

# Financial Services Commission

*Statistical Bulletin 2014*



**FINANCIAL SERVICES  
COMMISSION**

Volume 2 No. 1

Data to December 2014

Credit Unions, Insurance Companies, Securities and Occupational Pension  
Plans

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## Introduction

The Financial Services Commission (FSC) is tasked with the responsibility of regulating the credit unions, insurance, securities and occupational pension sectors of the Barbados economy.

FSC's Statistical Bulletin provides important statistical information related to these sectors, which is used to provide aggregated financial information relevant to each regulated sector. However, this edition of the Bulletin will focus on data for all four regulated sectors.

# Credit Unions

## Credit Unions Highlights

- ❖ At the end of December 2014 there were thirty-five (35) Credit Unions registered in Barbados with membership of approximately 168,000 and total assets of an estimated \$1.75 billion.
- ❖ Total assets for the sector have been increasing steadily over the past six years. At the end of 2014 total assets were \$1,753.1 million; this represented an increase of 4.2% when compared to the same period in 2013.
- ❖ Net loans and investments were the two largest asset categories on the consolidated balance sheet accounting for 75% and 15% of total assets, respectively.
- ❖ Consumer loans accounted for the majority of new loans extended to members (51%) followed by real estate loans (35%) and transport (13%). For the twelve-month period ending December 2014, new consumer credit increased by 9.7%, while real estate loans grew by 10.5% when compared to the same period of the prior year.
- ❖ With regard to asset quality, total non-performing loans (loans over three months in arrears) rose from \$109.3 million at the end of December 2013 to \$127.0 million at the end of the same period one year later. The NPL ratio increased by 0.9 of a percentage point to reach 9.4% at the end of December 2014.
- ❖ Members' savings increased by 4.8%, rising from \$1,394.8 million at the end of 2013 to \$1,461.6 million at the end of 2014.
- ❖ As at the end of December 2014, the capital to asset ratio<sup>1</sup> for the credit union movement was 10.9%, marginally higher than the 10.6% reported at the end of 2013.

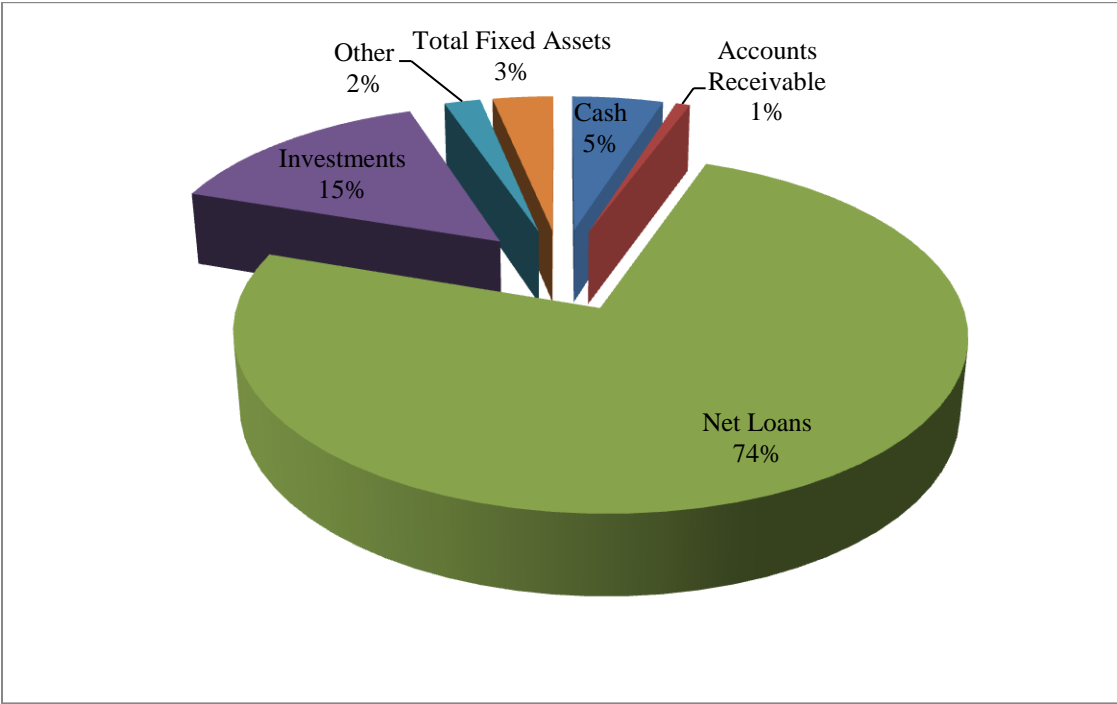
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<sup>1</sup> The capital used in the capital to assets ratio includes statutory reserves, liquidity reserves and undivided surplus.

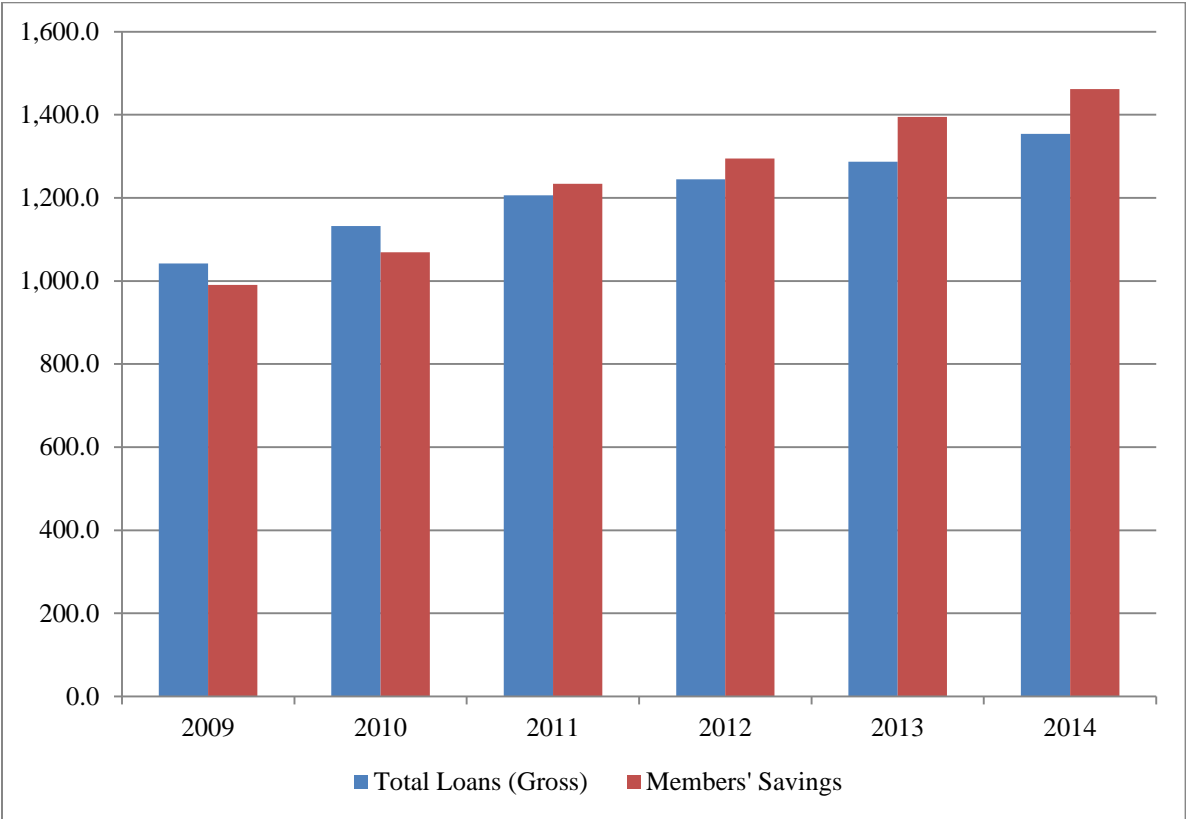
**Table 1: Number of Credit Unions and Total Assets as at December 31**

Year	Number of Credit Unions	Members (thousands)	Total Assets (BDS \$ millions)
2014	35	168	1,753.1
2013	35	161	1,683.1
2012	35	149	1,578.9
2011	35	157	1,513.3
2010	35	146	1,439.2
2009	35	129	1,312.2

**Figure 1: Asset Distribution as at December 31 2014**



**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).

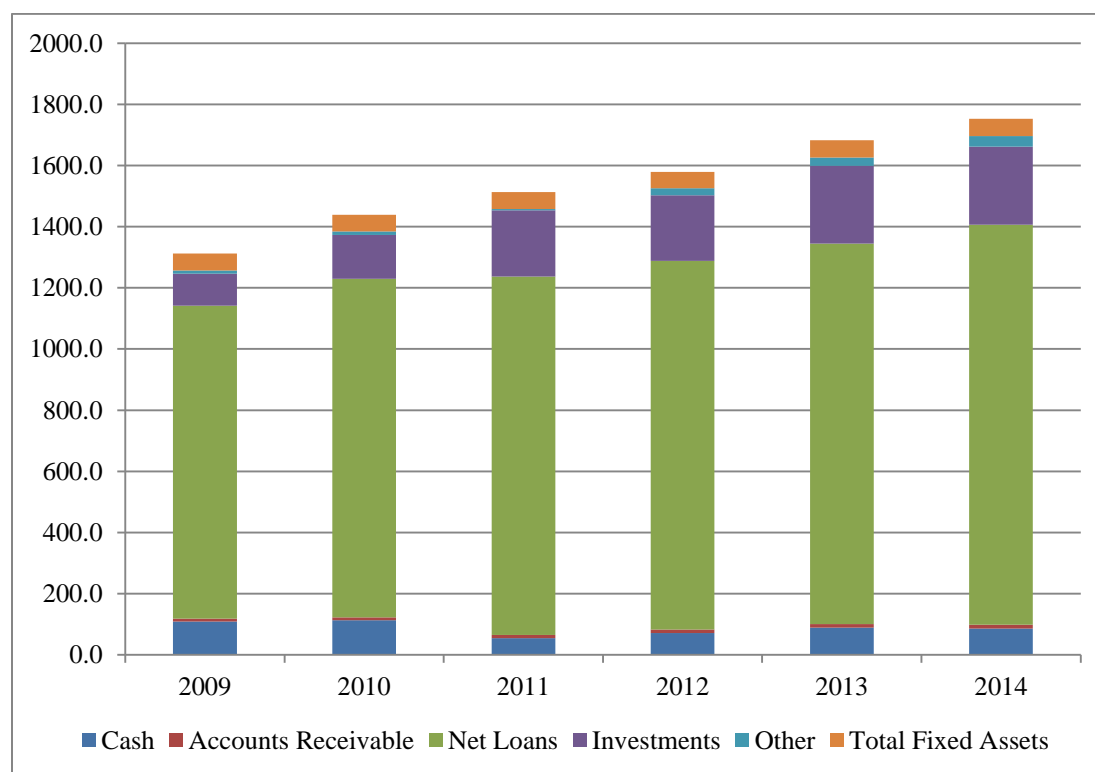


## Assets

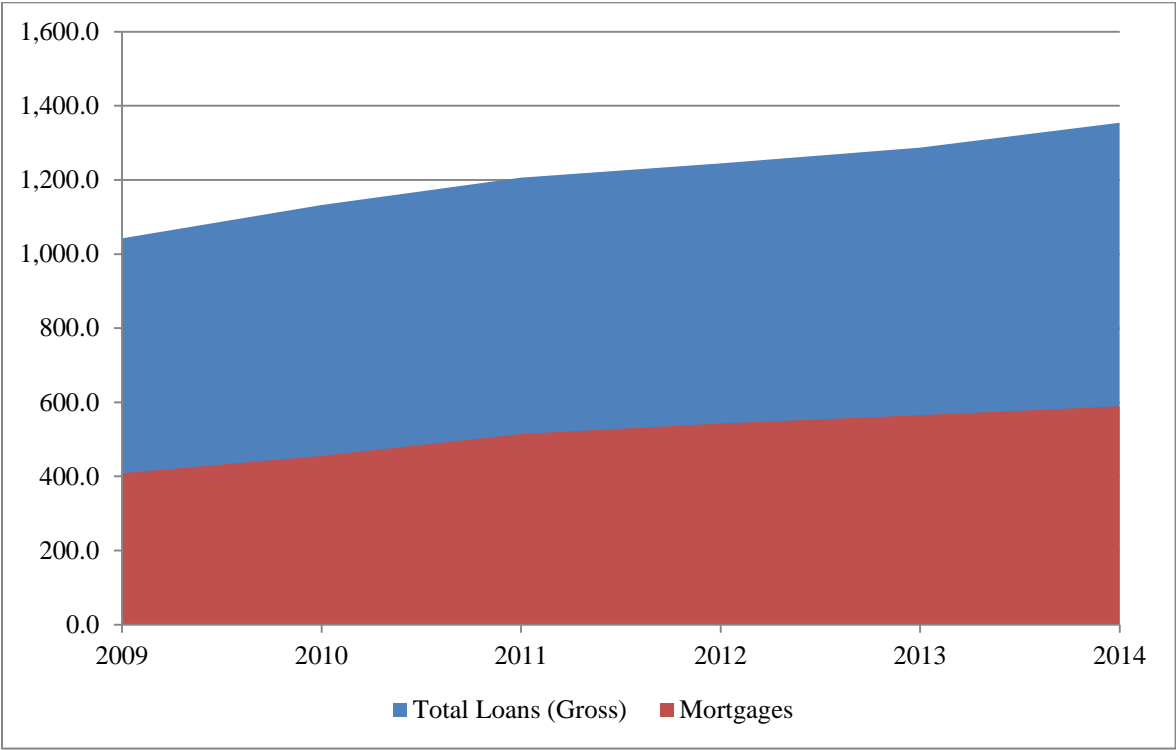
**Table 2: Asset Distribution (In BDS\$ millions)**

Year	Cash	Accounts Receivable	Net Loans	Investments	Other	Total Fixed Assets	Total Assets
2014	85.6	13.3	1,307.0	255.7	34.3	57.2	1,753.1
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
2009	109.3	8.8	1,023.1	104.7	11.2	55.0	1,312.2

**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)**

<b>Year</b>	<b>Consumer</b>	<b>Real Estate</b>	<b>Private Transport</b>	<b>Commercial Transport</b>	<b>Agriculture</b>	<b>Other Business</b>
<b>2014</b>	130.0	88.9	33.8	0.47	0.17	2.9
<b>2013</b>	118.6	80.5	32.8	0.13	0.15	2.6
<b>2012</b>	101.1	84.9	26.2	0.52	0.07	3.4
<b>2011</b>	138.9	93.3	35.9	0.26	0.81	3.8
<b>2010</b>	101.3	94.2	37.5	0.21	0.01	4.3
<b>2009</b>	91.4	87.1	33.6	0.20	0.02	4.4

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

<b>Loan Category</b>	<b>2013</b>	<b>% Total 2013</b>	<b>2014</b>	<b>% Total 2014</b>	<b>Growth (levels)</b>	<b>Growth Rate</b>
<b>Consumer</b>	118,558.2	50.5%	129,999.5	50.7%	11,441.3	9.7%
<b>Real Estate</b>	80,473.9	34.3%	88,933.7	34.7%	8,459.8	10.5%
<b>Private Transport</b>	32,804.7	14.0%	33,779.5	13.2%	974.8	3.0%
<b>Commercial Transport</b>	129.4	0.1%	468.8	0.2%	339.4	262.3%
<b>Agriculture</b>	149.8	0.1%	165.8	0.1%	16.0	10.7%
<b>Other Business</b>	2,595.6	1.1%	2,875.2	1.1%	279.6	10.8%
<b>Total</b>	234,711.6	100.0%	256,222.5	100.0%	21,510.9	9.2%

## Asset Quality

Figure 5: NPL Ratio

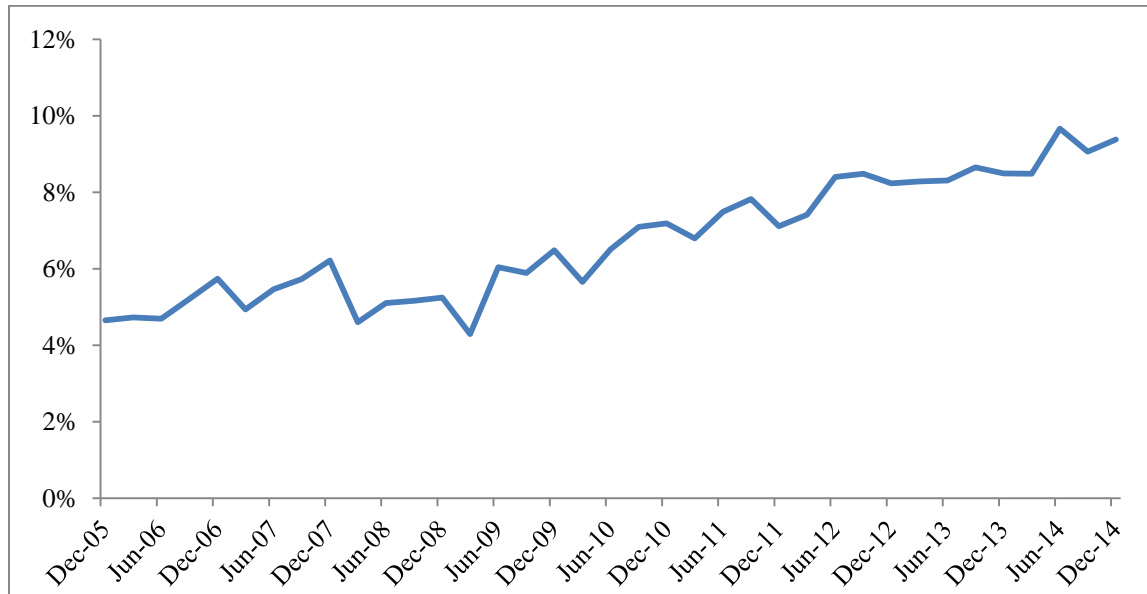


Table 5: NPLs by Category (In BDS\$ millions)

Year	3 to 6 months	6 to 12 months	Over 12 months	Total
<b>2014</b>	29.1	20.6	77.3	127.0
<b>2013</b>	22.3	22.3	64.7	109.3
<b>2012</b>	24.2	23.7	54.7	102.5
<b>2011</b>	23.8	19.0	42.7	85.4
<b>2010</b>	23.5	21.7	36.2	81.4
<b>2009</b>	21.7	18.3	27.7	67.7

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

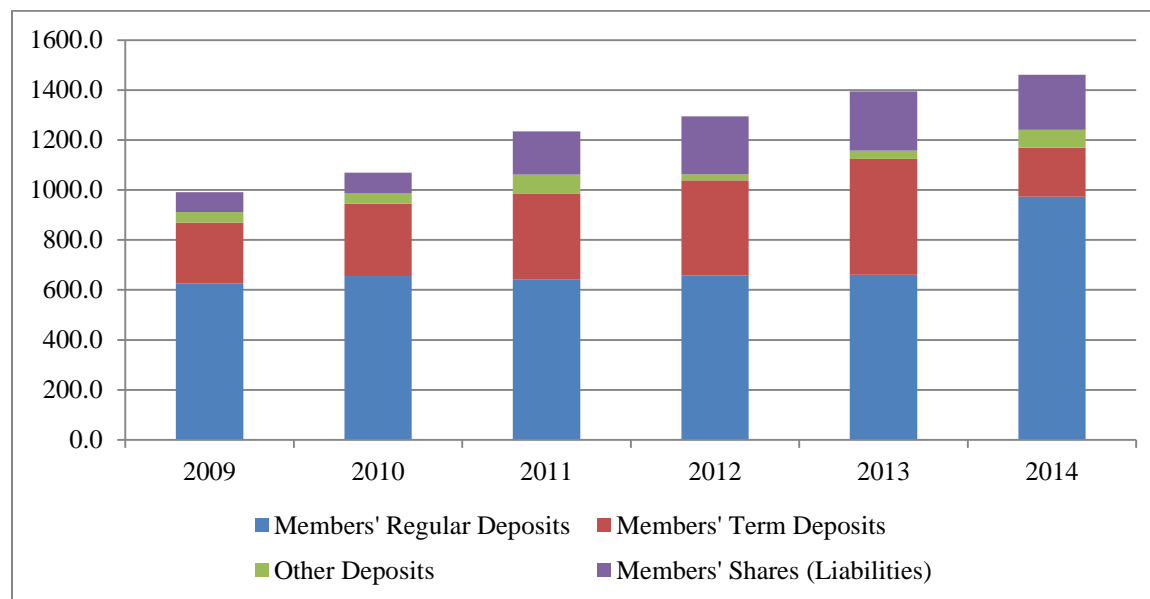
<b>NPL Category</b>	<b>December 2013</b>	<b>% Total December 2013</b>	<b>December 2014</b>	<b>% Total December 2014</b>	<b>Change</b>	<b>Growth Rate</b>
<b>3 to 6 months</b>	22.3	20.4%	29.1	22.9%	6.8	30.5%
<b>6 to 12 months</b>	22.3	20.4%	20.6	16.2%	-1.7	-7.6%
<b>Over 12 months</b>	64.7	59.2%	77.3	60.9%	12.6	19.5%
<b>Total</b>	109.3	100.0%	127.0	100.0%	17.7	16.2%

## Members' Savings

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

Year	Member Deposits			Member Shares (Liabilities)	Total
	Regular	Term	Other		
2014 <sup>3</sup>	972.9	195.8	72.4	220.5	1,461.6
2013	661.3	463.1	32.7	237.7	1,394.8
2012	658.7	379.6	24.2	231.9	1,294.4
2011	643.2	343.3	75.3	172.4	1,234.2
2010	655.8	288.8	41.4	83.2	1,069.3
2009	626.1	243.8	42.4	78.3	990.7

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



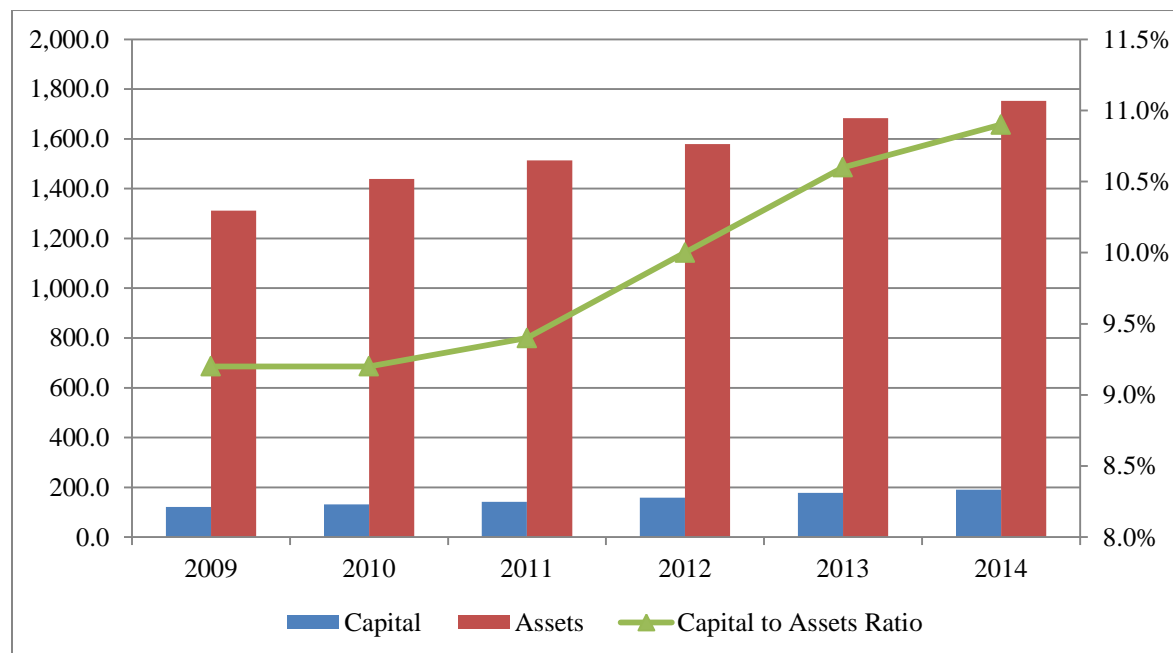
<sup>3</sup> During 2014 some credit unions reclassified some of their term deposit to regular deposits.

## Capital and Profitability

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

Year	Capital				Capital to Assets Ratio
	Statutory Reserves	Liquidity Reserves	Undivided Surplus	Total	
2014	148.2	1.6	40.7	190.5	10.9%
2013	135.2	0.8	42.1	178.0	10.6%
2012	121.2	0.8	35.9	157.9	10.0%
2011	105.0	0.9	36.4	142.3	9.4%
2010	100.1	1.0	30.9	132.0	9.2%
2009	89.5	1.0	30.8	121.2	9.2%

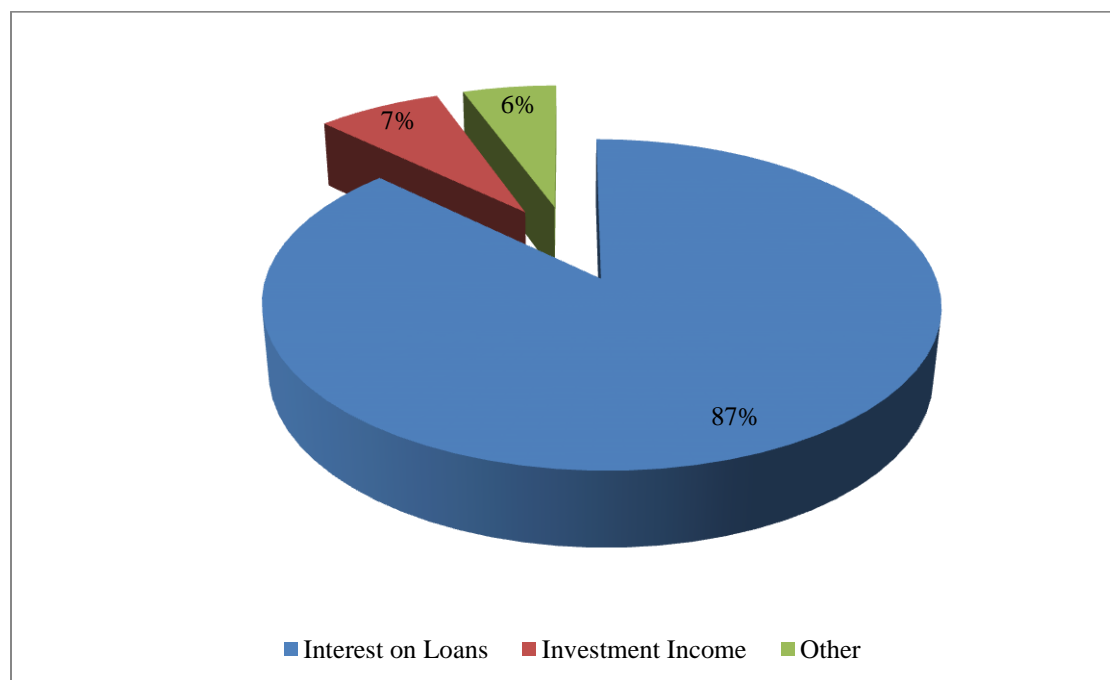
**Figure 7: Capital to Assets Ratio**



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

	Interest on Loans	Investment Income	Other	Total Income
<b>2014</b>	83.6	7.0	5.3	95.9
<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
<b>2009</b>	72.4	6.3	4.1	82.8

**Figure 8: Total Income for the 9 months ended December 31, 2014**

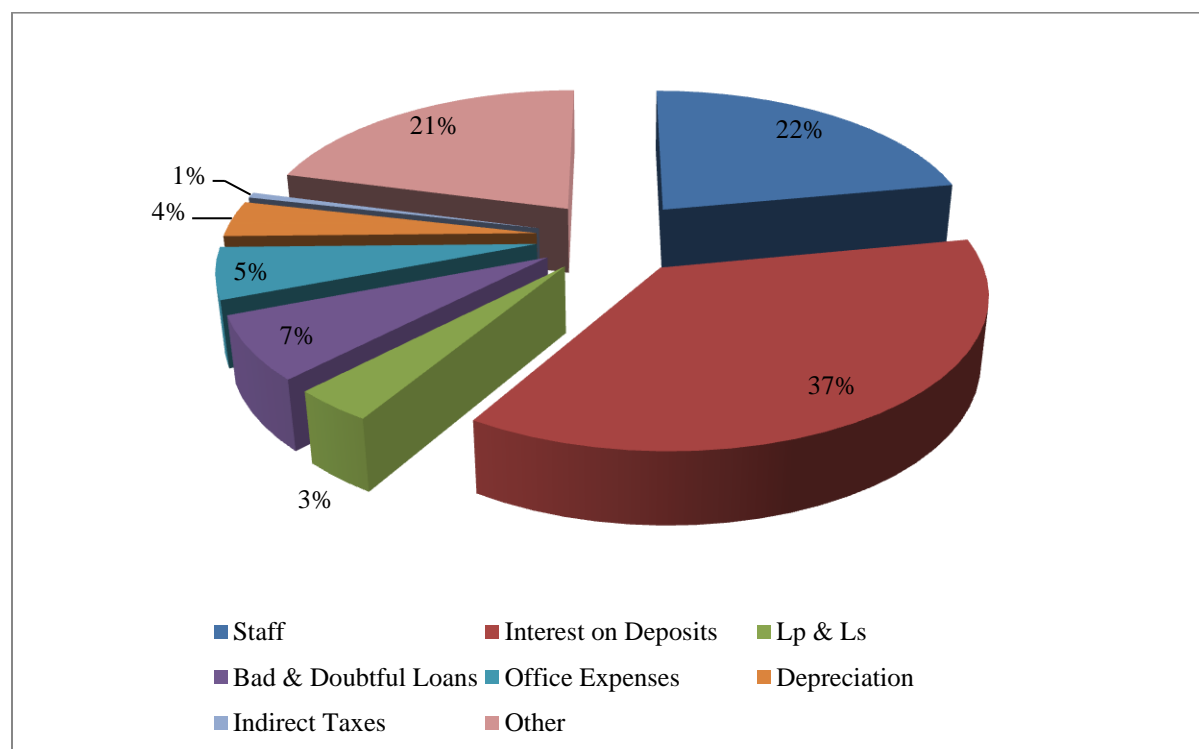




**Table 10: Total Expenditure for the 9 months ended December 31, 2014  
(In BDS\$ millions)**

	Staff	Interest on Deposits	Lp & Ls	Bad & Doubtful Loans	Office Expenses	Depreciation	Other	Total Expenditure
<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
<b>2009</b>	15.3	24.2	2.4	3.2	3.9	2.9	13.2	65.1

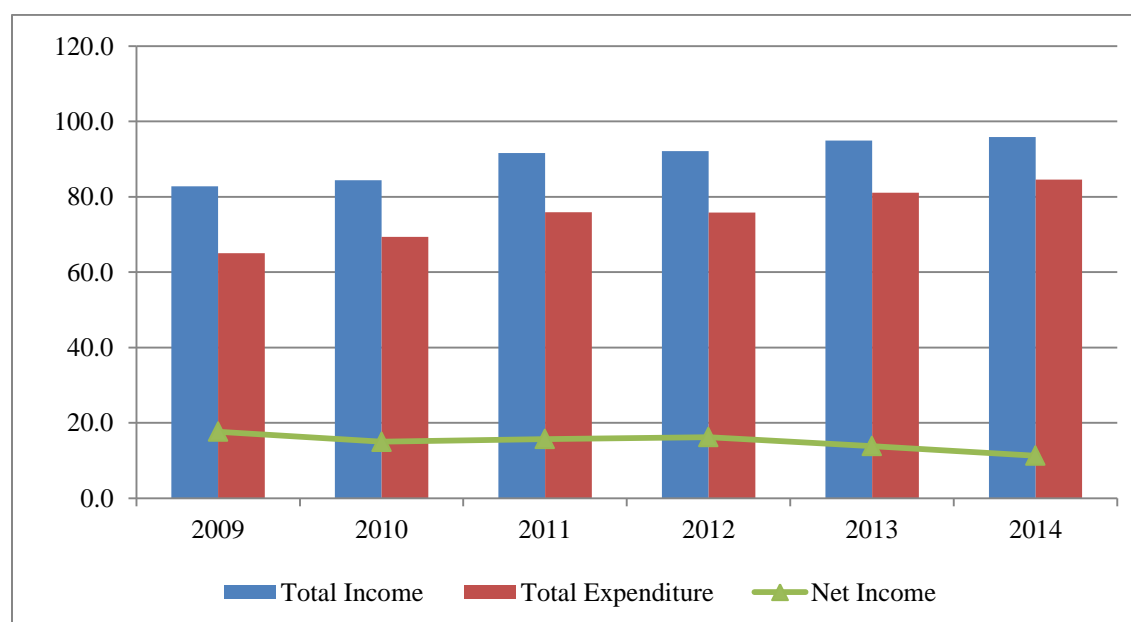
**Figure 9: Total Expenditure for the 9 months ended December 31, 2014**



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

	<b>Total Income</b>	<b>Total Expenditure</b>	<b>Net Income</b>
<b>2014</b>	95.9	84.6	11.3
<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
<b>2009</b>	82.8	65.1	17.7

**Figure 10: Income and Expenditure for the 9 months ended December 31, 2014 (In BDS\$ millions)**



# Insurance

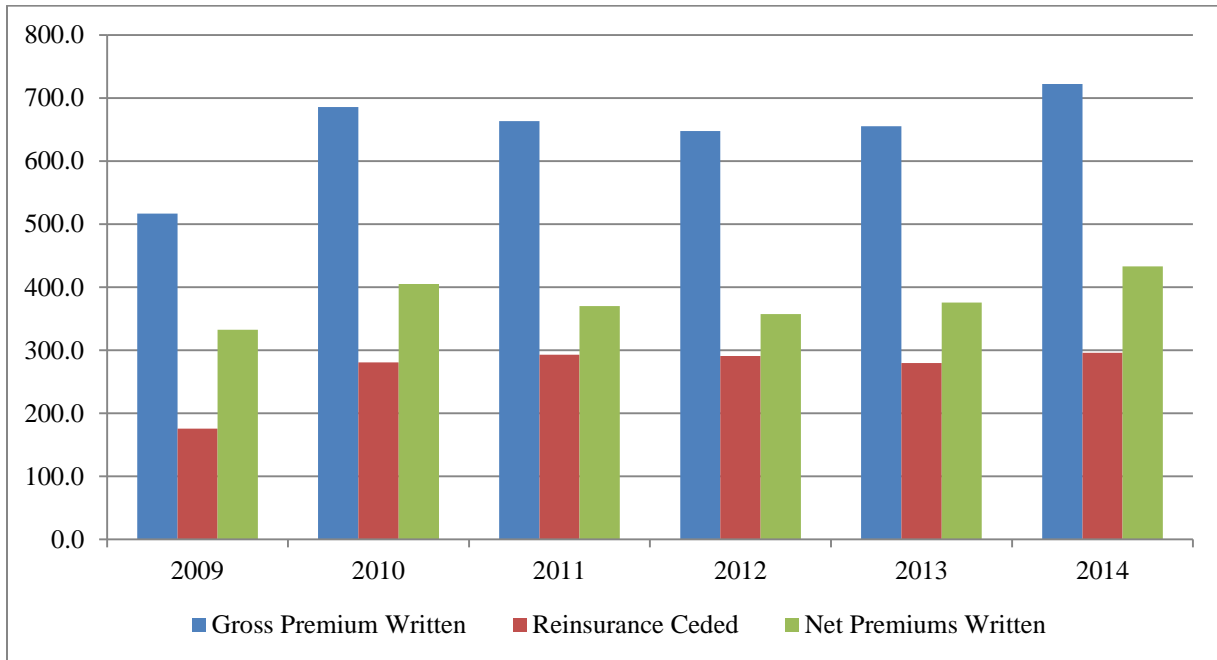
## Insurance Highlights

- ❖ Gross premiums written for the industry (both general and life insurance) were approximately \$722.0 million at the end of December 2014, representing a \$66.7 million increase from the figure of \$655.3 million recorded in 2013.
- ❖ At the end of 2014, general insurance premiums were approximately \$490 million, accounting for the majority of domestic market premiums, with the remaining (\$232 million) in premiums attributed to the life insurance sector.
- ❖ In 2014, motor insurance and property insurance premiums accounted for 33% and 45%, respectively, of total general insurance premiums. With regard to the life insurance market, the most popular products sold were whole life, term life and universal life insurance.
- ❖ Approximately \$295.8 million dollars of reinsurance was ceded by insurance companies in 2014, with net premiums written in the industry standing at \$432.8 million. This showed an increase from the \$279.6 million reinsurance ceded in 2013. As at December 2014, the amount of reinsurance ceded represented 41.0% of gross premiums compared to 42.7% and 44.9% in 2013 and 2012, respectively.

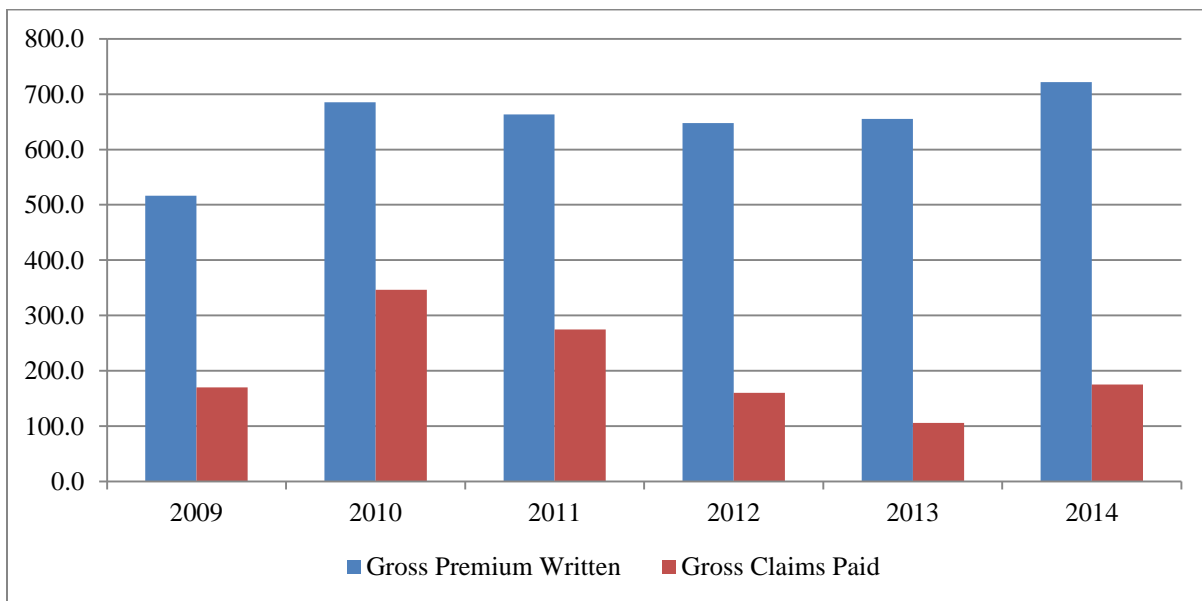
**Table 12: Insurance Industry - Registered Entities**

	Total		
<b>Domestic Insurance (March 31)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
General Insurance	15	16	15
Life Insurance Companies	7	9	7
Combined Life and General Insurers	1	1	1
Brokers	24	22	22
Agents, Sub-Agents, Sales Persons	560	516	534
Loss Adjusters/Surveyors	16	7	14
<b>International Insurance Companies (March 31)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Exempt Insurance Companies	166	166	179
Holding Companies	16	16	12
Management Companies	20	22	22
Qualifying Insurers	76	51	45
Segregated Cell Companies	-	12	16

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



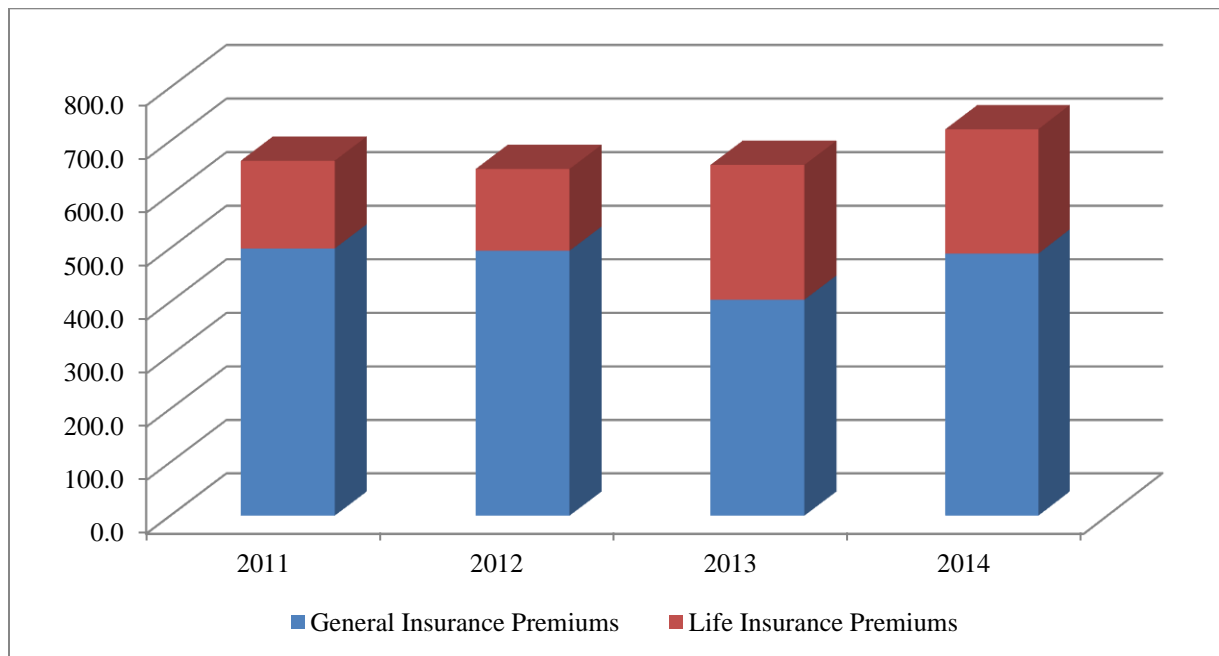
**Figure 12: Gross Premiums Written vs. Gross Claims Paid (In BDS\$ millions)**



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

	2009	2010	2011	2012	2013	2014	% Change 2014/2013
<b>Gross premium written</b>	516.7	685.6	663.2	647.7	655.3	721.9	10.2%
<b>Reinsurance ceded</b>	175.4	280.8	293.0	290.6	279.6	295.8	5.8%
<b>Net premiums written</b>	332.6	404.8	370.2	357.2	375.7	432.8	15.2%
<b>Gross claims paid</b>	169.9	346.5	274.7	160.4	105.9	175.1	65.3%
<b>Reinsurance recovered</b>	45.6	83.9	59.4	47.3	131.9	133	0.8%
<b>Commission received</b>	37.4	58.8	69.6	43.1	43.5	61.3	40.9%
<b>Commission paid</b>	41.8	53.3	55.3	35.6	48.7	56.2	15.4%
<b>Total assets</b>	2,483.5	2,489.3	2,604.5	3,229.5	3,092.2	3,020.3	-2.3%
<b>Statutory fund requirement</b>	1,196.0	1,046.9	1,102.2	987.1	1,340.5	1,153.7	-13.9%
<b>Net income</b>	232.3	191.6	246.5	38.6	97.1	203.6	109.7%

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

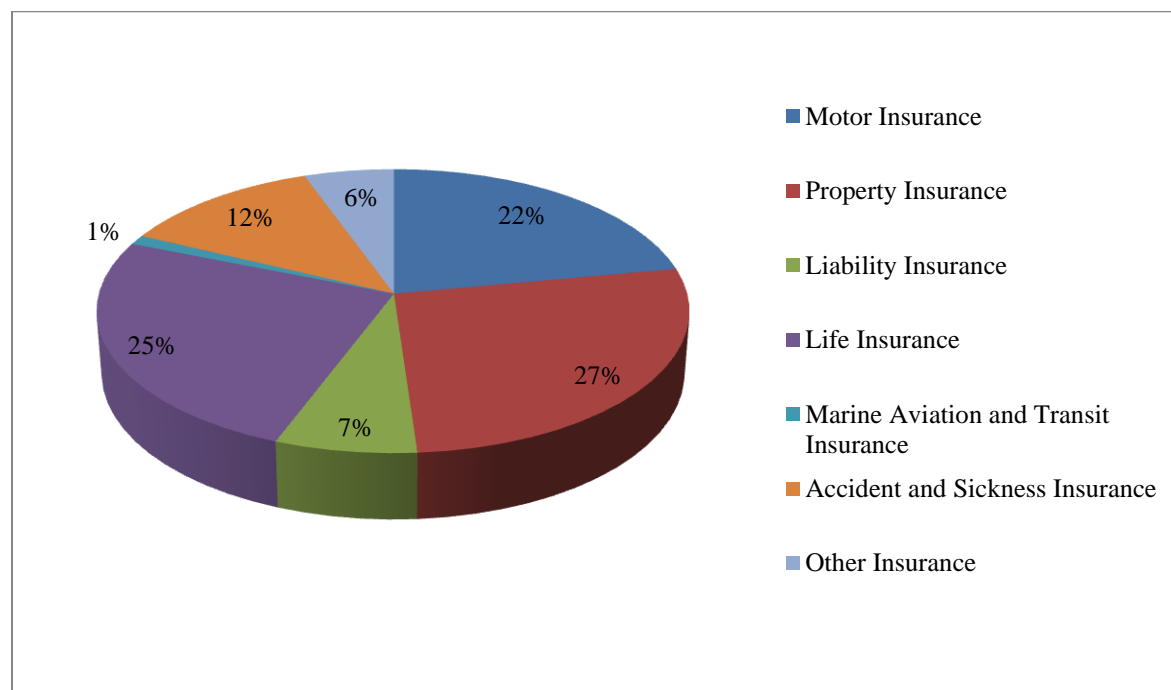


**Table 14: Gross Premiums Written (In BDS\$ millions)**

	2011	% of Total	2012	% of Total	2013	% of Total	2014	% of Total
<b>General Insurance Premiums</b>	499.5	75.3%	495.2	76.5%	404.0	61.7%	490.0	67.9%
<b>Life Insurance Premiums</b>	163.7	24.7%	152.5	23.5%	251.3	38.3%	232.0	32.1%
<b>Total Industry Premiums</b>	663.2	100.0%	647.7	100.0%	655.3	100.0%	722.0	100.0%



**Figure 14: Premiums by Policy Type at December 2014**



**Table 15: Premiums by Policy Type as at December (In BDS\$ millions)**

	2011	% of Total	2012	% of Total	2013	% of Total	2014	% of Total
<b>Motor Insurance</b>	167.2	25.2%	164.2	25.3%	161.7	24.7%	159.4	22.1%
<b>Property Insurance</b>	207.1	31.2%	211.4	32.6%	193.3	29.5%	193.4	26.8%
<b>Liability Insurance</b>	6.2	0.9%	10.8	1.7%	26.5	4.0%	49.7	6.9%
<b>Life Insurance</b>	163.7	24.7%	152.5	23.5%	170.6	26.0%	182.6	25.3%
<b>Marine Aviation and Transit Insurance</b>	10.7	1.6%	8.5	1.3%	9.7	1.5%	7.8	1.1%
<b>Accident and Sickness Insurance</b>	79.5	12.0%	80.9	12.5%	85.1	0.7%	89.1	12.3%
<b>Other Insurance</b>	28.8	4.3%	19.4	3.0%	8.5	1.3%	39.7	5.5%

# Securities

## Securities Highlights

- ❖ The number of firms registered with FSC increased from 99 at the end of December 2013 to 103 at the end of December one year later. Increases were noted with respect to market intermediaries (firms) and other issuers' categories.
- ❖ The number of market intermediaries<sup>4</sup> (firms) registered with FSC increased from 23 to 27 at the end of December 2014. Increases were noted for securities companies, investment advisers, underwriters and mutual funds administrators (general).
- ❖ The number of domestic mutual fund (including sub-funds) licensed with FSC decreased from 21 to 20 as the number of mutual funds in the exchange-traded category declined during the period under review.
- ❖ Total assets under management for the domestic mutual fund sector in Barbados stood at \$1,849.3 million at the end of December 2014, an increase of \$13.3 million when compared to the same period one year earlier.

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<sup>4</sup> Market Intermediaries refers to firms registered in the categories of securities company, underwriter, investment adviser, dealer and mutual fund administrator.

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

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

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

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

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

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

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

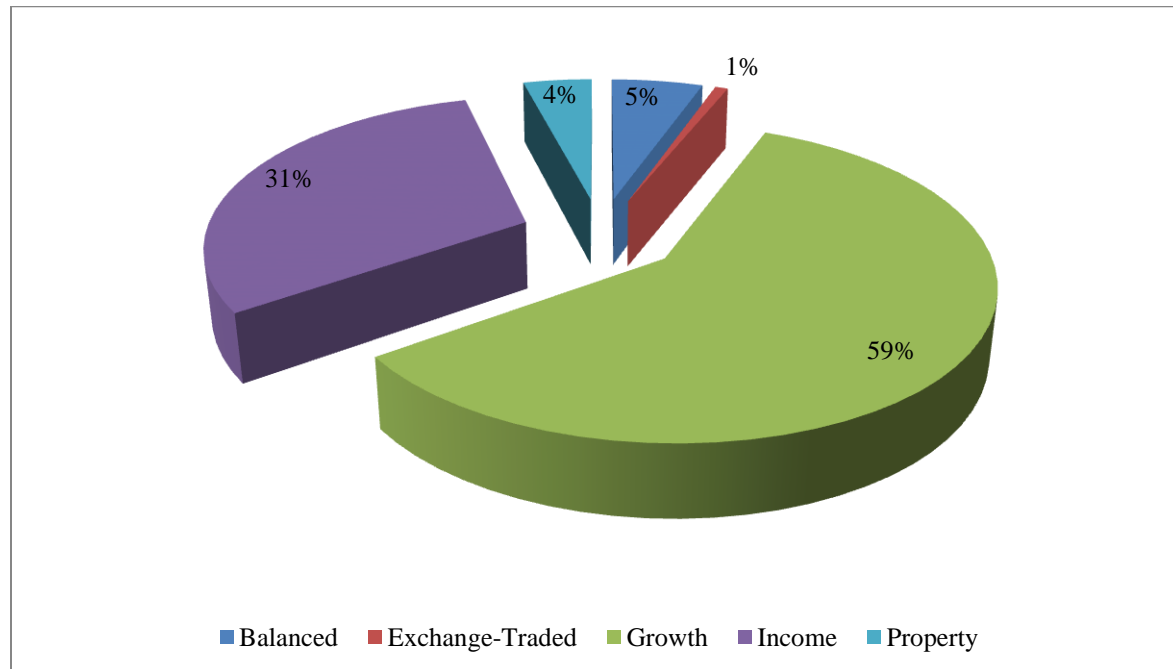
<sup>6</sup> Provided by the Barbados Stock Exchange Inc.

<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
<b>Balanced</b>	3	3	3	3	3	3
<b>Exchange-Traded</b>	1	3	4	4	4	3
<b>Growth</b>	5	5	5	5	6	6
<b>Income</b>	4	4	4	4	5	5
<b>Property</b>	2	2	2	2	3	3
<b>Total</b>	15	17	18	18	21	20

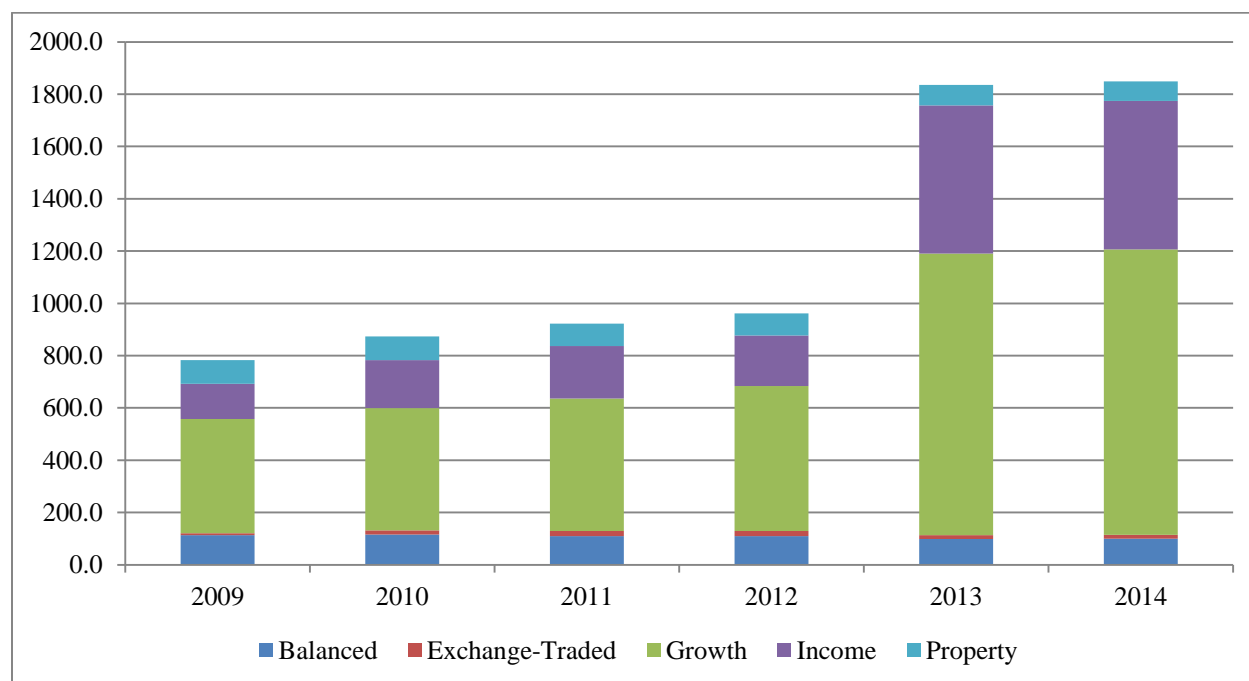
**Figure 15: Assets under Management by Type of Fund as at December 31 2014**



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

Type of Fund	2009	2010	2011	2012	2013	2014
<b>Balanced</b>	113.7	116.2	110.1	110.2	98.6	100.2
<b>Exchange-Traded</b>	6.6	15.7	18.8	19.5	15.3	14.1
<b>Growth</b>	436.8	467.7	506.9	553.8	1,076.9	1,092.5
<b>Income</b>	135.3	182.9	200.8	193.8	565.9	567.1
<b>Property</b>	89.9	90.4	86.0	84.7	79.3	75.4
<b>Total</b>	782.3	881.9	922.6	961.9	1,836.0	1,849.3

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



# Occupational Pension Plans

## Occupational Pension Plans Highlights

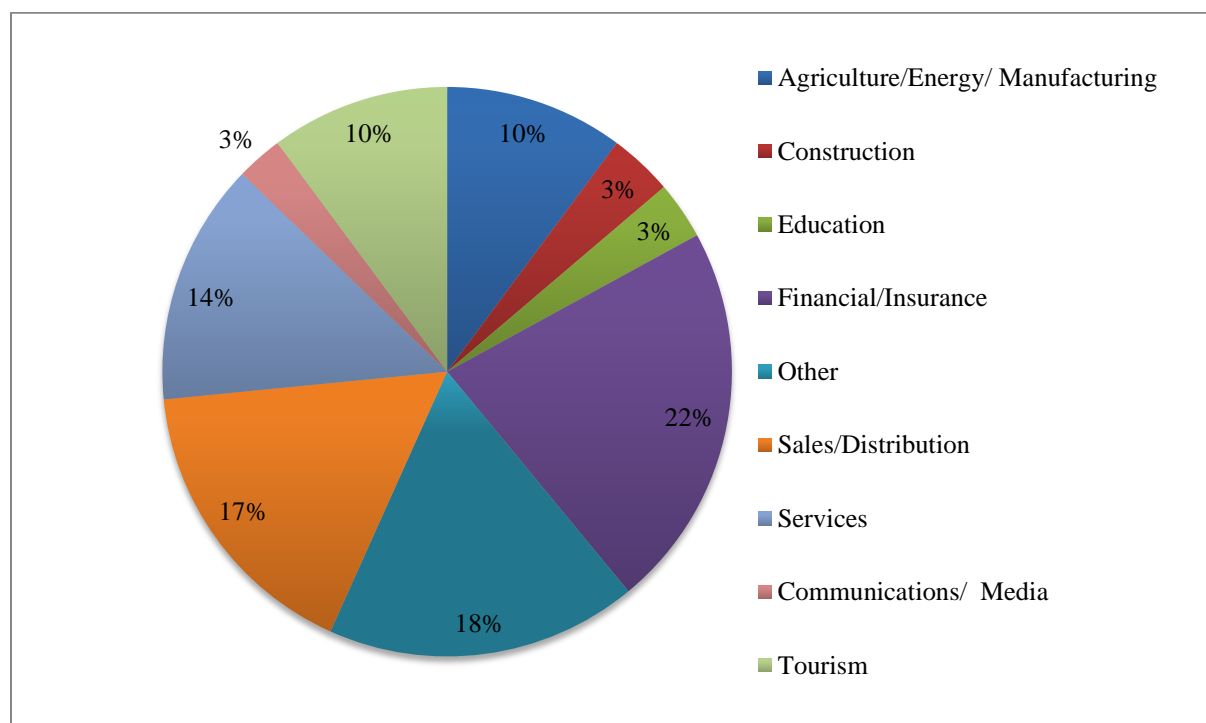
- ❖ As at December 2014, the total number of applications submitted for the registration of occupational pension plans was 306. Of these, 190 pension plans have since been fully registered with FSC.
- ❖ Defined contribution pension plans accounted for approximately 62.4% of the total number of occupational pension plans, while the number of defined benefit plans represented 33.0%.
- ❖ The distribution of pension plan membership per plan is fairly skewed with 239 pension plans or approximately 78.1% of the total number having membership of less than 100.
- ❖ The sponsors of occupational pension plans originate from various sectors in the economy, with the financial/insurance sector accounting for the largest percentage followed by the sales/distribution sector.



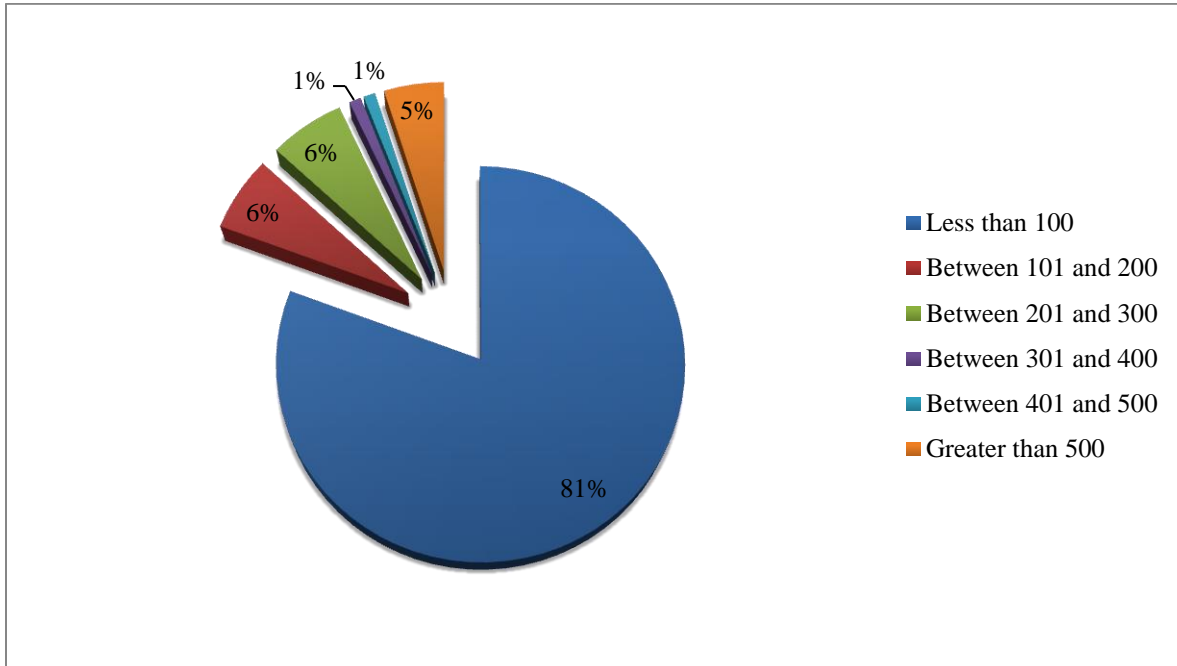
**Table 21: Number of Occupational Pension Plans in Barbados by Type as at December 31**

Type of Pension Plan	2013			2014		
	Not Registered	Registered	Total	Not Registered	Registered	Total
<b>Defined Contribution (DC)</b>	101	88	189	67	124	191
<b>Defined Benefit (DB)</b>	76	24	100	46	55	101
<b>DB and DC Combination</b>	11	1	12	3	9	12
<b>DB and DC Multi-Unit</b>	1	0	1	0	1	1
<b>Multi-Employer DC</b>	1	0	1	0	1	1
<b>Total</b>	190	113	303	116	190	306

**Figure 17: Occupational Pension Plan Sponsors by Sector as at December 31**



**Figure 18: Plan Membership Distribution as at December 31 2014**



**Table 23: Plan Membership Distribution as at December 31**

<b>Membership</b>	<b>2013</b>	<b>2014</b>	<b>Change</b>	<b>% Change</b>
<b>Less than 100</b>	246	239	-7	-2.9%
<b>Between 101 and 200</b>	20	27	7	35.0%
<b>Between 201 and 300</b>	16	18	2	12.5%
<b>Between 301 and 400</b>	5	6	1	20.0%
<b>Between 401 and 500</b>	3	3	0	0.0%
<b>Greater than 500</b>	13	13	0	0.0%
<b>Total</b>	303	306	3	1.0%

