



## **NEWS RELEASE**

### **STATEMENT BY THE FINANCIAL POLICY COMMITTEE ON THE IMPLICATIONS OF RECENT INTERNATIONAL BANK FAILURES FOR THE DOMESTIC FINANCIAL SECTOR**

Based on its assessment of the implications of the recent international bank failures for the domestic financial sector, the Financial Policy Committee (FPC) issues the following statement:

*“There has recently been a spate of banking problems in the US and Europe. Several factors appear to have underlain these events, including concentrated exposures to specific industries and inadequate safeguards against interest rate and concentration risks.*

*No Jamaican financial institution currently has any major exposures to the failed banks. The domestic financial system, while having been subjected in 2022 to similar fair value shocks as the institutions in the US, has not reflected any unmanageable deterioration in its balance sheet position. The financial system, through several initiatives, has remained well capitalised and is able to meet liquidity needs. Furthermore, contagion risks to the Jamaican financial system from the events in the US and Europe is low.*

*The supervisors of the domestic financial system will maintain their enhanced monitoring of the system to ensure that it remains sound.”*

**Financial Policy Committee**

**30 March 2023**