

# Banking: Caribbean and the Bahamas

Ross McDonald, Head of Caribbean and the Bahamas



*Presentation to Analysts & Institutional Investors*  
*Toronto, April 22, 2005*



# Substantial Caribbean footprint

## Banking: Caribbean and the Bahamas



- 48 branches, 62 ATMs in 8 countries in English Caribbean
- Share of Caribbean NIBT
  - Bahamas 64%
  - Barbados 17%
  - Cayman Islands 11%
  - Eastern Caribbean 8%
- 1200 Employees



# Solid competitive position



**RBC has -**

- **2<sup>nd</sup> or 3<sup>rd</sup> position in most of our markets; and**
- **High returns relative to competitors;**

**Enabling us to maintain or grow our presence in the Caribbean and the Bahamas**

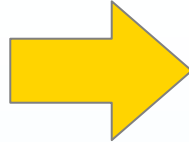
	<b>RBC Caribbean Banking Loan &amp; Deposits Market Share</b>							
	Bahamas	Barbados	Cayman	St. Kitts	Antigua	St. Lucia	Dominica	Montserrat
Loans	26%	13%	15%	9%	7%	8%	13%	6%
Deposits	29%	21%	20%	8%	6%	9%	17%	42%



## Clear focus on success

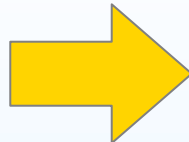
Banking:  
Caribbean and  
the Bahamas

**Right vision**



Leverage our local market knowledge to offer a superior full service banking experience

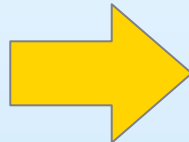
**Right strategy**



Pursue –

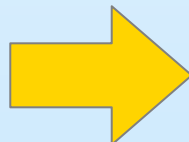
- Organic growth of client base
- Cross sell to existing clients
- Introduction of new products (i.e. Personal insurance)
- Partnerships with indigenous banks outside of existing footprint
- Acquisition of small indigenous banks

**Right market knowledge**



100 year knowledge of region with specific local (country) knowledge developed from being an integral part of the community

**Right business model**



- Longevity of business operation
- Healthy cash flows
- High ROE



# Outlook

### Market Growth

- Positive for the next two years
- 2-5% in 2005 for region
- 4-5% for Bahamas

### Competition & Consolidation

Market is relatively consolidated – top 5 banks in English Caribbean account for approximately 80% of the market. Indigenous banks expanding across the region.

### Growth Opportunities

- Organic growth
- Increase sales of creditor insurance
- Small acquisitions within our footprint
- Selected partnerships with banks outside of current footprint

### Our Approach Going Forward

- **Measured growth, while selectively exploring partnerships and acquisitions**