

# Barbados Financial Services Commission

*Statistical Bulletin 2016*



Volume 3 No. 1

Data to December 2015

Credit Unions, Insurance Companies and Securities

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# Introduction

The Barbados Financial Services Commission is tasked with the responsibility of regulating the credit unions, insurance, securities and occupational pension sectors of the Barbadian economy. The Financial Services Commission's Statistical Bulletin provides important statistical information related to these sectors. The statistical bulletin is utilised by the FSC to provide aggregated financial information relevant to each regulated sector. This edition of the bulletin will focus on data for the credit unions, insurance and securities sectors.

# Credit Unions

## Credit Unions Highlights

- ❖ At the end of December 2015 there were thirty-four (34) credit unions registered in Barbados with membership of approximately 176,000 and total assets of an estimated \$1.9 billion.
- ❖ Total assets in the sector have been increasing steadily over the past six years. At the end of December 2015, total assets were \$1,879.1 million; this represented an increase of 7.3% when compared to the same period in 2014.
- ❖ Net loans and investments are currently the two largest asset categories on the consolidated balance sheet accounting for 75% and 14% of total assets, respectively.
- ❖ Consumer loans accounted for the majority of new loans extended to members (54%) followed by real estate loans (33%) and transport (13%). During 2015, new consumer credit increased by 13%, while new real estate loans rose by less than 1% when compared to the same period of the prior year.
- ❖ With regards to asset quality, total non-performing loans (NPLs) increased from \$127.0 million at the end of December 2014 to \$130.7 million at the end of the same period one year later. The NPL ratio decreased by 0.3 percentage points to reach 9.1% at the end of December 2015.
- ❖ Members' savings increased by 8.8% rising from \$1,460.2 million as at December 2014 to \$1,589.4 million at the end of December 2015.
- ❖ As at December 2015, the capital<sup>1</sup> to asset ratio for the credit union movement was 11.6%, marginally lower than the 11.9% reported at the end of the same period one year earlier.

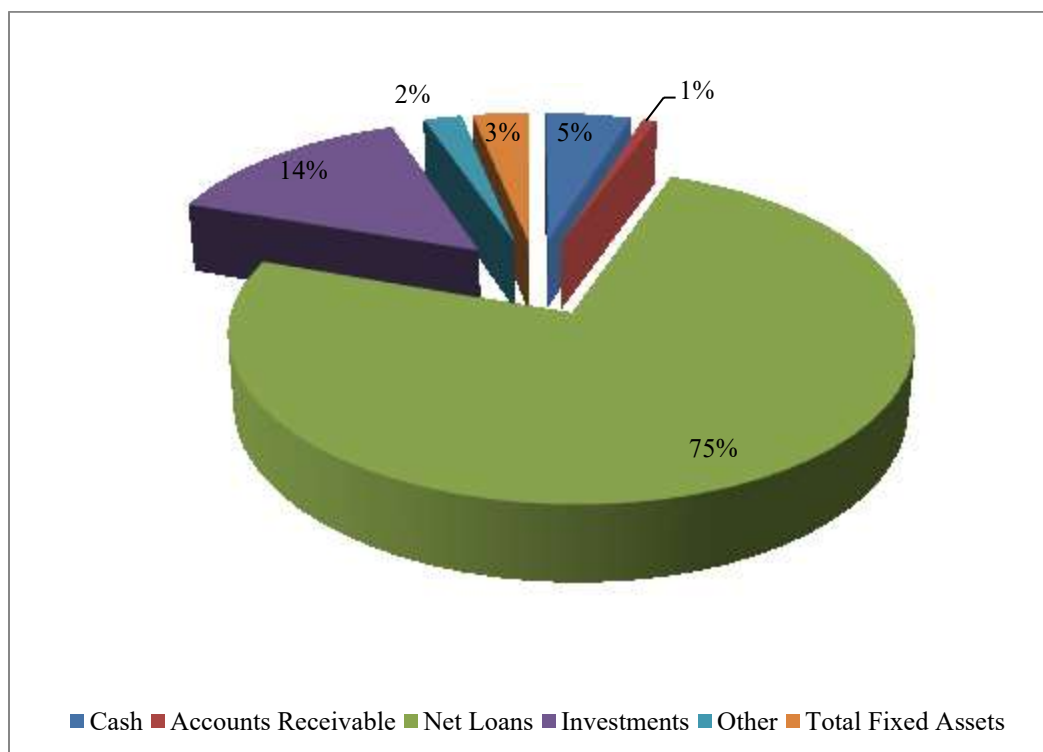
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<sup>1</sup> Capital includes share capital, statutory reserves, liquidity reserves and undivided surplus.

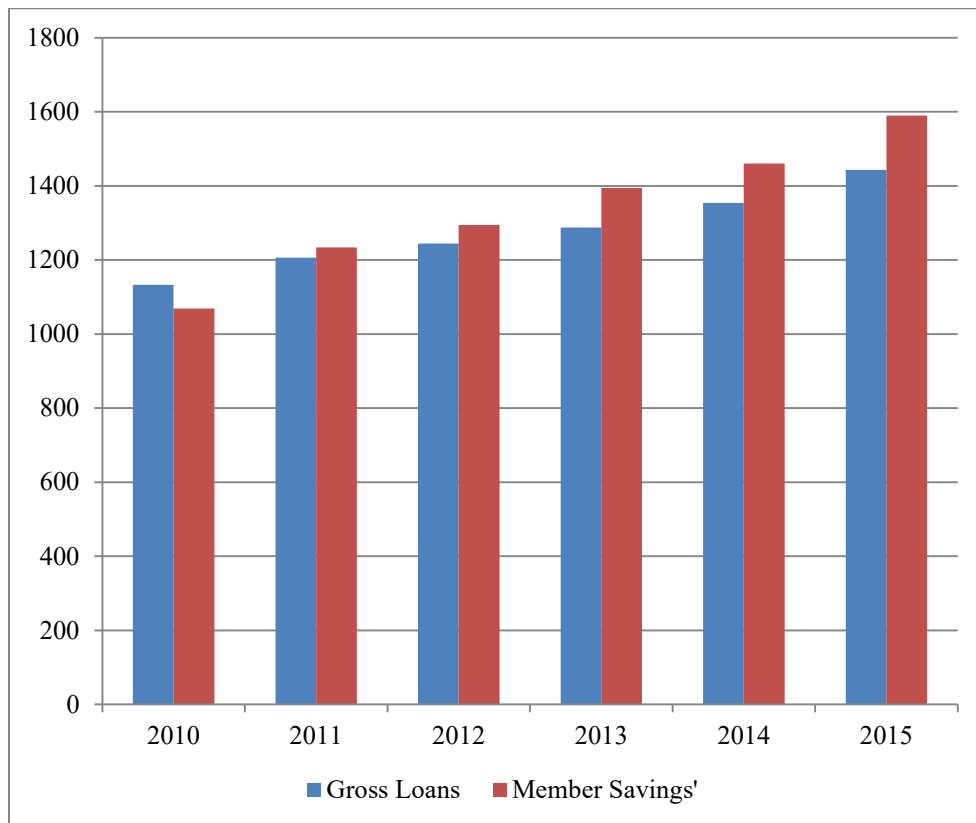
**Table 1: Number of Credit Unions and Total Assets as at December 31**

Year	Number of Credit Unions	Members (thousands)	Total Assets (BDS \$ millions)
2015	34	176	1,879.1
2014	35	168	1,752.0
2013	35	161	1,683.1
2012	35	149	1,578.9
2011	35	157	1,513.3
2010	35	146	1,439.2

**Figure 1: Asset Distribution as at December 31 2015**



**Figure 2: Gross Loans vs Members' Savings<sup>2</sup> (In BDS \$ millions)**



<sup>2</sup> Members' savings comprise of members' regular deposits, members' term deposits, other deposits and members' shares (liabilities).

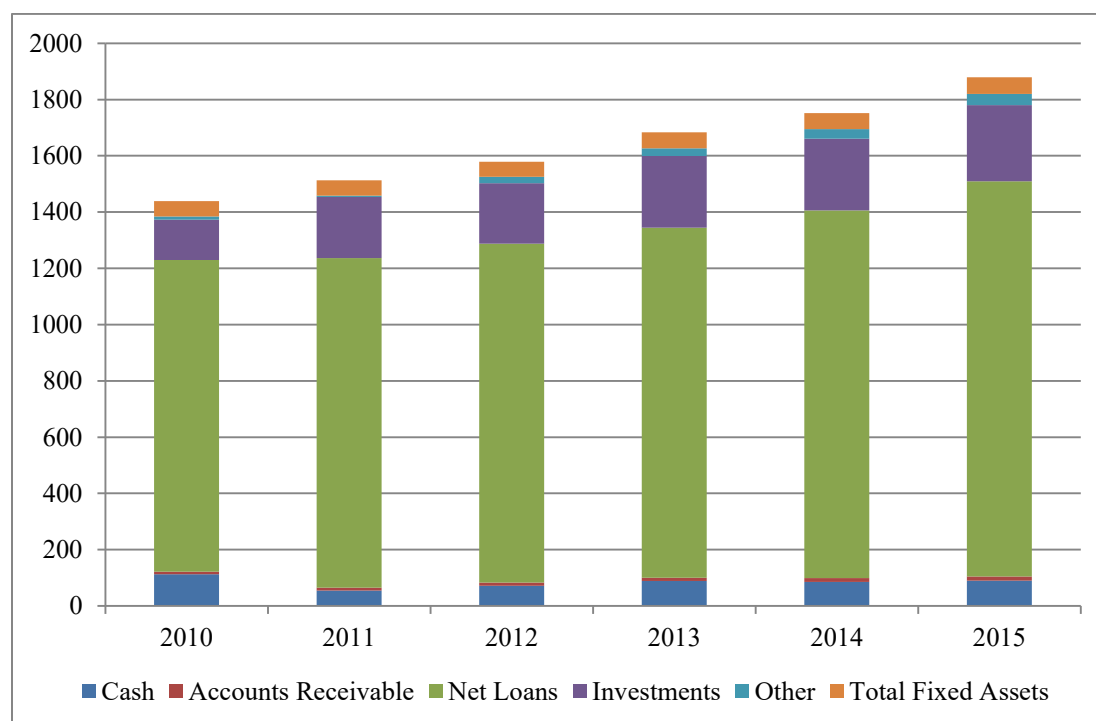


## Assets

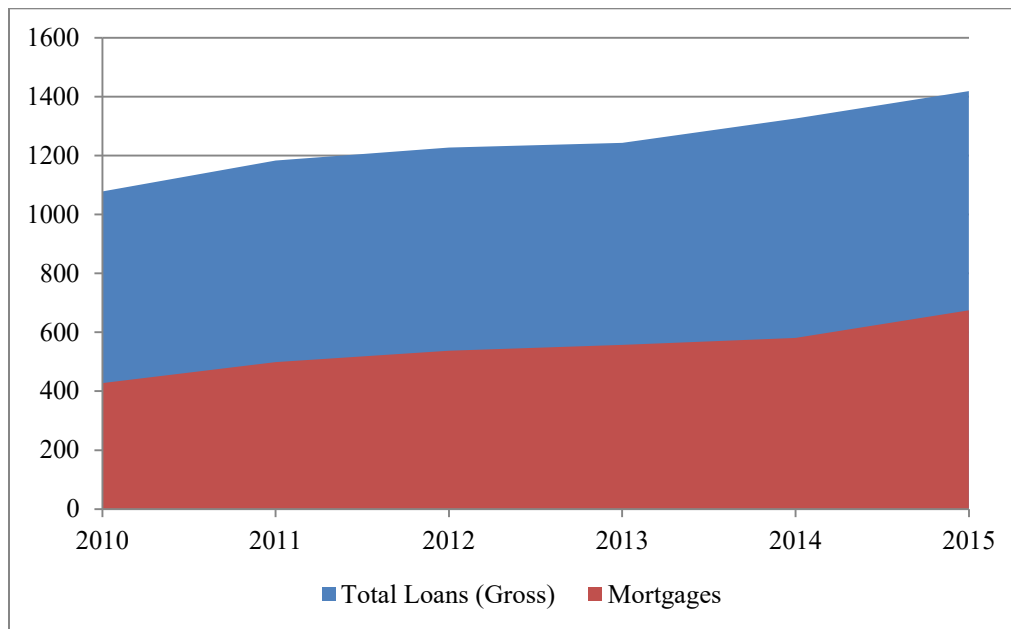
**Table 2: Asset Distribution (In BDS \$ millions)**

Year	Cash	Accounts Receivable	Net Loans	Investments	Other	Total Fixed Assets	Total Assets
2015	90.5	14.3	1,404.5	270.4	39.8	59.5	1,879.1
2014	85.3	13.3	1,307.1	254.9	34.3	57.2	1,752.0
2013	88.9	11.7	1,243.8	254.3	27.3	57.0	1,683.1
2012	71.4	11.5	1,205.0	214.3	23.2	53.4	1,578.9
2011	54.9	9.7	1,172.2	216.7	4.3	55.4	1,513.3
2010	112.9	9.3	1,107.1	143.9	11.6	54.4	1,439.2

**Figure 3: Asset Distribution (In BDS \$ millions)**



**Figure 4: Mortgages vs Total Gross Loans (In BDS \$ millions)**



**Table 3: New Credit Issued – January to December (In BDS \$ millions)**

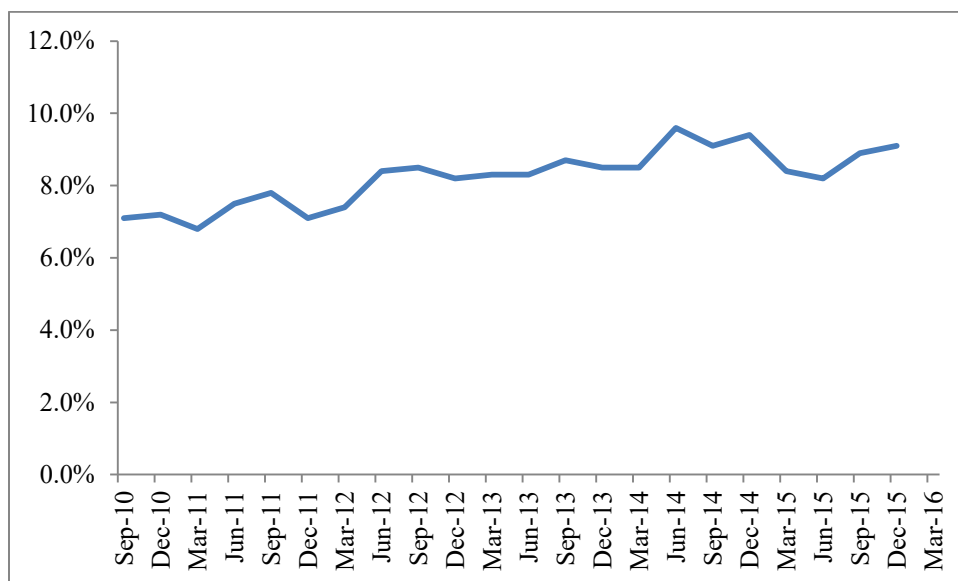
Year	Consumer	Real Estate	Private Transport	Commercial Transport	Agriculture	Other Business
2015	147.0	89.1	34.2	0.47	0.17	3.0
2014	130.4	89.6	34.2	0.47	0.17	3.2
2013	118.6	80.5	32.8	0.13	0.15	2.6
2012	101.1	84.9	26.2	0.52	0.07	3.4
2011	138.9	93.3	35.9	0.26	0.81	3.8
2010	101.3	94.2	37.5	0.21	0.01	4.3

**Table 4 New Credit Issued – January to December (In BDS \$ millions)**

Loan Category	2014	% Total 2013	2015	% Total 2014	Growth (levels)	Growth Rate
Consumer	130.4	50.5%	147.0	53.7%	16.6	12.7%
Real Estate	89.6	34.7%	89.1	32.5%	-0.5	-0.5%
Private Transport	34.2	13.2%	34.2	12.5%	0.0	0.0%
Commercial Transport	0.5	0.2%	0.5	0.2%	0.0	0.0%
Agriculture	0.2	0.1%	0.2	0.1%	0.0	0.0%
Other Business	3.2	1.2%	3.0	1.1%	-0.2	-5.2%
Total	258.0	100.0%	273.9	100.0%	15.9	6.2%

## Asset Quality

**Figure 5: NPL Ratio**



**Table 5: NPLs by Category (In BDS \$ millions)**

Year	3 to 6 months	6 to 12 months	Over 12 months	Total
2015	29.1	26.2	75.5	130.7
2014	29.1	20.6	77.3	127.0
2013	22.3	22.3	64.7	109.3
2012	24.2	23.7	54.7	102.5
2011	23.8	19.0	42.7	85.4
2010	23.5	21.7	36.2	81.4

**Table 6: NPLs by Category (In BDS \$ millions)**

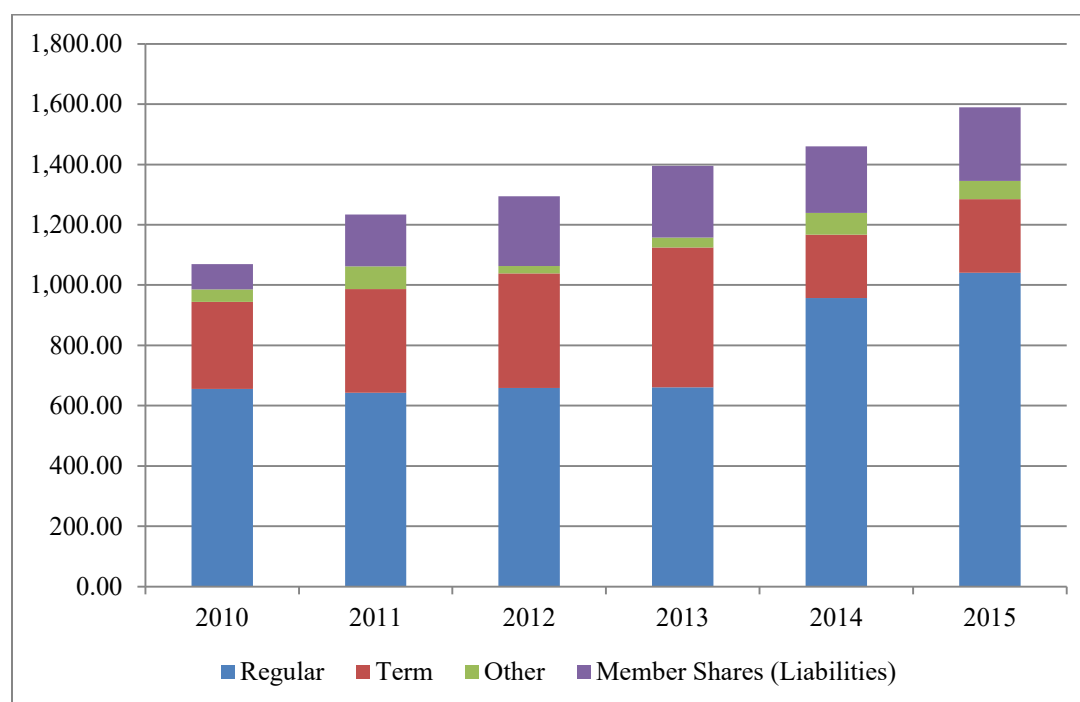
<b>NPL Category</b>	<b>December 2013</b>	<b>% Total December 2013</b>	<b>December 2014</b>	<b>% Total December 2014</b>	<b>Change</b>	<b>Growth Rate</b>
<b>3 to 6 months</b>	29.2	19.7%	29.1	24.6%	-0.1	-0.3%
<b>6 to 12 months</b>	20.6	21.0%	26.2	17.8%	5.5	26.8%
<b>Over 12 months</b>	77.4	59.3%	75.5	57.6%	-1.9	-2.5%
<b>Total</b>	127.2	100.0%	130.8	100.0%	3.5	24.1%

## Members' Savings

**Table 7: Members' Savings (In BDS \$ millions)**

Year	Member Deposits			Member Shares (Liabilities)	Total
	Regular	Term	Other		
<b>2015</b>	1,040.9	243.6	61.4	243.5	1,589.4
<b>2014<sup>R3</sup></b>	956.9	210.5	72.3	220.5	1,460.2
<b>2013</b>	661.3	463.1	32.7	237.7	1,394.8
<b>2012</b>	658.7	379.6	24.2	231.9	1,294.4
<b>2011</b>	643.2	343.3	75.3	172.4	1,234.2
<b>2010</b>	655.8	288.8	41.4	83.2	1,069.3
<b>2009</b>	626.1	243.8	42.4	78.3	990.7

**Figure 6: Members' Savings (In BDS \$ millions)**



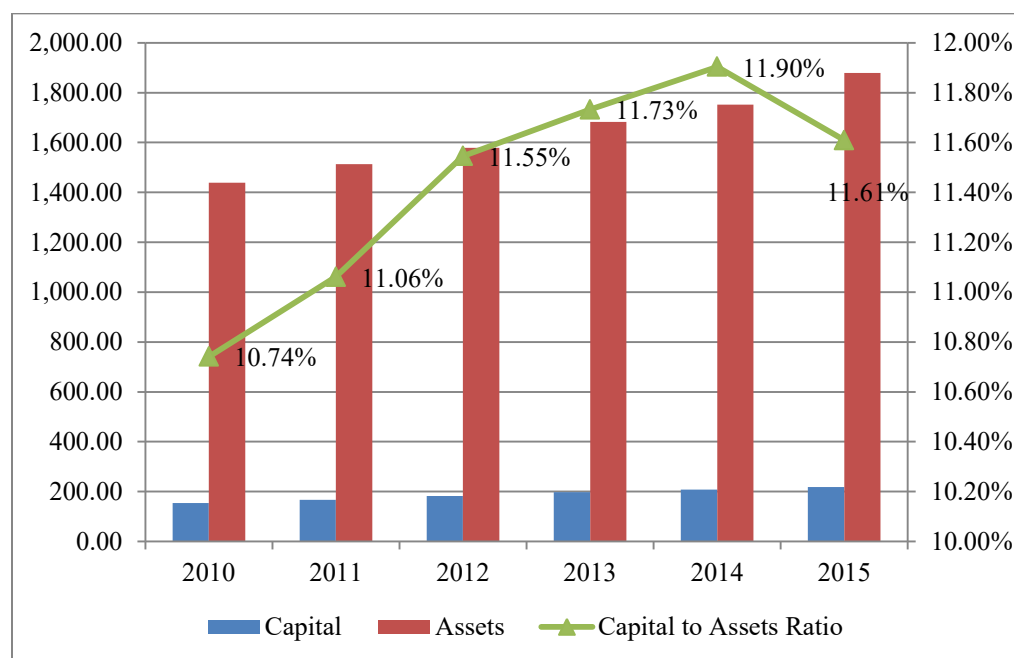
<sup>3</sup> During 2014 some credit unions reclassified some of their term deposit to regular deposits.

## Capital and Profitability

**Table 8: Capital to Assets Ratio (In BDS \$ millions)**

Year	Capital					Capital to Assets Ratio
	Share Capital	Statutory Reserves	Liquidity Reserves	Undivided Surplus	Total	
2015	17.5	154.8	5.2	40.7	218.2	11.6%
2014	17.8	148.2	1.6	41.0	208.6	11.9%
2013	19.4	135.2	0.8	42.1	197.5	11.7%
2012	24.4	121.2	0.8	35.9	182.3	11.6%
2011	25.1	105.0	0.9	36.4	167.4	11.1%
2010	22.6	100.1	1.0	30.9	154.6	10.7%

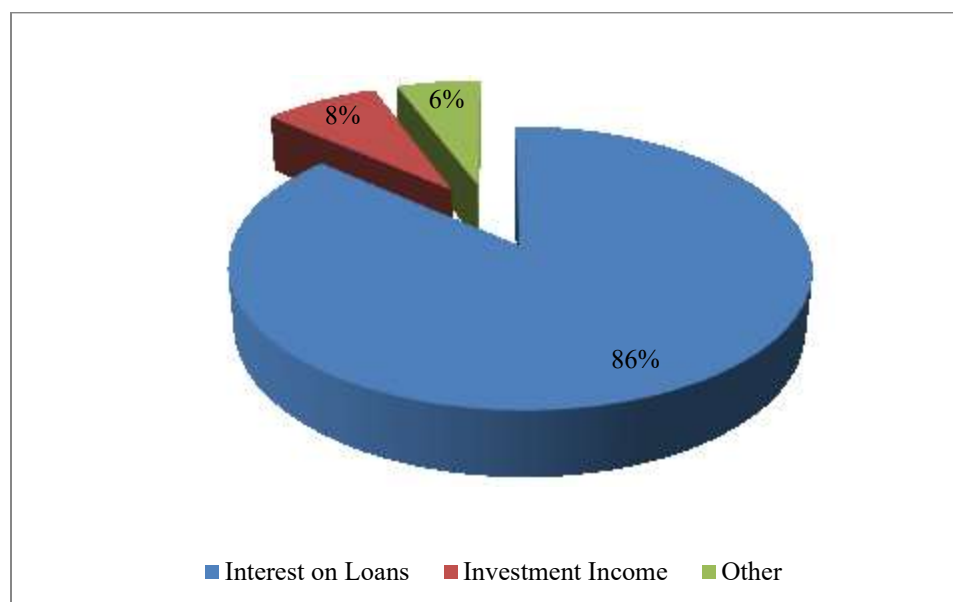
**Figure 7: Capital to Assets Ratio**



**Table 9: Total Income for the 9 months ended December 31 (In BDS \$ millions)**

	Interest on Loans	Investment Income	Other	Total Income
<b>2015</b>	87.7	7.9	5.8	101.4
<b>2014<sup>R</sup></b>	83.7	7.9	5.5	97.1
<b>2013</b>	83.0	8.5	3.5	94.9
<b>2012</b>	80.8	7.2	4.0	92.1
<b>2011</b>	79.7	7.2	4.6	91.6
<b>2010</b>	72.6	7.1	4.7	84.4

**Figure 8: Total Income for the 9 months ended December 31, 2015**

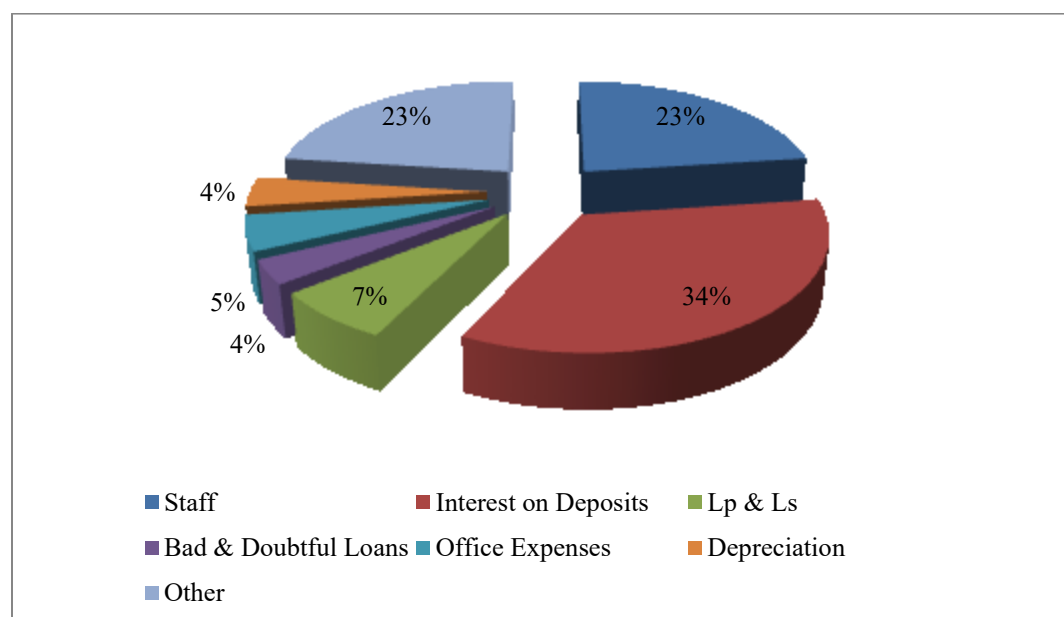




**Table 10: Total Expenditure for the 9 months ended December 31, 2015**  
(In BDS \$ millions)

	Staff	Interest on Deposits	Lp & Ls	Bad & Doubtful Loans	Office Expenses	Depreciation	Other	Total Expenditure
<b>2015</b>	20.5	30.7	6.4	3.1	4.5	3.7	20.5	89.4
<b>2014</b>	18.6	31.0	3.0	5.8	4.7	3.3	18.1	84.6
<b>2013</b>	17.8	28.6	3.0	5.1	5.1	3.0	18.5	81.1
<b>2012</b>	16.6	26.8	2.9	5.3	4.9	2.8	16.6	75.9
<b>2011</b>	16.2	28.9	2.8	5.1	4.5	2.9	17.4	75.9
<b>2010</b>	16.0	24.4	2.6	4.0	4.0	3.1	15.3	69.4

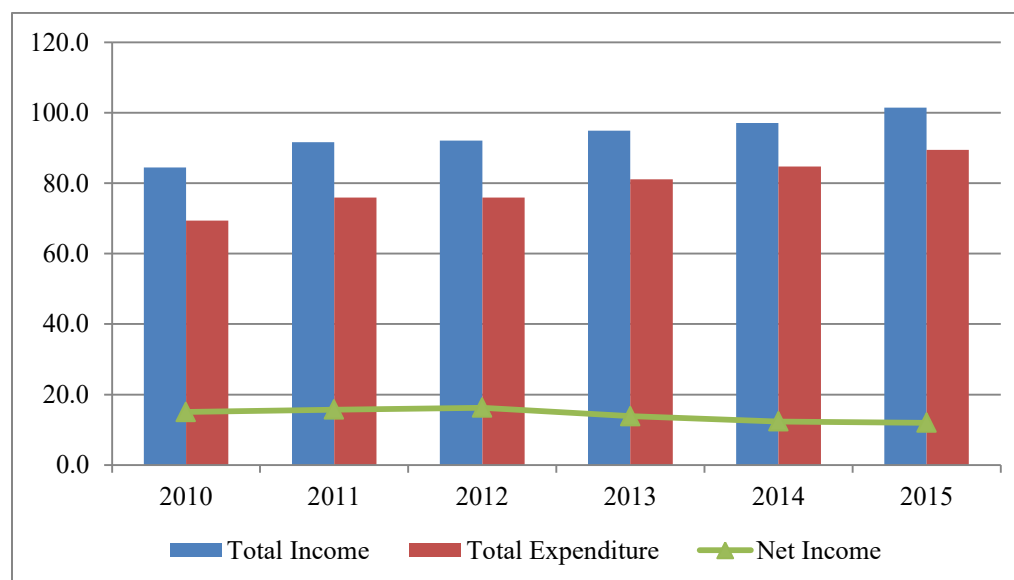
**Figure 9: Total Expenditure for the 9 months ended December 31, 2015**



**Table 11: Income and Expenditure for the 9 months ended December 31  
(In BDS \$ millions)**

	Total Income	Total Expenditure	Net Income
<b>2015</b>	101.4	89.4	12.0
<b>2014<sup>R</sup></b>	97.1	84.7	12.3
<b>2013</b>	94.9	81.1	13.8
<b>2012</b>	92.1	75.9	16.2
<b>2011</b>	91.6	75.9	15.7
<b>2010</b>	84.4	69.4	15.0

**Figure 10: Income and Expenditure for the 9 months ended December 31, 2015 (In BDS \$ millions)**



# Insurance

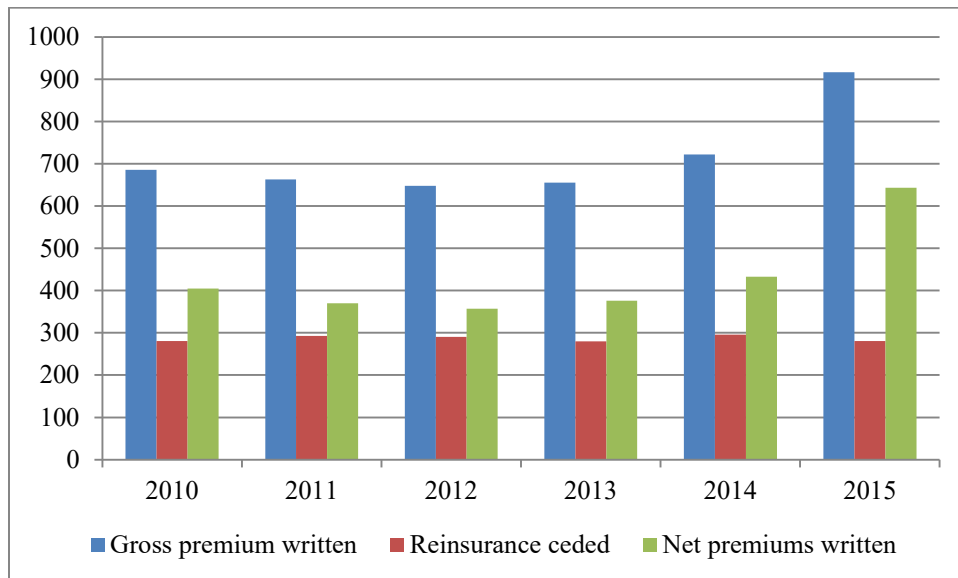
## Insurance Highlights

- ❖ Gross premiums written for the industry (both general and life insurance) were approximately \$916 million, representing a 27% increase from the figure of \$721 million recorded in 2014.
- ❖ Motor and property insurance are the most significant categories in the general insurance market accounting for 52% of the gross premiums written in 2015. With respect to the life insurance market, the most popular products sold are whole life, term life and universal life insurance.
- ❖ Approximately \$280 million of reinsurance was ceded by insurance companies in 2015, with net premiums written in the industry standing at \$643 million. This showed a decline of 5% from the \$295 million ceded in 2014. At December 2015 the amount ceded represented 31% of gross premiums a decline of 10 percentage points from the 2014 figure of 41%.

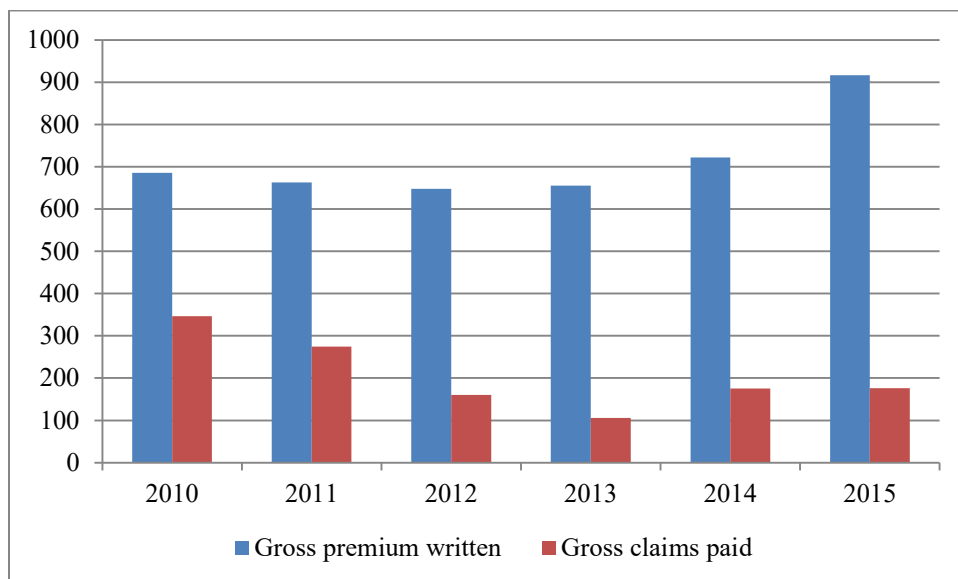
**Table 12: Insurance Industry - Registered Entities**

		Total		
<b>Domestic Insurance</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General Insurance	16	16	15	14
Life Insurance Companies	9	9	7	6
Combined Life and General Insurers	1	1	1	1
Brokers	24	22	22	23
Agents, Sub-Agents, Sales Persons	560	516	534	547
Loss Adjusters/Surveyors	16	7	14	14
<b>International Insurance Companies (March 31)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Exempt Insurance Companies	166	166	179	192
Holding Companies	12	16	12	11
Management Companies	22	22	22	24
Qualifying Insurers	45	45	45	44
Segregated Cell Companies	12	16	18	19

**Figure 11: Gross Premiums, Reinsurance Ceded and Net Premiums Written (In BDS \$ millions)**



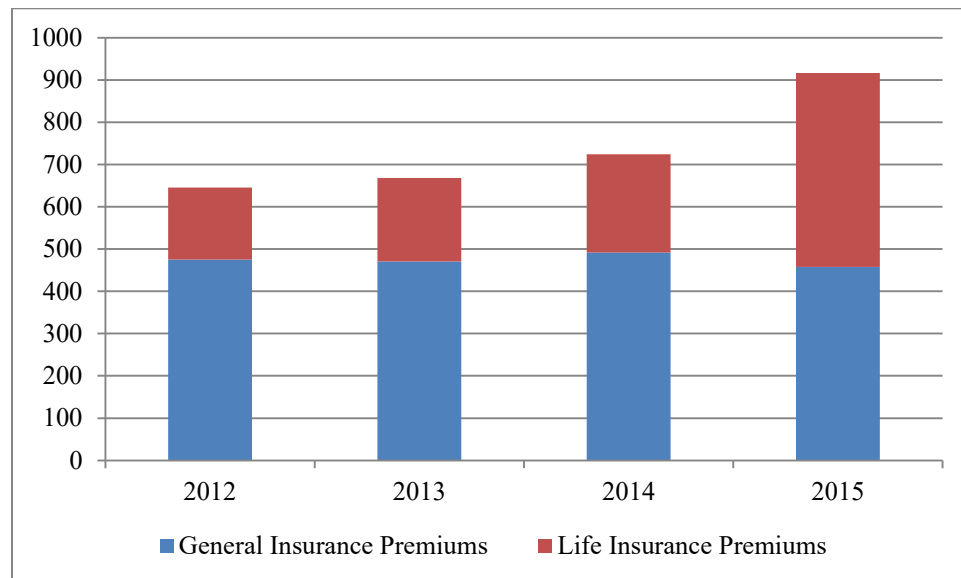
**Figure 12: Gross Premiums Written vs. Gross Claims Paid (In BDS \$ millions)**



**Table 13: Aggregated Consolidate Industry totals Statistics (In BDS \$ millions)**

	2010	2011	2012	2013	2014	2015	% Change 2014/15
Gross premium written	686	663	645	668	724	916	27%
Reinsurance ceded	281	293	291	282	297	280	-5%
Net premiums written	405	370	364	396	433	643	49%
Gross claims paid	347	275	151	155	175	176	1%
Reinsurance recovered	84	59	47	132	133	125	-6%
Commission received	59	70	45	43	61	61	2%
Commission paid	53	55	36	49	56	70	25%
Total assets	2,489	2,605	3,142	3,010	3,024	3,243	7%
Statutory fund requirement	1,047	1,102	987	1,341	1,154	1,301	13%
Net income	192	247	129	80	115	100	-13%

**Figure 13: Gross Premiums Written (In BDS \$ millions)**



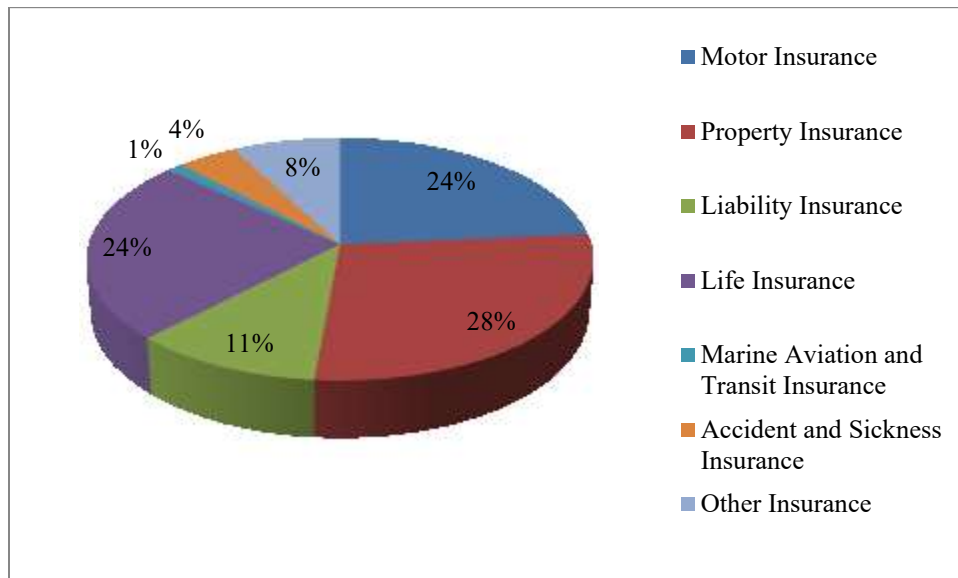
**Table 14: Gross Premiums Written<sup>4</sup> (In BDS \$ millions)**

	2012	% of Total	2013	% of Total	2014	% of Total	2015	% of Total
<b>General Insurance Premiums</b>	475.2	74%	470.3	70%	492.2	68%	457.8	50%
<b>Life Insurance Premiums</b>	170.5	26%	198.1	30%	232.0	32%	458.6	50%
<b>Total Industry Premiums</b>	645.7	100.00%	668.4	100.00%	724.1	100.00%	916.4	100%

<sup>4</sup> The totals stated above have been revised from the previous period.



**Figure 14: Premiums by Policy Type at December 2015**



# Securities

## Securities Highlights

- ❖ The number of individuals and entities registered with the Financial Services Commission (FSC) at the end of December 2015 remained relatively constant when compared with the same period of the prior year.
- ❖ Small decreases were noted with respect to market actors; mutual funds/sub-funds; fund administrators and issuers.
- ❖ The number of domestic mutual fund licensed with the FSC decreased from 20 to 19 during the period ended December 2015.
- ❖ Total assets under management for the domestic mutual fund sector in Barbados stood \$1,945.5 million at the end of December 2015, an increase of \$96.2 million when compared to the same period one year earlier.

**Table 16: Number of Registrants/Licensees (Firms) as at December 31**

Type	2013	2014	2015
Market Intermediaries (Firms)	23	27	30
Mutual Funds (including sub-funds)	26	25	23
Other Issuers	1	2	2
Reporting Issuers	47	47	45
Self-regulatory Organisations	2	2	2

**Table 17: Breakdown of Market Intermediaries<sup>5</sup> (Firms) as at December 31**

Category	2013	2014	2015
Securities Company	10	13	15
Investment Adviser	8	11	18
Dealer	4	3	6
Underwriter	5	6	7
Mutual Fund Administrator (General)	10	12	10
Mutual Fund Administrator (Restricted)	1	0	0

**Table 18: Barbados Stock Exchange Activity<sup>6</sup> as at December 31**

	2013	2014	2015
Listed companies	21	20	20
Listed securities	27	26	24
Local market index	2,995.52	2,137.26	2361.47
Cross-listed market index	1,486.78	1,706.54	1738.11
Composite market index	740.42	611.23	656.56
Local market capitalisation BDS\$ millions	7,999.31	5,367.18	5898.17
Cross-listed market capitalisation BDS\$ millions	2,481.31	2,849.60	2853.95
Composite market capitalisation BDS\$ millions	10,480.62	8,216.78	8752.13
No. of major transactions <sup>7</sup>	0	0	1

<sup>5</sup> Some firms are registered in more than one category

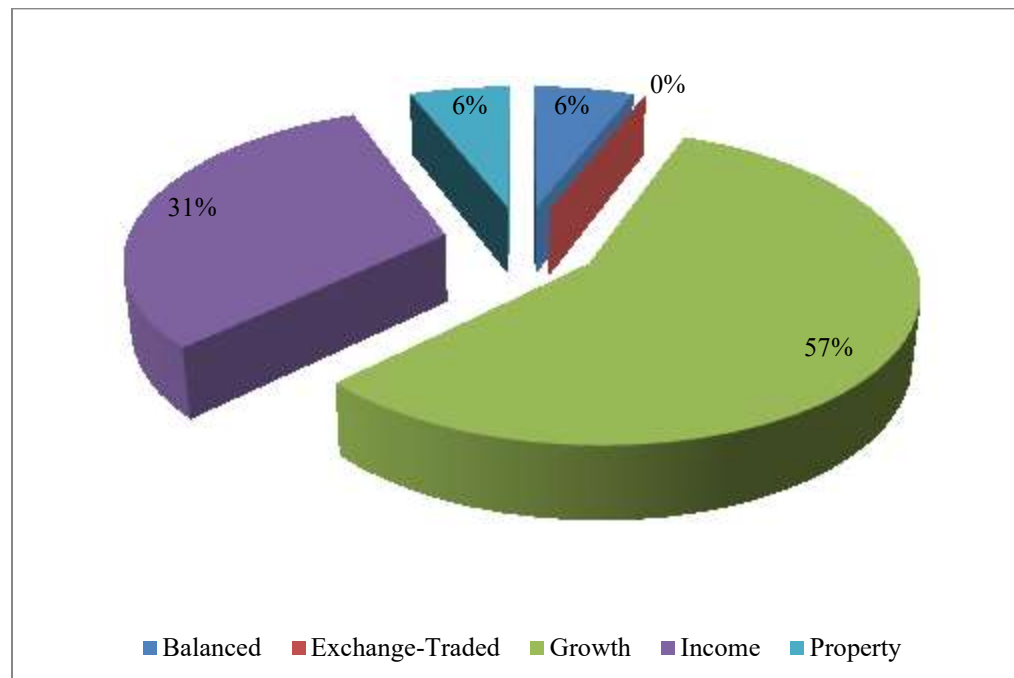
<sup>6</sup> Provided by the Barbados Stock Exchange Inc.

<sup>7</sup> Takeovers, mergers, rights issues etc.

**Table 19: Number of Domestic Mutual Funds by Type as at December 31**

Type of Fund	2009	2010	2011	2012	2013	2014	2015
Balanced	3	3	3	3	3	3	3
Exchange-Traded	1	3	4	4	4	3	2
Growth	5	5	5	5	6	6	6
Income	4	4	4	4	5	5	5
Property	2	2	2	2	3	3	3
Total	15	17	18	18	21	20	19

**Figure 15: Assets under Management by Type of Fund as at December 31 2015**



**Table 20: Assets under Management by Type of Fund as at December 31  
(In BDS \$ millions)**

Type of Fund	2010	2011	2012	2013	2014	2015
<b>Balanced</b>	116.2	110.1	110.2	98.6	100.2	115.0
<b>Exchange-Traded</b>	15.7	18.8	19.5	15.3	14.1	0
<b>Growth</b>	467.7	506.9	553.8	1,076.9	1,092.5	1,106.3
<b>Income</b>	182.9	200.8	193.8	565.9	567.1	608.7
<b>Property</b>	90.4	86.0	84.7	79.3	75.4	115.5
<b>Total</b>	881.9	922.6	961.9	1,836.0	1,849.3	1,945.5

**Figure 16: Assets under Management by Type of Fund as at December 31  
(In BDS \$ millions)**

