



Jamaica's Financial Sector COVID 19 Pandemic

Jamaica's Financial Sector History

Started Informally
1700s

Colonial Bank of
London 1837

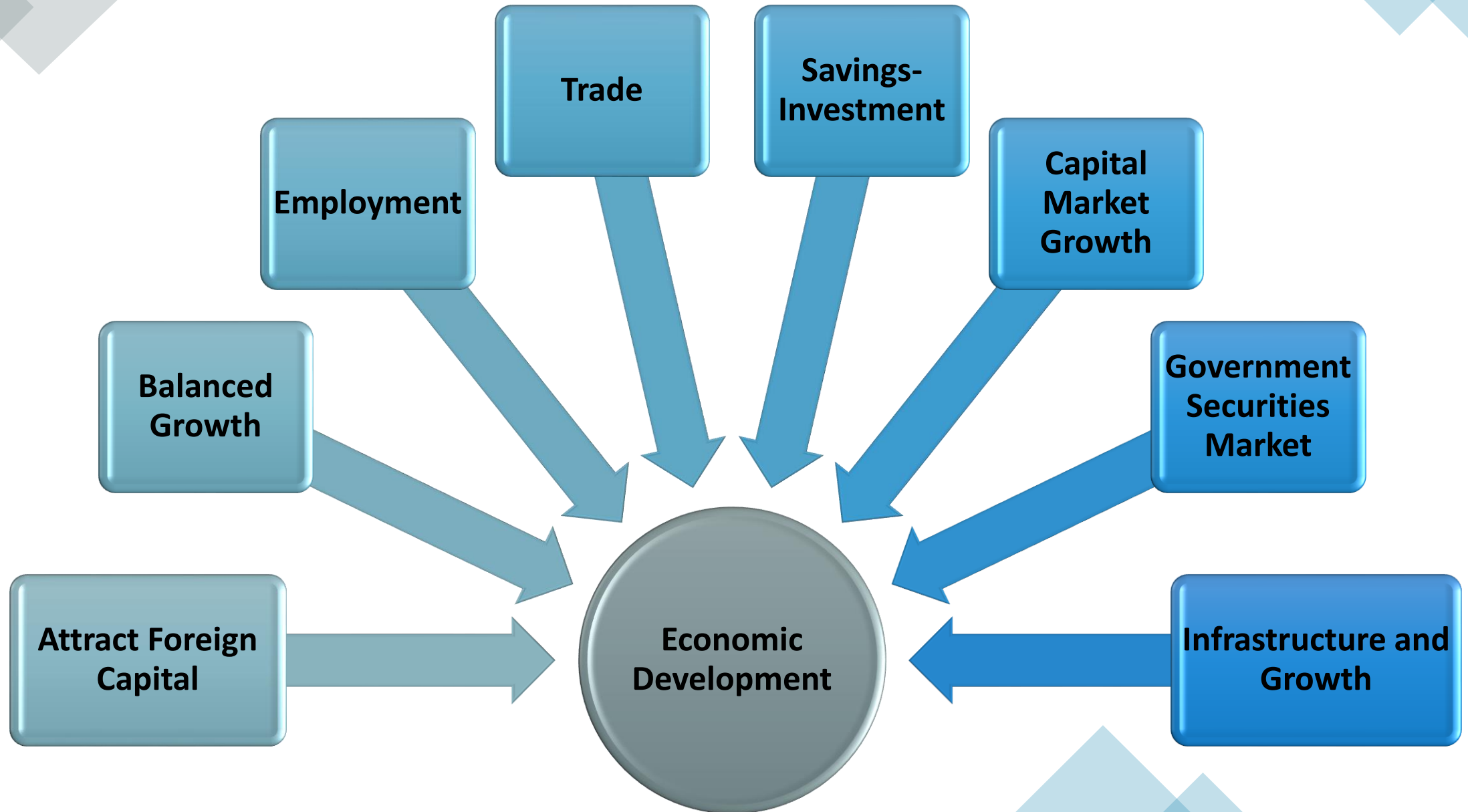
Victoria
Mutual **Building
Society** (VMBS)
1878

Scotiabank 1889

1925 Merger with
Barclays, Name
Changed to NCB
1977

Credit Union 1938

Financial Sector & Growth Agenda



Challenges

1914 World War

The Great
Depression of the
late 1920s

Labour Unrest of
the 1930s

World War 1939-
1944

Major Hurricanes
of 1944 & 1951

Dollar Introduced
1969

Capital Flight 1970s

Financial Fall-Out,
High Interest Rates
& FINSAC mid –
late 1990s

Rapid Devaluation
early 2000s

Alternate
Investment
Schemes mid
2000s

Financial Crisis
2008

De-Risking 2013

COVID 2019

Financial Sector Reform



Credit Reporting
Act 2013



SIPPA 2013



The Banking
Services Act 2014



Proceeds of Crime
(Amendment) Act 2019



BOJ Act 2020

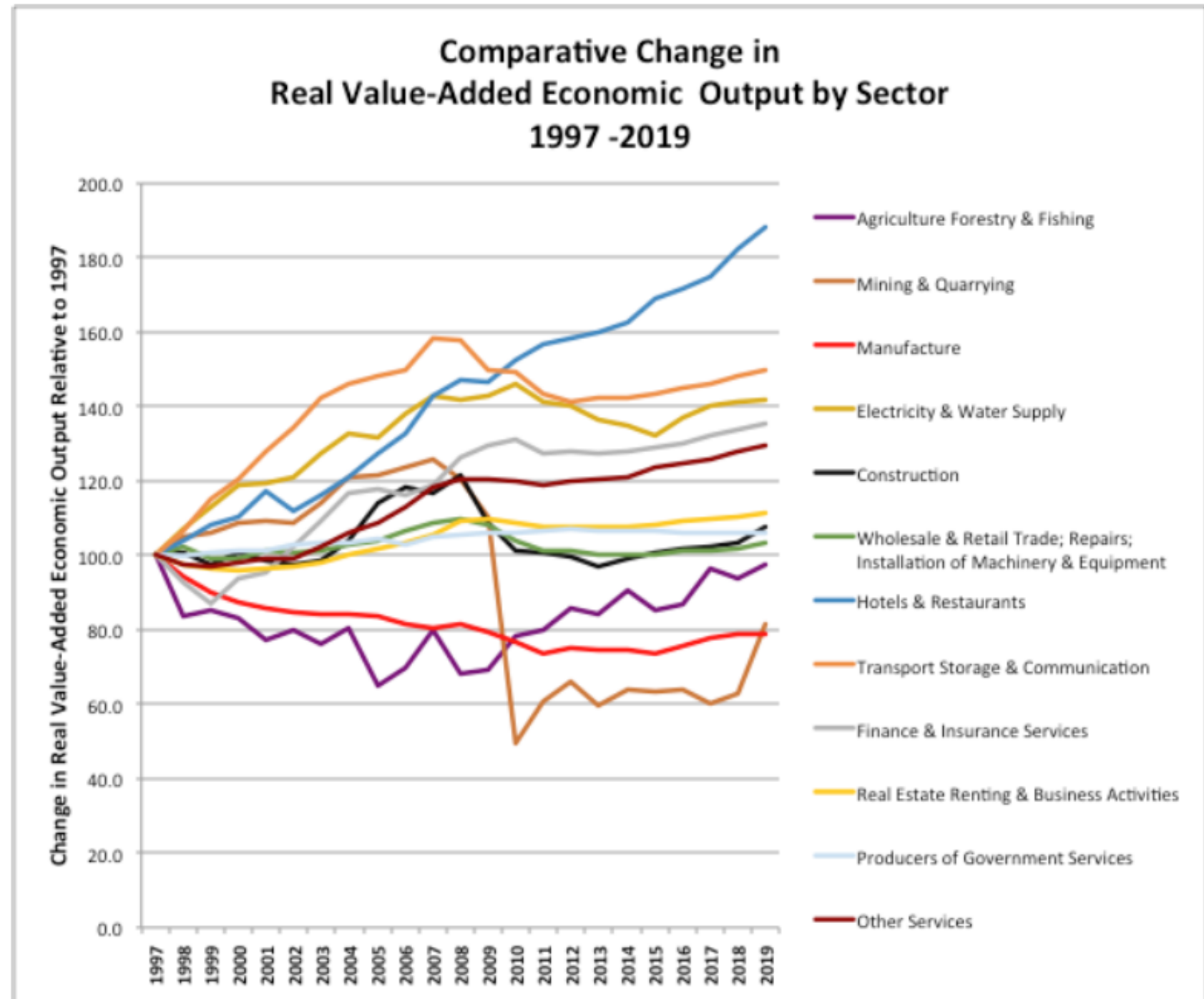


State Of Play March 31, 2020

ANALYSIS OF COMMERCIAL BANKS LOANS AND ADVANCES					
	**Mar-19	**Mar-20	Growth	%Total	% Business
1. Agriculture	15,010,601	15,505,530	3.30%	1.79%	4.03%
2. Mining	5,149,882	1,020,502	-80.18%	0.12%	0.27%
3. Manufacturing	31,720,601	34,997,912	10.33%	4.04%	9.11%
4. Construction & Land Development	36,682,717	51,027,517	39.11%	5.90%	13.28%
5. Financial Institutions	11,007,822	13,858,100	25.89%	1.60%	3.61%
6. Transport, Storage & Communication	13,205,941	19,191,065	45.32%	2.22%	4.99%
7. Electricity, Gas & Water	32,076,139	41,821,646	30.38%	4.83%	10.88%
8. Government Services	17,504,130	13,887,139	-20.66%	1.60%	3.61%
9. Distribution	68,042,615	77,154,260	13.39%	8.91%	20.08%
10. Food and Beverage Services (excluding Tourism)	476,948	476,948	0.00%	0.06%	0.12%
11. Tourism	51,827,525	55,790,937	7.65%	6.45%	14.52%
12. Entertainment	2,135,298	2,485,590	16.40%	0.29%	0.65%
13. Professional & Other Services	46,917,260	57,107,946	21.72%	6.60%	14.86%
14. Personal (Local Residents)	364,450,079	421,494,765	15.65%	48.70%	
15. Overseas Residents	47,036,197	59,667,870	26.86%	6.89%	
TOTAL	743,243,755	865,487,727	16.45%		
Total Business Loans	331,757,479	384,325,092	15.85%	44.41%	

Source BOJ

SECTOR GROWTH & FUNDING



FINANCIAL SECTOR & PANDEMIC

**ADJUSTMENT IN RESERVE
REQUIREMENTS**

DIVIDEND PAYMENT HALT

INCREASED REPORTING

MORATORIUM

**SIMPLIFIED DUE
DILIGENCE (KYC)**

DIGITISATION





Financial Sector Resilience

**PRIMARY & CAPITAL ADEQUACY RATIO ABOVE
STATUTORY MINIMA**

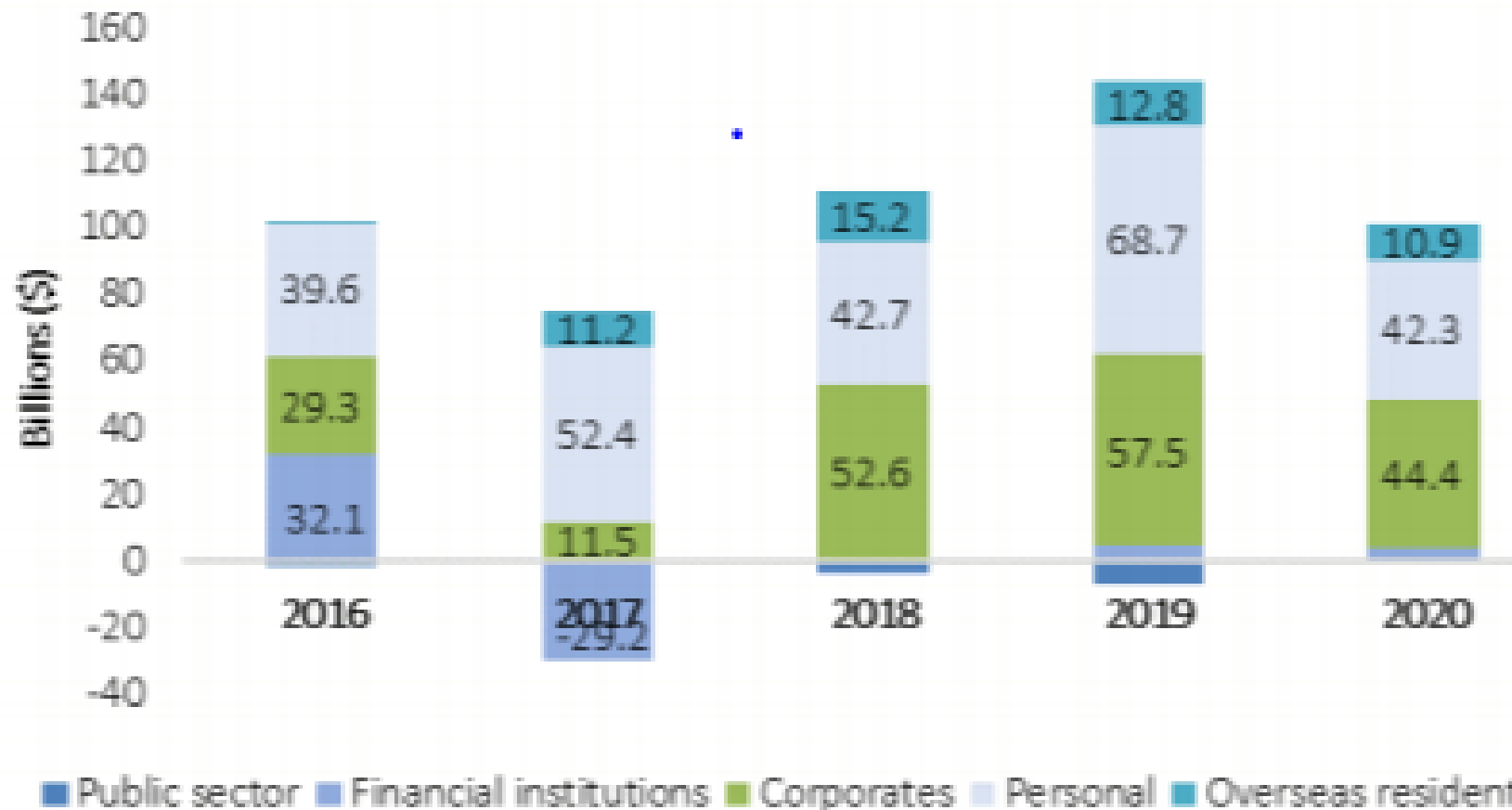
BANKS REMAINED CAPITALIZED

COMPLIANCE WITH PRUDENT LIQUIDITY STANDARDS

**DTI TOTAL ASSETS INCREASED BY 11.8% (J\$214.0 B) IN
2020 RELATIVE TO 10.6 % (\$173.0 B) EXPANSION IN 2019**

FINANCIAL SECTOR RESILIENC E

Dollar Value Change in Loans by Customer Group



Source: BOJ

FINANCIAL SECTOR MACROECONOMIC RECOVERY



Tourism Sector

Loans grew by 35.2% (2020) compared with contraction of 5.3% (2019)

Entertainment Industry

Loans grew by 17.8% (2020) relative to a decline of 10.1% (2019).



Distribution, Communication and Utilities Sectors

Slower growth and contractions

Source BOJ





FINANCIAL SECTOR MACROECONOMIC RECOVERY

MSME FUNDING

- Programmes to drive financial literacy and accessing funds

PPP

- DBJ Programmes

FINANCIAL INNOVATION

- Creative financing to private sector

OUTLOOK: Financial Deepening and Innovation

**Efficient electronic payments
to support MSMEs**

**Reverse factoring electronic
platform**

**Standardizing asset quality by
incentivizing the use of
independent credit ratings**

**Trading platform for fixed
income securities**

Central Bank Digital Currency

Key Take Away

Financial Sector is a consistent driver and facilitator of economic growth

GOJ is addressing weaknesses through legislative amendments

Financial Sector is generally resilient throughout the pandemic

DTIs offered moratoria, fee waivers and increased digitization

Financial Sector will work to ensure macroeconomic stability and funding support

Increase PPP to improve access to financing for MSMEs

Tiered KYC is driving financial inclusion

Post COVID 19 recovery - financial deepening and innovation

QUESTIONS & ANSWERS

