

# Financial Services Commission

*Statistical Bulletin 2014*



FINANCIAL SERVICES  
COMMISSION

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Data to September 2014

Credit Unions, Securities and Occupational Pension Plans

# Table of Contents

Introduction .....	4
Credit Unions.....	5
Credit Unions Highlights.....	6
Table 1: Selected Credit Unions Statistics as at September 30 .....	7
Figure 1: Asset Distribution as at September 30 2014 .....	7
Figure 2: Total Gross Loans vs Members' Savings as at September 30 (In BDS\$ millions).....	8
Assets.....	9
Table 2: Asset Distribution as at September 30 (In BDS\$ millions).....	9
Figure 3: Asset Distribution as at September 30 (In BDS\$ millions) .....	9
Figure 4: Mortgage vs Total Gross Loans as at September 30 (In BDS\$ millions) .....	10
Table 3: New Credit Issued – January to September (In BDS\$ millions).....	10
Table 4 New Credit Issued – January to September (In BDS\$ thousands) .....	11
Asset Quality .....	12
Figure 5: NPL Ratio .....	12
Table 5: NPLs by Category as at September 30 (In BDS\$ millions) .....	12
Table 6: NPLs by Category (In BDS \$ millions) .....	13
Members' Savings .....	14
Table 7: Members' Savings as at September 30 (In BDS\$ millions).....	14
Figure 6: Members' Savings as at September 30 (In BDS\$ millions).....	14
Capital and Profitability.....	15
Table 8: Capital to Assets Ratio as at September 30 (In BDS\$ millions) .....	15
Figure 7: Capital to Assets Ratio as at September 30 (In BDS\$ millions).....	15
Table 9: Total Income for the six months ended September 30 (In BDS\$ millions) .....	16
Figure 8: Total Income for the six months ended September 30 2014.....	16
Table 10: Total Expenditure for the six months ended September 30 (In BDS\$ millions).....	17
Figure 9: Total Expenditure for the six months ended September 30 2014 .....	17
Table 11: Income and Expenditure for the six months ended September 30 (In BDS\$ millions).....	18
Figure 10: Income and Expenditure for the six months ended September 30 (In BDS\$ millions) .....	18
Securities .....	19
Securities Highlights .....	20

Table 12: Number of Regulated Entities as at September 30 .....	21
Table 13: Barbados Stock Exchange Activity as at September 30.....	21
Table 14: Number of Domestic Mutual Funds by Type as at September 30.....	21
Figure 11: Assets under Management by Type of Fund as at September 30 2014 .....	22
Table 15: Assets under Management by Type of Fund as at September 30 (In BDS \$ millions) .....	22
Occupational Pension Plans.....	23
Occupational Pension Plans Highlights.....	24
Table 16: Number of Occupational Pension Plans in Barbados by Type as at September 30.....	25
Figure 13: Occupation Pension Plan Sponsors by Sector as at September 30.....	25
Table 17: Occupation Pension Plan Sponsors by Sector as at September 30.....	26
Figure 14: Plan Membership Distribution as at September 30 2014.....	26
Table 18: Plan Membership Distribution as at September 30 .....	27

# Introduction

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

FSC's Statistical Bulletin provides important 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 the credit unions, securities and occupational pensions sectors.

# Credit Unions

## Credit Unions Highlights

- ❖ At the end of September 2014 there were thirty-five (35) credit unions registered in Barbados with membership of approximately 166,000 and total assets of an estimated \$1.7 billion.
- ❖ Total assets in the sector have been increasing steadily over the past six years. At the end of September 2014, total assets were \$1,727.9 million; this represented an increase of 7.4 % when compared to the same period in 2013. Net loans and investments are currently the two largest asset categories on the consolidated balance sheet accounting for 74% and 15% of total assets, respectively.
- ❖ Consumer loans accounted for the majority of new loans extended to members (49%) followed by real estate loans (37%) and transport (13%) which fell by one percentage point. During the nine months ending September 2014, new consumer credit decreased by 1.7%, while new real estate loans rose by 3.6 % when compared to the same period of the prior year.
- ❖ With regard to asset quality, total non-performing loans (NPLs) increased from \$109.3 million at the end of September 2013 to \$121.0 million at the end of the same period one year later. The NPL ratio increased by 1.3 percentage points to reach 9.1% at the end of September 2014.
- ❖ Members' savings increased by 8.2% rising from \$1,334.3 million as at September 2013 to \$1,443.2 million at the end of September 2014. During 2014, some credit unions undertook an exercise which resulted in the reclassification of some deposits. Consequently, the increase in members' savings was primarily the result of an increase in members' regular deposits (one of the categories affected by the reclassification) which increased by 47.8% or \$310.4 million during the period.
- ❖ As at September 2014, the capital<sup>1</sup> to asset ratio for the credit union movement was 10.9%, marginally higher than the 10.4% reported at the end of the same period one year earlier.

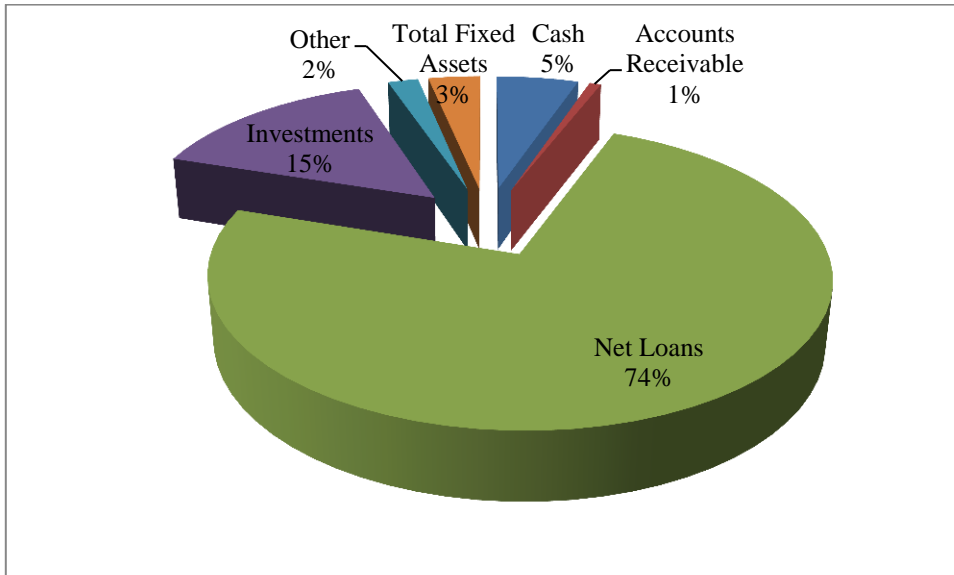
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<sup>1</sup> Capital includes statutory reserves, liquidity reserves and undivided surplus.

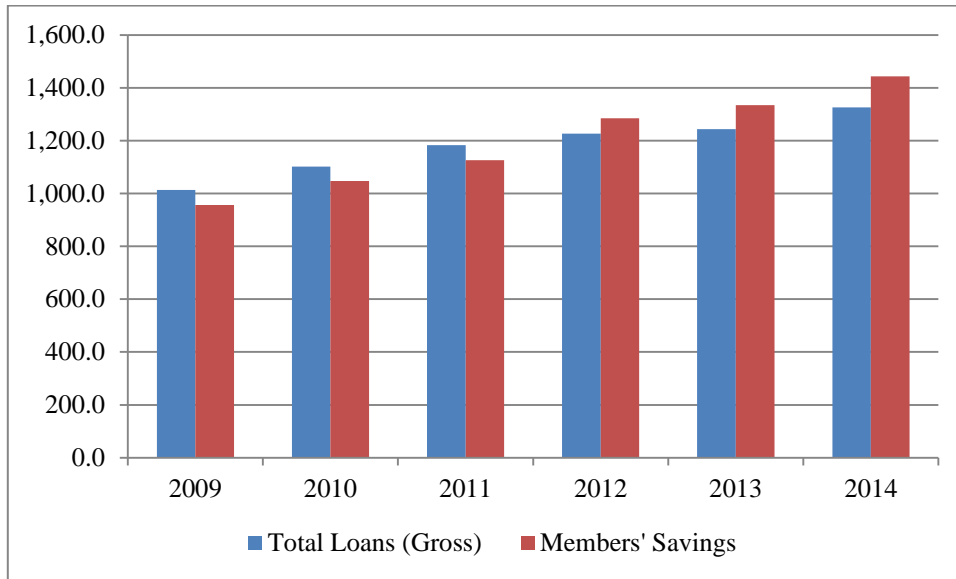
**Table 1: Selected Credit Unions Statistics as at September 30**

Year	Number of Credit Unions	Members (thousands)	Total Assets (BDS \$ millions)
2014	35	166	1,727.9
2013	35	159	1,608.3
2012	35	148	1,560.8
2011	35	155	1,498.3
2010	35	136	1,403.8
2009	35	127	1,288.8

**Figure 1: Asset Distribution as at September 30 2014**



**Figure 2: Total Gross Loans vs Members' Savings<sup>2</sup> as at September 30 (In BDS\$ millions)**



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

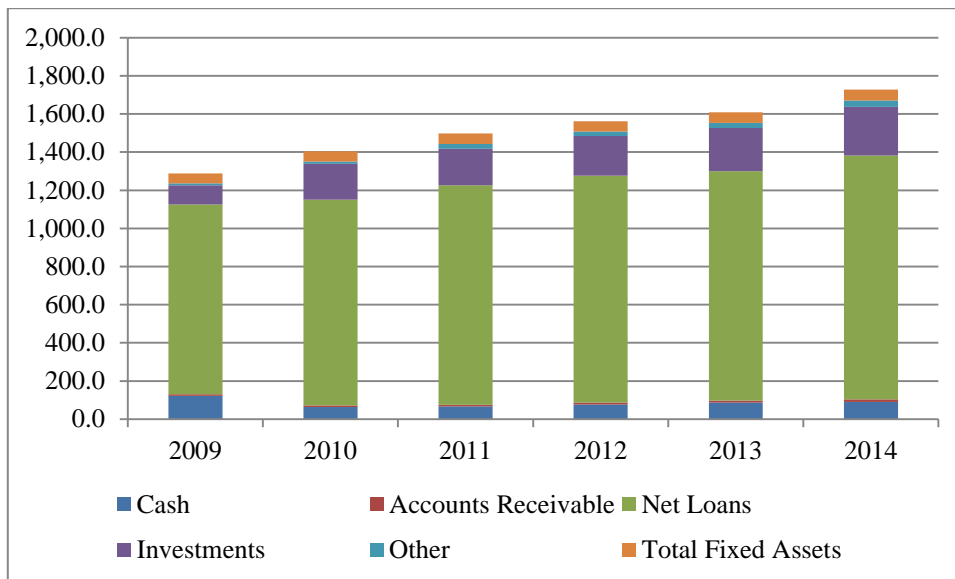


## Assets

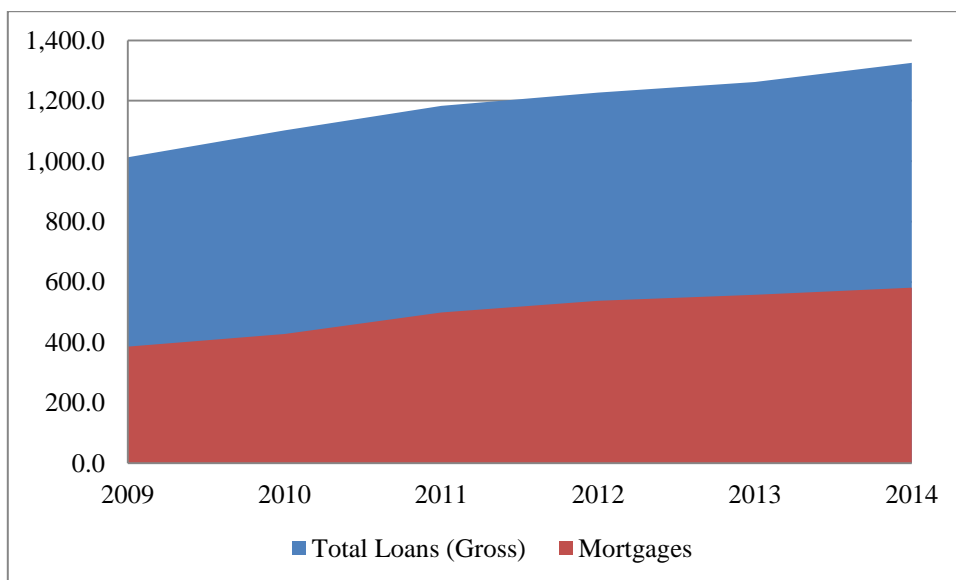
**Table 2: Asset Distribution as at September 30 (In BDS\$ millions)**

Year	Cash	Accounts Receivable	Net Loans	Investments	Other	Total Fixed Assets	Total Assets
2014	90.3	12.8	1279.5	254.2	33.6	57.1	1,727.4
2013	86.7	10.7	1202.2	227.6	26.8	54.3	1,608.3
2012	76.2	10.9	1189.4	208.3	22.9	53.2	1,560.8
2011	66.2	9.4	1151.2	190.6	25.4	55.5	1,498.3
2010	62.9	9.4	1078.1	188.0	11.3	54.1	1,403.8
2009	121.9	8.6	994.6	100.6	9.9	53.2	1,288.8

**Figure 3: Asset Distribution as at September 30 (In BDS\$ millions)**



**Figure 4: Mortgage vs Total Gross Loans as at September 30 (In BDS\$ millions)**



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

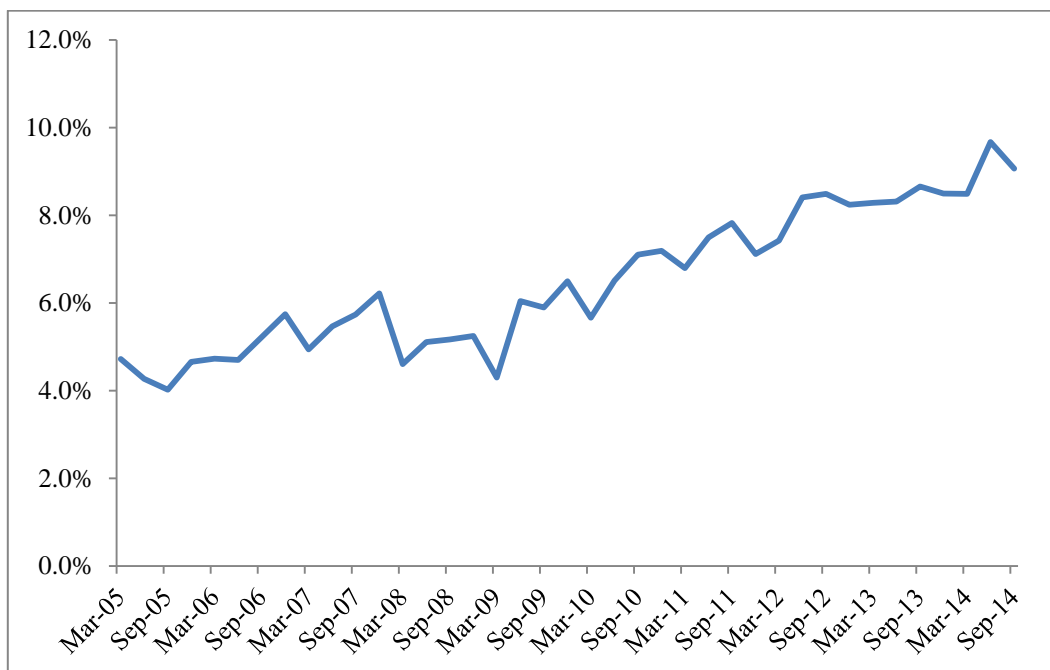
Year	Consumer	Real Estate	Private Transport	Commercial Transport	Agriculture	Other Business
<b>2014</b>	91.7	69.2	23.7	0.33	0.166	1.92
<b>2013</b>	78.5	53.5	20.8	0.04	0.124	1.78
<b>2012</b>	75.4	58.0	19.8	0.41	0.064	2.21
<b>2011</b>	91.4	89.0	28.3	0.36	0.107	2.26
<b>2010</b>	73.8	66.0	28.1	0.19	0.013	2.97
<b>2009</b>	63.6	60.9	24.8	0.18	0.017	2.71

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

<b>Loan Category</b>	<b>2013</b>	<b>% Total 2013</b>	<b>2014</b>	<b>% Total 2014</b>	<b>Change</b>	<b>% Change</b>
<b>Consumer</b>	78,534.0	50.7	91,651.6	49.0	13,117.6	16.7
<b>Real Estate</b>	53,523.3	34.6	69,212.5	37.0	15,689.2	29.3
<b>Private Transport</b>	20,788.5	13.4	23,666.0	12.7	2,877.4	13.8
<b>Commercial Transport</b>	36.3	0.0	334.7	0.2	298.3	821.3
<b>Agriculture</b>	124.0	0.1	165.8	0.1	41.8	33.7
<b>Other Business</b>	1,777.3	1.1	1,920.0	1.0	142.8	8.0
<b>Total</b>	154,783.4	100.0	186,950.6	100.0	32,167.1	20.8

## Asset Quality

**Figure 5: NPL Ratio**



**Table 5: NPLs by Category as at September 30 (In BDS\$ millions)**

Year	3 to 6 months	6 to 12 months	Over 12 months	Total
<b>2014</b>	23.8	25.5	71.7	121.0
<b>2013</b>	23.7	23.2	62.4	109.3
<b>2012</b>	29.3	24.1	50.8	104.2
<b>2011</b>	29.0	19.2	44.4	92.6
<b>2010</b>	26.7	18.6	33.0	78.2
<b>2009</b>	19.2	15.0	25.6	59.7

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

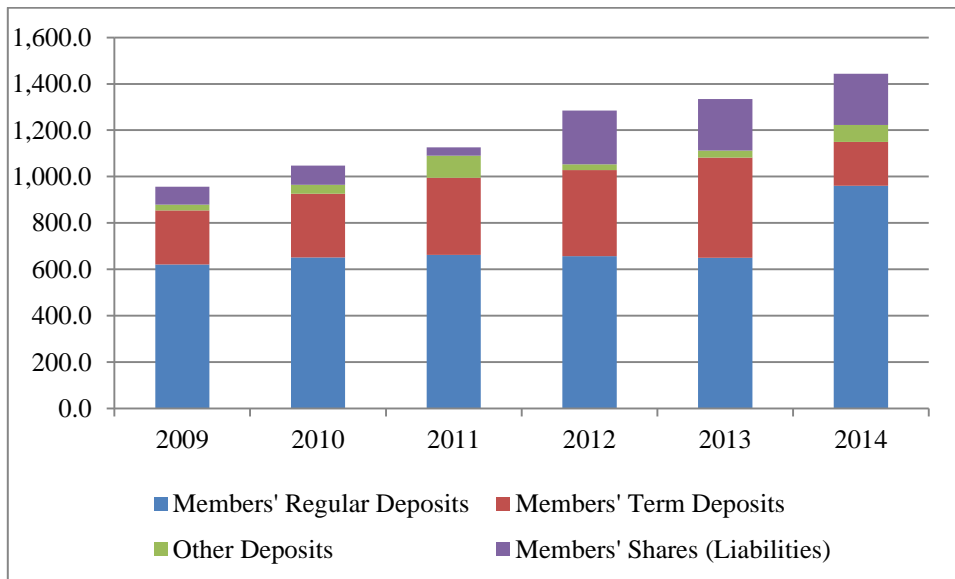
<b>NPL Category</b>	<b>September 2013</b>	<b>% Total September 2013</b>	<b>September 2014</b>	<b>% Total September 2014</b>	<b>Change</b>	<b>% Change</b>
<b>3 to 6 months</b>	23.7	21.7	23.8	19.7	0.1	0.4
<b>6 to 12 months</b>	23.2	21.2	25.5	21.1	2.3	9.7
<b>Over 12 months</b>	62.4	57.0	71.7	59.3	9.3	14.9
<b>Total</b>	109.3	100.0	121.0	100.0	11.7	10.7

## Members' Savings

**Table 7: Members' Savings as at September 30 (In BDS\$ millions)**

Year	Member Deposits			Member Shares (Liabilities)	Total
	Regular	Term	Other		
<b>2014</b>	960.1	189.9	72.5	220.8	1,443.2
<b>2013</b>	649.7	431.9	31.2	221.4	1,334.3
<b>2012</b>	657.5	371.0	24.6	231.9	1,285.0
<b>2011</b>	662.2	333.0	95.0	36.3	1,126.5
<b>2010</b>	651.9	273.9	39.4	82.4	1,047.6
<b>2009</b>	621.1	233.4	25.0	76.8	956.4

**Figure 6: Members' Savings as at September 30 (In BDS\$ millions)**

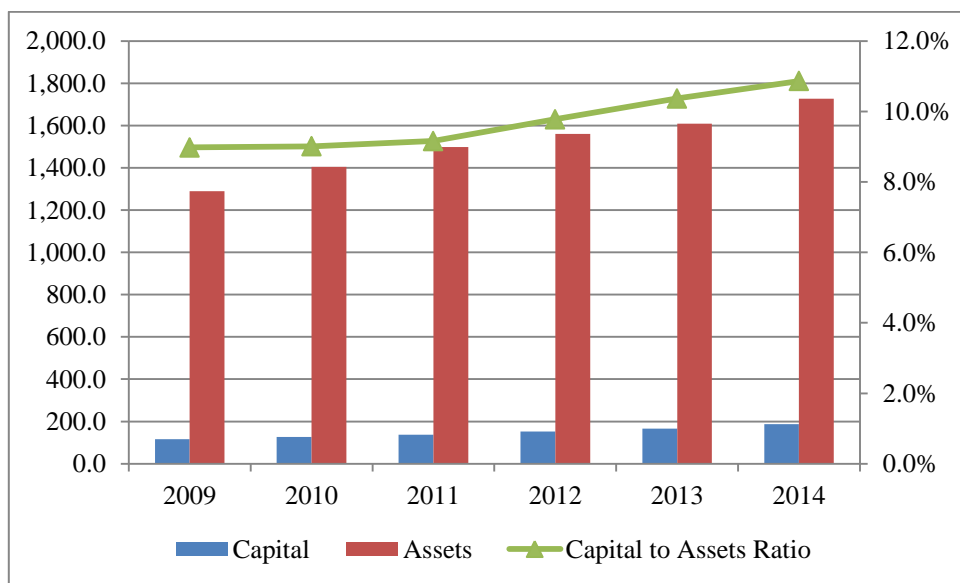


## Capital and Profitability

**Table 8: Capital to Assets Ratio as at September 30 (In BDS\$ millions)**

Year	Capital				Capital to Assets Ratio
	Statutory Reserves	Liquidity Reserves	Undivided Surplus	Total	
2014	147.6	1.6	38.4	187.7	10.9%
2013	129.4	0.8	36.6	166.7	10.4%
2012	117.4	0.8	34.4	152.6	9.8%
2011	104.6	0.9	31.8	137.2	9.2%
2010	99.8	1.4	25.4	126.5	9.0%
2009	89.2	1.5	25.1	115.7	9.0%

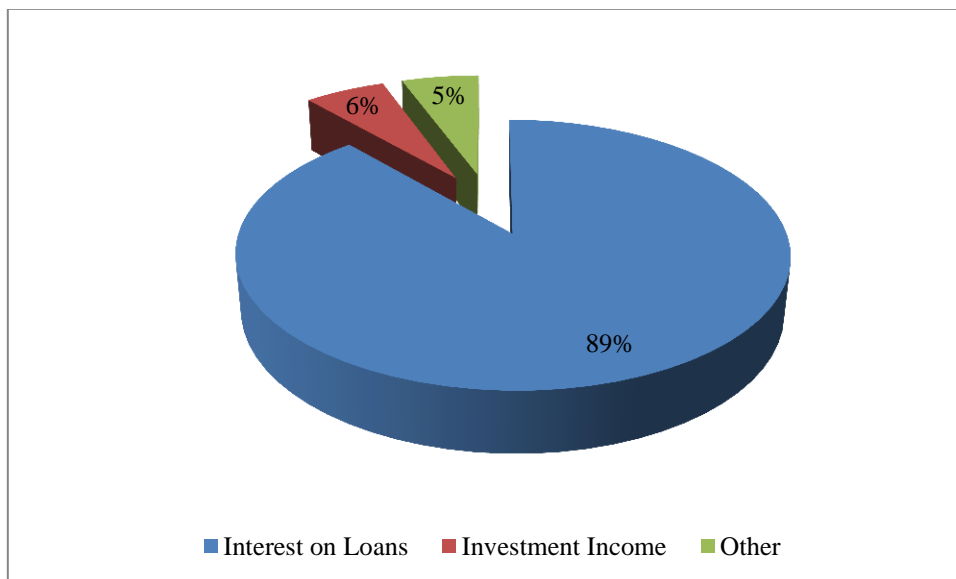
**Figure 7: Capital to Assets Ratio as at September 30 (In BDS\$ millions)**



**Table 9: Total Income for the six months ended September 30 (In BDS\$ millions)**

Year	Interest on Loans	Investment Income	Other	Total Income
2014	73.1	4.8	4.6	82.5
2013	55.7	5.6	2.2	63.5
2012	54.7	4.7	2.5	62.0
2011	52.7	5.1	3.2	61.0
2010	50.1	3.8	2.5	56.4
2009	48.8	4.1	2.7	55.6

**Figure 8: Total Income for the six months ended September 30 2014**

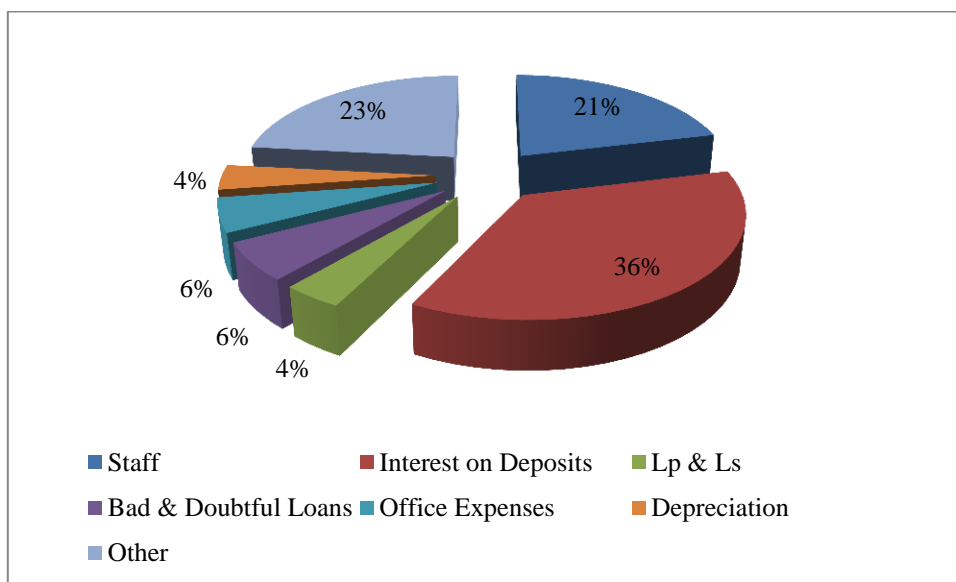




**Table 10: Total Expenditure for the six months ended September 30 (In BDS\$ millions)**

Year	Staff	Interest on Deposits	Lp & Ls	Bad & Doubtful Loans	Office Expenses	Depreciation	Other	Total Expenditure
2014	15.5	26.4	2.8	4.4	3.9	2.9	17.0	72.8
2013	11.7	18.8	2.1	3.4	3.5	2.0	13.4	54.8
2012	11.2	17.7	2.0	3.5	3.5	1.90	11.5	51.2
2011	10.9	18.0	1.9	2.9	3.1	2.0	11.9	50.7
2010	11.0	16.6	1.8	2.6	2.9	2.1	9.9	46.8
2009	10.0	16.6	1.7	2.1	2.6	1.9	8.9	43.8

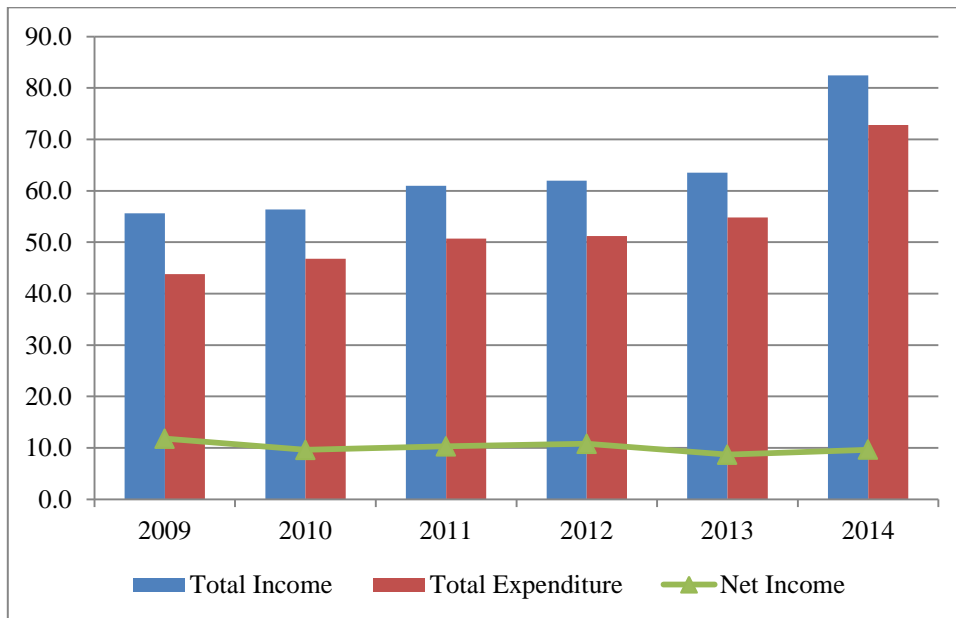
**Figure 9: Total Expenditure for the six months ended September 30 2014**



**Table 11: Income and Expenditure for the six months ended September 30 (In BDS\$ millions)**

Year	Total Income	Total Expenditure	Net Income
2014	82.5	72.8	9.6
2013	63.5	54.8	8.7
2012	62.0	51.2	10.8
2011	61.0	50.7	10.3
2010	56.4	46.8	9.6
2009	55.6	43.8	11.8

**Figure 10: Income and Expenditure for the six months ended September 30 (In BDS\$ millions)**



# Securities

## Securities Highlights

- ❖ The number of individuals and entities registered with FSC at the end of September 2014 remained relatively constant when compared with the same period of the prior year.
- ❖ Small increases were noted with respect to market actors; mutual funds/sub-funds; fund administrators and issuers.
- ❖ The number of domestic mutual fund licensed with FSC increased from 24 to 26 as three mutual funds (including sub-funds) were registered during the nine-month period ended September 30, 2014.
- ❖ Total assets under management for the domestic mutual fund sector in Barbados stood \$1,744 million at the end of September 2014 an increase of \$802.9 million when compared to the same period one year earlier. This rate of increase was significantly higher than the average for the previous four years of 6.4%, and it may be attributed mainly to an increase in the number of licensed funds, as well as the size of these funds.

**Table 12: Number of Regulated Entities as at September 30**

Category	2013	2014
Market Actors (companies) <sup>3</sup>	16	19
Market Actors (individuals) <sup>4</sup>	29	34
Self-regulatory organisations	2	2
Mutual funds ( <i>including sub-funds</i> )	24	26
Mutual fund administrators (general)	10	12
Mutual fund administrators (restricted)	1	1
Issuers <sup>5</sup>	47	46

**Table 13: Barbados Stock Exchange Activity<sup>6</sup> as at September 30**

	2013	2014
Listed companies	25	24
Listed securities	27	26
Local market index	2,979.25	2,136.73
Cross-listed market index	1,486.78	1,676.68
Composite market index	737.33	607.29
Local market capitalisation BDS\$ millions	8,434,729,762.17	5,365,898,407.89
Cross-listed market capitalisation BDS\$ millions	2,481,309,652.70	2,798,239,354.90
Composite market capitalisation BDS\$ millions	10,916,039,414.87	8,164,137,762.79
Number of major transactions <sup>7</sup>	1	0

**Table 14: Number of Domestic Mutual Funds by Type as at September 30**

Type of Fund	2009	2010	2011	2012	2013	2014
<b>Balanced</b>	4	4	4	4	4	4
<b>Exchange-</b>	0	2	4	4	4	4
<b>Growth</b>	4	4	4	4	4	5
<b>Income</b>	4	4	4	4	4	5
<b>Property</b>	2	2	2	2	2	3
<b>Total</b>	14	16	18	18	18	21

<sup>3</sup> Securities Companies, Dealers, Investment Advisers, Underwriters

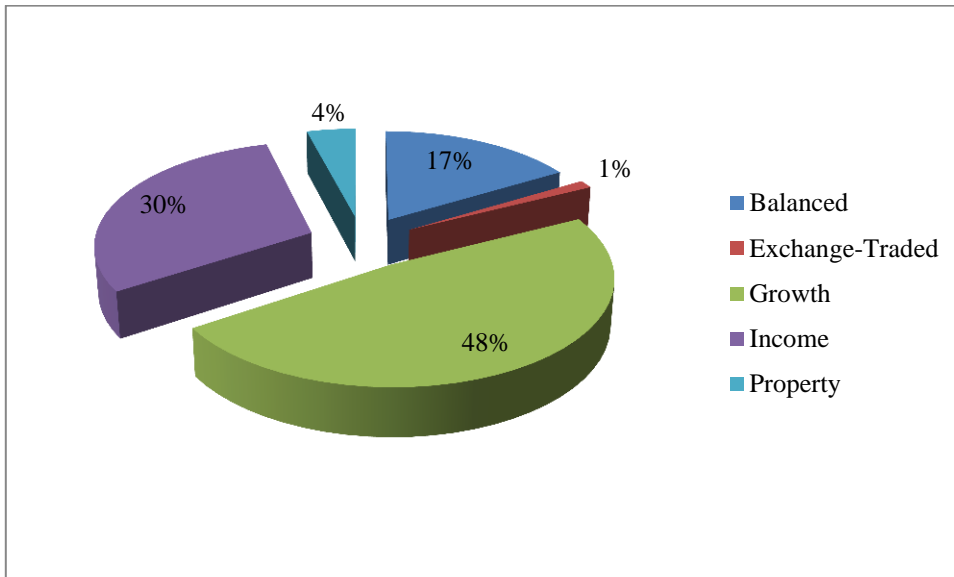
<sup>4</sup> Brokers, Dealers, Traders, Investment Advisers

<sup>5</sup> Listed and unlisted issuers

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

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

**Figure 11: Assets under Management by Type of Fund as at September 30 2014**



**Table 15: Assets under Management by Type of Fund as at September 30 (In BDS \$ millions)**

Type of Fund	2009	2010	2011	2012	2013	2014
<b>Balanced</b>	213.3	236.4	252.4	273.4	291.8	304.6
<b>Exchange-Traded</b>	0.0	7.7	18.5	19.2	21.0	22.7
<b>Growth</b>	326.3	347.6	368.4	378.7	380.5	890.0
<b>Income</b>	131.5	169.1	203.0	188.6	196.8	556.7
<b>Property</b>	89.8	91.5	86.1	84.6	81.0	76.3
<b>Total</b>	760.9	852.2	928.3	944.7	971.1	1774.0

# Occupational Pension Plans

## Occupational Pension Plans Highlights

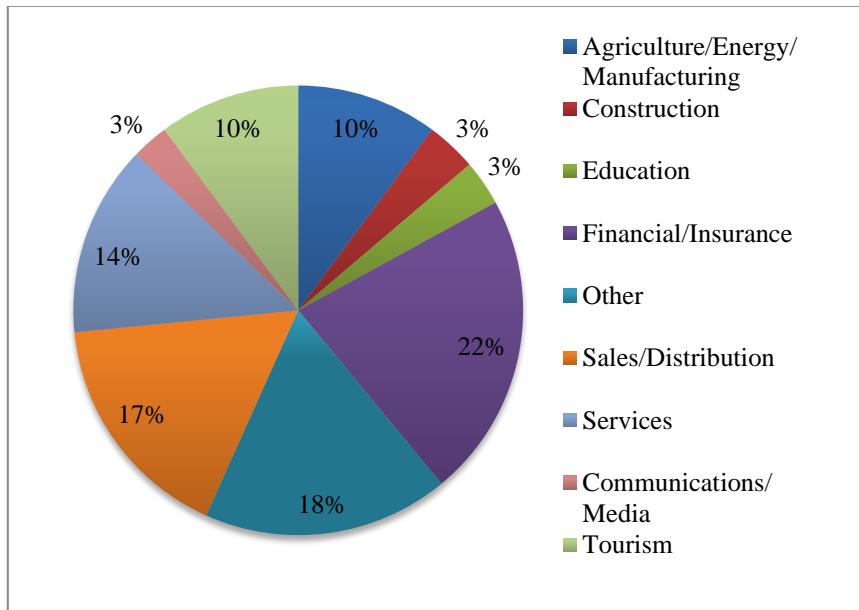
- ❖ As at September 2014, the total number of applications submitted for the registration of occupational pension plans were 305. Of these, 187 pension plans have since been fully registered with FSC.
- ❖ Defined contribution pension plans accounted for approximately 62.6% of the occupational pension plans, while the number of defined benefit plans represented 31.9%.
- ❖ The distribution of pension plan membership per plan is fairly skewed with 246 pension plans or approximately 80% of the total 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 16: Number of Occupational Pension Plans in Barbados by Type as at September 30**

Type of Pension Plan	2013			2014		
	Not Registered	Registered	Total	Not Registered	Registered	Total
<b>Defined Contribution (DC)</b>	124	63	187	67	123	190
<b>Defined Benefit (DB)</b>	89	9	98	47	54	101
<b>DB and DC Combination</b>	11	1	12	4	8	12
<b>DB and DC Multi-Unit</b>	0	0	0	0	1	1
<b>Multi-Employer DC</b>	1	0	1	0	1	1
<b>Total</b>	<b>225</b>	<b>73</b>	<b>297</b>	<b>118</b>	<b>187</b>	<b>305</b>

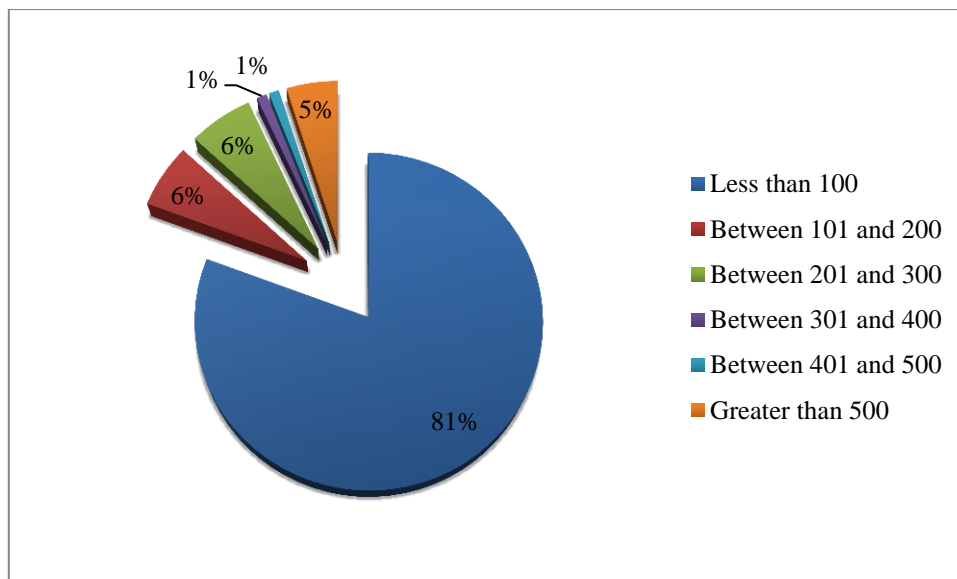
**Figure 13: Occupation Pension Plan Sponsors by Sector as at September 30**



**Table 17: Occupation Pension Plan Sponsors by Sector as at September 30**

Sector	2013	2014	Change	% Change
<b>Agriculture/Energy/ Manufacturing</b>	28	31	3	10.7%
<b>Construction</b>	10	11	1	10.0%
<b>Education</b>	9	10	1	11.1%
<b>Financial/Insurance</b>	64	67	3	4.7%
<b>Other</b>	41	54	13	31.7%
<b>Sales/Distribution</b>	42	51	9	21.4%
<b>Services</b>	66	42	-24	-36.4%
<b>Communications/Media</b>	7	8	1	14.3%
<b>Tourism</b>	30	31	1	3.3%
<b>Total</b>	297	305	8	2.7%

**Figure 14: Plan Membership Distribution as at September 30 2014**



**Table 18: Plan Membership Distribution as at September 30**

<b>Membership</b>	<b>2013</b>	<b>2014</b>	<b>Change</b>	<b>% Change</b>
<b>Less than 100</b>	242	246	4	1.7%
<b>Between 101 and 200</b>	17	19	2	11.8%
<b>Between 201 and 300</b>	18	19	1	5.6%
<b>Between 301 and 400</b>	4	3	-1	-25.0%
<b>Between 401 and 500</b>	3	3	0	0.0%
<b>Greater than 500</b>	13	15	2	15.4%
<b>Total</b>	297	305	8	2.7%