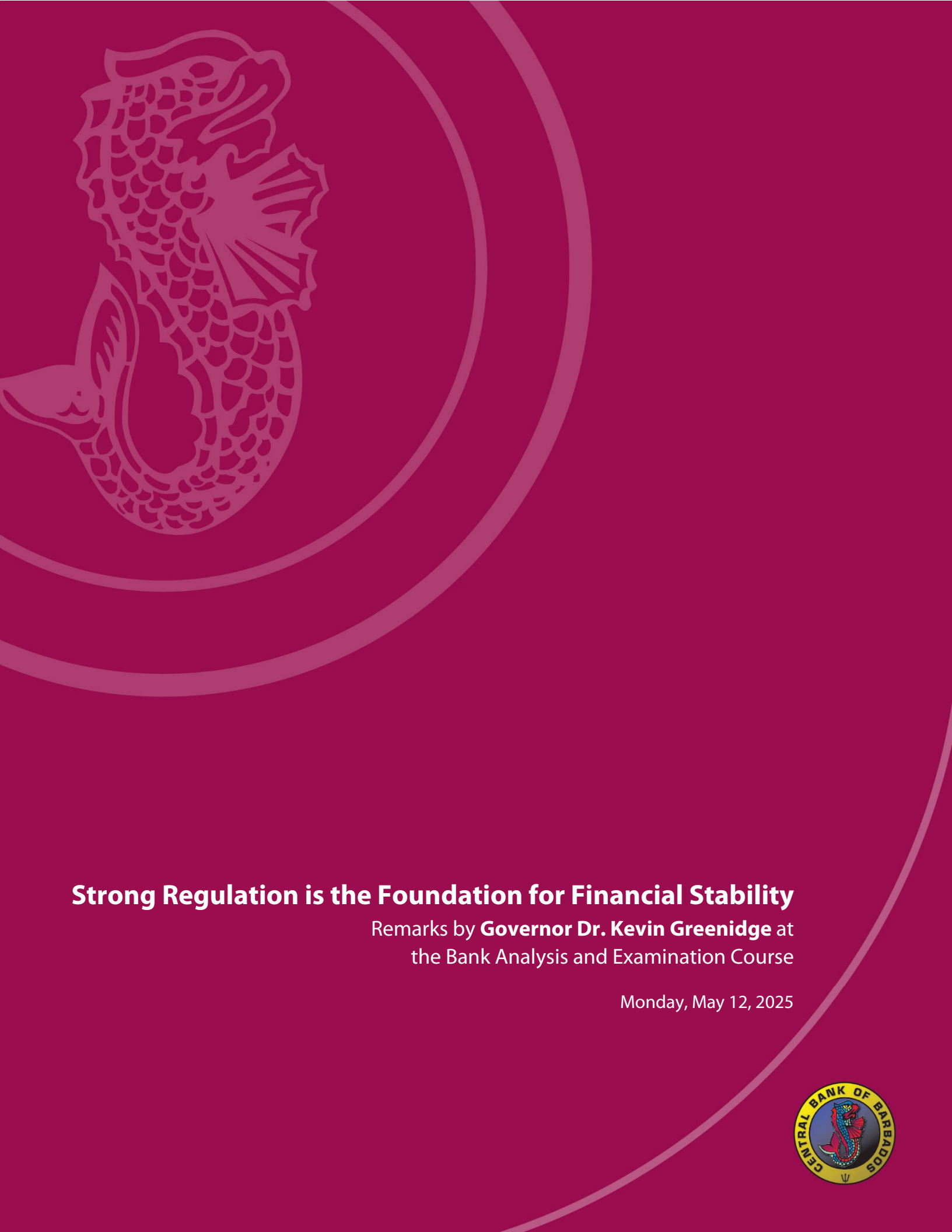




Strong Regulation is the Foundation for Financial Stability

Remarks by **Governor Dr. Kevin Greenidge** at
the Bank Analysis and Examination Course

Monday, May 12, 2025





Central Bank of Barbados

Tom Adams Financial Centre, Spry Street, Bridgetown

P.O. Box 1016

Telephone: (246) 436-6870: Fax. (246) 436-7836

E-Mail Address: info@centralbank.org.bb

Website: www.centralbank.org.bb

Strong Regulation is the Foundation for Financial Stability

Distinguished representatives from the Association of Supervisors of Banks of the Americas (ASBA), esteemed participants from regional supervisory authorities, valued colleagues from the Central Bank of Barbados, good morning.

It is a pleasure for the Central Bank of Barbados to host this Bank Analysis and Examination Course in collaboration with ASBA. And I am delighted to chat with such a highly experienced group of professionals, all committed to enhancing our collective expertise in bank supervision with a shared goal of preserving financial stability across our respective jurisdictions.

I thank ASBA for its invaluable support and dedication in organising this training. And I commend your continued commitment to strengthening financial supervision. This training ensures that the knowledge and skills of our member jurisdictions remain relevant, dynamic, and world-class. Your contributions align with our common objective as regulators to foster a stable and sustainable financial sector. I am confident that I echo the sentiments of many in expressing our deep appreciation for this enduring partnership and the opportunities it provides.

ASBA's work has helped us maintain international excellence in our regulatory standards. As an associate member for over 20 years, the Central Bank of Barbados has actively engaged in ASBA's initiatives such as training programmes, policy discussions, and knowledge sharing, all aimed at enhancing regulation and supervision across the Americas, the Caribbean, and Spain.

In 2002 and 2011, the Central Bank of Barbados proudly hosted Bank Analysis and Examination courses, as well as a course on Consolidated Supervision in 2014, amongst others. Over the years, our officers have also participated in a range of training courses. This continued engagement has enabled our supervisory teams to sharpen their skills and ensure that our risk-based supervision techniques remain aligned with the evolving financial landscape.

Regulation in Barbados

Strong regulation is the foundation for financial stability. It provides the framework through which supervisory authorities can identify, assess, and contain the risks facing the financial sector. This stability is essential to ensuring that institutions continue to provide the financial services that underpin economic activity.

As the principal financial regulator in Barbados, the Central Bank plays a central role in upholding financial stability. The Bank Supervision Department was established in 1974 in accordance with the statutory mandate given by the Central Bank Act to supervise the operations of commercial banks and other financial institutions. The department seeks to ensure that licensed institutions function in a safe

and sound manner, and in so doing to contribute to a sound economic and financial environment. We've built our regulatory approach on a solid foundation of legislation, supervisory frameworks, and guidelines, which are supported by a diverse and capable team that is further strengthened by developmental opportunities such as this course.

Risk-Based Supervision

We've grounded our supervisory practices in the principles established by the Basel Committee on Banking Supervision. These core principles inform our Risk-Based Supervision (RBS) approach – a methodology that evaluates financial institutions based on the key inherent risks within their activities, and the quality of their risk management in response to those threats. Risk-based supervision enables us to prioritise our resources effectively by focusing on the areas that matter most.

Purpose of the Course

Foundational training such as this is critical, especially since bank examination is a multifaceted and dynamic discipline that demands strong analytical grounding, sound judgement and the ability to adapt with the evolving risk landscape. This course aligns seamlessly with the core principles of bank supervision, which emphasises the need for forward-looking risk-based supervision, robust supervisory frameworks and continuous capacity building. These principles are refined from time to time to accommodate emerging risks and ultimately strengthening supervisory effectiveness.

We welcome the timely and essential integration of key financial assessment characteristics into this training, specifically through ASBA's CAMELS rating system – a proven benchmark for evaluating the health and stability of financial institutions.

It will equip participants with tools and techniques to conduct in-depth analyses of financial institutions, identify vulnerabilities, and assess their resilience leading to stronger and more informed supervisory decisions.

I note that the administration of the course will be two-fold consisting of a theoretical foundation followed by a practical simulation of a bank inspection to reinforce the concepts through real-world application.

Concluding Remarks

Over the coming days, you will explore the methodology behind the CAMELS framework as applied by the U.S. Federal Reserve. The insights gained will serve to enhance your ability to conduct risk-based assessments, contributing to more prudent and forward-looking supervisory practices.

I encourage all participants to actively engage in the discussions, share experiences, and make full use of the expertise in the room. Your dedication to strengthening financial oversight is critical to the continued resilience of our financial systems.

Thank you once again to ASBA, our organisers, and to each of you for your commitment and participation. I wish you all a productive and rewarding training experience.