

Financial Services Commission

Statistical Bulletin 2017



Volume 4 No. 1

Data to December 2016

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 2016 there were thirty-four (34) credit unions registered in Barbados with membership of approximately 186,000 and total assets of an estimated \$2.0 billion.
- ❖ At the end of December 2016, total assets had increased by 8.3% to reach \$2,035.3 million. This increase was greater than that of the 7.3% increase between December 2014 and 2015 values.
- ❖ Net loans and investments are currently the two largest asset categories on the consolidated balance sheet accounting for 74% and 15% of total assets, compared to 75% and 14% respectively in 2015.
- ❖ Consumer loans accounted for the majority of new loans extended to members (50%, a decline from the 54% in December 2015) followed by real estate loans (30%, down from the 33% seen in December 2015) and transport (17%).
- ❖ With respect to asset quality, total non-performing loans (NPLs) decreased from \$130.7 million at the end of December 2015 to \$117.3 million at the end of the same period one year later. The NPL ratio was 7.6% at the end of December 2016, significantly lower than the 9.1% at the same period the prior year.
- ❖ 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. Continuing with this trend saving increase by 9.1% to reach \$1,734.2 million at the end of December 2016.
- ❖ As at December 2016, the capital¹ to asset ratio for the credit union movement was 11.8%, marginally higher than the 11.6% reported at the end of the same period one year earlier.

¹ 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)
2016	34	186	2,035.3
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

Figure 1: Asset Distribution as at December 31 2016

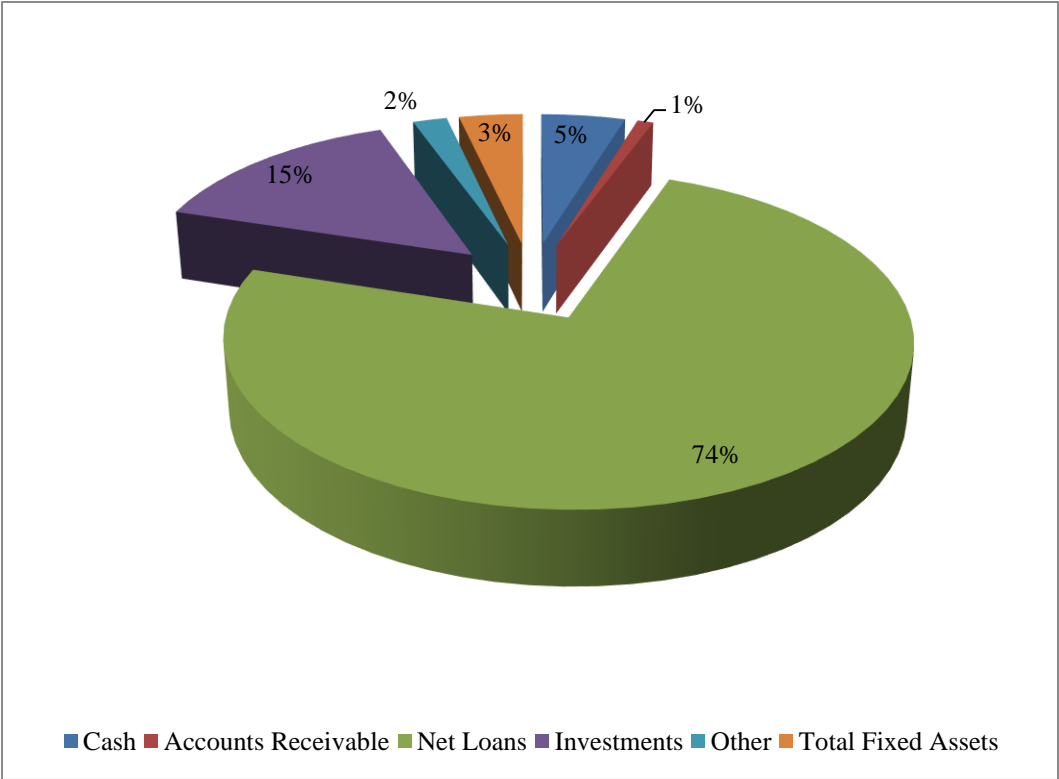
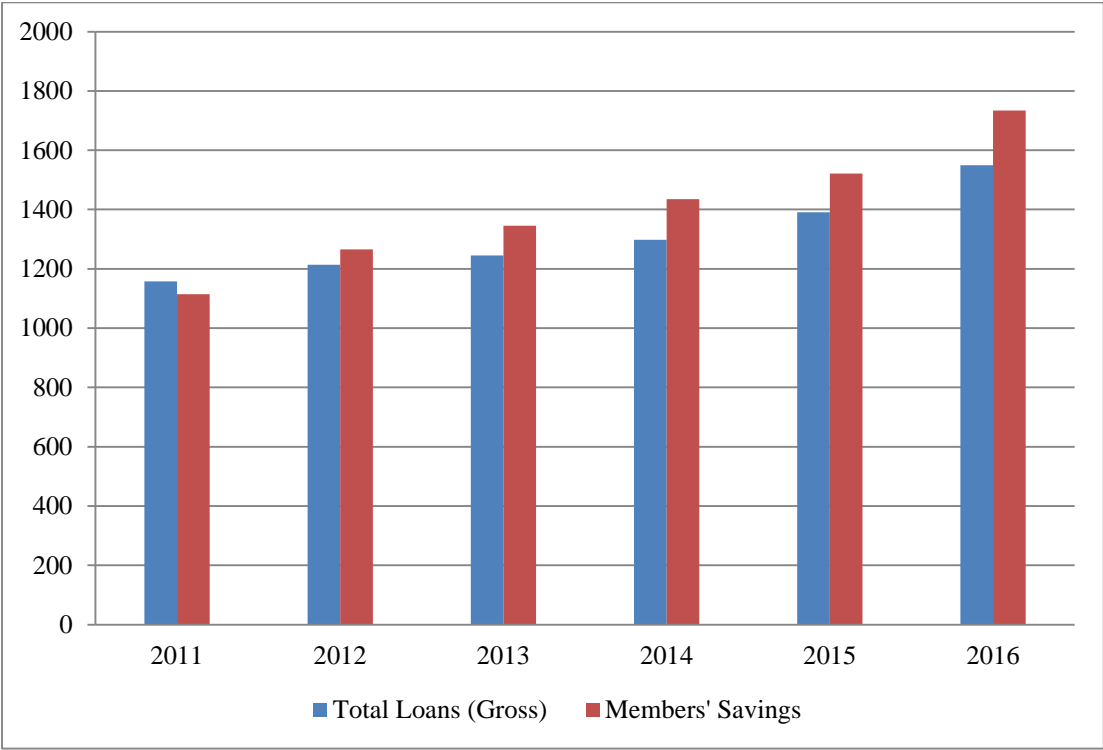


Figure 2: Gross Loans vs Members' Savings² (In BDS \$ millions)



² 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
2016	96.1	18.3	1,510.7	298.0	39.1	73.0	2,035.3
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

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

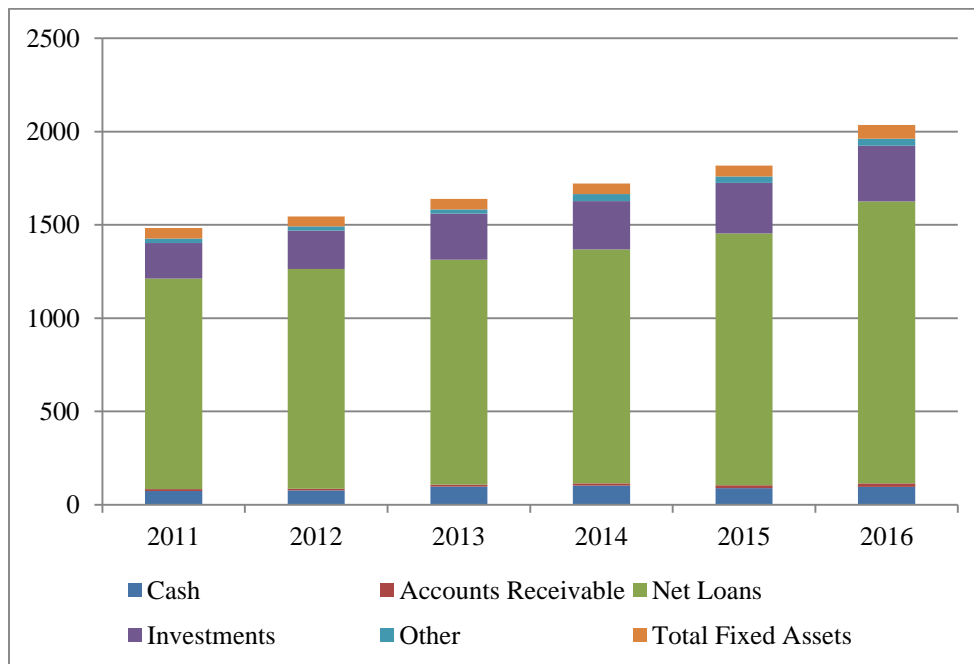


Figure 4: Mortgages vs Total Gross Loans (In BDS \$ millions)

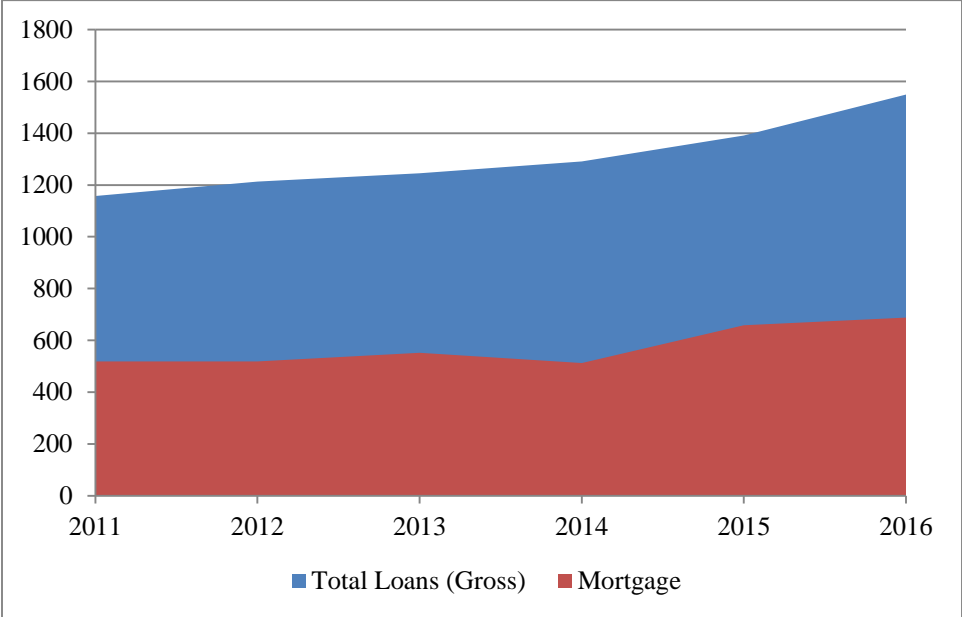


Table 3: New Credit Issued – January to December (In BDS \$ millions)

Year	Consumer	Real Estate	Private Transport	Commercial Transport	Agriculture	Other Business
2016	143.6	87.2	50.7	0.13	0.17	3.1
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

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

Loan Category	2015	% Total 2015	2016	% Total 2016	Growth (levels)	Growth Rate
Consumer	147.0	53.7%	143.6	50%	-3.4	-2%
Real Estate	89.1	32.5%	87.2	31%	-1.9	-2%
Private Transport	34.2	12.5%	50.7	18%	16.5	48%
Commercial Transport	0.5	0.2%	0.1	0%	-0.4	-74%
Agriculture	0.2	0.1%	0.2	0%	-0.03	-15%
Other Business	3.0	1.1%	3.1	1%	0.1	3%
Total	273.9	100.0%	284.9	100%	11.0	4%

Asset Quality

Figure 5: NPL Ratio

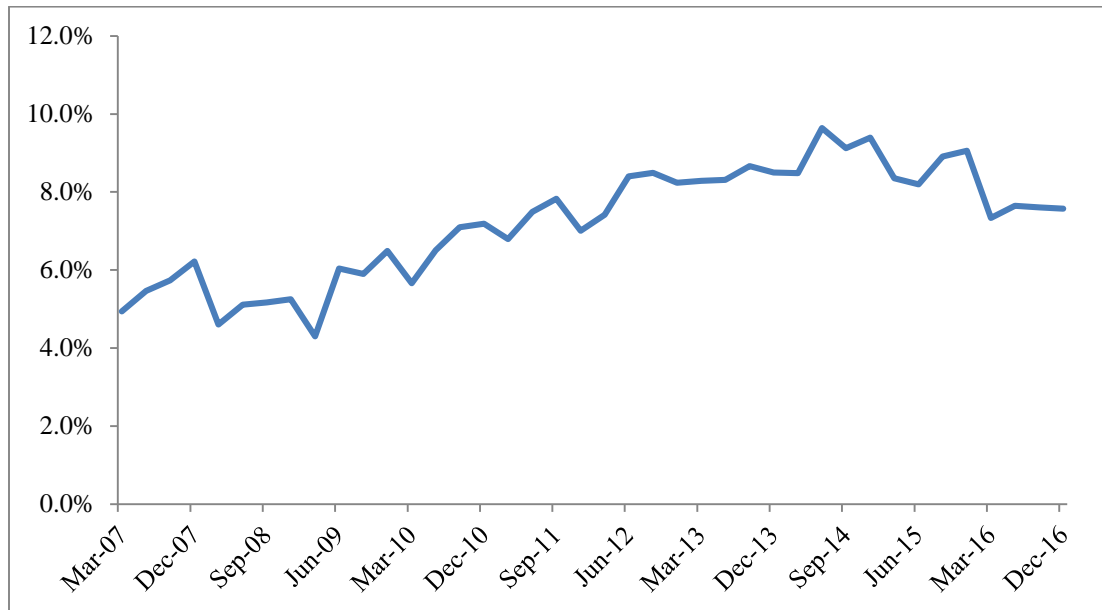


Table 5: NPLs by Category (In BDS \$ millions)

Year	3 to 6 months	6 to 12 months	Over 12 months	Total
2016	20.1	17.9	79.3	117.3
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

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

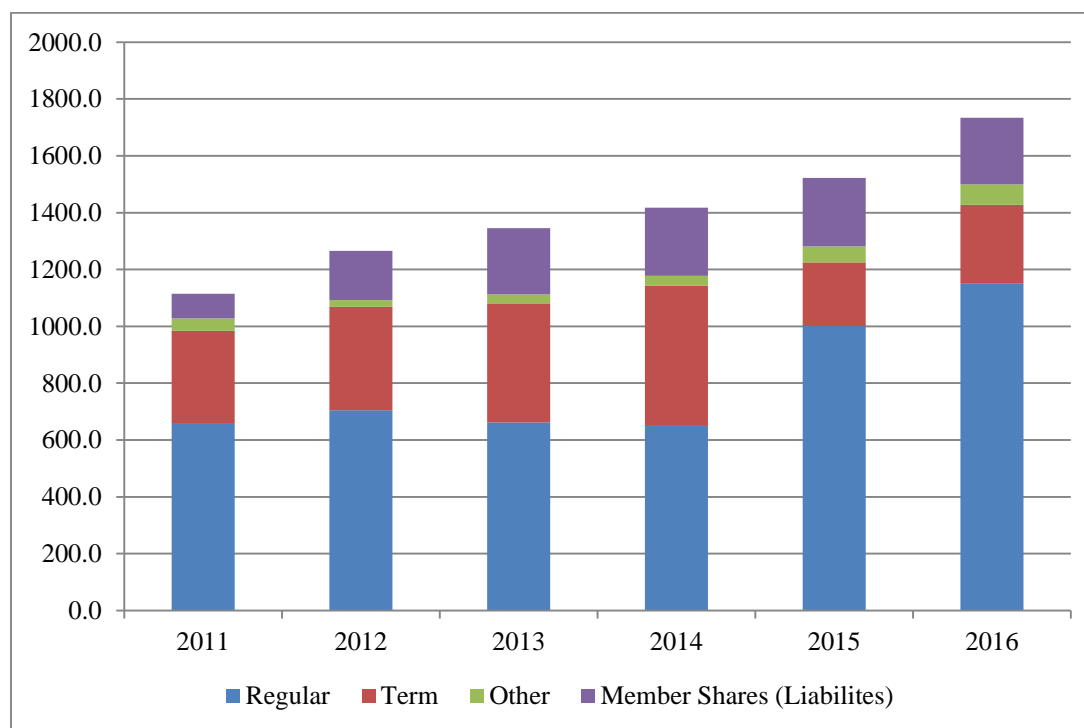
NPL Category	Dec-15	% Total Dec 2015	Dec-16	% Total Dec 2016	Change	% Change
3 to 6 months	29.1	22.2%	20.1	17.1%	-9.0	-30.9%
6 to 12 months	26.2	20.0%	17.9	15.3%	-8.3	-31.7%
Over 12 months	75.5	57.8%	79.3	67.6%	3.8	5.0%
Total	130.8	100.0%	117.3	100.0%	-13.5	-10.3%

Members' Savings

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

Year	Member Deposits			Member Shares (Liabilities)	Total
	Regular	Term	Other		
2016	1,151.3	276.6	71.9	234.5	1,734.2
2015	1,040.9	243.6	61.4	243.5	1,589.4
2014	956.9	210.5	72.3	220.5	1,460.2
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

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



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	
2016	18.4	167.4	9.3	45.7	240.9	11.8%
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%

Figure 7: Capital to Assets Ratio

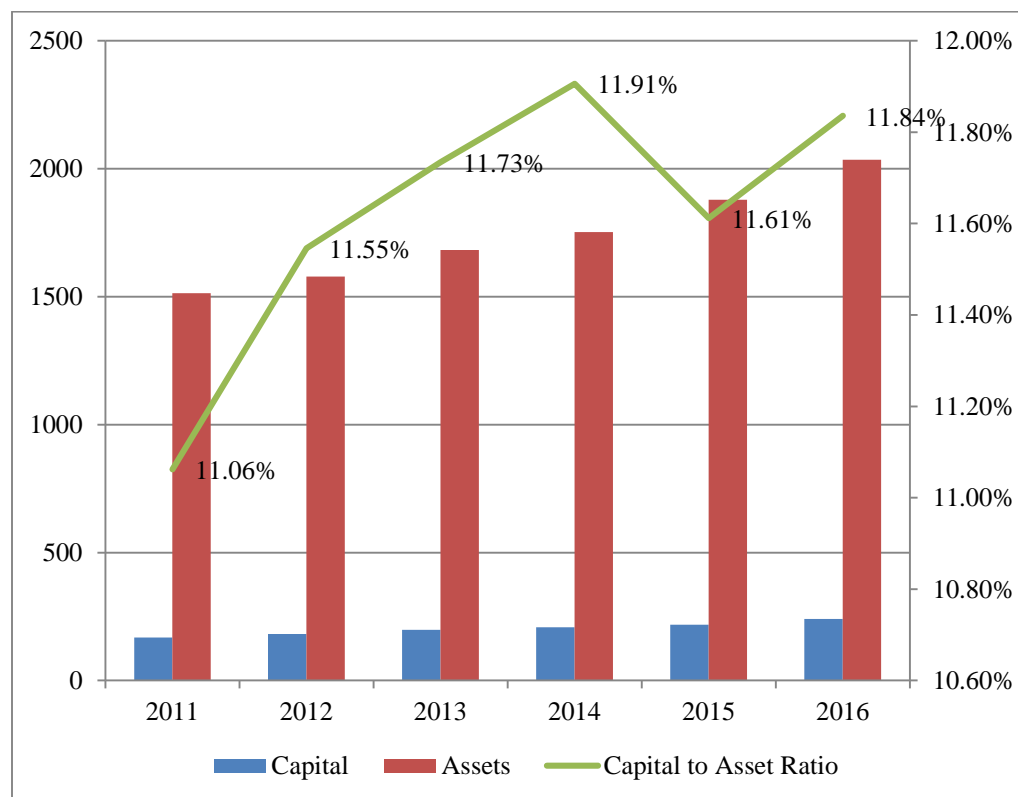


Table 9: Total Income for the 9 months ended December 31 (In BDS \$ millions)

	Interest on Loans	Investment Income	Other	Total Income
2016	92.9	8.7	5.9	107.5
2015	87.7	7.9	5.8	101.4
2014	83.7	7.9	5.5	97.1
2013	83.0	8.5	3.5	94.9
2012	80.8	7.2	4.0	92.1
2011	79.7	7.2	4.6	91.6

Figure 8: Total Income for the 9 months ended December 31, 2016

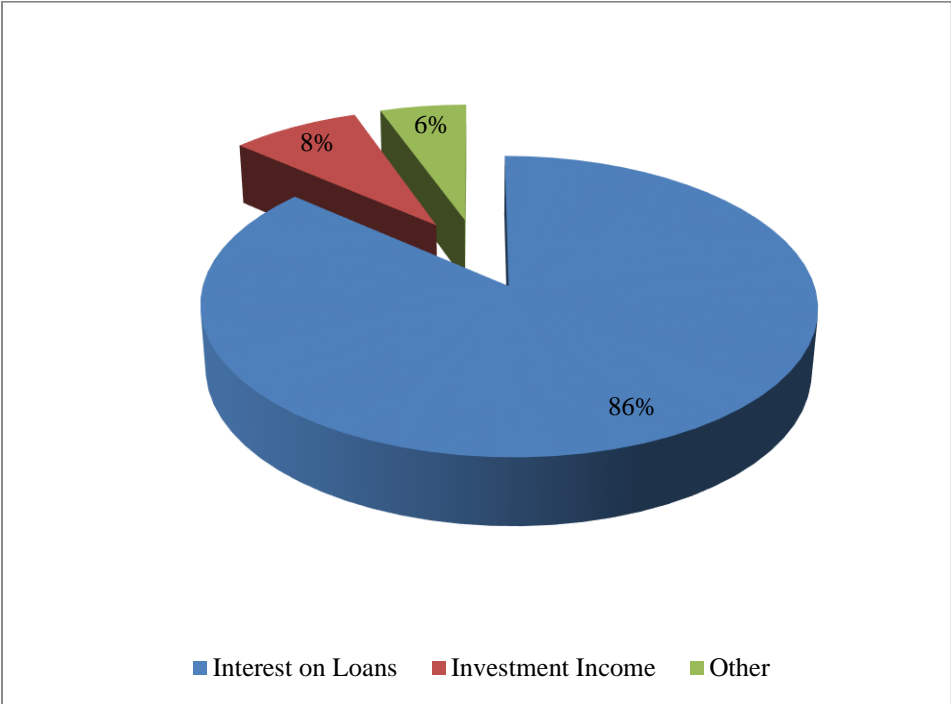
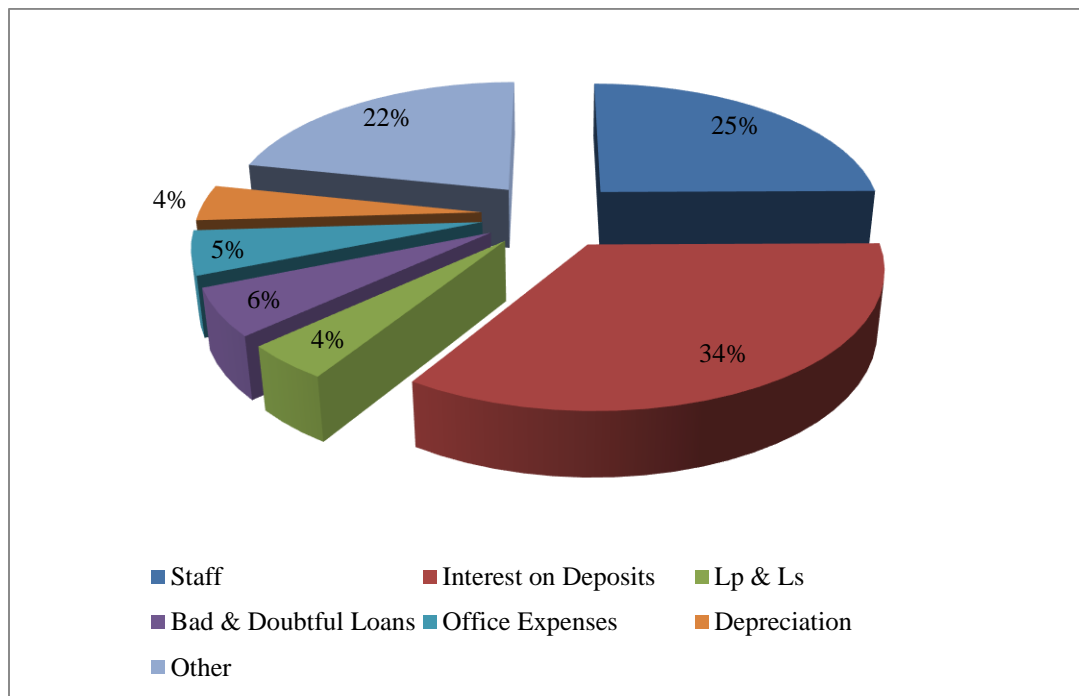


Table 10: Total Expenditure for the 9 months ended December 31 (In BDS \$ millions)

	Staff	Interest on Deposits	Lp & Ls	Bad & Doubtful Loans	Office Expenses	Depreciation	Other	Total Expenditure
2016	22.7	31.1	3.9	5.1	4.8	3.9	19.8	91.3
2015	20.5	30.7	6.4	3.1	4.5	3.7	20.5	89.4
2014	18.6	31.0	3.0	5.8	4.7	3.3	18.1	84.6
2013	17.8	28.6	3.0	5.1	5.1	3.0	18.5	81.1
2012	16.6	26.8	2.9	5.3	4.9	2.8	16.6	75.9
2011	16.2	28.9	2.8	5.1	4.5	2.9	17.4	75.9
2010	16.0	24.4	2.6	4.0	4.0	3.1	15.3	69.4

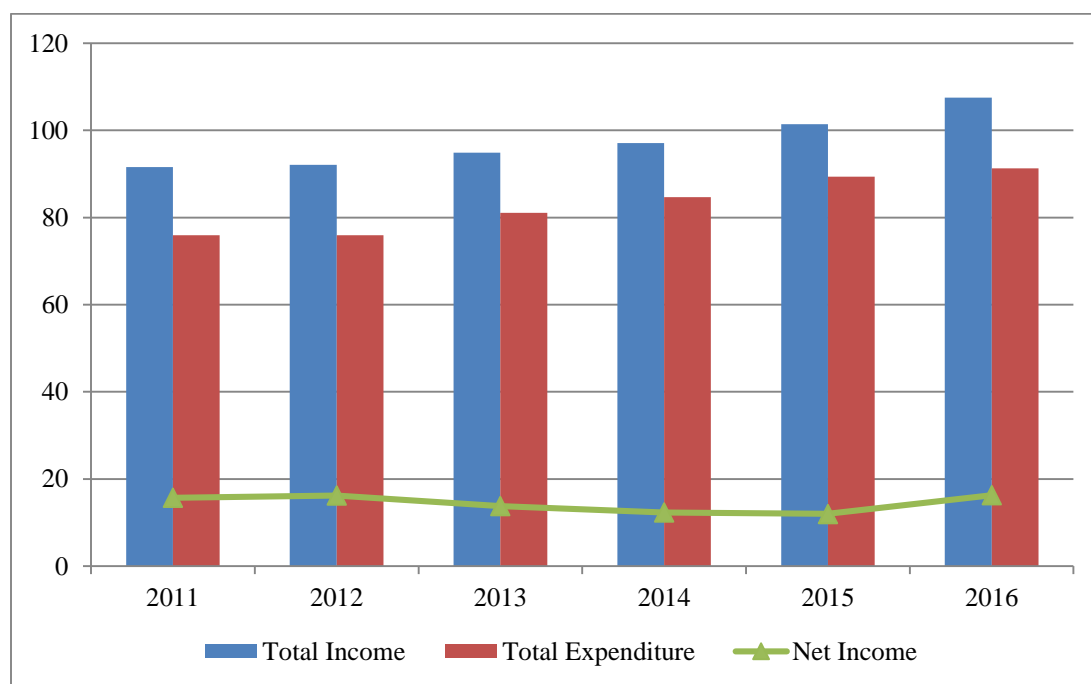
Figure 9: Total Expenditure for the 9 months ended December 31, 2016



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

	Total Income	Total Expenditure	Net Income
2016	107.5	91.3	16.3
2015	101.4	89.4	12.0
2014	97.1	84.7	12.3
2013	94.9	81.1	13.8
2012	92.1	75.9	16.2
2011	91.6	75.9	15.7

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



Insurance

Insurance Highlights

- ❖ Gross premiums written for the industry (both general and life insurance) were approximately \$704 million, representing a 23% decrease from the figure of \$916 million recorded in 2015. General insurance accounted for 63% of industry premiums, with Life accounting for the remaining 37%.
- ❖ Reinsurance ceded was stood at \$263 million, 6% less than that of the \$280 million recorded one year prior. This figure was approximately 37% of gross premiums for the industry, 6 percentage points lower than the 31% seen in 2015.
- ❖ Net income increased by 13% to reach \$113 million as at December 2016.
- ❖ Motor (34%) and property (38%) insurance are the most significant categories in the general insurance market accounting for 72% of the gross premiums written in 2016. With respect to the life insurance market, the most popular products sold are whole life, term life and universal life insurance.

Table 12: Insurance Industry - Registered Entities

	Total				
Domestic Insurance	2012	2013	2014	2015	2016
General Insurance	16	16	15	14	15
Life Insurance Companies	9	9	7	6	8
Combined Life and General Insurers	1	1	1	1	1
Brokers	24	22	22	23	24
Agents, Sub-Agents, Sales Persons	560	516	534	547	560
Loss Adjusters/Surveyors	16	7	14	14	16
International Insurance Companies (March 31)	2012	2013	2014	2015	2016
Exempt Insurance Companies	166	166	179	192	200
Holding Companies	12	16	12	11	11
Management Companies	22	22	22	24	25
Qualifying Insurers	45	45	45	44	46
Segregated Cell Companies	12	16	18	19	

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

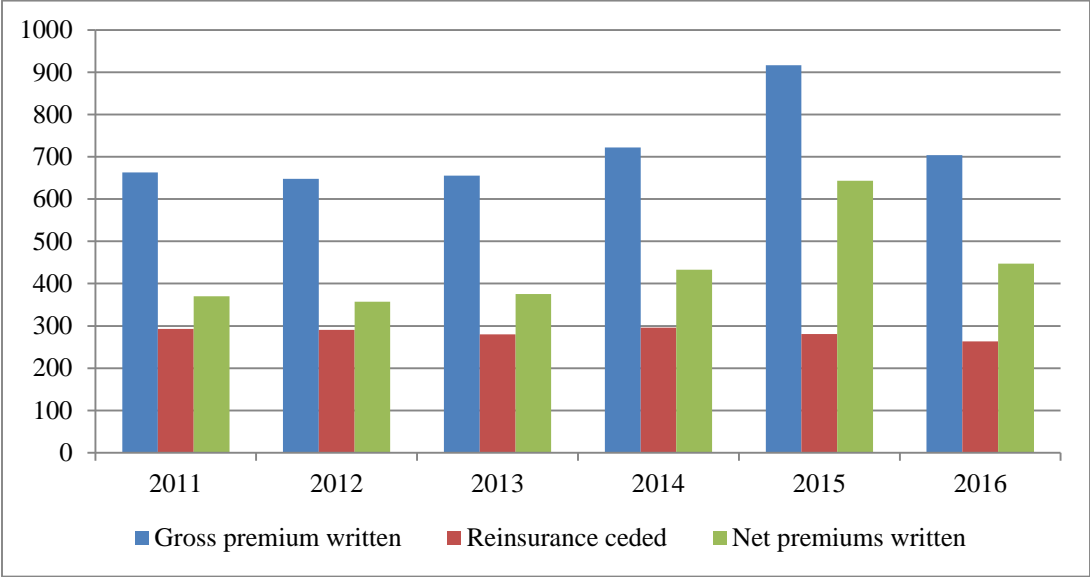


Figure 12: Gross Premiums Written vs. Gross Claims Paid (In BDS \$ millions)

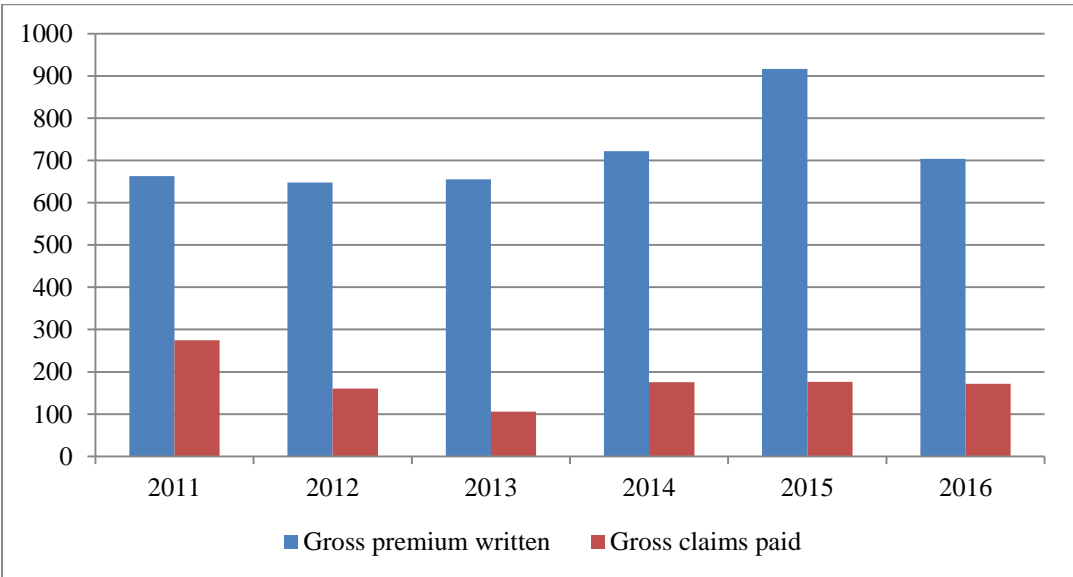


Table 13: Aggregated Consolidate Industry totals Statistics (In BDS \$ millions)

	2011	2012	2013	2014	2015	2016	% Change 2015/16
Gross premium written	663	645	668	724	916	704	-23%
Reinsurance ceded	293	291	282	297	280	263	-6%
Net premiums written	370	364	396	433	643	447	-30%
Gross claims paid	275	151	155	175	176	172	-2%
Commission received	70	45	43	61	61	68	11%
Commission paid	55	36	49	56	70	53	-24%
Total assets	2,605	3,142	3,010	3,024	3,243	3,634	12%
Net income	247	129	80	115	100	113	13%

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

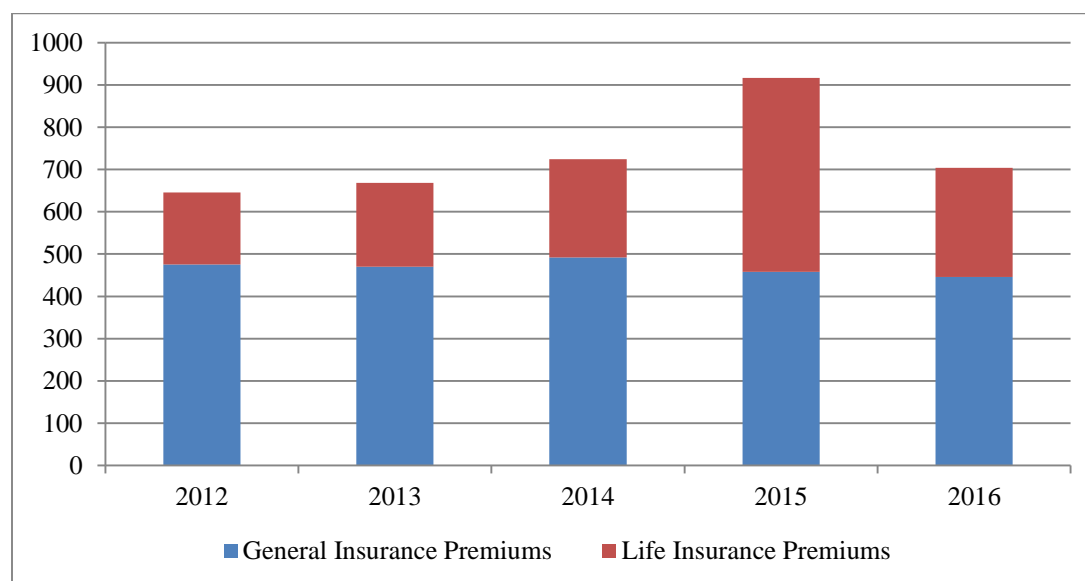
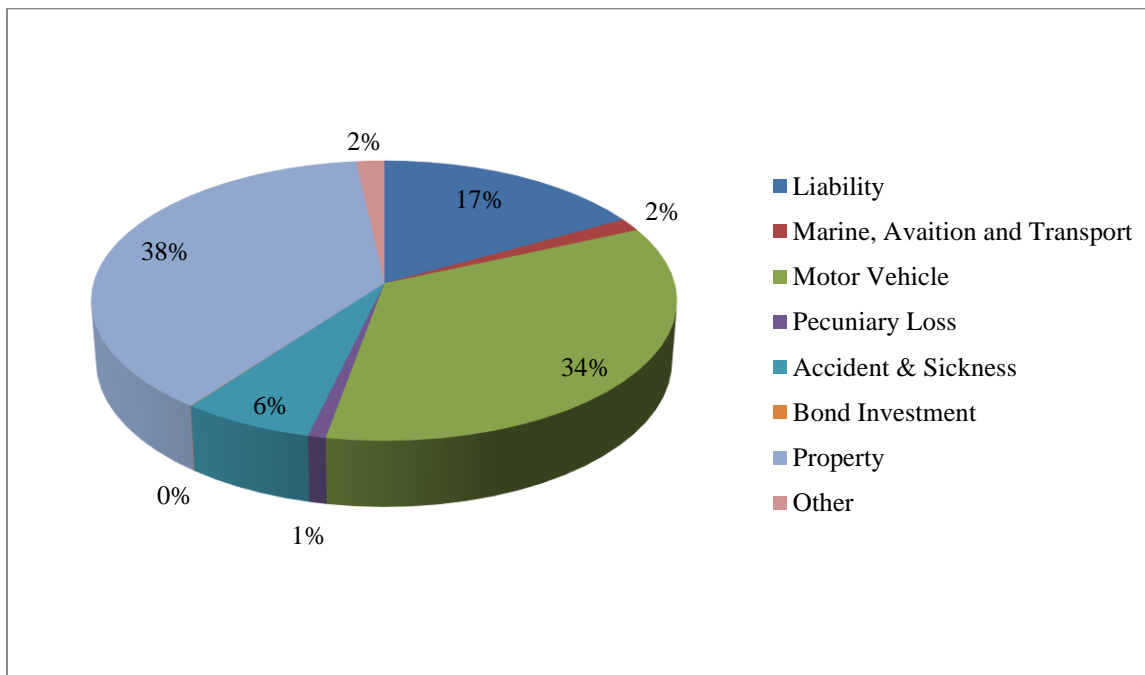


Table 14: Gross Premiums Written³ (In BDS \$ millions)

	2012	% of Total	2013	% of Total	2014	% of Total	2015	% of Total	2016	
General Insurance Premiums	475.2	74%	470.3	70%	492.2	68%	457.8	50%	445.8	63%
Life Insurance Premiums	170.5	26%	198.1	30%	232.0	32%	458.6	50%	258.2	37%
Total Industry Premiums	645.7	100%	668.4	100%	724.1	100%	916.4	100%	704	100%

Figure 14: Premiums by Policy Type at December 2016



³ The totals stated above have been revised from the previous period.

Securities

Securities Highlights

- ❖ The number of firms registered with the Financial Services Commission (FSC) at the end of December 2016 was 108, slightly higher than the 102 recorded in December 2015.
- ❖ The number of domestic mutual fund licensed with the FSC decreased from 19 to 16 during the twelve month period ended December 2016.
- ❖ Total assets under management for the domestic mutual fund sector in Barbados stood \$2,073.0 million at the end of December 2016, an increase of \$213.4 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	2016
Market Intermediaries (Firms)	23	27	30	36
Mutual Funds (including sub-funds)	26	25	23	25
Other Issuers	1	2	2	2
Reporting Issuers	47	47	45	43
Self-regulatory Organisations	2	2	2	2

Table 17: Breakdown of Market Intermediaries⁴ (Firms) as at December 31

Category	2013	2014	2015	2016
Securities Company	10	13	15	17
Investment Adviser	8	11	18	20
Dealer	4	3	6	5
Underwriter	5	6	7	6
Mutual Fund Administrator (General)	10	12	10	10
Mutual Fund Administrator (Restricted)	1	0	0	0

Table 18: Barbados Stock Exchange Activity⁵ as at December 31

	2013	2014	2015	2016
Listed companies	21	20	20	21
Listed securities	27	26	24	22
Local market index	2,995.52	2,137.26	2,361.47	2,589.89
Cross-listed market index	1,486.78	1,706.54	1,738.11	1,357.55
Composite market index	740.42	611.23	656.56	651.58
Local market capitalisation BDS\$ millions	7,999.31	5,367.18	5,898.17	5,643.15
Cross-listed market capitalisation BDS\$ millions	2,481.31	2,849.60	2,853.95	2,235.95
Composite market capitalisation BDS\$ millions	10,480.62	8,216.78	8,752.13	7,879.09
No. of major transactions ⁶	0	0	1	0

⁴ Some firms are registered in more than one category

⁵ Provided by the Barbados Stock Exchange Inc.

⁶ Takeovers, mergers, rights issues etc.

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

Type of Fund	2011	2012	2013	2014	2015	2016
Balanced	3	3	3	3	3	2
Exchange-Traded	4	4	4	3	2	0
Growth	5	5	6	6	6	6
Income	4	4	5	5	5	5
Property	2	2	3	3	3	3
Total	18	18	21	20	19	16

Figure 15: Assets under Management by Type of Fund as at December 31 2016

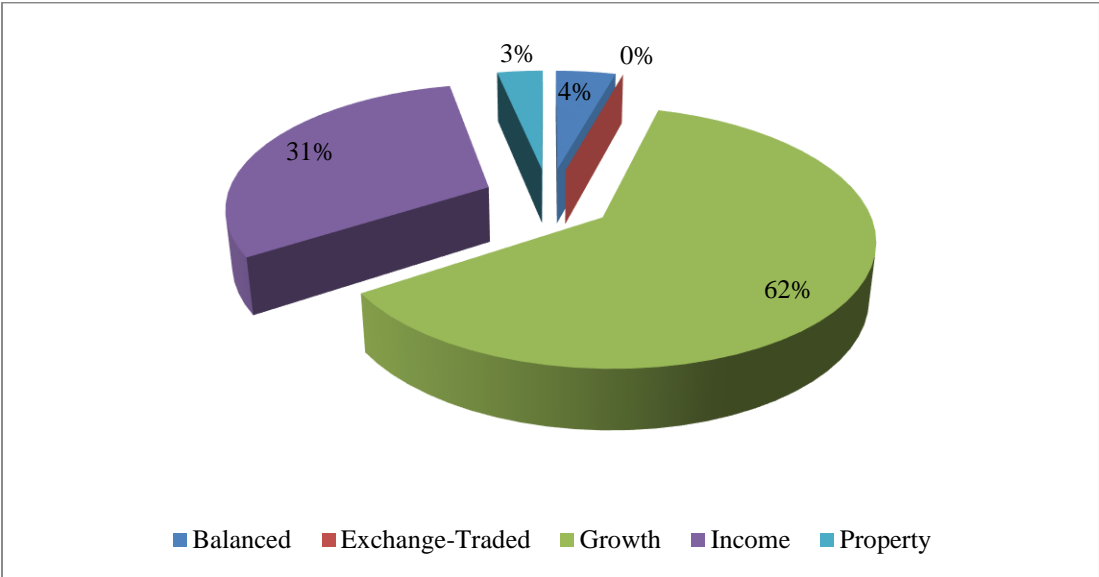


Table 20: Assets under Management by Type of Fund as at December 31 (In BDS \$ millions)

Type of Fund	2011	2012	2013	2014	2015	2016
Balanced	110.1	110.2	98.6	100.2	88.2	89.9
Exchange-Traded	18.8	19.5	15.3	14.1	4.9	0
Growth	506.9	553.8	1,076.9	1,092.5	1,104.7	1,275.5
Income	200.8	193.8	565.9	567.1	589.1	638.9
Property	86.0	84.7	79.3	75.4	72.7	68.7
Total	922.6	961.9	1,836.0	1,849.3	1,859.6	2,073.0

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

