

# Financial Services Commission

*Statistical Bulletin 2017*



Volume 4 No. 3

Data to June 2017

Credit Unions 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 Plans sectors of the Barbadian economy. The Financial Services Commission 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. However, this edition of the bulletin will focus on data for the Credit Unions and Securities.

# Credit Unions

## Credit Unions Highlights

- ❖ At the end of June 2016 there were thirty-three (33) credit unions registered in Barbados with membership of approximately 190,000 and total assets of an estimated \$2.1 billion.
- ❖ Total assets in the sector have been increasing steadily over the past seven years. At the end of June 2017, total assets were \$2,132.5 million; this represented an increase of 8.1% when compared to the same period in 2016.
- ❖ Net loans and investments are currently the two largest asset categories on the consolidated balance sheet accounting for 72% and 15% of total assets, respectively.
- ❖ Consumer loans accounted for the majority of new loans extended to members (53%) followed by real estate loans (approximately 26%) and transport (17%).
- ❖ With regards to asset quality, total non-performing loans (NPLs) increased from \$112.8 million at the end of June 2016 to \$124.3 million at the end of the same period one year later. The NPL ratio increased from 7.6% at the end of June 2016 to 7.9% at the end of June 2017.
- ❖ Members' savings increased by 9.0% rising from \$1,675.6 million as at June 2016 to \$1,827.5 million at the end of June 2017.
- ❖ As at June 2017, the capital<sup>1</sup> to asset ratio for the credit union movement was 11.8%, marginally higher than the 11.7% reported at the end of the same period one year earlier.

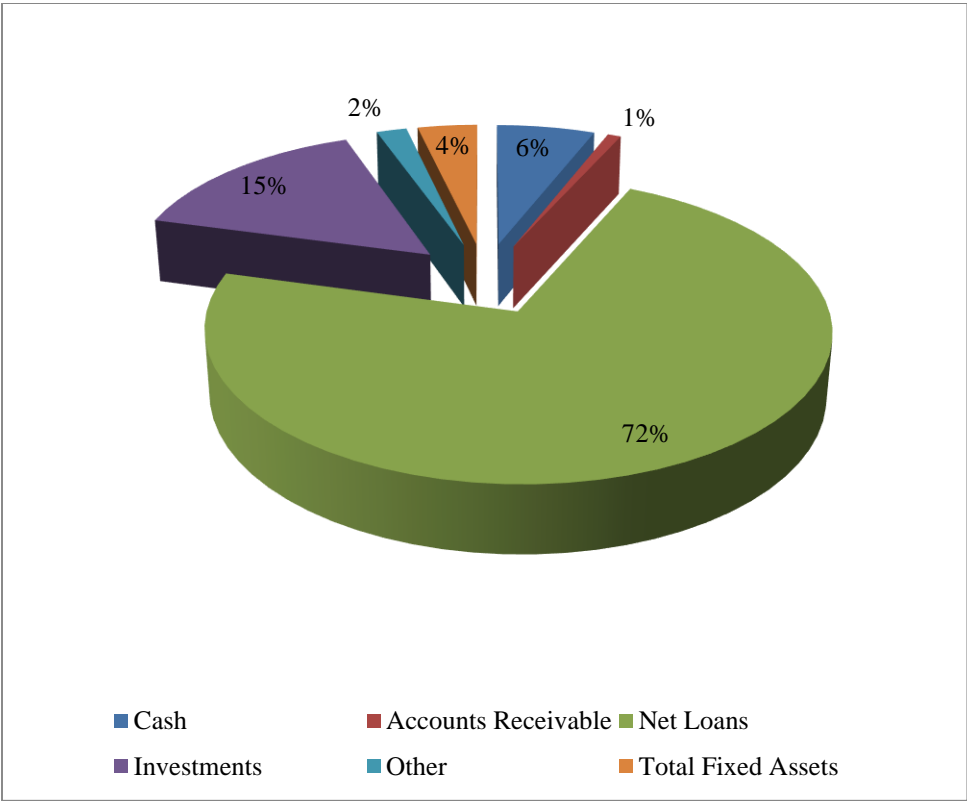
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<sup>1</sup> Capital includes share capital, statutory reserves, liquidity reserves and undivided surplus.

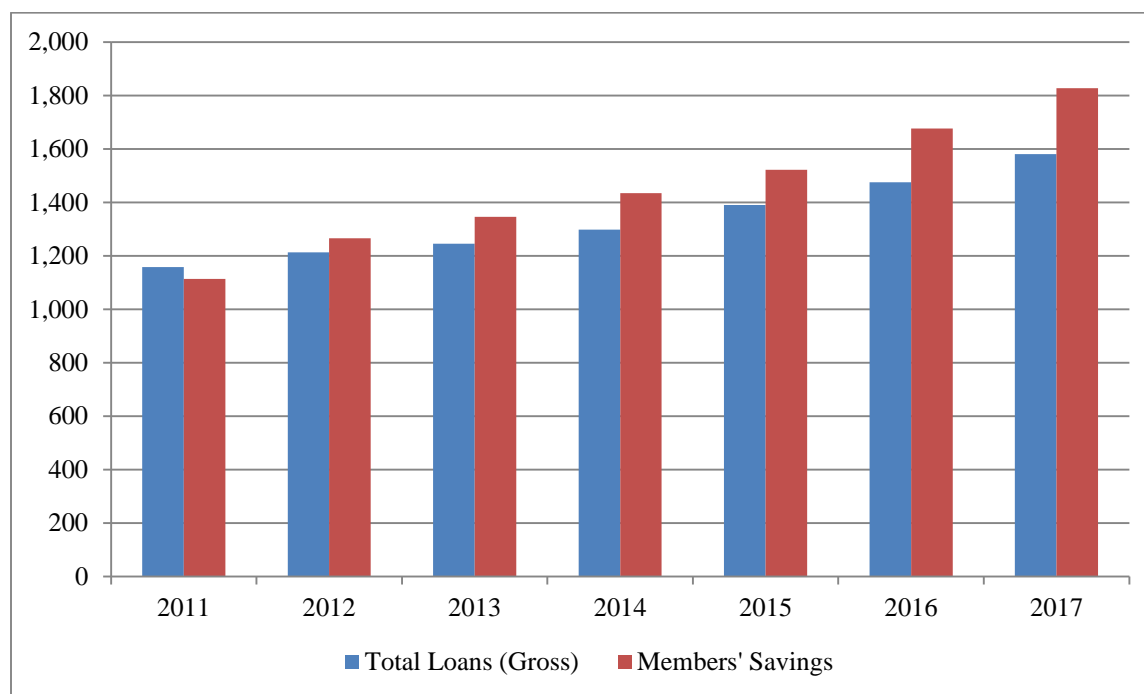
**Table 1: Selected Credit Unions Statistics as at June 30**

Year	Number of Credit Unions	Members (thousands)	Total Assets (BDS \$ millions)
2017	33	190	2,132.5
2016	34	181	1,971.9
2015	34	172	1,817.3
2014	35	162	1,722.3
2013	35	158	1,638.9
2012	35	147	1,544.0
2011	35	153	1,483.2

**Figure 1: Asset Distribution as at June 30 2017**



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



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

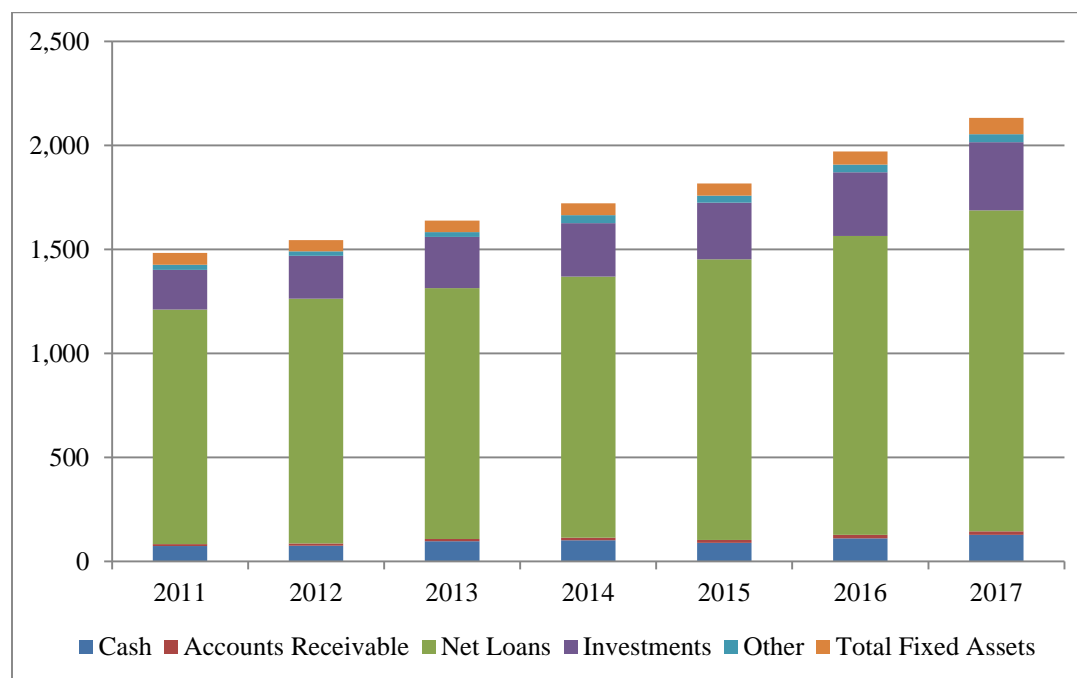


## Assets

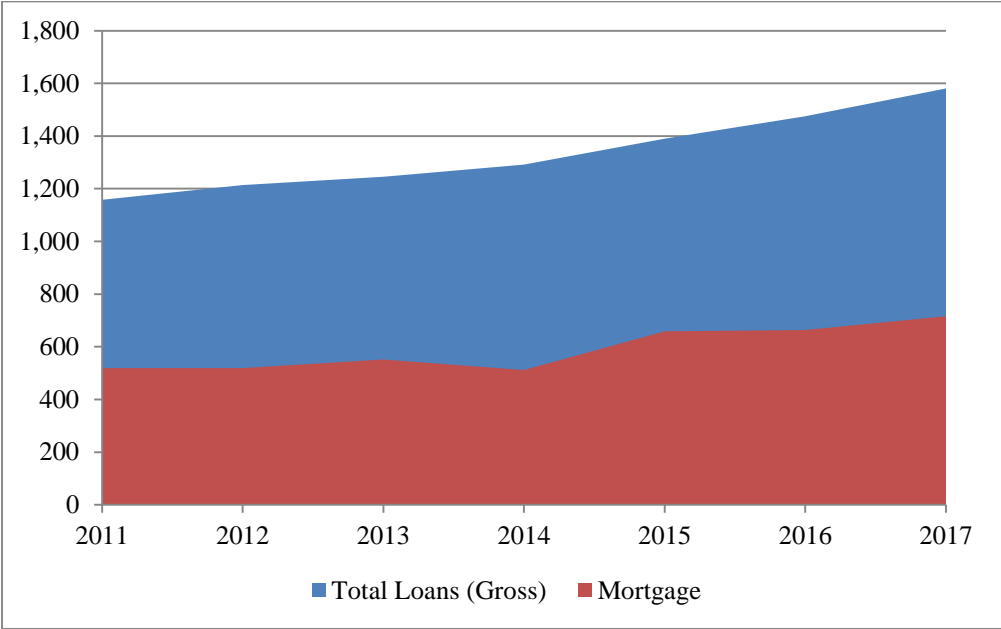
**Table 2: Asset Distribution as at June 30 (In BDS \$ millions)**

Year	Cash	Accounts Receivable	Net Loans	Investments	Other	Total Fixed Assets	Total Assets
2017	128.2	17.5	1543.3	326.2	39.5	77.9	2,132.5
2016	110.9	16.8	1,438.2	305.4	37.3	63.3	1,971.9
2015	89.9	14.0	1,349.6	270.9	34.2	58.8	1,817.3
2014	102.3	12.3	1,254.6	257.9	37.8	57.6	1,722.3
2013	97.7	10.6	1,205.7	246.0	22.8	56.1	1,639.0
2012	76.4	10.0	1,177.5	206.3	21.6	53.1	1,544.9
2011	74.5	9.2	1,127.9	190.5	25.3	55.9	1,483.2

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



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



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

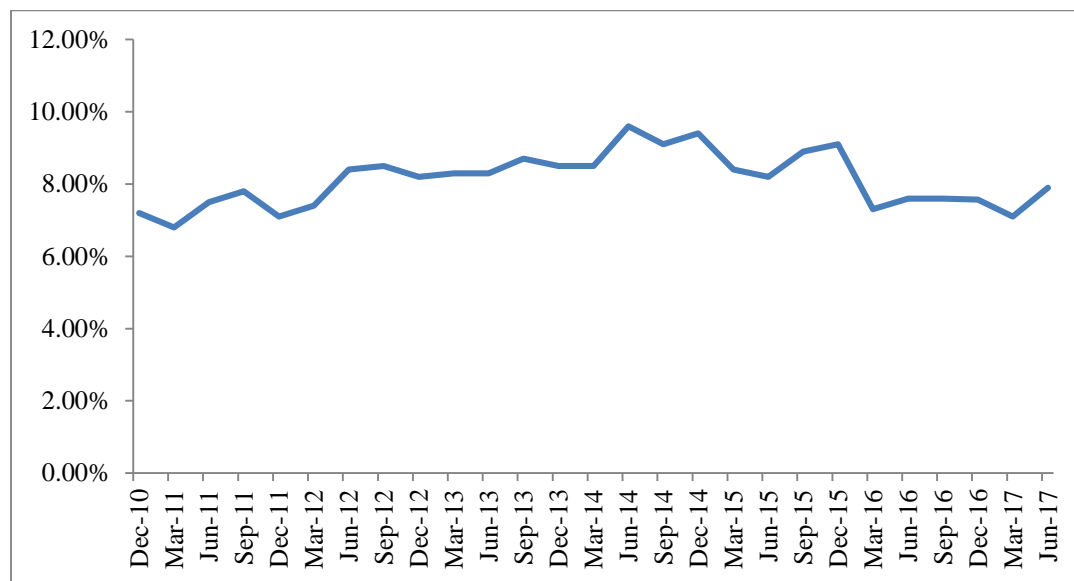
<b>Year</b>	<b>Consumer</b>	<b>Real Estate</b>	<b>Private Transport</b>	<b>Commercial Transport</b>	<b>Agriculture</b>	<b>Other Business</b>
<b>2017</b>	71.4	35.9	24.9	0.16	0.11	1.40
<b>2016</b>	71.5	43.4	27.3	0.30	0.14	1.64
<b>2015</b>	64.8	37.4	23.7	0.31	0.04	2.18
<b>2014</b>	47.2	21.0	6.2	0.26	0.02	0.82
<b>2013</b>	48.8	34.8	13.9	0.00	0.04	0.94
<b>2012</b>	46.1	34.0	13.6	0.25	0.11	1.02
<b>2011</b>	66.3	71.0	20.4	0.35	0.03	1.27

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

<b>Loan Category</b>	<b>2016</b>	<b>% Total 2016</b>	<b>2017</b>	<b>% Total 2017</b>	<b>Change</b>	<b>% Change</b>
<b>Consumer</b>	71.5	49.6%	71.4	53.3%	-0.12	-0.2%
<b>Real Estate</b>	43.4	30.1%	35.9	26.8%	-7.51	-17.3%
<b>Private Transport</b>	27.3	18.9%	24.9	18.6%	-2.37	-8.7%
<b>Commercial Transport</b>	0.3	0.2%	0.2	0.1%	-0.14	-46.7%
<b>Agriculture</b>	0.1	0.1%	0.1	0.1%	-0.03	-22.6%
<b>Other Business</b>	1.6	1.1%	1.4	1.0%	-0.24	-14.6%
<b>Total</b>	144.3	100.0%	133.9	100.0%	-10.41	-7.2%

## Asset Quality

**Figure 5: NPL Ratio**



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

Year	3 to 6 months	6 to 12 months	Over 12 months	Total
<b>2017</b>	25.7	20.5	78.1	124.3
<b>2016</b>	20.9	18.8	73.1	112.8
<b>2015</b>	19.2	21.0	73.8	113.9
<b>2014</b>	33.2	24.0	68.0	125.2
<b>2013</b>	25.0	19.8	58.8	103.6
<b>2012</b>	32.1	21.5	48.3	102.0
<b>2011</b>	28.0	17.4	41.4	86.8

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

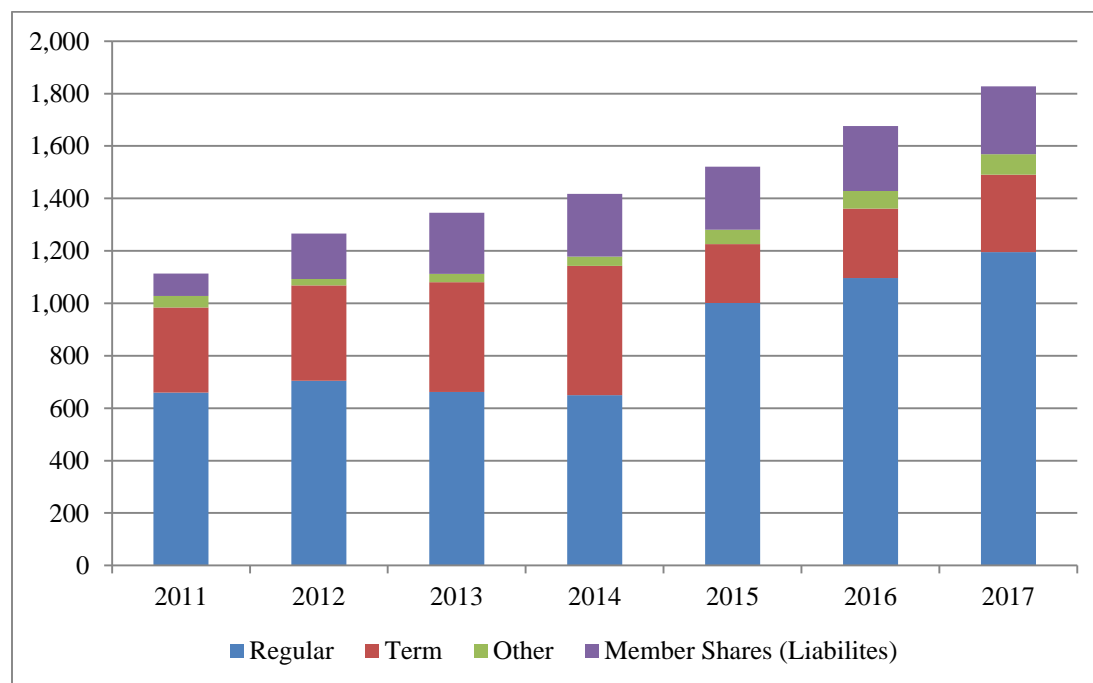
<b>NPL Category</b>	<b>March 2016</b>	<b>% Total March 2016</b>	<b>March 2017</b>	<b>% Total March 2017</b>	<b>Change</b>	<b>% Change</b>
<b>3 to 6 months</b>	20.9	18.5%	25.7	20.7%	4.8	23.1%
<b>6 to 12 months</b>	18.8	16.7%	20.5	16.5%	1.7	9.1%
<b>Over 12 months</b>	73.1	64.8%	78.1	62.8%	5.0	6.8%
<b>Total</b>	112.8	100.0%	124.3	100.0%	11.5	10.2%

## Members' Savings

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

Year	Member Deposits			Member Shares (Liabilities)	Total
	Regular	Term	Other		
2017	1,194.7	296.2	78.1	258.5	1,827.5
2016	1,095.9	264.8	67.1	248.0	1,675.9
2015	1,001.2	224.1	55.8	240.7	1,521.8
2014	666.6	492.4	35.6	239.3	1,417.3
2013	661.4	419.4	31.6	233.5	1,345.8
2012	704.3	363.6	24.5	173.3	1,265.8
2011	660.0	324.1	44.2	85.8	1,114.1

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

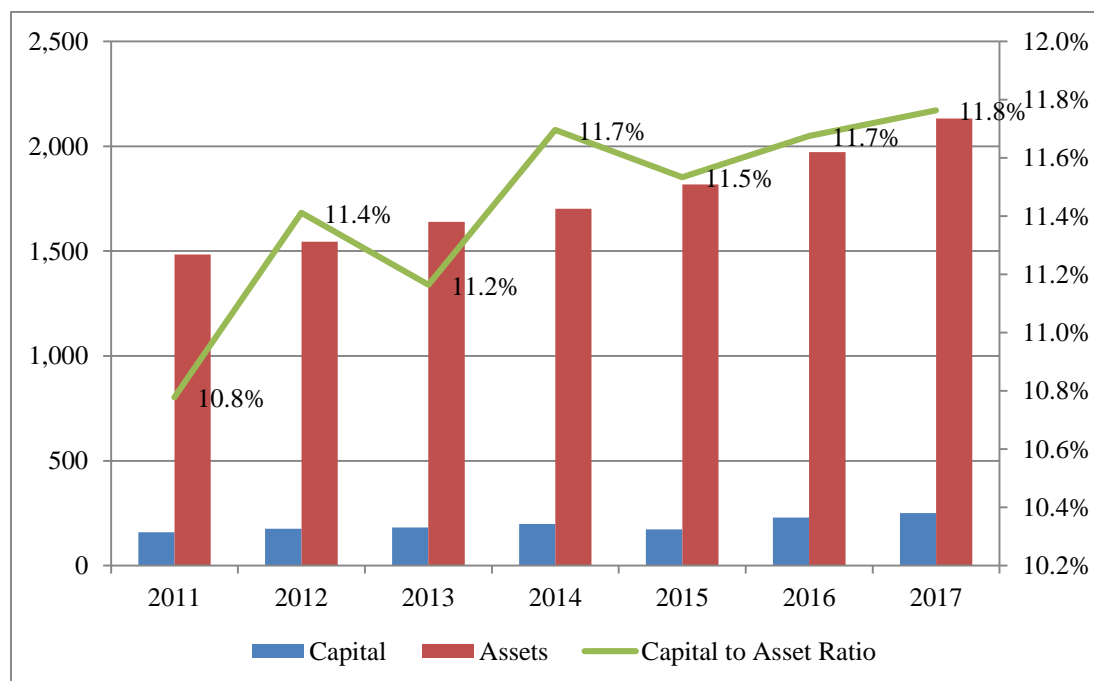


## Capital and Profitability

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

Year	Capital					Capital to Assets Ratio
	Share Capital	Statutory Reserves	Liquidity Reserves	Undivided Surplus	Total	
2017	19.0	182.6	9.8	39.5	250.9	11.8%
2016	18.0	161.2	9.1	41.9	230.2	11.7%
2015	17.0	151.7	2.1	38.9	209.6	11.5%
2014	17.4	147.3	0.8	36.0	201.5	11.7%
2013	19.1	133.1	0.8	30.0	183.0	11.2%
2012	25.7	117.0	0.8	32.7	176.2	11.4%
2011	22.4	105.4	1.0	31.1	159.8	10.8%

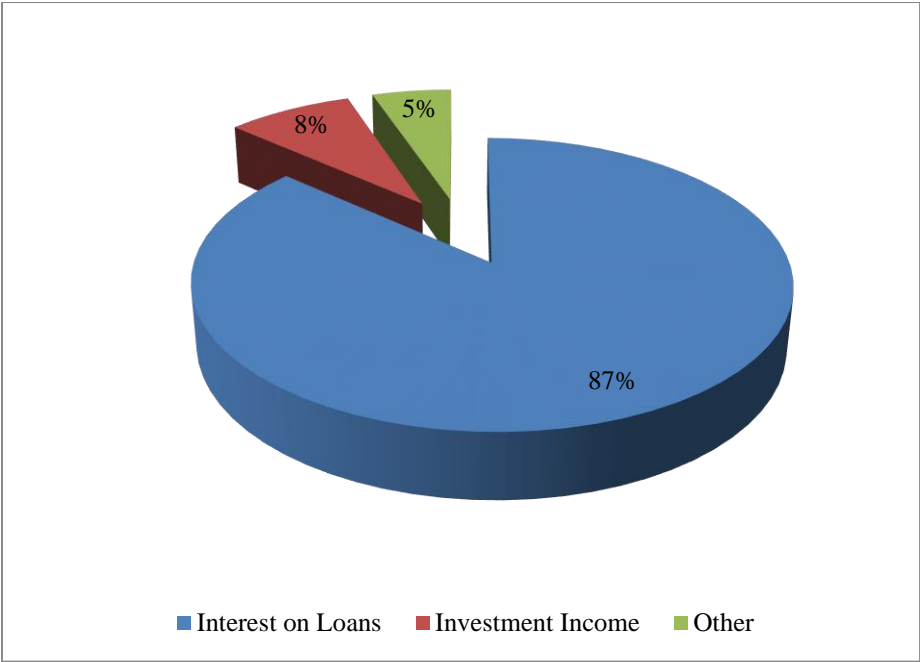
**Figure 7: Capital to Assets Ratio as at June 30 (In BDS \$ millions)**



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

Year	Interest on Loans	Investment Income	Other	Total Income
2017	34.3	3.2	1.9	39.4
2016	32.3	3.1	1.9	37.3
2015	29.9	2.7	2.1	34.7
2014	29.1	2.8	2.0	33.9
2013	29.3	3.2	1.1	33.7
2012	28.1	2.4	1.4	31.9
2011	28.0	2.8	1.8	32.7

**Figure 8: Total Income for the three months ended June 30 2017**

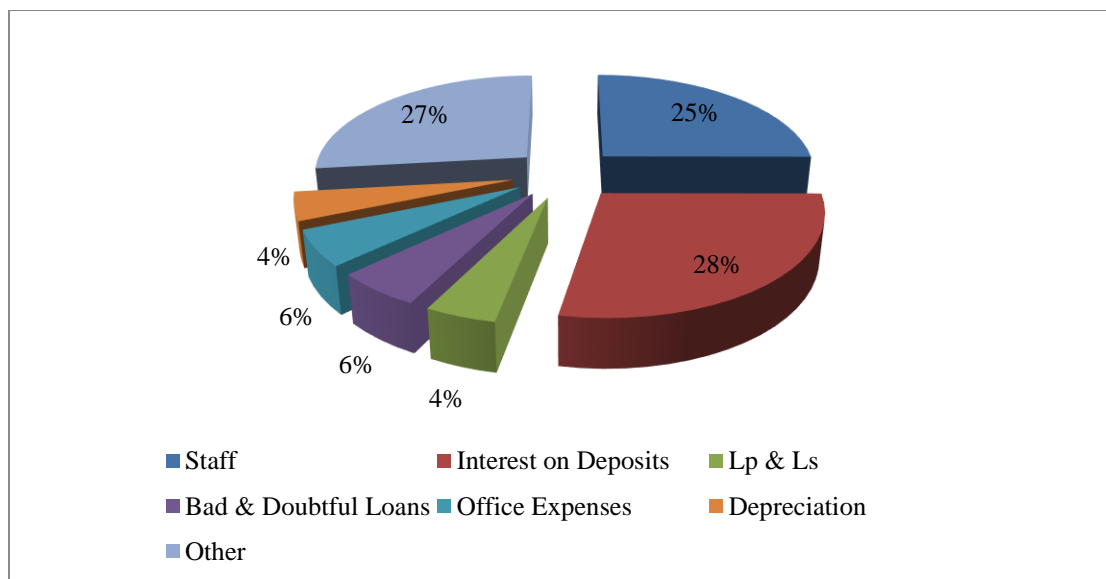




**Table 10: Total Expenditure for the three months ended June 30 (In BDS \$ millions)**

Year	Staff	Interest on Deposits	Lp & Ls	Bad & Doubtful Loans	Office Expenses	Depreciation	Other	Total Expenditure
2017	8.2	9.2	1.5	1.8	1.8	1.5	8.8	32.7
2016	7.6	10.5	1.3	1.7	1.7	1.3	7.7	32.0
2015	6.9	9.2	1.2	2.1	1.6	1.1	8.9	31.0
2014	6.5	10.4	1.2	1.9	1.6	1.1	7.4	30.1
2013	6.2	9.7	1.1	1.6	1.8	1.0	7.2	28.7
2012	5.6	9.1	1.1	1.6	1.7	1.0	6.3	26.3
2011	5.8	8.9	1.1	1.4	1.7	1.0	6.2	26.1

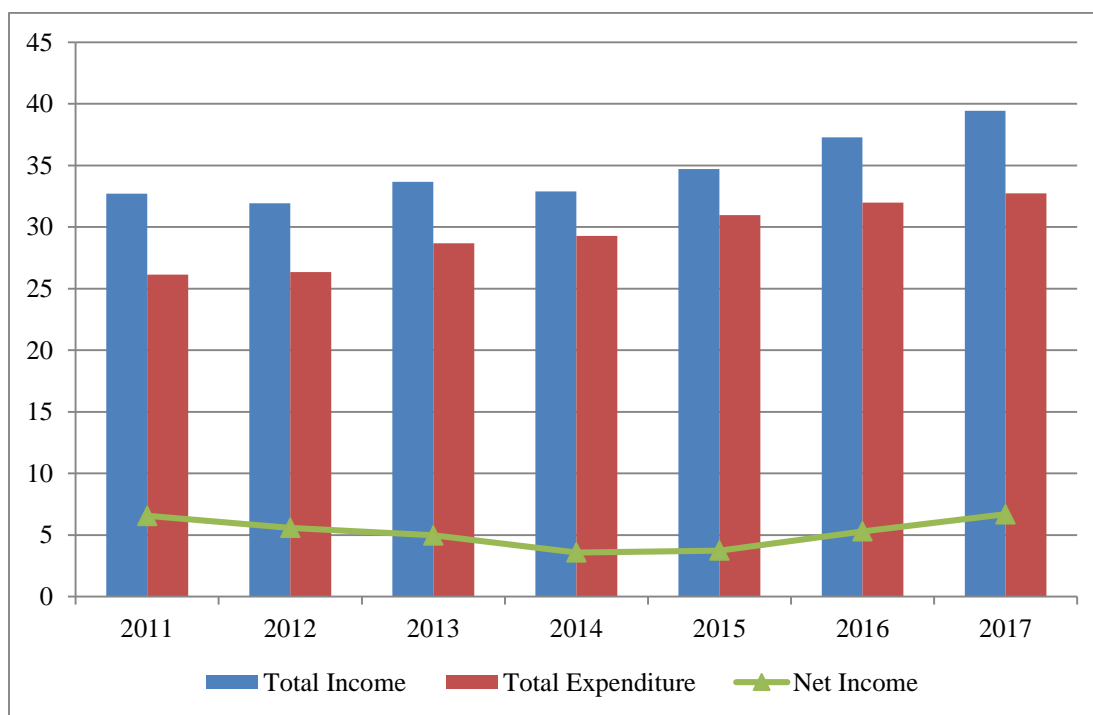
**Figure 9: Total Expenditure for the three months ended June 30, 2017**



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

Year	Total Income	Total Expenditure	Net Income
2017	39.4	32.7	6.7
2016	37.3	32.0	5.3
2015	34.7	31.0	3.7
2014	33.9	30.1	3.8
2013	33.7	28.7	5.0
2012	31.9	26.3	5.6
2011	32.7	26.1	6.6

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



# Securities

## Securities Highlights

- ❖ The number of market actors (companies and individuals) registered with the FSC decreased from 111 at the end of June 2016 to 91 at the end of at the end of June one year later.
- ❖ The number of market intermediaries<sup>3</sup> (firms) registered with the FSC decreased from 52 to 46 between June 2016 and June 2017.
- ❖ The number of domestic mutual fund licensed with the FSC remained at 16 during the twelve-month period ended June 30, 2017. However, total assets under management for the domestic mutual fund sector increased from \$1,916.1 million at the end of June 2016 to \$2,112.7 million at the end of June one year later.
- ❖ The category of growth funds continued to account for over 60% of the assets under management and increased by 15.0%. This was followed by income which accounts for 30% but grew by mere 3.5%.

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<sup>3</sup> Market Intermediaries refers to firms registered in the categories of securities company, underwriter, investment adviser, dealer and mutual fund administrator.

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

Category	2013	2014	2015	2016	2017
Market Actors (companies) <sup>4</sup>	15	16	27	52	46
Market Actors (individuals) <sup>5</sup>	27	28	48	59	45
Self-regulatory organisations	2	2	2	2	2
Mutual funds ( <i>including sub-funds</i> )	23	26	24	22	22
Mutual fund administrators (general)	10	11	10	10	9
Mutual fund administrators restricted)	1	1	0	0	0
Issuers <sup>6</sup>	46	46	45	46	42

**Table 13: Barbados Stock Exchange Activity<sup>7</sup> as at June 30**

	2013	2014	2015	2016	2017
Listed companies	25	24	20	20	19
Listed securities	27	26	25	24	19
Local market index	2,709.11	2,161.03	2,193.49	2,528.63	2,930.95
Cross-listed market index	1,442.59	1,676.68	1,738.13	1,738.11	1,004.82
Composite market index	698.03	611.75	625.59	687.38	699.73
Local market capitalisation BDS\$ millions	8,662.31	5,423.75	5,498.52	6,393.52	6,365.64
Cross-listed market capitalisation BDS\$ millions	2,407.56	2,798.24	2,914.67	2,862.76	678.30
Composite market capitalisation BDS\$ millions	11,089.67	8,221.99	8,413.19	9,256.28	7,043.94
No. of major transactions <sup>8</sup>	1	0	0	0	0

<sup>4</sup> Securities Companies, Dealers, Investment Advisers, Underwriters

<sup>5</sup> Brokers, Dealers, Traders, Investment Advisers

<sup>6</sup> Listed and unlisted issuers

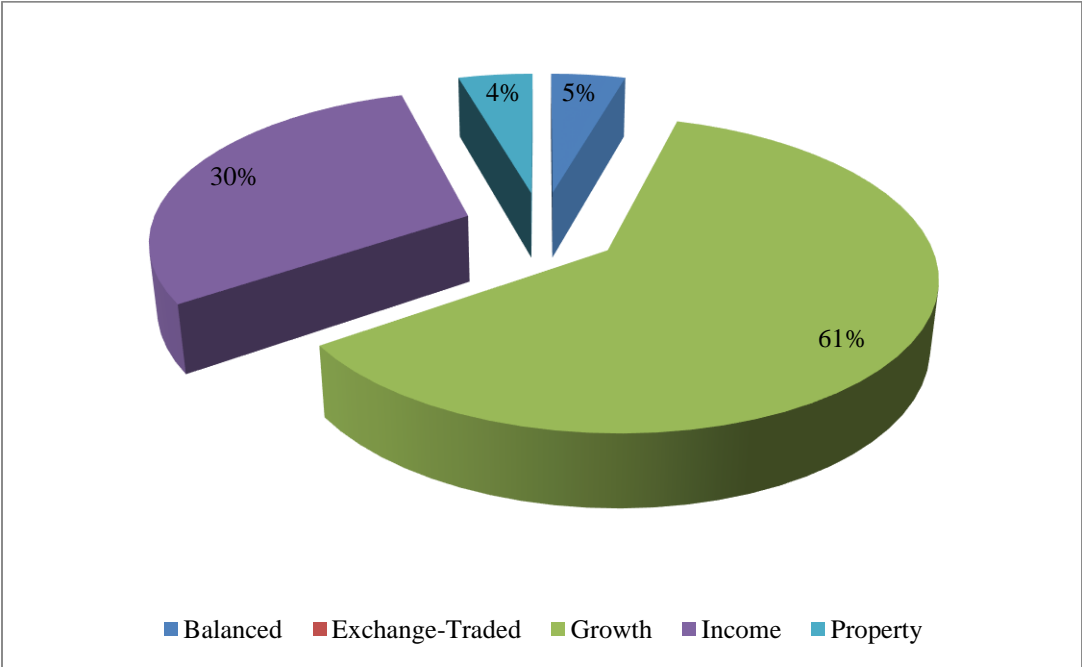
<sup>7</sup> Provided by the Barbados Stock Exchange Inc.

<sup>8</sup> Takeovers, mergers, rights issues etc.

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

Type of Fund	2011	2012	2013	2014	2015	2016	2017
Balanced	3	3	3	4	3	2	2
Exchange-Traded	3	4	4	4	2	0	0
Growth	5	5	5	6	6	6	6
Income	4	4	4	5	5	5	5
Property	2	2	2	3	3	3	3
<b>Total</b>	<b>17</b>	<b>18</b>	<b>18</b>	<b>22</b>	<b>19</b>	<b>16</b>	<b>16</b>

**Figure 11: Assets under Management by Type of Fund as at June 30 2017**



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

Type of Fund	2011	2012	2013	2014	2015	2016	2017
<b>Balanced</b>	118.8	109.9	108.4	99.0	100.4	90.1	95.5
<b>Exchange-Traded</b>	15.5	18.8	20.3	22.5	12.9	0.0	0
<b>Growth</b>	529.7	518.6	554.8	1,090.6	1,123.5	1,134.6	1,305.3
<b>Income</b>	195.6	191.4	177.9	569.9	574.6	621.1	643.1
<b>Property</b>	90.8	86.4	84.4	79.8	77.3	70.4	68.8
<b>Total</b>	950.4	925.1	945.8	1,861.9	1,888.7	1,916.1	2,112.7

**Figure 12: Assets under Management by Type of Fund as at June 30 (In BDS \$ millions)**

