

Case Study: Royal Bank of Canada in Thailand

This case analyzes the problems facing a bank in a foreign country and the reasons for deciding to stay or to close its operation. Royal Bank of Canada is the bank involved in this real life situation.

After closing its representative office in Thailand in the 1980's Royal Bank of Canada reentered the country in 1997. "Now" Royal Bank of Canada needs to decide if it feels comfortable enough with the decisions made by the government of Thailand and the IMF, and the future outlook to stay in the country or if on the other hand, it should cut its losses and focus its efforts elsewhere.

Your assignment is to:

1. Demonstrate a through understanding of the case by **describing in great detail** all aspects of the case
2. Prepare a detail recommendation for senior management recommending to stay in the country or to leave the country
3. Write a brief summary of major insights that you have gained and lessons learned from the case

In your presentation you must be sure to provide answers for all these questions or issues:

1. What were RBC's ultimate goals in opening a representative office in Thailand?
2. How large is the initial staff for the office and what is the estimated pretax profit?
3. What are RBC's four major business lines in its Asia Pacific network?
4. What are the limitations of BIBF licenses?
5. What are the advantages of the possible upgrading of RBC's operations in Thailand to a branch status?
6. What are Thailand's most important exports?
7. What is the "current" (1997) situation in Thailand?
8. What are the highlights of the IMF's bailout of Thailand?
9. As RBC's representative in Thailand you need to prepare a detailed recommendation for senior management to either:
 - a. Stay in the country and "weather the storm", which perhaps means to take losses for an extended period of time
 - b. Cut your losses now and have the bank focus on its efforts elsewhere, which means forgetting about getting back in the country in the foreseeable future

10. What Have I Learned From this Case?

In order to share in the Group's grade a student must contribute to the Group's presentation and participate in the group's discussion of the case, otherwise his or her grade will be 0.

Each group must designate a Group Captain who will coordinate the discussion of the case within the group and will be responsible for posting the Group's presentation on the Canvas' Assignment Tool. For additional details please, see your Syllabus-Assignments