions - as much as one hundred thousand dollars in some instances - which effectively rules out a significant proportion of the population.

Moreover, given the fact that high rates of interest are paid on larger accounts, banks should re-examine the notion that it is cheaper to service one large account, rather than several small accounts of the same value.

There is also the tendency not to pay interests on dormant accounts, which enables a bank to use depositors' funds at zero cost. This discriminates against persons residing overseas who are potential sources of foreign exchange but whose accounts may be dormant for some reason or the other. This tendency does not therefore encourage a flow of funds from external sources.

The issues highlighted above as well as the other related to the consumer's eligibility to receive interest on an account show that the financial institutions studied are trying to reduce operating costs, but are going about it in the wrong manner. They are actually trying to reducing operating costs by imposing conditions which will deprive consumers of what is due to them rather than finding ways to correct their own inefficiencies.

These patterns of behaviour have been in existence for years and will continue as long as the sector maintains its present structure. What is also needed, therefore, is a deliberate effort on the part of the Government to broaden the sector and thereby increase the levels of competition. To this end, the following recommendations may be effective:

(1) the implementation of measures which will widen the range of permissible activities of financial institutions - for example, allowing non-banks to accept demand deposits and allowing building societies to become full-scale retail

banking institutions;

(2) promoting the entry of new comers, particularly those from foreign countries with wide enough experience to impact positively on the innovation process and thereby improve efficiency;

(3) the tailoring of Government debt instruments in such a manner that will allow the Government to more effectively compete with the financial institutions for household savings in order to meet its borrowing requirements; and,

(4) given that the lack of information has a negative impact on competition, financial institutions should be forced to publish, at regular intervals, the costs of the various services offered, interest rates on all types of accounts and the rules and regulations of the institution.

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APPENDICES

Appendix A

Institution	% of Total Deposits
Guyana National Cooperative Bank (GNCB)	37.0
Guyana Bank for Trade & Industry (GBTI)	18.0
Scotia Bank (SB)	
Bank of Boroda (BOB)	6.0
National Bank for Industry & Commerce (NBIC)	34.0
GNCB Trust Corporation (GNCB)	7.5
Globe Trust & Investments Ltd(GLOBE)	0.5
New Building Society (NBS)	3.2

Table I: Frequency of Transactions Completed

Inst.	Savings	Dep.Cheq	Cash Cheque	F-Ex	Credit	Multi	Other
GBTI	34.2	30.0	13.7	2.6	.5	12.6	6.3
NBIC	47.9	12.1	17.2	7.0	.9	8.5	6.5
GNCB	48.9	1.1	32.6	2.8	2.2	2.8	9.5
Baroda	48.4	7.7	19.8	1.1	4.4	4.4	14.3
Scotia	50.0	5.1	16.9	5.9	2.5	5.1	13.9
GNCB Trust	47.4	--	--	--	26.3	5.3	21.1
Globe Trust	41.2	5.9	5.9	11.8	11.8	17.6	5.9
NBS	61.0	2.4	1.2	1.2	4.9	9.5	19.5

Table II: Types of Accounts offered by Institution

GNCB	GBTI	NBIC	BARODA
Ordinary Savings	Ordinary Savings	Ordinary Savings	Ordinary Savings
Term Deposits	Term Deposits	Term Deposits	Term Deposits
Family Savings and Protection Plan	Weekly Business Accounts	Business Cash Management Account	Savings with Chequing Account
Weekly Business Accounts	Seven (7) day call Accounts		Fixed Deposit Savings Account
SCOTIA	**NBS**	**G/Trust**	**GNCB Trust**
Ordinary Savings	Ordinary Savings	Regular Passbook Accounts	Savings and Investment Accounts
Term Deposits	Share Accounts	Certificates of Deposit	Term Deposits
Daily Investment Accounts		Youth Account	Trust Co Accounts
Youth Accounts			

Table III: Minimum Balance on Accounts Offered				
ACCTS.	GNCB	GBTI	NBIC	GNCB/T
O/Sav Accts.	$300	$1,000	$300	$3,000
Term Accts.	None	$100,000	$100,000	$100,000
Bus. Accts.	$500,000	$250,000	$100,000	*
7-Day Accts.	*	$100,000	*	*
ACCTS.	SCOTIA	GLOBE/T	BARODA	NBS
O/Sav Accts.	$5,000	$300	None	$300
Term Accts.	$100,000	$10,000 $50,000	$100,000	*
Bus. Accts.	$500.000	*	*	*
Youth. Acct	$10,000	*	*	*

1 * Not offered

Appendix B:

Table IV: Overall Transaction Time Percent/ Average							
Institution	Percent by Minutes						
	5-10	10-20	20-30	30-40	40-1hr	1-2 hrs	Over 2hrs
GBTI	40.5	35.3	7.9	10.5	5.8	--	--
NBIC	23.3	31.6	21.9	10.2	5.6	6.1	1.4
GNCB	21.3	28.1	18.0	11.8	8.4	7.8	4.5
Baroda	51.6	31.2	8.6	5.4	1.1	1.1	1.1
Scotia	33.3	31.9	16.7	7.2	10.1	.7	--
GNCB Trust	40.0	38.8	20.0	--	1.2	--	--
Globe Trust	70.6	17.6	--	5.9	--	5.9	--
NBS	55.3	36.8	5.3	--	2.6	--	--

Table V: Time Processing Savings Deposits				
Institution	Actual Total	Wednesday	Friday	Teller Time
GBTI	17.2	15.0	19.6	6.4
NBIC	23.0	19.6	25.2	6.8
GNCB	28.8	23.9	30.8	7.6
Baroda	12.2	13.1	11.2	5.3
Scotia	17.8	21.3	15.3	6.0
GNCB Trust	11.6	11.7	11.5	5.3
Globe Trust	9.8	9.5	10.1	5.7
NBS	14.5	12.4	17.6	5.6

Table VI: Processing Time Foreign Exchange Transactions (Minutes)				
Institution	Overall	Wednesday	Friday	Teller
GBTI	15.9	18.8	11.5	5.0
NBIC	27.7	13.5	32.9	7.5
GNCB	63.2	97.5	40.0	12.5
Baroda	7.5	--	7.5	5
Nova Scotia	36.4	28.7	38.7	11.3
Globe Trust	7.5	--	7.5	5.0

Table VII: Variation of Transaction Time According to Day								
	GBTI	NBIC	GNCB	Baroda	Scotia	GNCB Trust	Globe Trust	NBS
Overall	17.2	25.7	31.9	15.4	19.9	12.5	14.5	14.7
Wed	13.9	19.6	33.1	15.7	20.5	10.9	12.6	13.2
Fri	19.4	28.0	31.4	15.2	19.4	15.3	15.9	16.4
Differ	5.5F	8.4F	1.7W	.5W	1.1W	4.4F	3.3F	3.2F

Table VIII
Percent of Respondents by Time Spent at Teller

INSTITUTION	MINUTES			
	Less than 5	5-10	10-15	15-20
GBTI	72.9	13.3	10.6	3.2
NBIC	59.0	20.5	14.8	5.7
GNCB	56.3	17.0	8.0	18.8
BARODA	83.5	13.2	2.2	1.1
SCOTIA	71.4	12.6	7.6	8.4
GNCB TRUST	89.5	10.5	-	-
GLOBE TRUST	76.5	17.6	-	-
NBS	74.7	12.9	3.6	4.8

Appendix D:

Table XII: Customer Perceptions of Problem Areas (Percentages)

Institution	More Tellers	Slow	Modern Equipment	Inefficient	Poor Service	Location	Interest rate
All	38.4	30.1	10.0	8.9	8.3	1.4	2.0
GBTI	54.1	21.6	5.4	10.8	2.7	--	5.4
NBIC	43.4	24.6	20.8	3.8	5.7	.9	.9
GNCB	24.2	40.6	2.3	14.8	14.1	1.6	1.6
Baroda	4.5	20.1	22.7	13.6	--	4.5	4.5
Scotia	66.7	16.6	2.8	2.8	8.3	--	2.8
GNCB Trust	25.0	25.0	--	--	12.5	12.5	--
Globe Trust	--	--	--	--	--	--	--
NBS	30.0	50.0	20.0	--	--		--

Table XIII: Problem Areas by Institution		
Institution	**Customers**	**Management**
GBTI	More Tellers Slow, Inefficient, Interest rate	None
NBIC	More Tellers, Slow, Equipment, Poor Service	Space, Phone Lines
GNCB	Slow, More Tellers, Ineffiecient, Poor Service	Political Uncertainties; Expertise; Less respect; Salaries; Space;
Baroda	Slow, Equipment, Inefficient	Secure Lending Opportunities
Scotia	More Tellers, Slow, Poor Service,	None
GNCB Trust	More Tellers, Slow	None
Globe Trust	None	None
NBS	Slow, More Tellers, Equipment	Relations larger banks

Appendix C:

Table X: Cost Wire Transfer		
Institution	Incoming	Outgoing
GBTI	1% of amount with minimum of $199, maximum $1000	$100 outgoing plus charges for cable/fax charges
NBIC	No charge	$100 plus charges for cable/fax charge, $300-310
GNCB	$275	$275 plus cable fax cable $250-$470
Baroda	$500	$500 plus cable/fax charges
Scotia	.5%	.5% plus charges cable/fax
GNCB Trust	*	Not available
Globe Trust	No charge	*

* Service Not Available

Table XI: Charges for Problems with Cheques				
	Stop Payment	**Insufficient Funds**	**Type of**	
GBTI	$100	$100	None	None
NBIC	$50*	$50**	$50	None
GNCB	$50	$500	$100	$100
Baroda	$100	$100***	None	None
Scotia	$150	$100	$100	None
GNCB Trust	Not applicable	$100	$50	$50
Globe Trust	Not applicable	$100	$100	$100****
NBS	Not applicable	$40	$40	None

Problems A refers to not having all the documentation in order with your account, such as cashing before your agreement. Problem B refers to cheques with alterations to words/figures, changes without initials, problems with dates, and irregular signatures.

* Waived in certain circumstances.
*** Depends on the frequency this occurs.