Relationships in Banking – Making it Work for Everyone
By Christine Lagarde, IMF Managing Director
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Main Messages

- Countries most affected by disruptions in cross-border banking are often the most vulnerable: small island economies, countries in conflict, and those where remittances play an important role. These disruptions put financial inclusion at risk.
- Even if the global implications of disruptions in cross-border banking are not visible so far, they can become systemic if left unaddressed.
- All stakeholders have a role to play in mitigating these disruptions: affected countries, regulators in key financial centers, and global banks.

Quotes

"*Not all is well in the world of small countries with small financial systems. There is a risk that they become more marginalized with the decline in correspondent banking relationships*."

"*Mitigating breakdowns in cross-border relations requires action on the part of the countries affected, the regulators, and the global banks. All three have a stake in addressing this issue*."

"*Enhancing financial inclusion in many parts of the world can pay big dividends for countries themselves but also for global banks. It is critical that financial stability does not come at the expense of access*."