

# Barbados Financial Services Commission

*Statistical Bulletin 2014*



Volume 1 No. 2

Data to March 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 March 31 .....	7
Figure 1: Asset Distribution as at March 31 2014 .....	7
Figure 2: Total Gross Loans vs Members’ Savings as at March 31 (In BDS \$ millions).....	8
Assets .....	9
Table 2: Asset Distribution as at March 31 (In BDS \$ millions).....	9
Figure 3: Asset Distribution as at March 31 (In BDS \$ millions).....	9
Figure 4: Mortgage vs Total Gross Loans as at March 31 (In BDS \$ millions) .....	10
Table 3: New Credit Issued – January to March (In BDS \$ millions) .....	11
Table 4 New Credit Issued – January to March (In BDS \$ thousands) .....	11
Asset Quality.....	12
Figure 5: NPL Ratio.....	12
Table 5: NPLs by Category as at March 31 (In BDS \$ millions) .....	12
Table 6: NPLs by Category (In BDS \$ millions).....	13
Members’ Savings .....	14
Table 7: Members’ Savings as at March 31 (In BDS \$ millions).....	14
Figure 6: Members’ Savings as at March 31 (In BDS \$ millions).....	14
Capital and Profitability .....	15
Table 8: Capital to Assets Ratio as at March 31 (In BDS \$ millions) .....	15
Figure 7: Capital to Assets Ratio as at March 31 (In BDS \$ millions) .....	15
Table 9: Total Income for the year ended March 31 (In BDS \$ millions).....	16
Figure 8: Total Income for the year ended March 31 2014 .....	16
Table 10: Total Expenditure for the year ended March 31 (In BDS \$ millions) .....	17
Figure 9: Total Expenditure for the year ended March 31 2014.....	17
Table 11: Income and Expenditure for the year ended March 31 (In BDS \$ millions) .....	18
Figure 10: Income and Expenditure for the year ended March 31 (In BDS \$ millions).....	18
Securities.....	19
Securities Highlights.....	20
Table 12: Number of Regulated Entities as at March 31 .....	21

Table 13: Barbados Stock Exchange Activity as at March 31 .....	21
Table 14: Number of Domestic Mutual Funds by Type as at March 31 .....	22
Figure 11: Assets under Management by Type of Fund as at March 31 2014.....	22
Table 15: Assets under Management by Type of Fund as at March 31 (In BDS \$ millions) .....	23
Figure 12: Assets under Management by Type of Fund as at March 31 (In BDS \$ millions).....	23
Occupational Pension Plans .....	24
Occupational Pension Plans Highlights .....	25
Table 16: Number of Occupational Pension Plans in Barbados by Type as at March 31.....	26
Figure 13: Occupation Pension Plan Sponsors by Sector as at March 31 2014.....	26
Table 17: Occupation Pension Plan Sponsors by Sector as at March 31 .....	27
Figure 14: Plan Membership Distribution as at March 31 2014.....	27
Table 18: Plan Membership Distribution as at March 31 .....	28

## 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, Securities and Occupational Pension Plans sectors.

# Credit Unions

## Credit Unions Highlights

- ❖ At the end of March 2014 there were thirty-five (35) Credit Unions registered in Barbados with membership of approximately 157,000 and total assets of an estimated \$1.71 billion.
- ❖ Total assets for the sector have been increasing steadily over the past six years. At the end of March 2014 total assets were \$1,713.3 million; this represented an increase of 5.9% 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 72% and 15% of total assets, respectively.
- ❖ Consumer loans accounted for the majority of new loans extended to members (49%) followed by real estate loans (39%) and transport (12%). For the first quarter of 2014, new consumer credit increased by 11.4%, while, new real estate loans fell by 24.8% when compared to the same period of the prior year.
- ❖ With regard to asset quality, total non-performing loans rose from \$102.7 million at the end of March 2013 to \$108.9 million at the end of the same period one year later. The NPL ration increase by two percentage points to reach 8.5% at the end of March 2014.
- ❖ Members' savings increased by 7.1% going from \$1,328.6 million as at March 2013 to \$1,422.5 million at the end of March 2014. The increase in members' savings was primarily as a result of an increase in members' term deposits which increased by 19.3% or \$77.7 million during the period.
- ❖ As at March 2014, the capital<sup>1</sup> to asset ratio for the credit union movement was 10.6%, marginally higher than the 10.1% reported at the end of the same period one year earlier.

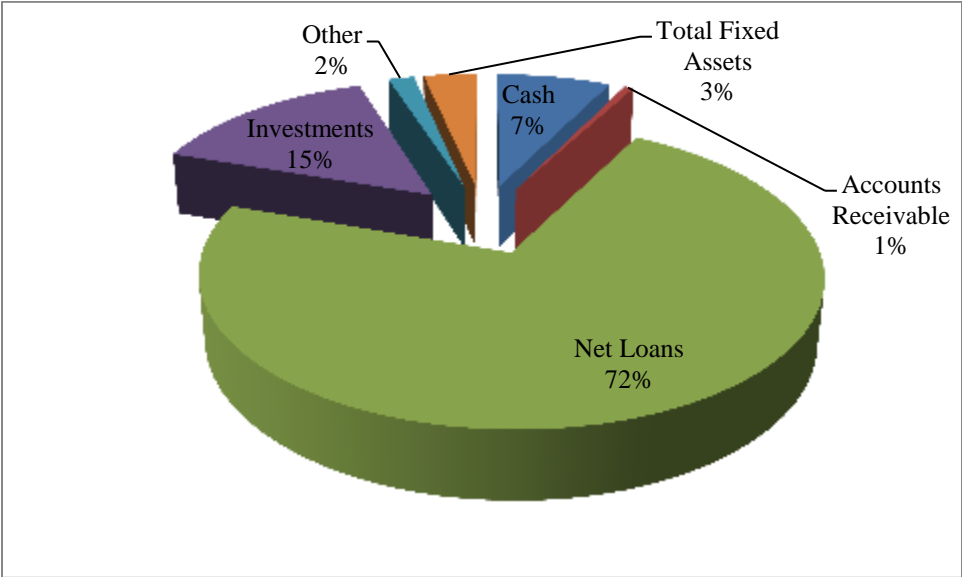
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<sup>1</sup> Capital includes statutory reserves, liquidity reserves and undivided surplus.

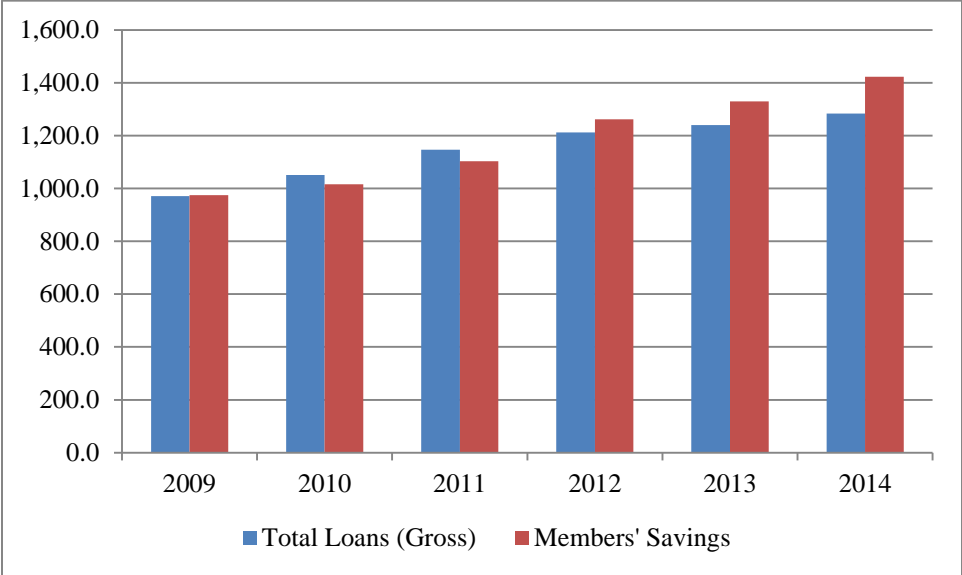
**Table 1: Selected Credit Unions Statistics as at March 31**

Year	Number of Credit Unions	Members (thousands)	Total Assets (BDS \$ millions)
2014	35	157	1,713.3
2013	35	151	1,617.8
2012	35	145	1,533.9
2011	35	152	1,468.8
2010	35	134	1,348.6
2009	35	137	1,243.1

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



**Figure 2: Total Gross Loans vs Members' Savings<sup>2</sup> as at March 31 (In BDS \$ millions)**



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

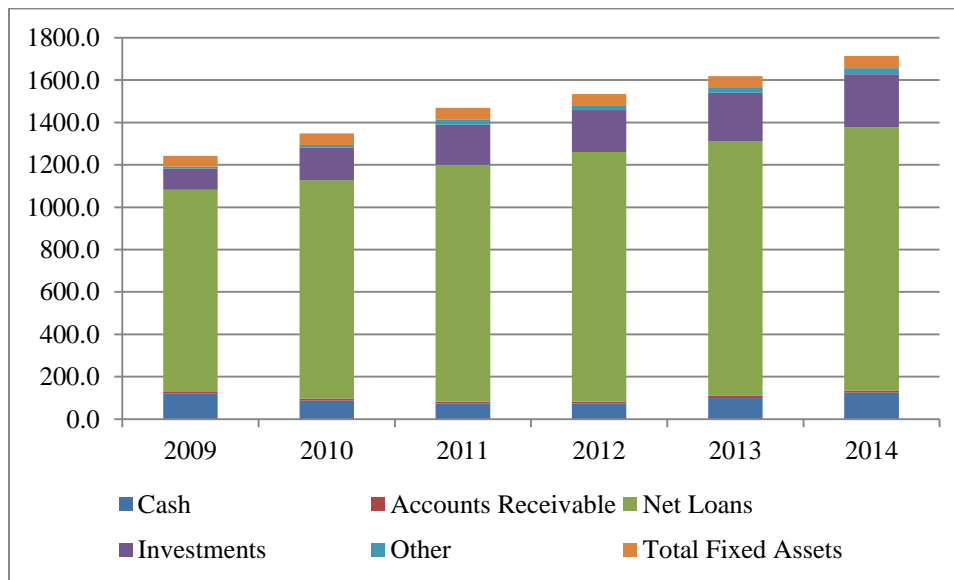


## Assets

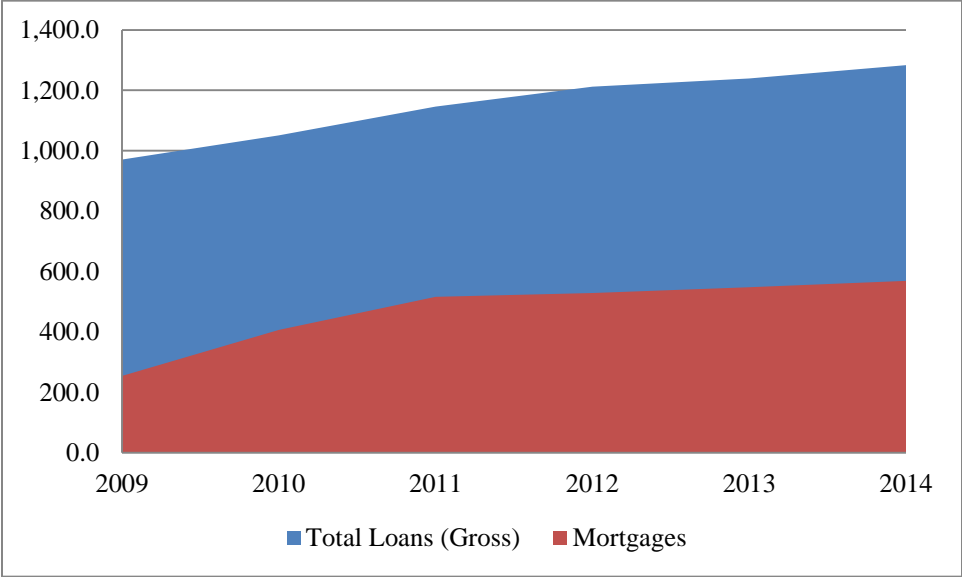
**Table 2: Asset Distribution as at March 31 (In BDS \$ millions)**

Year	Cash	Accounts Receivable	Net Loans	Investments	Other	Total Fixed Assets	Total Assets
2014	124.7	10.1	1,241.2	251.3	28.4	57.6	1,713.3
2013	98.8	11.2	1,201.1	229.2	21.7	55.8	1,617.8
2012	73.6	9.6	1,178.0	197.8	19.2	55.8	1,533.9
2011	73.6	8.9	1,117.7	187.9	26.7	54.0	1,468.8
2010	87.5	8.1	1,032.4	153.3	12.2	55.0	1,348.6
2009	120.5	8.3	953.9	98.8	9.1	52.5	1,243.1

**Figure 3: Asset Distribution as at March 31 (In BDS \$ millions)**



**Figure 4: Mortgage vs Total Gross Loans as at March 31 (In BDS \$ millions)**



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

Year	Consumer	Real Estate	Private Transport	Commercial Transport	Agriculture	Other Business
2014	45.1	36.0	11.3	0.19	0.004	0.38
2013	40.5	47.9	9.9	0.24	0.010	0.51
2012	42.5	46.9	10.0	0.43	0.009	0.64
2011	42.9	55.6	12.4	0.36	0.010	0.60
2010	24.9	29.8	8.7	0.00	0.004	0.71
2009	19.1	19.8	8.4	0.11	0.002	0.79

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

Loan Category	2013	% Total 2013	2014	% Total 2014	Change	% Change
Consumer	40,466.0	40.9%	45,109.8	48.5%	4,643.8	11.5%
Real Estate	47,854.3	48.4%	35,989.2	38.7%	-11,865.1	-24.8%
Private Transport	9,874.7	10.0%	11,341.2	12.2%	1,466.5	14.9%
Commercial Transport	242.2	0.2%	188.8	0.2%	-53.4	-22.0%
Agriculture	9.8	0.0%	4.0	0.0%	-5.8	-59.2%
Other Business	513.2	0.5%	380.4	0.4%	-132.8	-25.9%
<b>Total</b>	<b>98,960.2</b>	<b>100.0%</b>	<b>93,013.4</b>	<b>100.0%</b>	<b>-5,946.8</b>	<b>-6.0%</b>

## Asset Quality

Figure 5: NPL Ratio

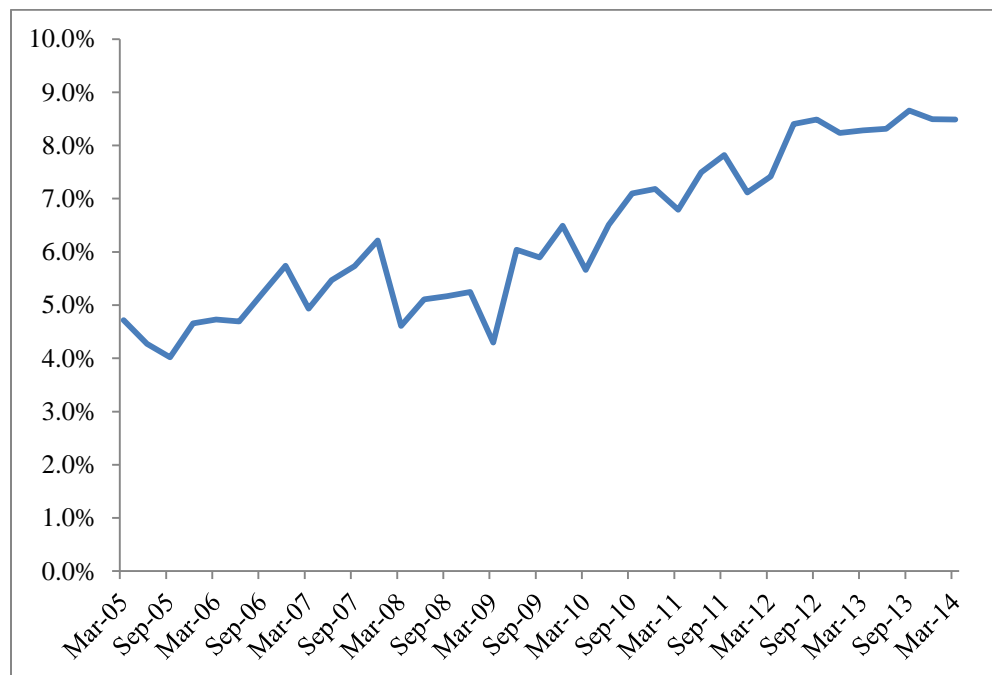


Table 5: NPLs by Category as at March 31 (In BDS \$ millions)

Year	3 to 6 months	6 to 12 months	Over 12 months	Total
<b>2014</b>	22.1	22.4	64.4	108.9
<b>2013</b>	25.0	21.1	56.6	102.7
<b>2012</b>	24.5	20.4	45.0	89.9
<b>2011</b>	19.2	20.1	38.6	77.9
<b>2010</b>	16.5	17.0	26.0	59.5
<b>2009</b>	13.7	9.3	18.7	41.7

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

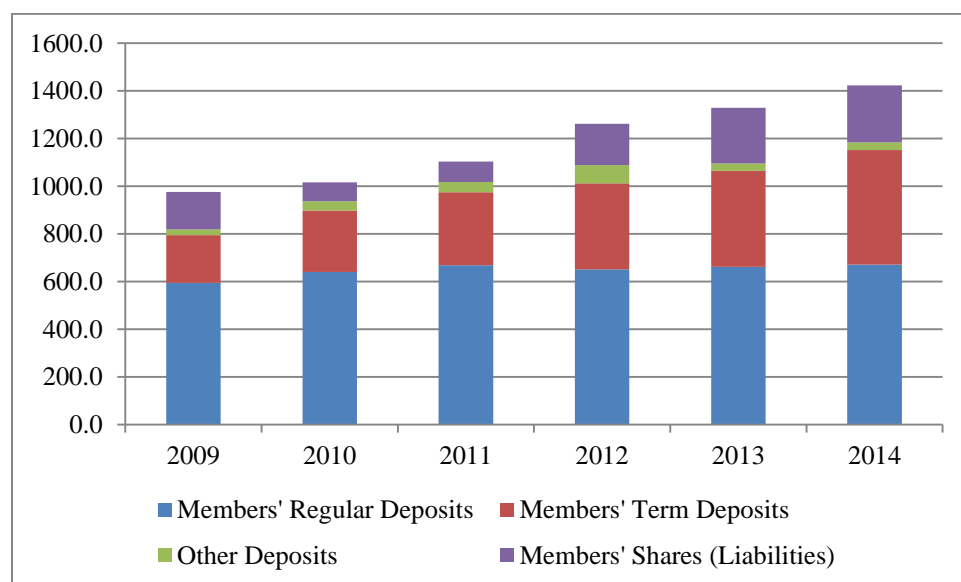
<b>NPL Category</b>	<b>March 2013</b>	<b>% Total March 2013</b>	<b>March 2014</b>	<b>% Total March 2014</b>	<b>Change</b>	<b>% Change</b>
<b>3 to 6 months</b>	25.0	24.3%	22.1	20.3%	-2.9	-11.6%
<b>6 to 12 months</b>	21.1	20.5%	22.4	20.6%	1.3	6.2%
<b>Over 12 months</b>	56.6	55.1%	64.4	59.1%	7.8	13.8%
<b>Total</b>	102.7	100.0%	108.9	100.0%	6.2	6.0%

## Members' Savings

**Table 7: Members' Savings as at March 31 (In BDS \$ millions)**

Year	Member Deposits			Member Shares (Liabilities)	Total
	Regular	Term	Other		
2014	670.4	480.3	32.6	239.2	1,422.5
2013	661.4	402.6	31.0	233.9	1,328.6
2012	650.7	360.4	77.2	172.8	1,261.1
2011	668.4	306.1	43.1	85.0	1,102.6
2010	640.6	256.6	39.4	79.5	1,016.2
2009	594.5	200.0	23.7	157.0	975.3

**Figure 6: Members' Savings as at March 31 (In BDS \$ millions)**

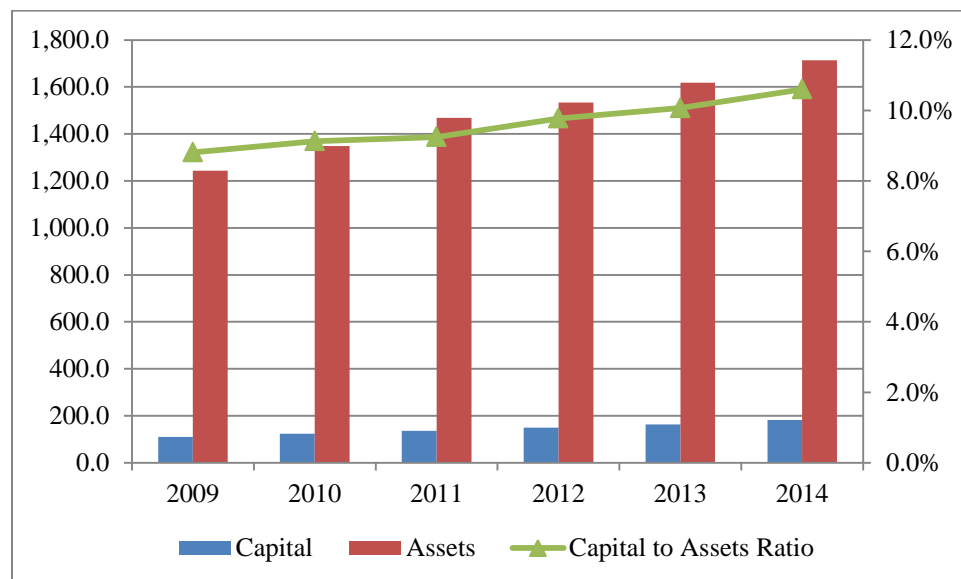


## Capital and Profitability

**Table 8: Capital to Assets Ratio as at March 31 (In BDS \$ millions)**

Year	Capital				Capital to Assets Ratio
	Statutory Reserves	Liquidity Reserves	Undivided Surplus	Total	
2014	140.9	0.9	40.1	181.9	10.6%
2013	123.6	0.8	38.5	162.8	10.1%
2012	114.2	0.8	34.9	149.9	9.8%
2011	104.8	1.0	30.0	135.8	9.2%
2010	94.2	1.6	27.3	123.1	9.1%
2009	85.6	1.4	22.5	109.5	8.8%

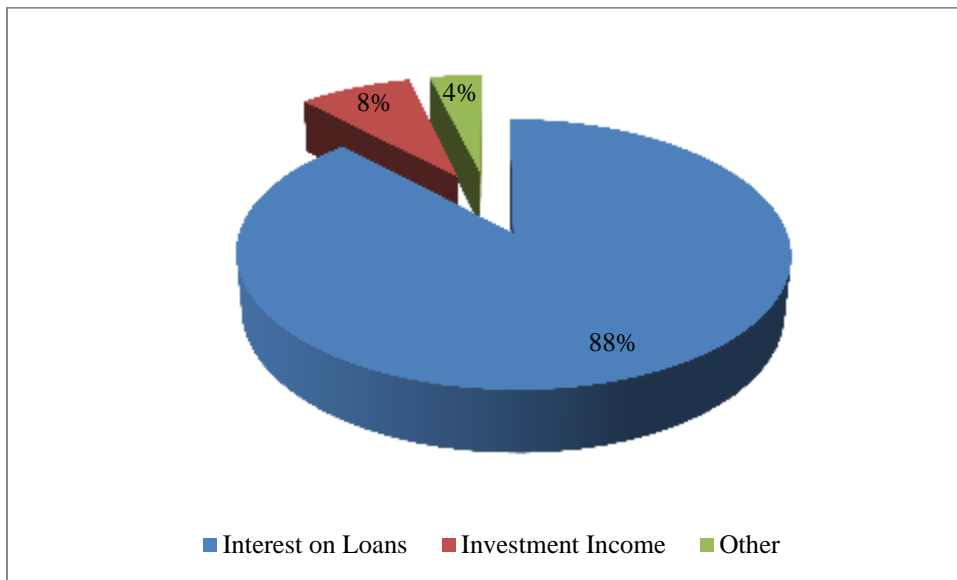
**Figure 7: Capital to Assets Ratio as at March 31 (In BDS \$ millions)**



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

Year	Interest on Loans	Investment Income	Other	Total Income
2014	105.5	9.8	4.5	119.8
2013	103.1	8.8	5.1	117.0
2012	102.7	7.9	5.5	116.1
2011	94.6	9.1	6.4	110.1
2010	90.3	6.9	5.3	102.5
2009	88.1	7.8	5.5	101.4

**Figure 8: Total Income for the year ended March 31 2014**

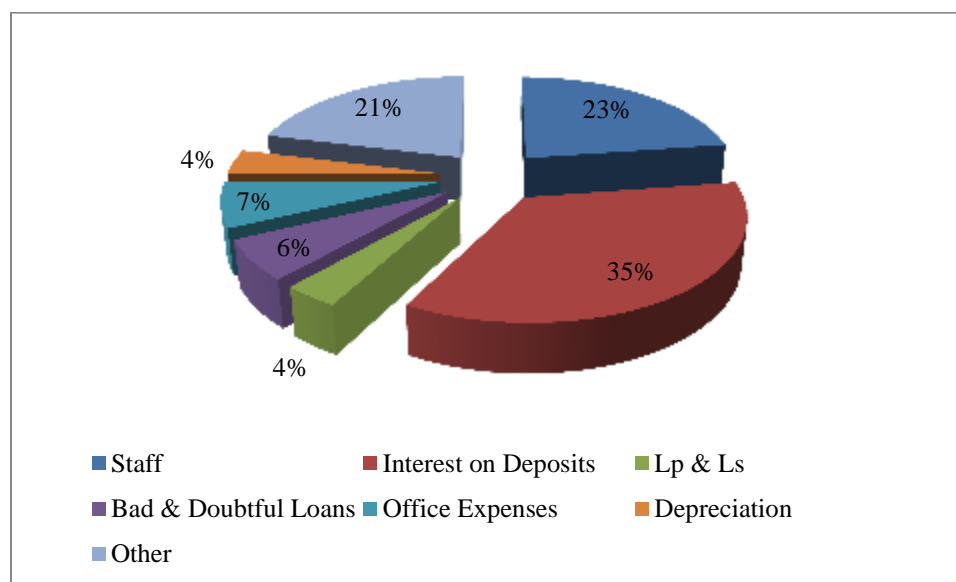




**Table 10: Total Expenditure for the year ended March 31 (In BDS \$ millions)**

Year	Staff	Interest on Deposits	Lp & Ls	Bad & Doubtful Loans	Office Expenses	Depreciation	Other	Total Expenditure
2014	23.2	36.2	3.7	6.5	7.3	4.0	21.6	102.6
2013	21.8	34.0	3.9	6.9	6.5	3.6	20.2	97.0
2012	20.5	34.2	3.4	6.6	5.9	3.8	21.4	95.8
2011	20.5	32.9	3.4	7.1	5.3	3.9	20.2	93.3
2010	18.9	30.3	2.9	5.8	5.1	3.8	16.5	83.1
2009	17.9	34.5	2.9	5.2	5.3	3.9	14.2	83.8

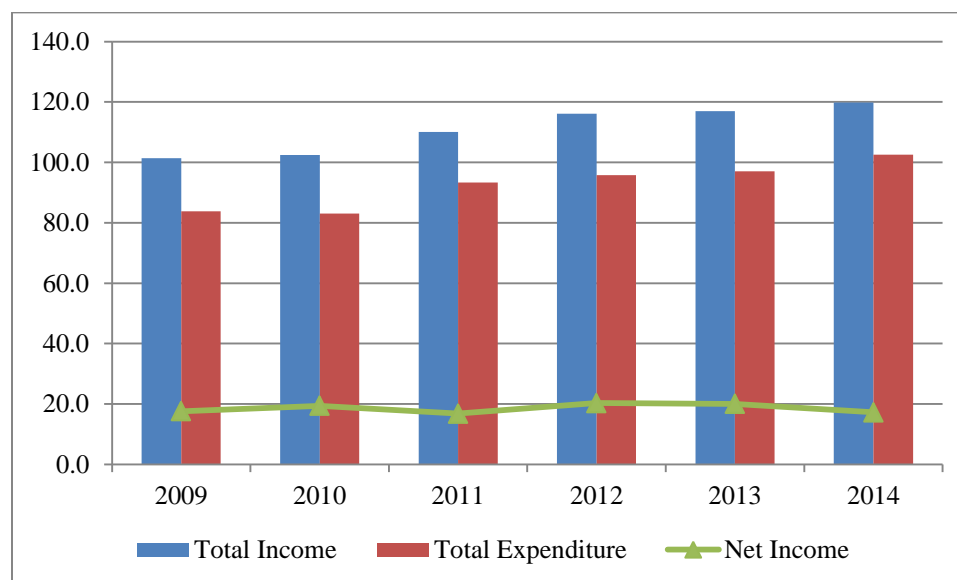
**Figure 9: Total Expenditure for the year ended March 31 2014**



**Table 11: Income and Expenditure for the year ended March 31 (In BDS \$ millions)**

Year	Total Income	Total Expenditure	Net Income
2014	119.8	102.6	17.2
2013	117.0	97.0	20.0
2012	116.1	95.8	20.3
2011	110.1	93.3	16.8
2010	102.5	83.1	19.4
2009	101.4	83.8	17.6

**Figure 10: Income and Expenditure for the year ended March 31 (In BDS \$ millions)**



# Securities

## Securities Highlights

- ❖ The number of individuals/entities registered with the Financial Services Commission (FSC) at the end of March 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 who have registered securities.
- ❖ The number of domestic mutual fund licensed with the FSC increased from 18 to 21 as three mutual funds (including sub-funds) were registered during the twelve-month period ended March 31, 2014.
- ❖ Total assets under management for the domestic mutual fund sector in Barbados stood \$1,834.7 million at the end of March 2014 an increase of \$854.9 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 7.3% and it can be mainly attributed to an increase in the number of licensed funds during the period under review. .

**Table 12: Number of Regulated Entities as at March 31**

Category	2013	2014
Market Actors (companies) <sup>3</sup>	16	17
Market Actors (individuals) <sup>4</sup>	24	28
Self-regulatory organisations	2	2
Mutual funds ( <i>including sub-funds</i> )	23	26
Mutual fund administrators (general)	9	10
Mutual fund administrators (restricted)	1	1
Issuers <sup>5</sup>	44	45

**Table 13: Barbados Stock Exchange Activity<sup>6</sup> as at March 31**

	2013	2014
Listed companies	23	20
Listed securities	28	26
Local market index	3,084.37	2,568.58
Cross-listed market index	1,325.98	1,539.55
Composite market index	738.76	668.90
Local market capitalisation BDS\$ millions	8,869.16	6,395.32
Cross-listed market capitalisation BDS\$ millions	2,214.57	2,569.38
Composite market capitalisation BDS\$ millions	11,103.53	8,964.69
No. of major transactions <sup>7</sup>	1	0

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

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

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

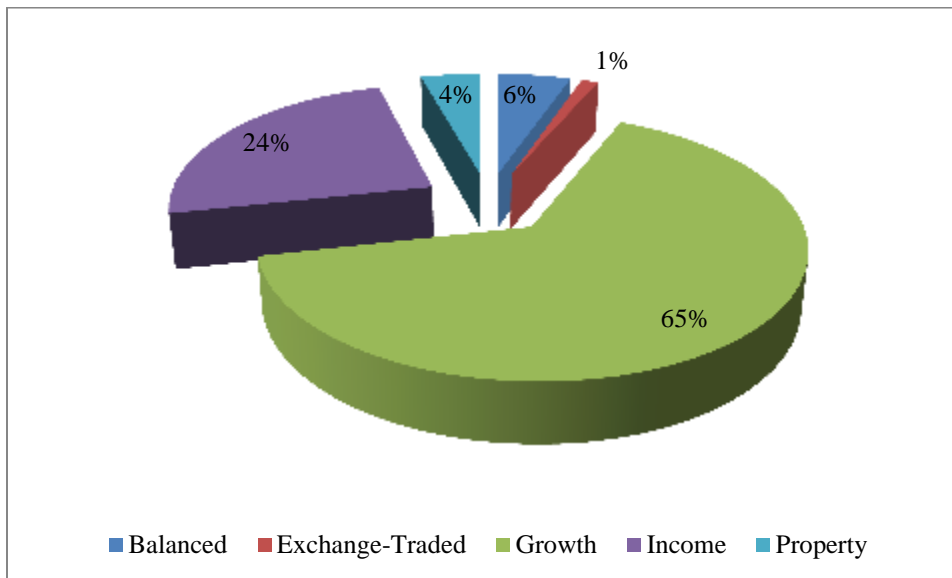
<sup>6</sup> Provided by the Barbados Stock Exchange Inc.

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

**Table 14: Number of Domestic Mutual Funds by Type as at March 31**

Type of Fund	2009	2010	2011	2012	2013	2014
Balanced	3	3	3	3	3	3
Exchange-Traded	0	1	3	4	4	4
Growth	6	6	6	6	6	7
Income	3	3	3	3	3	4
Property	2	2	2	2	2	3
<b>Total</b>	<b>14</b>	<b>15</b>	<b>17</b>	<b>18</b>	<b>18</b>	<b>21</b>

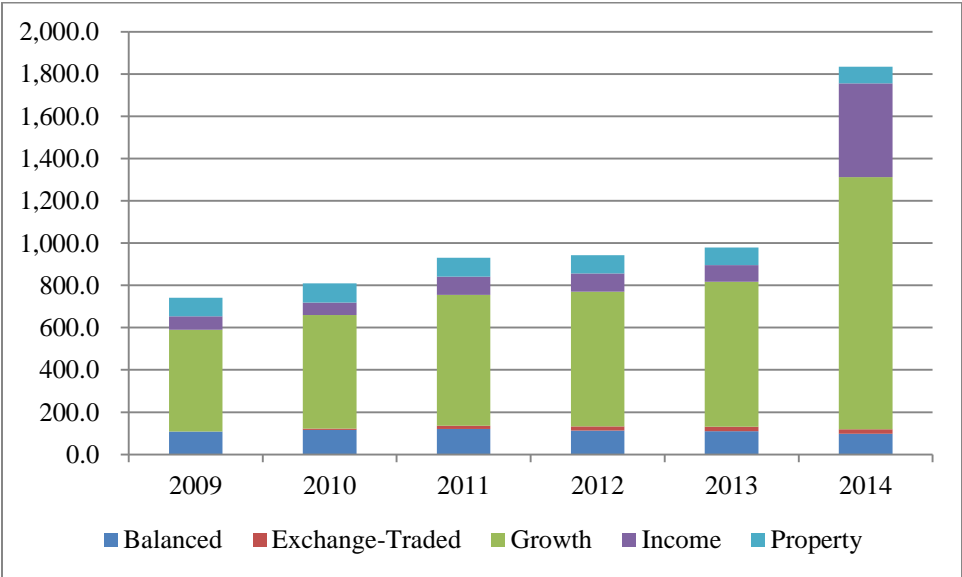
**Figure 11: Assets under Management by Type of Fund as at March 31 2014**



**Table 15: Assets under Management by Type of Fund as at March 31 (In BDS \$ millions)**

Type of Fund	2009	2010	2011	2012	2013	2014
<b>Balanced</b>	107.9	116.0	120.4	113.4	110.3	97.7
<b>Exchange-Traded</b>	0.0	6.2	15.7	19.5	20.2	22.1
<b>Growth</b>	481.7	537.7	619.6	637.6	687.3	1,192.0
<b>Income</b>	63.2	58.7	85.2	86.3	78.1	443.8
<b>Property</b>	89.3	91.3	90.3	85.8	83.9	79.1
<b>Total</b>	742.1	809.9	931.2	942.6	979.8	1,834.7

**Figure 12: Assets under Management by Type of Fund as at March 31 (In BDS \$ millions)**



# Occupational Pension Plans



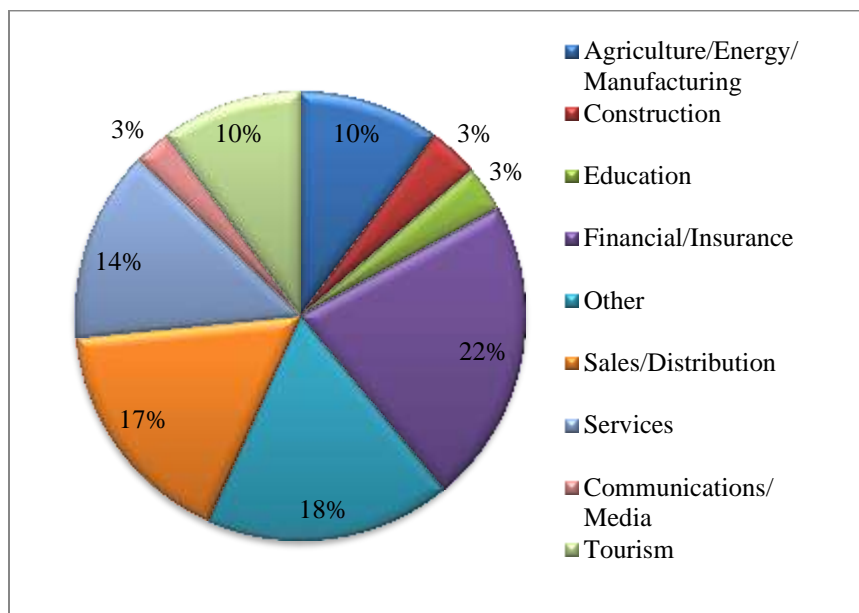
## Occupational Pension Plans Highlights

- ❖ At the end of March 2014, the total number of applications submitted for the registration of occupational pension plans was 305. Of these, 145 pension plans were fully registered with the Financial Services Commission.
- ❖ Defined contribution pension plans accounted for approximately 63% of the occupational pension plans followed by defined benefit plants which represented 32%.
- ❖ 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 one hundred persons.
- ❖ 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 March 31**

Type of Pension Plan	2013			2014		
	Not Registered	Registered	Total	Not Registered	Registered	Total
<b>Defined Contribution (DC)</b>	124	64	188	84	107	191
<b>Defined Benefit (DB)</b>	89	8	97	61	36	97
<b>DB and DC Combination</b>	11	0	11	11	2	13
<b>DB and DC Multi-Unit</b>	0	0	0	3	0	3
<b>Multi-Employer DC</b>	1	0	1	1	0	1
<b>Total</b>	225	72	297	160	145	305

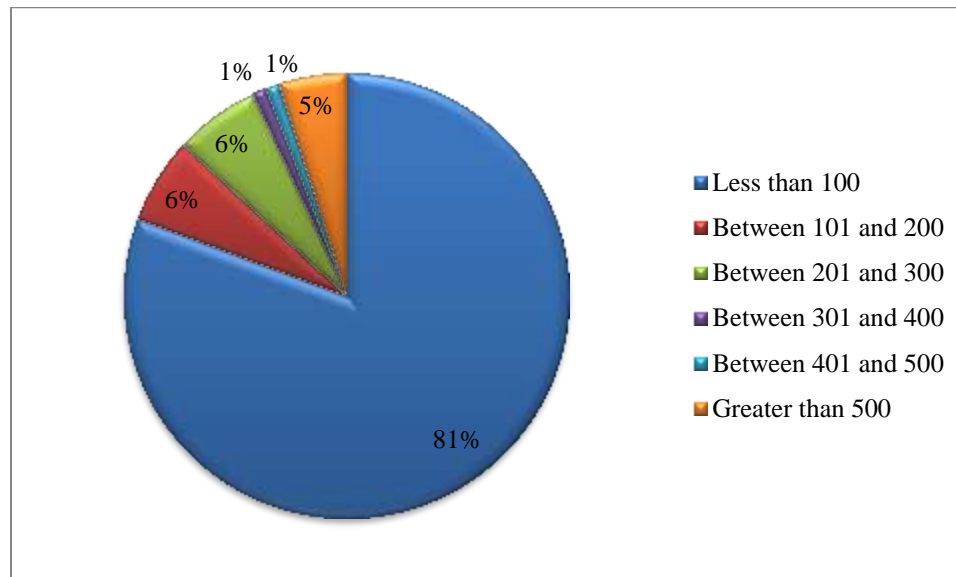
**Figure 13: Occupation Pension Plan Sponsors by Sector as at March 31 2014**



**Table 17: Occupation Pension Plan Sponsors by Sector as at March 31**

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 March 31 2014**



**Table 18: Plan Membership Distribution as at March 31**

<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%