2014 High Level Caribbean Forum
Unlocking Economic Growth

“Strong Banks: A Canadian Perspective”

October 2014
Consolidated Position of Canadian Banks in the Caribbean

- Countries Represented: 23
- Total Loans: US$ 30 Bn
- Branches: 450
- Capital (inferred): US$ 4 Bn +

Note: source for first 3 statistics is Oct/13 Annual Reports
What We All Want From Banks

- Safe Store of Value: Protecting Customer Deposits
- Reliable and Trusted Payment Systems
- Financing for Personal & Business Growth
- Source of Tax Revenue for Government
- Good Quality Jobs
- Good Corporate Citizens
Current State of Caribbean Banking

- Relatively low Asset Growth
- Excess Liquidity in most markets
- Weak Credit Quality
- Cash Intensive Societies / Low Adoption of Electronic Channels
- Large, expensive Branch networks
- Different / Complex Regulatory Environment
- Increasing Effective Tax Rates
- Weak Profit Growth
- Declining Return on Equity (ROE)
Recommendations for Financial Sector Resilience

- Sound Fiscal Management by Governments
- Strong, Consistent Regional Regulation
  - Banks
  - Insurance
  - Securities
  - Credit unions
- Fair Tax Treatment
Recommendations for Financial Sector Resilience

- Consistent Legal Framework and Efficient Infrastructure
  - Real property registration
  - Secured transaction framework and effective registration systems
  - Bankruptcy laws
  - Legal Framework to enforce security
  - Efficient Court System
  - Credit Bureaus
  - Efficient, consistent payment systems
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