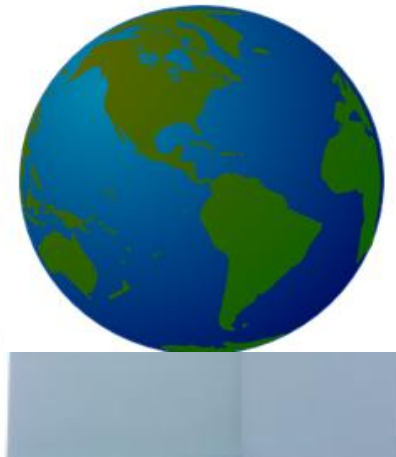


2014 High Level Caribbean Forum Unlocking Economic Growth



“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)

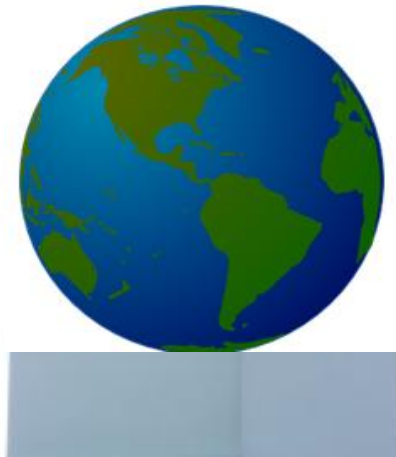
Recommendations for Financial Sector Resilience

- ❖ 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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