



2024

ANNUAL REPORT

Consultation • Collaboration • Connection •





LETTER OF TRANSMITTAL

28 March 2025

The Hon. Mia Amor Mottley
Minister of Finance and Economic Affairs
Government Headquarters
Bay Street

Dear Honourable Minister:

In fulfilment of BDIC's mandate per s.15(1) of the Deposit Insurance Act (DIA) 2006- 29, I have the honour to submit to you:

- The Annual Report of the Barbados Deposit Insurance Corporation which includes a general report on the discharge of the Corporation's functions for the financial year ended December 2024 and,
- The Auditors' reports and Statement of the Fund for the referenced financial period ended December 31, 2024.

In compliance with s.15(2) of the DIA, we accordingly await the laying of the above report and audited statements before Parliament, within six (6) weeks of receipt and thereafter causing them to be published in the Official Gazette.

In fulfilment of s.15(3), upon receipt of confirmation of the laying, we shall proceed with providing copies of the reports to the Central Bank and members of the Fund.

We accordingly await further guidance from your office.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Rawle Knight', is written over a series of small, evenly spaced dots.

Rawle Knight
Chairman



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MANDATE AND FUNCTIONS OF THE BDIC

The mandate of the Barbados Deposit Insurance Corporation, as stipulated by the Deposit Insurance Act 2006-29, is to:

- Administer the Deposit Insurance Act.
- Manage the Deposit Insurance Fund and related functions.
- Provide deposit insurance against the loss of insured deposits, not exceeding the insured limit.
- Promote standards of sound business and financial practices that contribute to financial stability.
- Minimize the exposure of the Corporation to loss.

The main functions and powers of the Barbados Deposit Insurance Corporation per s. 6(1) of the DIA 2006-29 are to:

- Manage the Deposit Insurance Fund to provide deposit insurance against loss of insured deposits up to the insured limit.
- Levy contributions and premiums in relation to the fund.
- Charge any fees necessary for the administration of the DIA.
- Act as liquidator or manager of member institutions in accordance with the Act.
- Facilitate the reorganization or takeover of a member institution pursuant to the Financial Institutions Act, in the appropriate circumstances; and
- Carry out any other function which is necessary for the management of the Fund.

ABBREVIATIONS

Barbados Deposit Insurance Corporation	BDIC
Central Bank of Barbados	CBB
Deposit Insurer	DI
Deposit Insurance Act	DIA
Deposit Insurance Corporation	DIC
Deposit Insurance Fund	DIF
Financial Services Commission	FSC
Gross Domestic Product	GDP
International Monetary Fund	IMF
Ministry of Finance	MOF
Minister of Finance	MoF

GLOSSARY OF TERMS

Insured limit or Coverage limit

The maximum payment the BDIC can make to depositors in respect of a deposit, or a deposit category as prescribed under the Deposit Insurance Act.

Deposit

Defined by the DIA as "the unpaid balance of the aggregate of money or its equivalent received or held by a member institution from or on behalf of a person in the usual course of its deposit-taking business, including interest.

Deposit Insurance Act (DIA)

The Act of Parliament establishing the BDIC and setting out its powers and functions.

Deposit Insurance Fund (DIF)

The Fund, established under the Deposit Insurance Act on behalf of depositors. It ordinarily comprises the net cumulative reinvested assets derived from premiums collected from Member Institutions, other injections such as capital contributions, and income on invested assets, less amounts expended to administer the Fund, including payments to depositors, from time to time.

Deposit Insurance Fund Ratio

The DIF expressed as a percentage of the Total Insured Deposits.

Deposit Insurance Premium

The amount levied on Member Institutions for injection into the DIF in accordance with the requirements of the DIA.

Depositor

A person, entitled or potentially entitled, to a deposit or portion of a deposit whether made by him or not.

Insurable Deposits

Unpaid balances held at member institutions for or on behalf of depositors excluding certain ineligible items stipulated in s. 30(2) of the DIA.

Insured Deposit

That portion of insurable deposits, that is within the coverage limit prescribed under the Deposit Insurance Act.

Member Institutions

Financial institutions licensed under the Financial Institutions Act, which are permitted to accept, in the course of business, deposits that are insurable under this Act.

Premium Assessment Rate

The rate prescribed by the Minister of Finance after consultation with the Corporation to determine the deposit insurance premium to be levied on the deposits of Member Institutions.

Resolution

A plan for liquidating, disposal and/or management of assets of an Institution with a view to resolving its obligations to depositors, creditors, and other stakeholders in an orderly and efficient manner.

|| UNDERSTANDING DEPOSIT INSURANCE

What is covered?

Under the Barbados Deposit Insurance Act, 2006-29, s. 30(1), every deposit held at member institutions and payable in the currency of Barbados are covered. Depositors are guaranteed protection of their deposits up to the maximum insured limit.

What is the insured limit?

The current insured limit is \$25,000 and is applicable, per depositor or category of depositor per member institution. Joint accounts and Trust Accounts are treated as separate deposit categories for the purpose of applying the limit.

What is not covered?

In accordance with the Barbados Deposit Insurance Act, 2006-29, s. 30(2), deposit insurance coverage does not apply to foreign currency deposits, letters of credit, standby letters of credit or instruments of a similar nature. Interbank deposits and deposits from affiliates are also not eligible for coverage under the Act.



MESSAGE FROM THE CHAIRMAN OF THE BOARD

"Consultation. Collaboration. Connection."

Distinguished Stakeholders

I am privileged to present the 2024 Annual Report, reflecting on a year of strategic repositioning, operational enhancement, and stakeholder engagement under the guiding theme: "Consultation. Collaboration. Connection."

This theme reflects our unrelenting commitment to meaningful engagement, strengthened governance, and internal transformation, all of which are essential for this journey of pivotal growth and realignment that we have embarked upon for the Barbados Deposit Insurance Corporation.

The financial year began with intense analysis and discussions of the failure of numerous banks in North America during 2023, and assessments of how these were handled by the authorities in those jurisdictions provided many opportunities to learn from such incidents. Against the backdrop of these events which highlighted the potential hazards of the industry, significant effort was dedicated to engaging key stakeholders during 2024 through training sessions, workshops and consultative meetings aimed at building stronger awareness and understanding for the role and function of Deposit Insurance.

A very successful and informationally impactful simulation workshop entitled, "Financial Intervention of a Failed Institution" was conducted in February 2024, under the expert guidance of our team of external advisors. The workshop facilitated engagement with a cross-section of regulatory stakeholders over a five-day period of practical and theoretical sessions which clearly demonstrated the need for a consultative and collaborative approach for successful intervention and maintenance of financial stability.

Subsequently, various targeted training sessions were conducted throughout the year with all stakeholder groups, including directors, senior officials, and operational staff of the respective entities. These engagements fostered knowledge-sharing, role clarifications, regulatory and legislative awareness, critical industry alignment matters, and addressed other industry-specific concerns.

The Board worked diligently throughout 2024, to refine the BDIC's operational framework and set a solid foundation for long-term success. A key aspect of this effort was the approval of a new organizational structure designed to provide enhanced efficiency, accountability,

and service delivery. The approved restructuring included targeted recruitment efforts to equip the Corporation with the right talent to support its evolving needs.

Additionally, the Board approved the Corporation's 2025/27 Strategic Plan which presents a three-year roadmap, designed to drive institutional reform, operational excellence, and improved service delivery in alignment with the Corporation's safety net mandate.

As Chair of the Board, one of my priorities is to ensure effective governance. Maintaining diversity and fresh perspectives within our Board is of utmost importance and is in alignment with our commitment to strong governance and leadership continuity.

In September 2024, the Board welcomed Mr. Nigel Bennett as a new Director. His addition brings legal expertise, insights and experience that will undoubtedly contribute to the continued reform and success of the Corporation. Director Bennett's appointment completed the Board's composition at year-end, filling the vacancy presented in the prior year. We look forward to working with him and successfully navigating our shared vision for the Corporation. Additionally, in September 2024, Director Raoul Williams was appointed Deputy Chairman of the Board, further strengthening the Board's leadership team and completing the appointments to all substantive roles.

The Board remained committed to delivering on its fiscal responsibility, by ensuring that expenditure was carefully managed and aligned with strategic priorities. This prudent approach enabled the organization to optimize resources while pursuing safe and viable investment opportunities that supported financial sustainability and growth. Amidst the dynamic operational environment that

2024 presented, the organization recorded an 11% increase in profitability (\$1.1 million). This growth was primarily driven by interest earned from investments as premium income remained relatively flat year-on-year.

The year 2025 will see continued effort and focus on the onboarding of Credit Unions as part of the Board's mandate. We are making good progress in this regard as we work closely with a cross-regulatory team of stakeholders which includes the Financial Services Commission, the Central Bank of Barbados, the Credit Union League, the Barbados Bankers' Association Inc and The Ministry of Finance. The Board acknowledges that this matter has been on the table for many years, however, I can assure concerned parties that successful closure of the issues remains our priority.

Preparing for a financial crisis that one hopes never comes is a rare challenge. The support and collaborations from key stakeholders over the past year have provided clarity to the BDIC's mandate and enhanced its role and function as guardian and protector of depositors' interest. As we look to the future, I am confident we will achieve even greater milestones in the years ahead.

Finally, I extend profound gratitude to my fellow Directors, management, and staff of the Corporation for their hard work, dedication, and commitment throughout 2024. I also want to extend a special thank you to our CEO for her steady leadership.



Rawle Knight
Chairman



MESSAGE FROM
THE CHIEF EXECUTIVE OFFICER

"Consultation. Collaboration. Connection."

The past year marked a period of purposeful transformation for the Barbados Deposit Insurance Corporation as we pursued strategic decisions to strengthen our financial stability, enhance operational efficiency and align our organization with evolving industry demands.

As we move forward, our focus remains on building a resilient foundation that supports the long-term sustainability of the Deposit Insurance Fund, while maintaining the flexibility of the Corporation to adapt to new opportunities. The theme of Consultation, Collaboration and Connection reflects our commitment to streamlining operations, engaging key stakeholders, and fostering meaningful collaborations that drive value for the Corporation and those we serve.

Financial Performance: Strengthening the Core

Our financial results for the year underscore our disciplined approach to growth and sustainability. We closed 2024 with a net profit of approximately \$11.0M, a commendable increase from \$9.8M in the prior year. Total revenues expanded to \$11.8M and was driven largely by increased interest

income, which rose from \$4.7M in 2023 to \$6.1M in 2024. These results reflect our concerted efforts to maximize earnings through prudent investment of excess cash in safe, low-risk opportunities while maintaining a strong liquidity position.

Total expenditures for 2024 recorded an increased position of \$112K compared to the prior year. The increase which was expected and adequately provided for in the budget, was primarily attributable to our strategic decision to onboard key personnel and rationalize resources to ensure the Corporation is equipped with the required expertise for the journey ahead. Despite these necessary investments, we remained diligent in our commitment to cost efficiency and prudent financial management, ensuring that every dollar spent contributed to long-term value creation.

Operational Focus: Strengthening Capacity and Efficiency

Efficiently operationalizing the Corporation has been a key priority, and significant strides were made in ensuring we have the right structures to invest in the right resources and put appropriate systems in place. The Board and management

have worked collaboratively to streamline operations, enhance internal efficiencies, and minimize wastage. These efforts are essential as we position the BDIC for sustainable success.

Another achievement for the year was the expansion of our asset base, which grew to \$109.7M from \$98.9M in the previous year. This growth is largely driven by increases in investment securities and cash & cash equivalents, including foreign currency term deposits, which increased to \$19M at December 2024, up from \$14M in 2023. Additionally, the Corporation invested in Plant and Equipment, which was essential infrastructure to accommodate our growing team and support our evolving operational needs.

Looking Ahead: A Future Shaped by Strategy and Innovation

As we chart the way forward, our focus is clear: to drive operational excellence, expand financial resilience, and build meaningful connections that enhance our impact. The Corporation remains committed to ensuring that our resources are utilized effectively, our investments continue to

generate value, and our stakeholders remain at the center of our decision-making. With a strong team, a clear vision, and a strategic roadmap in place, we are positioning the Corporation for the next phase of our journey.

I extend deep appreciation to the Chairman and members of the Board for their support and commitment through the many long hours of Board meetings and other deliberations and look forward to their continued collaboration. To my small yet extremely dedicated and resourceful staff team that I am enormously proud of, allow me to also express my sincere gratitude for the honor of having you on my team. I look forward to working with all of you as we build a future of stability, innovation, and sustained success for BDIC.

A handwritten signature in blue ink, appearing to read 'C. Eleuthere-Jn Marie', written over a horizontal dotted line.

Carole Eleuthere-Jn Marie
Chief Executive Officer

Corporate History & Background Information

The Barbados Deposit Insurance Corporation (BDIC) was established on June 8, 2007, by an Act of Parliament – Deposit Insurance Act 2006-29 (DIA). The BDIC provides insurance for domestic deposits, up to a prescribed limit, at member institutions (currently licensed under the Financial Institutions Act (FIA), Cap. 324A). The prescribed limit is currently \$25,000 and is distributed on a per-bank, per-depositor basis.

BOARD OF DIRECTORS

s. 4 (1) of the Deposit Insurance Act 2006-29 provides for the establishment of a Board of Directors which shall be responsible for the policy direction and general administration of the Corporation.

As per the Schedule to s. 4(1), the Board is appointed for a minimum of three (3) years and comprises seven (7) members including one Chairman, one Deputy Chairman and one other independent member, all of whom are appointed by the Minister of Finance.

The other members of the Board are ex-officio directors, namely: The Governor of the Central Bank of Barbados, the Director of Bank Supervision Department of the Central Bank of Barbados, a representative of the Ministry of Finance and the Chief Executive Officer of the Corporation.

MEMBER INSTITUTIONS

s. 18 and s. 19 of the DIA 2006-29 provide that every financial institution licensed under the financial institutions Act which is permitted to accept in the course of its business, deposits that are insurable under this Act shall be deemed to be members of the Fund immediately after its license has been granted.

In conformity with s.19(1), the financial institutions that are members of the BDIC on December 31, 2024 are the following:

ANSA MERCHANT BANK (BARBADOS) LIMITED
CAPITA FINANCIAL SERVICES INC.
CIBC FIRSTCARIBBEAN INTERNATIONAL BANK (BARBADOS) LIMITED
FIRST CITIZENS BANK (BARBADOS) LIMITED
RBC ROYAL BANK (BARBADOS) LIMITED
REPUBLIC BANK (BARBADOS) LIMITED
RF MERCHANT BANK & TRUST (BARBADOS) LIMITED
SAGICOR BANK (BARBADOS) LIMITED
SCOTIABANK (BARBADOS) LIMITED
SIGNIAGLOBE FINANCIAL GROUP INC.

MEMBER INSTITUTIONS' PROFILE

The profiles of the ten (10) member institutions as of December 31, 2024, and the previous two (2) years have remained unchanged and are as detailed in the table below.

Deposit Insurance Fund Member Profile 2022 - 2024.

	2024	2023	2022
Commercial Banks (Part II Companies)	6	6	5
Domestic Trust and Finance Companies (Part III companies)	4	4	6
Total number of Member Institutions	10	10	11

Commercial Banks (Part II companies)

1. CIBC FirstCaribbean International Bank (Barbados) Ltd.
2. First Citizens Bank (Barbados) Limited
3. RBC Royal Bank (Barbados) Limited
4. Republic Bank (Barbados) Limited
5. Sagicor Bank (Barbados) Limited
6. Scotiabank (Barbados) Limited

**Deposit-Taking Non-Bank Financial Institutions
(Part III licensed companies)**

1. Ansa Merchant Bank (Barbados) Limited
2. Capita Financial Services Inc.
3. RF Merchant Bank & Trust (Barbados) Limited
4. SigniaGlobe Financial Group Inc.

AUDITORS

Peter Downes
Chartered Accountant
Business Advisory Services Inc.

BANKERS

Central Bank of Barbados

CORPORATE ADDRESS

Barbados Deposit Insurance Corporation
5th Floor, Tom Adams Financial Centre
Spry Street, Bridgetown
Barbados





Rawle Knight
Chairman

BOARD DIRECTOR PROFILES

Mr. Rawle Knight was appointed Chairman of the Barbados Deposit Insurance Corporation (BDIC) effective, September 2022. He is the current Chief Operating Officer at the Insurance Corporation of Barbados Limited (ICBL).

Mr. Knight has a distinguished career in the Insurance Industry spanning twenty years. He has delivered proven leadership in several areas of the insurance business sector, including claims, customer service, risk management and company operations. He is well respected for his decisive management style, strategic planning abilities and forward-thinking mindset.

A former Police Officer for eleven years, before entering the Insurance Industry, he holds a Bachelor of Science (BSc) in Economics and Accounting from the University of the West Indies (UWI) Cave Hill Campus and a Master of Science (MSc) in Risk Management from the University of Southampton, United Kingdom (UK.) Rawle is married and has four children. He enjoys gardening and all aspects of sports, particularly basketball, football, and cricket.



Raoul Williams, CPA, MBA
Deputy Chairman &
Audit Committee Chairman.

Mr. Raoul Williams was appointed to the board of the BDIC as an independent director, in September 2022 and was immediately appointed Chairman of the Audit Committee. In September 2024, he was appointed Deputy Chairman of the Board.

Mr. Williams spent most of his career tenure in Finance and Administration where he assumed increasing responsibility up until his retirement from Sagicor. He was Vice President, Life Insurance Administration of Sagicor Life Inc (Southern Caribbean) Barbados, Trinidad, Eastern Caribbean, Dutch Caribbean, and Belize until his retirement in 2024.

A Certified Professional Accountant (CPA) and member of the Certified Professional Accountants Association of British Columbia and the Institute of Chartered Accountants of Barbados (ICAB); Mr. Williams also holds an MBA (Dist.) in Administration from the University of the West Indies, Cave Hill Campus. Mr. Williams was born in England and is a Citizen of Barbados.



Mrs. Nancy Headley
Director (ex-officio)

Mrs. Nancy Headley has been an ex-officio director of the Corporation since 2013. She is a qualified accountant and career public servant; she is currently a Permanent Secretary in the Ministry of Finance and Economic Affairs.

Mrs. Headley has worked in the Public Service for over twenty-five (25) years and has been with the Ministry of Finance for more than sixteen (16) years, first in the capacity of Chief Budget Analyst and then as Deputy Permanent Secretary with direct responsibility for the Budget Section and the Debt Unit, before being appointed to her current role as Permanent Secretary.

She holds a Master's degree in Economics and Finance, from the University of Lancaster and is a Fellow of the Association of Chartered Certified Accountants (FCCA).



Dr. Kevin Greenidge
Director (ex-officio)

Dr. Kevin Greenidge is the Governor of the Central Bank of Barbados, a position he took up from March 1, 2023. His appointment as ex-officio Director on the BDIC Board is effective from that date.

Before assuming the role of Governor, Dr. Greenidge was a Senior Economist at the International Monetary Fund (IMF), a position he held from 2011. Between 2018 and 2022, he took a leave of absence to act as Senior Economic Advisor to the Government of Barbados, where he was instrumental in the design and implementation of the Barbados Economic Recovery and Transformation (BERT) programme.

He also previously spent 17 years at the Central Bank of Barbados, where he rose through the ranks to become the Bank's Director of Research and Economic Analysis Department (READ) from 2009 until 2011. As Director of READ, Dr. Greenidge developed and managed the framework for providing sound economic intelligence and policy advice to senior management and the public, to enhance understanding of the workings of the Barbados economy.

Dr Greenidge's more than 25-year career spans economics, finance, and public policy. He co-edited two books, *Aspects of Financial Liberalisation and Capital Market Development in the Caribbean* (2008) and *Proceedings of the Conference on "Corporate Governance in the Financial Sector"* (2003), and has published over 200 papers in regional and international journals on a range of topics, including the measurement of financial liberalisation and the challenges of policymakers in small developing countries, issues of exchange rate misalignment in the Caribbean, cross country monetary effects, and growth and convergence in the Caribbean.

His current research focus is growth and

debt dynamics in small island economies, the macroeconomic effects of governance and corruption, and on fiscal multipliers and growth. Dr. Greenidge is also a member of the International Atlantic Economic Society, the Western Economic Association, and a Fellow of the Cambridge Commonwealth Society. He is also a referee for a number of journals.

Dr. Greenidge holds a B.Sc. in Economics with first class honours from the University of the West Indies, a Masters in Economics from the University of Cambridge in the UK, and a Ph.D. from the University of Nottingham, also in the UK. He also holds an associate degree in Business Management from Columbia University.



Cheryl Greenidge
Director (ex-officio)

Mrs. Cheryl Greenidge has been an ex-officio director since June 2018. She is the current Senior Director, Bank Supervision Department at the Central Bank of Barbados (CBB), with responsibility for the supervision and regulation of entities falling under the Financial Institutions Act, Cap 324A; National Payments Systems Act 2021-1; and Fair Credit Reporting Act, 2021-31.

Mrs. Greenidge is a career central banker. She has held senior positions in the Banking & Currency Department and the International Financial Services Inspection Unit of the CBB.

Mrs. Greenidge was a member of the Bank's Task Force formed in response to initiatives by the Financial Stability Board, Organization for Economic Co-operation and Development and the Financial Action Task Force. She also worked on the Joint Policy Working Group, Standing Committee on Business Facilitation, and the Technical Working Group on CARICOM-Canada Trade and Development. She represents the Bank at various regional and international fora, including the Caribbean Group of Banking Supervisors and the Association of Banking Supervisors for the Americas.

Mrs. Greenidge plays a leading role on the Anti-Money Laundering Authority, providing technical and strategic

advice on policy formulation; preparation for and leading the execution of all Caribbean Financial Action Task Force (CFATF) mutual evaluations of Barbados; and represents Barbados on the Steering Group and several Working Groups. She is a trained CFATF Financial Expert and FATF International Cooperation Reviewer; and a

member of the FATF Project on Increasing FATF-Styled Regional Bodies' Voice and Participation in FATF Work.

She is a graduate of the University of the West Indies and holds an MBA in Finance from the University of Manchester.



Nigel Bennett
Director

Mr. Nigel Bennett was appointed to serve on the BDIC Board as an independent Director, from September 2024. He is the Managing Partner at Court Caribbean Law Practice, a boutique law firm in Barbados. His primary practice areas include corporate & commercial law, International Financial Services, real estate, governance, regulatory & securities matters.

Mr. Bennett previously taught Business Law at BIMAP and conducted short-term training for the CDB on Corporate Governance for regional financial institutions. He also previously served as Legal Counsel at an international subsidiary of RBC Royal Bank of Canada with responsibility for legal, corporate secretarial & corporate compliance matters as well as legal affairs at the Central Bank of Barbados.

Mr. Bennett also served as Group Corporate Secretary for 2 public companies and served on the Financial Services Commission's Appeals Tribunal which was a quasi-judicial body established under the FSC Act to adjudicate issues arising from its licensees.

Apart from the rigors of the law, Nigel Bennett is an avid hiker on those not so lazy days and has a passion for property development and foreign languages.



Carole Eleuthere-Jn Marie
Director (ex-officio)

Mrs. Carole Eleuthere-Jn Marie was appointed ex-officio director in February 2023, upon joining the BDIC team in the role of Chief Executive Officer.

A career banker and finance executive with over 35 years of senior management experience in banking, finance, and investments, Mrs. Eleuthere-Jn Marie has held senior executive roles in major sectors of the financial services industry.

She is a qualified accountant, certified banker, licensed investment broker and financial advisor with a BSc. Honors Degree in Accounting from UWI Cave Hill and a fellow of the Association of Certified Chartered Accountants (ACCA) since 1992. She has also functioned as a licensed principal, investment advisor and broker on the Eastern Caribbean Securities Exchange.

Mrs. Eleuthere-Jn Marie has been a pioneering "first female" in several key roles throughout her career and professional journey and brings to the BDIC her diverse expertise and wealth of knowledge required to efficiently propel the strategic direction of the Corporation.

FINANCIAL SECTOR OPERATING ENVIRONMENT

MACRO-ECONOMIC ENVIRONMENT

Barbados has been lauded for its economic performance in 2024, with results exceeding the projected global growth rate, whilst also marking a milestone of three consecutive years of economic expansion.

According to reports from the Central Bank and the Barbados Statistical Service, a real GDP growth rate of 4 percent was attained in 2024 and was fueled by strong performances in the business services, tourism, construction, and retail trade sectors. Inflation continued its downward trajectory as well as unemployment rates and jobless claims, which are strong indicators of progress in labour market conditions. Government's fiscal position also reported major improvements with overall gains positively impacting the debt-to-GDP ratio which closed the year at 103 percent, reflecting a decline from the 109.8 percent reported at year end 2023. Additionally, and quite significantly, the year closed with a record level of gross international reserves of \$3.2 billion, which equates coverage for 31.2 weeks of imports.

Table 1
SUMMARY MACRO-ECONOMIC INDICATORS - LAST 5 YEARS

	2020	2021	2022	2023 ^a	2024 ^a
Real GDP Growth (%)	(13.7)	(0.2)	16.3	4.2	4.0
Inflation Rate - CBB 12 mth moving avge % - Dec 2024	0.7	1.5	4.3	3.2	1.4
Unemployment (End-of-period-Sept 2023 & 24) %	-	14.1	8.4	8.3	7.1
Gross Public Sector Debt/GDP (%)	124.0	126.6	112.3	109.8	103.0
Gross International Reserves (BDS \$Million)	2,660.7	3,058.8	2,770.3	2,999.5	3,184.3
Gross International Reserves Cover (Weeks)	40.7	40.6	29.2	31.0	31.2
Fiscal Balance (% of GDP)	3.3	(4.5)	(4.3)	(1.9)	(1.7)

Source: Central Bank of Barbados' Review of Barbados' Economic Performance: January to December 2024

^a - Estimate

Financial Sector Review

The Central Bank of Barbados has reported stable results from the financial sector for 2024. The reports indicate positive trends in credit quality, credit growth as well as improvements in the levels of both domestic and foreign currency deposits year-on-year. The growth in deposit balances was declared to be driven by activity in the global business, real estate, and household sectors.

Generally, however, deposit-taking institutions (DTIs) have upheld robust, though marginally lower liquidity and capital adequacy ratios, while non-performing loans (NPLs) recorded continued year-on-year declines, thus signaling improved credit quality across the sector.

Profitability in the bank and finance sector did however experience some levels of decline, which have been identified as driven by increased operating costs and interest attributed to increased time deposit balances. That, notwithstanding, the financial sector proved resilient over the reporting period and maintained stable performance results for almost all other relevant industry indicators.

Table 2
MAJOR BANKING SYSTEM FINANCIAL STABILITY INDICATORS

	2010	2021	2022	2023	2024
Capital Adequacy Ratio (CAR)	16.0	16.8	17.6	20.9	20.1
Loan-to-Deposit Ratio	57.1	53.0	53.1	54.3	57.0
Liquid Assets to Total Assets	27.5	31.1	32.0	30.9	28.7
Non-Performing Loans Ratio	7.3	7.3	5.9	5.0	4.1
Provisions to Non-Performing Loans	62.0	60.3	53.3	54.1	46.4
Return on Average Assets (12-month)	0.8	1.1	1.3	1.8	1.2

Source: Central Bank of Barbados' Review of Barbados' Economic Performance:
January to December 2024

Asset Composition and Growth

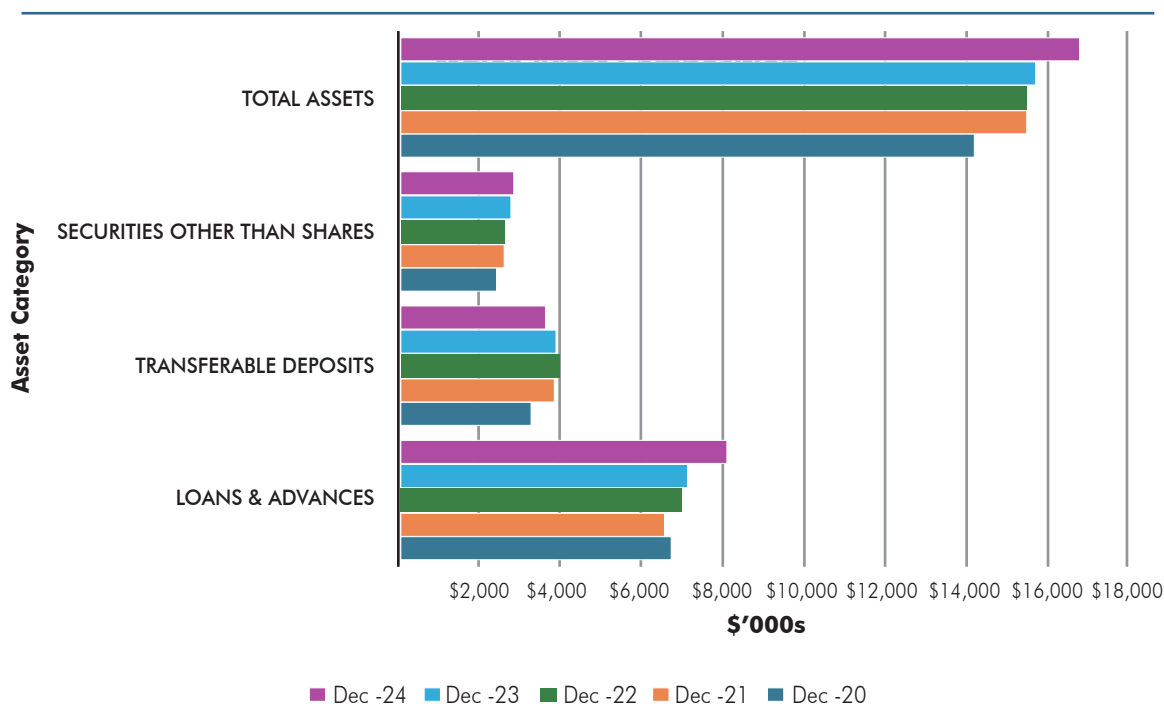
Total deposit-taking sector assets reported a record high position of \$16.8 billion in December 2024, reflecting a nearly 7 percent year-on-year increase of \$1.1 billion. This noteworthy performance was propelled primarily by a year-on-year increase of \$962 million in loans and advances, representing a 13.4 percent growth rate over 2023.

Understandably, the dominant asset classes for the sector continued to be loans and advances, transferable deposits and securities other than shares. These 3 asset categories continued to constitute the lion share (more than 86 percent at December 2024), of the total assets of the sector.

With the favorable uptake in loans and advances in quarter 4 of 2024, the sector recorded an increased loans-to-assets ratio of 48.5% at December year end, closing the year with an impressive 2.5 percent year-on-year increased loans-to-assets ratio.

Reduced positions were, however, reported for, transferable deposits and securities and other equity which reflected declines of a 16.2% and 3.8% respectively as deposits were moved to support the increased and more economically advantageous lending activities.

Figure 1
DEPOSIT TAKING SECTOR - MAJOR ASSET COMPOSITION



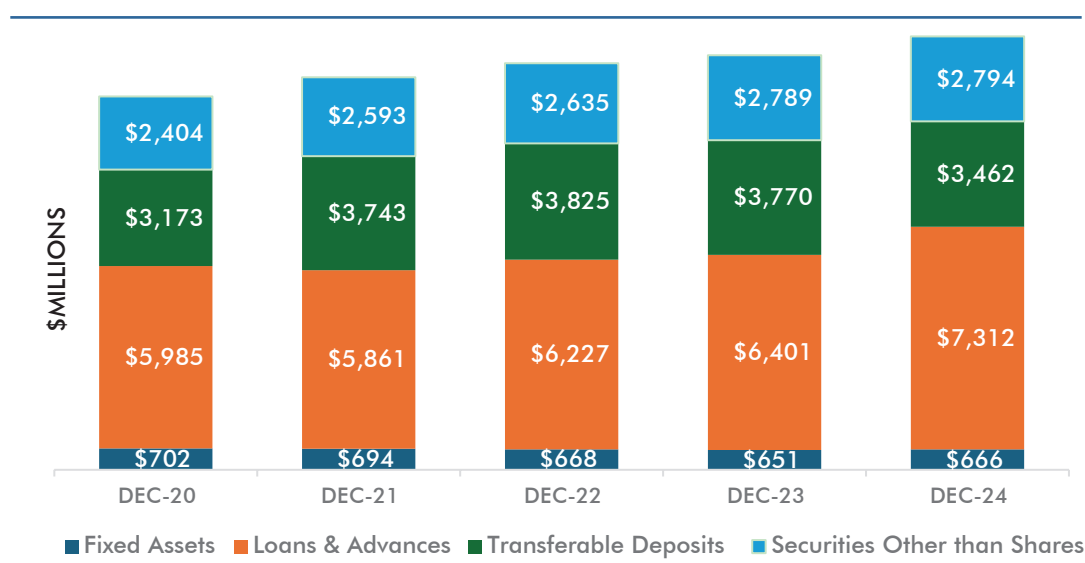
Source: Central Bank of Barbados

Commercial Banking Sector - Asset Composition & Growth

Total assets of Commercial Banks continued to account for the lion share of Deposit-taking sector assets and represented 93.2% at December 2024 (93.4% at December 2023).

The growth in assets on the books of Commercial Banks was driven by higher loans and advances, other assets and other deposit categories. The loans and advances book grew by 14.2% year-on-year. Additionally, the commercial banking sector's total portfolio of Other Deposits recorded significant uptake of \$273.3 million, which represented a 69% increase at December 2024.

Figure 2
MAJOR COMMERCIAL BANK ASSETS



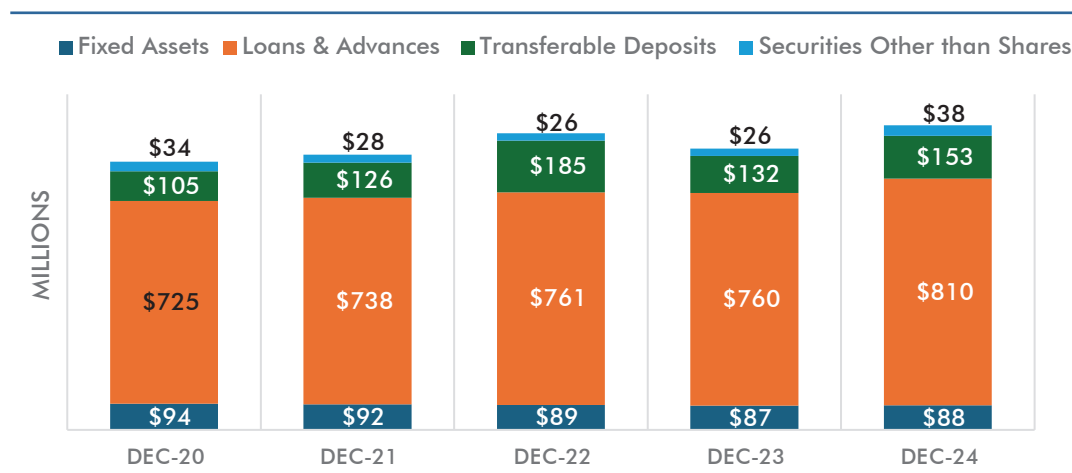
Source: Central Bank of Barbados

Non-Bank Deposit-Taking Sector - Asset Composition & Growth

Total assets of the non-bank deposit-taking sector, at December 2024, was \$1.1 billion and represented 7% of the combined sector totals. Loans and advances grew by \$50.4 million (6.6%) and transferable deposits grew \$20.5 million year-on-year.

Like the commercial banking sector, expansion and growth for this sector was also fuelled by the increased portfolios of other assets and loans and advances.

Figure 3
MAJOR NON-BANK ASSETS



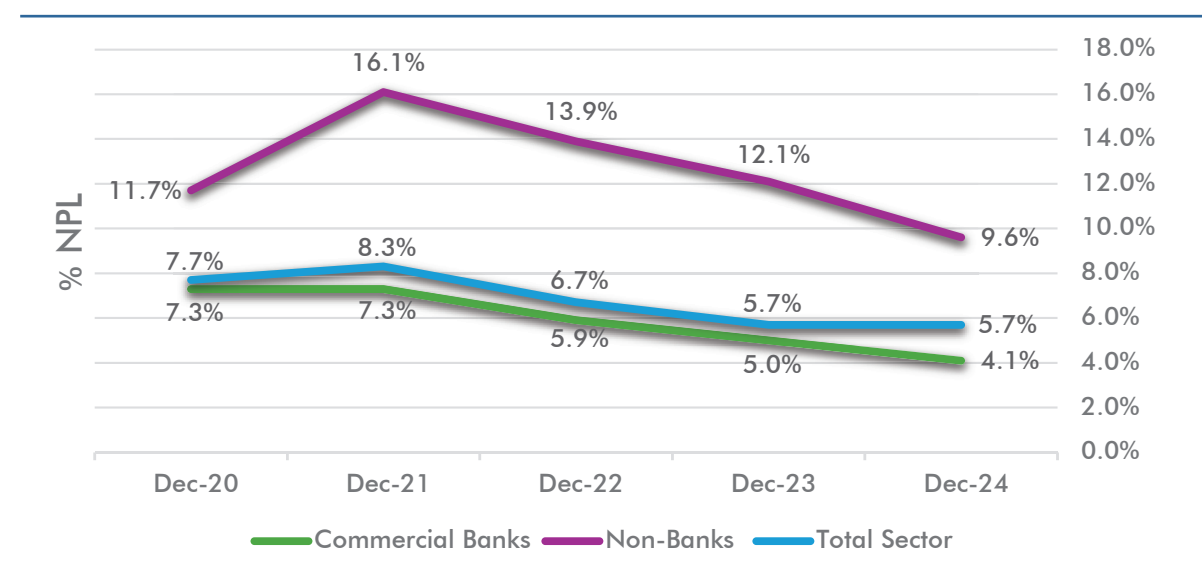
Source: Central Bank of Barbados

Asset Quality - Deposit taking sector

The last quarter of 2024, saw a decrease of \$5.8 million (1.5%), in gross classified debt of deposit-taking financial institutions. The direct impact of the reduced classified debt position was overall improvements in asset quality for the sector, which also recorded increased loans and advances of \$961.5 million year-on-year.

The decline in gross classified debt, paired with steady loan growth, resulted in a reduction of the sector's NPL ratio to 4.6 percent which accounted for a 1.1 percent reduction on the prior year, reflecting enhancement in the sector's credit quality.

Figure 4
TREND IN NPL RATIOS



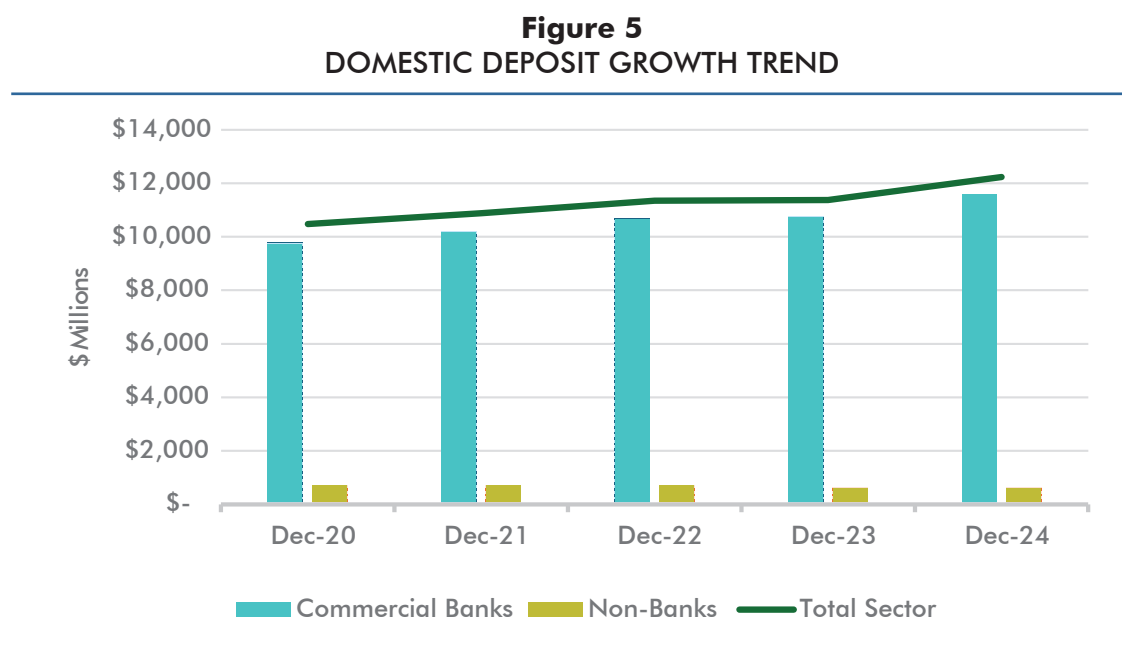
Source: Central Bank of Barbados

Deposit Base & Liquidity

The total deposit base at deposit-taking financial entities increased to \$13.5 billion by year end December 2024. Thus, recording a 1.2% year-on-year increase of \$1.1 billion. The increased deposit position was largely recorded in domestic deposits which closed the year at \$12.2 billion, reflecting a 7.5% increase year-on-year.

Sector liquidity however recorded a slightly weakened position year-on-year, as the level of liquid assets fell by \$0.24 billion (5.4%). With higher short-term liabilities for the same period, the net impact was a slightly weakened liquidity position.

Figure 5 below, illustrates the trend in domestic deposits over the last 5 years to date.



Source: Central Bank of Barbados

Profitability

Net income for all deposit-taking entities at December 2024, was \$198.6 million and was 26.5% below the figure recorded 12 months previously, at year end December 2023. The reduced position was due to increased operating expenses and higher interest cost for time deposits. Additionally, despite recording recoveries in provision for bad and doubtful debts of \$26.1 million at December 2024, this amount was also lower than that achieved in the prior year and represented a decline of \$78.2 million.

The commercial banking sector reported net income at December 2024 of \$186.5 million whilst that of the non-bank deposit taking sector was \$12.1 million. Both sectors recorded reduced year on year profitability positions of 27.6 percent and 2.0 percent respectively.

Capital Adequacy

Capital adequacy ratios (CAR) for the deposit-taking sector remained robust, despite the reduced profitability positions recorded. On December 31, 2024, the reported CAR for the sector was well above the regulatory requirements and stood at 25 percent.

The sector's total Tier 1 and Tier 2 Capital stood at \$1.5 billion whilst total risk-weighted assets stood at \$5.9 billion of which 82.2 percent are credit risk weighted assets, thus highlighting the significance of credit risk exposure for the sector.

At December 2024, CAR for the commercial banking sector stood at 25.7% and was down 1.3 percent from 2023. CAR for the non-bank deposit-taking sector was 20.1 percent and was down 1.3 percent year-on-year.

Despite the slightly declined CAR positions year-on-year, the CAR ratios for all sector entities remain above the minimum regulatory requirements.

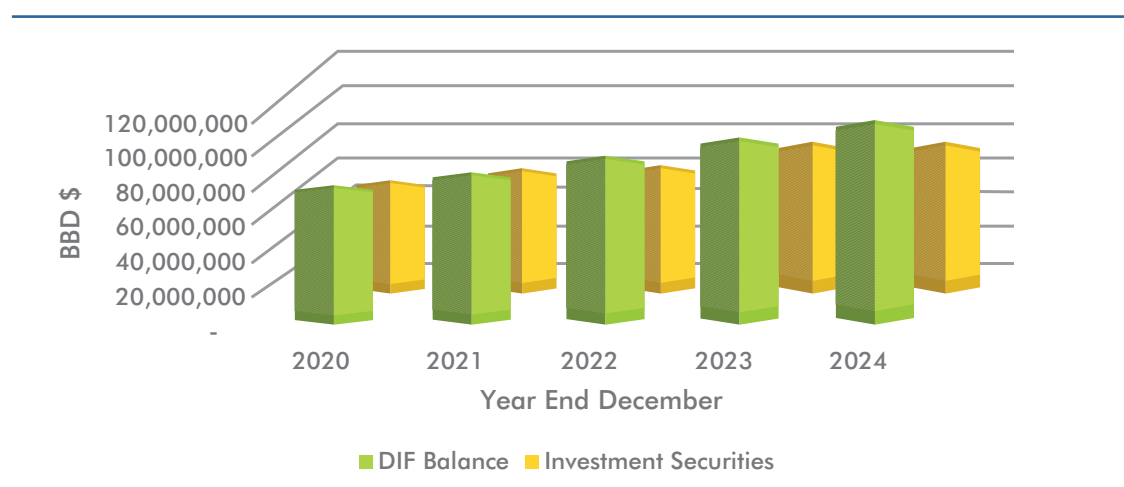
THE DEPOSIT INSURANCE FUND

Per s. 24 (1) and (3) of the Deposit Insurance Act (DIA) 2006-29, every member institution shall pay a given percentage of their deposit balances as insurance premiums, one half of which is payable on or before the 15th of February each year and the balance on or before July 15th of the same year.

Additionally, per s. 22(1)(b) new member institutions, shall also pay an initial contribution based on a percentage of the insurable deposits held during the first 12 months of operation. Per s. 23(1), the member contribution payable under s. 22(1)(b) is matched by the Central Bank and paid into the Deposit Insurance Fund.

There were no new members added in the financial year, nor were there any claims made on the Fund. Total fund assets reflect growth trends from premium income boosted by interest and related investment income. The Fund Balance on December 31, 2024 stood at \$108.7 million, representing a year-on-year increase of \$10.98M (11.25%).

Figure 6
DIF & INVESTMENT SECURITIES TREND



TOTAL SECTOR INSURABLE DEPOSITS

Part 111 of the DIA stipulates in s. 30(1), that the Corporation shall insure deposits held by members and payable in Barbados currency to an amount not exceeding the insured limit. The current insured limit is BBD\$25, 000 and is applicable per depositor, per institution.

Deposits excluded from deposit insurance coverage per s. 30(2) are foreign currency deposits, letters of credit, stand-by letters of credit or instruments of similar nature, inter- bank deposits and deposits from affiliates.

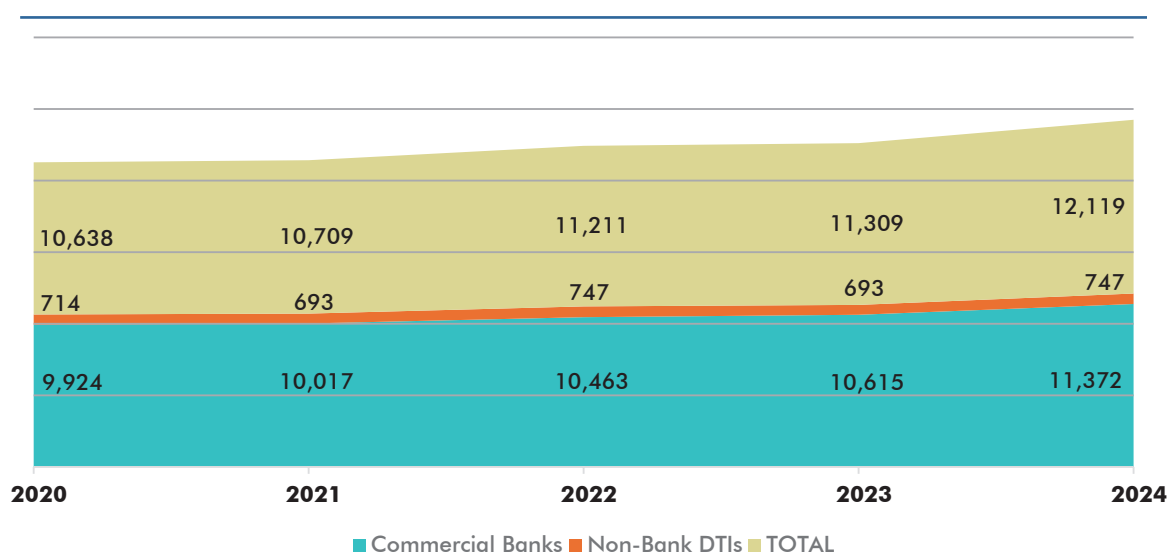
Insurable deposits held by member institutions on December 31, 2024 stood at \$12.1 billion and

Table 3
TOTAL INSURABLE DEPOSITS (\$' 000) - DECEMBER 31ST

Sector	2020	2021	2022	2023	2024
Commercial Banks	9,924	10,017	10,463	10,615	11,372
Non-Bank DTIs	714	693	747	693	747
TOTAL	10,638	10,709	11,211	11,309	12,119

were \$810 million (7.2%) higher than the December 2023 balance of \$11.3 billion. (See Table 3). Deposits held in Commercial Banks continued to be in the 90 percent range for 2024 with balances at December 31st recording allocation rates of 94 percent and 6 percent respectively for Commercial Banks and non-bank DTIs. It is, however, noteworthy that whilst year end deposit balances reflected increased positions for all sectors, the impact for non-bank DTIs was particularly significant as the increase levels achieved had reversed the reduction experienced in the prior year 2023. Resulting in total deposits of \$747K at non-bank DTIs on December 31, 2024 thus realigning the sector's deposit profile with levels held two years prior. (See Table 3 above and Figure 7 below).

Figure 7
SECTOR INSURABLE DEPOSITS TREND \$'000



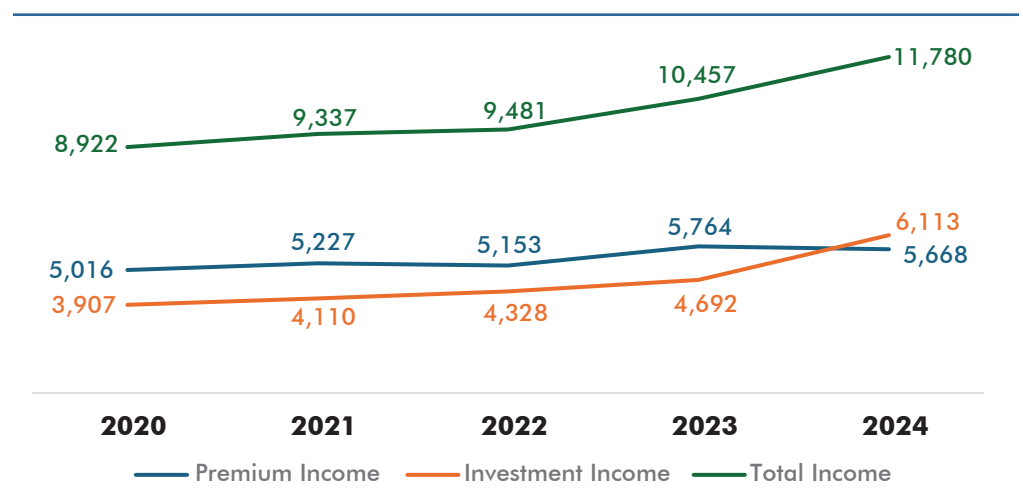
BDIC 5-YEAR INCOME REVIEW

The BDIC’s main source of income has traditionally been premium revenue and is invoiced to members annually, based on the average eligible deposit balances held at member institutions at the end of the financial year. For the year ended December 2024, premium income recorded a \$97K reduced year-on-year position as the deposit base at member entities had reflected a marginal year-on-year decline. Additionally, the prior year premium income included a matching amount of \$105K for initial contributions from one new member entity whilst there were no new members added in the current year.

Of significant note, however, is that, for the year ended December 31, 2024 income from investments surpassed premium income by \$445K (7.9%). As a result, the impact of the \$96 reduced premium income for 2024 was fully absorbed and compensated for by the 30 percent (\$1.4million) increased levels of investment income which the Corporation achieved for the financial year. Consequently, the Corporation closed the year with a positive financial position of \$10.98 million in net income compared to \$9.77 million in the previous year. Reflecting a 12.4% year-on-year increased profits.

The BDIC continues to maintain a conservative investment policy which is aligned to the directive stipulated in s. 5(1c) of the DIA, to achieve the objects of the Act in such a manner as will minimize the exposure of the Corporation to loss. Investment decisions are thus regularly monitored by the board and managed with the oversight of the Investment subcommittee.

Figure 8
BDIC 5 YEAR INCOME TREND



OUR 2024 “CONSULTATION. COLLABORATION. CONNECTION.” JOURNEY.

Over the past year, the Corporation has made significant progress in strengthening its operational framework, engaging stakeholders, and advancing key initiatives. Through focused consultation, meaningful collaboration, and strategic connection, we have laid the groundwork for future growth and a stronger deposit insurance framework. We are therefore pleased to share some highlights of our key milestones and achievements for 2024.

Highlights of 2024 Achievements

Training and Capacity Building:

In the first quarter of 2024, we hosted an intensive five-day simulation training workshop with over 25 participants from a cross section of regulatory and stakeholder organizations. This was the first time such an exercise was conducted in the industry and the lessons and learning were deemed invaluable. Participant feedback allotted the event and facilitators an average high 90% excellent rating.

Additionally, during the second and third quarter of 2024, under the guidance and facilitation of our external advisors, we conducted over ten (10) stakeholder training sessions, including a high-level workshop for senior executives on IADI Core Principles for Effective Deposit Insurance.

Facilitators and participants at Bank Simulation Workshop



Enhanced Data Collection:

During the second quarter of 2024, over a two-week period, we successfully trained a wide cross-section of staff from member institutions, on deposit insurance basics and provided detailed practical training on requirements for a new data form which accurately captures the per depositor status at member entities. The new form which was first used to capture data from December 2023 enabled more accurate assessment of coverage levels and strengthened the reliability of the data on individual depositor positions at member institutions. We are extremely pleased to report that upon completion of the training every member has since successfully extracted and submitted the data in the new format requested. We take the opportunity to congratulate all participants and member institutions on their

achievement of this milestone. We also extend deep appreciation to our facilitators for their excellent delivery and a job well done.

Stakeholder Engagement & Legislative Review:

During the third quarter of 2024, we continued the "Consultation. Collaboration. Connection." journey with unwavering focus on the amendments required to be made on the BDIC legislation to facilitate the onboarding of credit unions whilst ensuing implementation of a strengthened deposit insurance system that protects depositors in the event of bank failures; and an effective resolution framework that allows for an orderly resolution process for failed financial institutions.



Participants at training session on "Per Depositor" template



Stakeholder consultation/engagement

In this regard, with the support of our expert advisors, we conducted two weeks of engagement, consultation and follow-up with industry regulators which culminated with the detailed process mapping of the Deposit insurance and resolutions process applying all available operating and legal policies and procedures. A gap analysis was also completed to facilitate and drive the necessary discussions for legislative reform.

Strategic Partnerships and Governance:

Recognizing the importance of ensuring all stakeholders remain aligned and updated on the status of the legislative reform project which the BDIC was undertaking we facilitated multiple strategic discussions with key stakeholders. This included regular meetings with the Ministry of Finance to provide status updates and address policy



Meeting of expert advisors and Ministry officials.

decisions which were beyond our level of authority. These discussions were instrumental in advancing the onboarding process for credit unions, which is one of the key priorities which the Corporation committed to advancing in the financial year.

Furthermore, in alignment with this priority mandate, we established a new working group tasked with advancing the necessary policy and legislative documents for approval in the most efficient and shortest possible time frame.

Credit Union Onboarding Progress:

By year-end 2024 notable progress was achieved in advancing this initiative. A working group was established with members strategically drawn from cross-regulatory legal and supervision units and

other related stakeholders and a legal expert (retired chief justice) was appointed to support and advise the working group in the completion of the required policy and cabinet documents to facilitate the onboarding process and effect the required BDIC legislative reform.

Conclusion and Outlook

Our efforts over the past year reflect our relentless commitment to enhancing the operational capacity of the Corporation, fostering collaboration, and ensuring meaningful connections with stakeholders. We look forward to embracing the next phase of our journey, in the year ahead with our plans to build institutional resilience, drive policy advancements, and expand our stakeholder network to support a more robust and inclusive financial system.



Training session with Credit Union staff



FINANCIAL STATEMENTS

For the year ended December 31, 2024
(Expressed in Barbados dollars)

PETER DOWNES
CHARTERED ACCOUNTANT

PETER DOWNES
CHARTERED ACCOUNTANT
BELMONT ROAD
P.O. BOX 687
BRIDGETOWN
BARBADOS, WI

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF BARBADOS DEPOSIT INSURANCE CORPORATION

Opinion

I have audited the financial statements of Barbados Deposit Insurance Corporation ("the Corporation") which comprise the statement of financial position as at December 31, 2024, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, and notes comprising significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material aspects, the financial position of the Corporation as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the International Ethics Standards Board for Accountant's (IESBA) International Code of Ethics for Professional Accountants (IESBA Code), and I have fulfilled my other ethical responsibilities in accordance with the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Matter

The financial statements of the Association for the year ended December 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on April 9, 2024.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the corporation or to cease operations, or has no realistic alternative but to do so.

PETER DOWNES
CHARTERED ACCOUNTANT
BELMONT ROAD
P.O. BOX 687
BRIDGETOWN
BARBADOS, WI

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF BARBADOS DEPOSIT INSURANCE CORPORATION

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the Institute of Chartered Accountants of Barbados's website at https://icab.bb/ICAB_Public/Resource_Library/Technical_and_Professional_Matters/Auditing/AuditingDocs.aspx. This description forms part of my auditor's report.

Other Matters

This report is made solely to the Corporation's directors, in accordance with Section 147 of the Companies Act of Barbados. My audit work has been undertaken so that I might state to the Corporation's shareholder those matters I am required to state to the shareholder in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Corporation and the Corporation's directors, for my audit work, for this report, or for the opinion I have formed.



Peter Downes, FCA
Chartered Accountant
March 21, 2025

BARBADOS DEPOSIT INSURANCE CORPORATION


STATEMENT OF FINANCIAL POSITION

As At December 31, 2024

(amounts expressed in Barbados dollars)

		2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	8	32,818,292	23,587,926
TOTAL CURRENT ASSETS		32,818,292	23,587,926
 NON-CURRENT ASSETS			
Property, plant & equipment	2(1) & 5	92,492	8,172
Investment securities	2(h) & 7	76,802,795	75,267,478
TOTAL NON-CURRENT ASSETS		76,895,287	75,275,650
TOTAL ASSETS		109,713,579	98,863,576
 LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Payables and accruals	2(g)	74,829	208,341
TOTAL CURRENT LIABILITIES		74,829	208,341
 EQUITY			
Paid up capital	9	1,000,000	1,000,000
Deposit Insurance Fund		108,638,750	97,655,235
TOTAL EQUITY		109,638,750	98,655,235
TOTAL LIABILITIES AND EQUITY		109,713,579	98,863,576

Approved on March 21, 2025 by the Board of Directors


CHAIRMAN


DEPUTY CHAIRMAN

The accompanying notes form an integral part of these financial statements.

BARBADOS DEPOSIT INSURANCE CORPORATION

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

(amounts expressed in Barbados dollars)

	Paid Up Capital	Deposit Insurance Fund	Total Equity (Deficit)
Balance December 31, 2022	1,000,000	87,883,717	88,883,717
Net income, being comprehensive income	-	9,771,518	9,771,518
Balance December 31, 2023	1,000,000	97,655,235	98,655,235
Net income, being comprehensive income	-	10,983,515	10,983,515
Balance December 31, 2024	1,000,000	108,638,750	109,638,750

The accompanying notes form an integral part of these financial statements.

BARBADOS DEPOSIT INSURANCE CORPORATION

STATEMENT OF COMPREHENSIVE INCOME

As At December 31, 2024

(amounts expressed in Barbados dollars)

	Notes	2024 \$	2023 \$
REVENUE			
Annual premiums	2(c)	5,667,541	5,554,146
Initial contributions	2(d)	-	105,095
Central Bank contributions	2(d)	-	105,095
Interest earned	2(e)	6,112,699	4,692,269
TOTAL REVENUE		11,780,240	10,456,605
OPERATING EXPENSES			
General and administrative	10	(793,425)	(681,203)
Depreciation		(3,300)	(3,882)
TOTAL EXPENSES		(796,725)	(685,085)
NET INCOME, BEING COMPREHENSIVE INCOME		10,983,515	9,771,518

The accompanying notes form an integral part of these financial statements.

BARBADOS DEPOSIT INSURANCE CORPORATION

STATEMENT OF CASH FLOWS

As At December 31, 2024

(amounts expressed in Barbados dollars)

	2024 \$	2023 \$
Cash flows from operating activities:		
Total comprehensive income	10,983,515	9,771,518
Items not affecting cash:		
Depreciation	3,300	3,882
Interest revenue	(6,112,699)	(3,152,728)
	4,874,116	6,622,672
Increase in accounts payable and accrued expenses	43,576	179,909
Net cash from operating activities	4,917,692	6,802,581
Cash flows from investing activities:		
Increase in investment securities	-	(13,152,728)
Adjustment for interest accrued (not received)	-	3,152,728
Interest received	4,400,294	-
	4,400,294	(10,000,000)
Purchase of property, plant and equipment	(87,620)	(4,392)
Net cash used in investing activities	4,312,674	(10,004,392)
INCREASE IN CASH	9,230,366	(3,201,811)
Cash and cash equivalents - beginning of year	23,587,926	26,789,737
Cash and cash equivalents - end of year	32,818,292	23,587,926

The accompanying notes form an integral part of these financial statements.

BARBADOS DEPOSIT INSURANCE CORPORATION

STATEMENT OF DEPOSIT INSURANCE FUND

For the year ended December 23, 2023

(amounts expressed in Barbados dollars)

	2024 \$	2023 \$
Fund balance at beginning of the year	97,655,235	87,883,717
Total comprehensive income	10,983,515	9,771,518
Fund balance at end of the year	<u>108,638,750</u>	<u>97,655,235</u>

BARBADOS DEPOSIT INSURANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

As At December 31, 2024

(amounts expressed in Barbados dollars)

1. INCORPORATION AND PRINCIPAL ACTIVITY

The Barbados Deposit Insurance Corporation (BDIC) is an independent statutory body established under the Deposit Insurance Act, 2006, which was proclaimed on June 8, 2007.

The functions of the Corporation are: -

- a) To manage the Deposit Insurance Fund and to provide through that ("Fund"), insurance up to the insured limit against the loss on insured deposits.
- b) To levy the initial contributions and premiums in relation to the Fund in accordance with the Act.
- c) To charge any fees necessary for the administration of the Act.
- d) To act as a liquidator or manager of member institutions in accordance with the Act.
- e) To facilitate the reorganization or takeover of a member institution pursuant to the Financial Institutions Act in appropriate circumstances.
- f) To carry out any other function that is necessary for the management of the Fund.

2. MATERIAL ACCOUNTING POLICIES

a) Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs), which comprise standards and interpretations approved by the International Accounting Standards Board. The financial statements have been prepared on a historical costs basis.

These financial statements cover activities of BDIC and the Deposit Insurance Fund and the related assets, liabilities, and operating results of the entity. Though the BDIC and the Fund share no Parent/Subsidiary relationship or inter-locking equity interest in each other, consolidation is influenced by the close management and control exercised by the Corporation in carrying out its mandate to provide deposit protection insurance through the Fund, on behalf of the banking and finance sub-sector.

b) Use of estimates

The preparation of financial statements in conformity with IFRS for SMEs requires management to make policies and influence assumptions on which judgement is made on projections and estimates of related financial statement items and the timing of their disclosure. Although these estimates may be based on reasonable judgement and management's knowledge of current events, actual results could differ and the resulting variances may be material.

c) Annual premiums

Annual premiums are determined on the basis of applicable rates levied on average deposits held by member institutions at the end of each of the four quarters of the preceding calendar year (Deposit Insurance Act 2006, Part II, Section 24. (3)). Premium income is recognized on the accrual basis and settlement terms for receipt of premiums require that members make two equal installments on February 15 and July 15 each year. (Deposit Insurance Act 2006, Part II, Section 24. (1)).

BARBADOS DEPOSIT INSURANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

As At December 31, 2024

(amounts expressed in Barbados dollars)

2. MATERIAL ACCOUNTING POLICIES CONT'D

d) Initial contributions

All institutions are required to pay into the Fund an initial contribution on becoming members. Initial contributions are based on a percentage of the members' projected insurable deposits for the first twelve (12) months of its operation. (Deposit Insurance Act 2006, Part II, Section 22. (1) and (4)). The Central Bank shall pay into the Fund a sum equal to that total amount of the initial contributions payable by each new Member Institution. (Deposit Insurance Act 2006, Part II, Section 23. (1)). There were no new members that joined in 2024.

e) Interest earned

Interest earned consist of interest received and interest accrued for the year on investments and is recognized in the Statement of Comprehensive Income.

f) Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments with original maturities of twelve months or less and are carried in the Statement of Financial Position at cost. For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash and bank balances and term deposits.

g) Payables and accruals

Trade and other payables are stated at historical cost.

h) Investment securities

The Model adopted by the Corporation for Fund Investments involves:

Holding financial assets to maturity, other than in exceptional circumstances in which disposal can be justified; and Relying on cash flows from interest and principal in the furtherance of deposit insurance objectives. Such assets are not held for resale.

The Portfolio comprises financial assets arising from non-derivative financial instruments, primarily in Government of Barbados Debt Securities. When the Corporation becomes a party to the contractual provisions of a debt instrument it is measured at the transaction price. At subsequent reporting dates the instrument is either measured at cost or amortised cost dependent on the type of debt security.

Under the amortised cost basis, assets are held for collection of contractual cash flows where those cash flows are solely payments of interest and principal. Interest income from these financial assets is included in the Statement of Comprehensive Income using the effective interest rate method. The amount measured at initial recognition is adjusted for any reductions for impairment or un-collectability.

An impairment gain or loss reflects the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. Impairment effects are included within the profit or loss component of the Statement of Comprehensive Income.

BARBADOS DEPOSIT INSURANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

As At December 31, 2024

(amounts expressed in Barbados dollars)

2. MATERIAL ACCOUNTING POLICIES CONT'D

i) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is provided on a straight-line basis at rates calculated to write off the cost of the assets over their estimated useful lives. The rates used are as follows: -

Fixtures & fittings	-	10%
Office equipment	-	15%
Computer equipment	-	25%

Carrying values are reviewed periodically to ascertain whether they are materially different from impaired value of the assets.

j) Comparative information

Where necessary, certain comparative figures have been reclassified to conform to the current presentation. These changes had no effect on the previously reported financial statements.

k) Risk management

The Corporation's operational activities expose it to a variety of risks. The Corporation's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on its performance. The Corporation defines risk as the possibility of losses or profits forgone, or the occurrence of uncertain events, which may be caused by internal or external factors thereby affecting expectations.

The Corporation might be exposed to certain risks, classified as follows: -

- i) Payout risks – the risk that the Corporation will be unable to pay insured depositors in the event of a bank failure, within the timeline as stipulated in the Deposit Insurance Act, 2006.
- ii) Credit risks – the risks arising from a failure by counter parties to honour their obligation causing a reduction of the amount of future cash inflows from financial assets on hand at the Statement of Financial Position date.
- iii) Financial risks – the risks associated with managing the assets and liabilities of the Corporation, including those that appear on and off the Statement of Financial Position.
- iv) Interest rate risks – the risk that the Fund could lose value due to interest rate changes. These risks arise principally from the Corporation's investment risk-taking decisions on investment securities.
- v) Operational risks – the risks of loss resulting from inadequate or failed internal processes, people or systems, or from external events.
- vi) Reputation risks – the risks of an event significantly affecting stakeholders' perceived trust and confidence in the Corporation, and which could result in financial or other loss to the Corporation.

BARBADOS DEPOSIT INSURANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

As At December 31, 2024

(amounts expressed in Barbados dollars)

2. MATERIAL ACCOUNTING POLICIES CONT'D

The Deposit Insurance Act 2006, establishes a Board of Directors, which is responsible for an appropriate governance structure for the management of such risks.

l) Contingent liabilities

A contingency is acknowledged when in management's judgement, an exposure is reasonably determinable with respect to a past event, commitment or contractual arrangement prior to or as of the current reporting date, and where the said exposure is not a direct liability of the Corporation at the latter date.

Management will exercise discretion as to disclosure of information pertaining to contingencies or claims which fall beyond the current reporting period.

Management has indicated that there are no contingency exposures worthy of note disclosure at the current reporting date.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

i) Critical accounting judgements

In the application of the Corporation's accounting policies, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities within the financial statements. Estimates and judgments are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

ii) Key sources of estimation uncertainty

The following are the key assumptions concerning the future and key sources of estimation uncertainty:

The useful lives of property, plant and equipment.

Management exercises judgement in determining whether future economic benefits can be derived from capital expenditures and in estimating the useful lives and residual values of these assets.

The impairment of assets.

Management assesses at each Statement of Financial Position date whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment.

Fair value of financial assets.

The determination of fair values for financial assets for which there is no observable market price requires the use of valuation techniques which utilizes various degrees of judgements affecting the specific investment.

BARBADOS DEPOSIT INSURANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

As At December 31, 2024

(amounts expressed in Barbados dollars)

4. TAXATION

The Corporation and its managed Fund are exempt from the payment of corporation tax, stamp duty or any other impost and also from the provisions of the Insurance Act (Deposit Insurance Act 2006, Part I, Section 16. (1) and (2)).

5. PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment \$	Office Equipment \$	Fixtures & Fittings \$	Total \$
COST				
Balance - December 31, 2023	43,386	22,806	68,097	134,289
Additions	20,086	4,465	63,069	87,620
Disposals	-	-	-	-
Balance - December 31, 2024	63,472	27,271	131,166	221,909
ACCUMULATED DEPRECIATION				
Balance - December 31, 2023	36,766	22,806	66,545	126,117
Charge for the year	3,106	-	194	3,300
Disposals	-	-	-	-
Balance - December 31, 2024	39,872	22,806	66,739	129,417
Net Book Value - December 31, 2023	6,620	-	1,552	8,172
Net Book Value - December 31, 2024	23,600	4,465	64,427	92,492

6. CENTRAL BANK OF BARBADOS

Two (2) current accounts are maintained with the Central Bank.

7. INVESTMENT SECURITIES

i) Series D Bond

In September of 2018, several financial instruments previously issued by the Government Of Barbados were replaced by a single Series D Bond of equivalent face value but with revised terms, affecting repayment of principal and interest thereon. The Corporation adjusted the Gross Carrying Amount (GCA) of this bond investment at amortized cost, having regard to the related effective interest rate (7.1%) and the prospective cash flows of the Series D Bond. This resulted in a restated GCA of \$50,598,400 and a modification loss of \$26,675,993 at date of debt restructuring.

BARBADOS DEPOSIT INSURANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

As At December 31, 2024

(amounts expressed in Barbados dollars)

7. INVESTMENT SECURITIES CONT'D

ii) Barbados Optional Savings Scheme (BOSS) Plus Bond

In October of 2023, the Corporation invested in a four (4) year Government Of Barbados bond with a 4.5% interest rate per annum. Interest is paid semi- annually, and the principal will be paid in four (4) years from the purchase date of the bond. This bond is measured at cost and matures on September 30, 2028.

Further information on the investments are provided hereunder:

Series D Bond	2024 \$	2023 \$
Gross Carrying Amount, start of year	65,267,478	62,114,750
Activity during the year:		
Interest accrued on investment	4,819,479	4,843,105
Interest received on investment	(3,284,162)	(1,690,377)
	<u>1,535,317</u>	<u>3,152,728</u>
 Gross Carrying Amount, end of year	 <u>66,802,795</u>	 <u>65,267,478</u>
 BOSS Plus Bond	 2024 \$	 2023 \$
Government of Barbados	<u>10,000,000</u>	<u>10,000,000</u>
	<u>10,000,000</u>	<u>10,000,000</u>
 Total investment securities	 <u>76,802,795</u>	 <u>75,267,478</u>

8. CASH AND CASH EQUIVALENTS

	2024 \$	2023 \$
Cash held at the Central Bank of Barbados (Note 6)	13,747,756	9,587,883
Term deposits at other financial institutions	19,000,000	14,000,000
Interest accrued on term deposits	70,514	-
Cash on hand	22	43
	<u>32,818,292</u>	<u>23,587,926</u>

BARBADOS DEPOSIT INSURANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

As At December 31, 2024

(amounts expressed in Barbados dollars)

9. PAID UP CAPITAL

Under Section 13, (1) of the Deposit Insurance Act 2006, the capital of the corporation shall be a sum of not less than \$1,000,000 which shall be subscribed by the Central Bank.

10. GENERAL AND ADMINISTRATIVE COSTS

	2024 \$	2023 \$
Directors fees	45,973	46,200
Employment expenses	516,079	400,670
Professional fees	14,100	18,213
Office Rental	105,856	105,856
Subscriptions	43,300	53,087
Other expenses	68,117	57,177
	<u>793,425</u>	<u>681,203</u>

11. EVENTS AFTER THE REPORTING PERIOD

Management has reviewed events after the reporting period and has determined that no developments have occurred that warrant retrospective adjustments to the financial statements or note disclosure at the current reporting date.



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