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### ABSTRACT

#### **Resource Mobilisation, Resource Allocation And Excess Liquidity Within The Commercial Banking System of the O.E.C.S.**

Abstract

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**Rawle L. Mitchell**

CHAPTER I The primary aim of this study is to determine the extent to which commercial banks in the OECS through their mobilizing and allocating activities are contributing to the economic development of the region. The analysis also attempts to assess the influence of the Eastern Caribbean Central Bank's monetary policies on commercial banks operations. In addition to analyzing the asset and liability portfolios of the commercial banks, two variants of the Tobin-Markowitz mean-variance model are tested by means of ordinary-least-squares technique.

The findings suggest that commercial banks pattern of lending has served to increase the foreign dependency of the region. The regression results were found to be consistent with the general conclusion in Less Developed Countries, in that, interest rates were less important than other variables in the portfolio behaviour of the banks. The study also concludes that foreign owned commercial banks are more profit motivated than indigenous owned commercial banks.

2.4 Conclusion

In this thesis, the findings suggest that the Eastern Caribbean Central Bank, in association with the various island governments, need to implement policy measures aimed at getting commercial banks, particularly foreign owned, to increasingly channel funds from savings to production and services.

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3.2.1 Growth of Deposits

3.2.2 Structure of Deposits

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