20. MONDAY, MAY 19, 2025. DAILY NATION.

DAILY NATION. MONDAY, MAY 19, 2025. 21

'Stronger'
Deposit
Insurance

N Business

Member contribution matched by Central Bank

From Page 17.

balance on or before
July 15 of the same year".
It continued:
"Additionally, . . . 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.

"The member contribution ... is matched by the Central Bank and paid into the Deposit Insurance Fund. There were no new members added in the [2024] 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 BDIC report also commented on the asset composition and growth at DTIs, noting that the sector "reported a record high position of \$16.8 billion in December 2024, reflecting a nearly seven per cent 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 per cent growth rate over 2023," it reported.

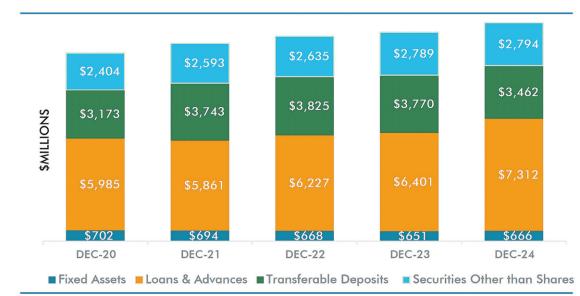
"Understandably, the dominant asset classes for the sector continued to be loans and advances, transferable deposits and securities other than shares."

The organisation said that these three asset categories "continued to constitute the lion's share (more than 86 per cent at December 2024), of the total assets of the sector".

"With the favourable uptake in loans and advances in quarter four of 2024, the sector recorded an increased loans-to-assets ratio of 48.5 per cent at December year end, closing the year with an impressive 2.5 per cent year-on-year increased loans-to-assets ratio," BDIC stated.

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

Figure 2 MAJOR COMMERCIAL BANK ASSETS



THE MAJORITY of commercial bank assets are loans and advances. (Internet image)

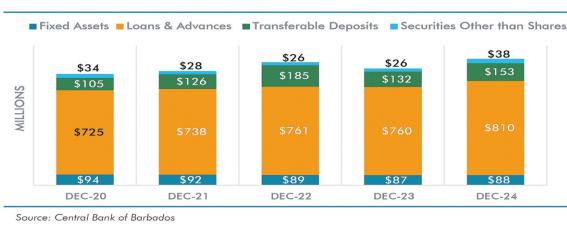
Source: Central Bank of Barbado.

DIF & INVESTMENT SECURITIES TREND



THE DEPOSIT INSURANCE FUND ended 2024 at \$108.7 million. (Internet image)

Figure 3 MAJOR NON-BANK ASSETS



FINANCE COMPANIES have increased their assets. (Internet image)

Corporation By SHAWN CUMBERBATCH shawncumberbatch@nationnews.com

THE INSURANCE ENTITY which covers billions of dollars in savings at deposit taking institutions is being strengthened as officials prepare for a Barbados financial crisis they hope will never come.

Barbados Deposit Insurance Corporation (BDIC), which was established on June 8, 2007 by an act of Parliament, has been engaged in strategic repositioning, operational enhancement, and stakeholder engagement, according to management.

BDIC's main functions include managing the Deposit Insurance Fund to provide deposit insurance against loss of insured deposits up to the prescribed insured limit of \$25 000 for each of six commercial banks and four finance companies which take deposits, and levying contributions and premiums in relation to the fund.

Functions being enhanced

The organisation's 2024 annual report was recently laid in Parliament, and in it, chairman Rawle Knight and chief executive officer (CEO) Carole Eleuthere-Jn Marie detailed how its functions are being enhanced under the theme Consultation, Collaboration, Connection.

"The financial year began with intense analysis and discussions of the failure of numerous banks in North America during 2023, and

Table 3TOTAL 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

TOTAL INSURANCE DEPOSITS have increased in the years following the COVID-19 pandemic. (Internet image)

CAROLE ELEUTHERE-JN MARIE, of the Barbados Deposit Insurance Corporation. (FP)

assessments of how these were handled by the authorities in those jurisdictions provided many opportunities to learn from such incidents," Knight stated

"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."

BDIC's work included a simulation workshop on Financial Intervention Of A Failed Institution which was conducted in February 2024, under the expert guidance of a team of external advisors.

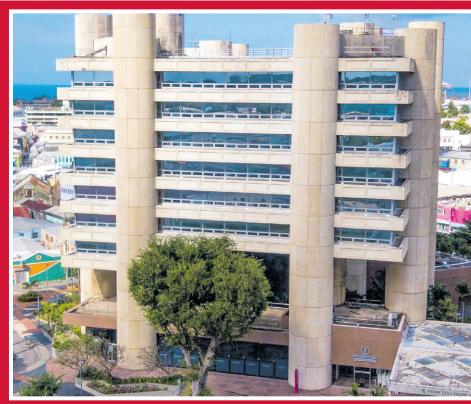
Successful intervention

"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," Knight said.

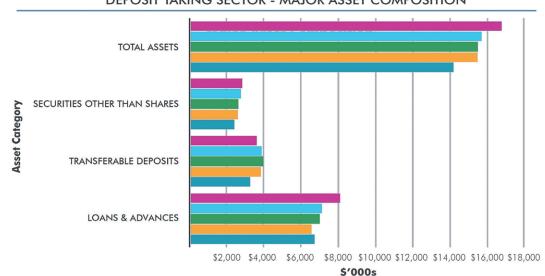
"Subsequently, various targeted



RAWLE KNIGHT, chairman of the Barbados
Deposit Insurance Corporation. (Internet image)



DEPOSIT TAKING SECTOR - MAJOR ASSET COMPOSITION



■ Dec -24 ■ Dec -23 ■ Dec -22 ■ Dec -21 ■ Dec -20

Source: Central Bank of Barbado

THE TOTAL ASSETS of deposit-taking institutions have increased. (Internet image)

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 chairman also reported that the BDIC 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 organisational structure designed to provide enhanced efficiency, accountability, and service delivery," he said.

"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."

Knight noted that "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," he said.

Resilient foundation

Eleuthere-Jn Marie, a former commercial banker, said that as BDIC moved 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" she noted

those we serve," she noted.

The CEO said that making BDIC a more efficient operation "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

LIKE THE Central Bank of Barbados, the Barbados Deposit Insurance Corporation operates from the Tom Adams Financial Centre. (FP)

operations, enhance internal efficiencies, and minimise wastage. These efforts are essential as we position the BDIC for sustainable success," she added.

Eleuthere-Jn Marie said the organisation's financial results for the financial year ended December 31, 2024 "underscore our disciplined approach to growth and sustainability".

Elaborating on this, she stated:
"We closed 2024 with a net profit
of approximately \$11 million, a
commendable increase from
\$9.8 million in the prior year. Total
revenues expanded to \$11.8 million and
was driven largely by increased interest
income, which rose from \$4.7 million in
2023 to \$6.1 million in 2024.

"These results reflect our concerted efforts to maximise earnings through prudent investment of excess cash in safe, low-risk opportunities while maintaining a strong liquidity position."

BDIC's total expenditures for 2024 grew by \$112 000 compared to the prior year – an increase the CEO said "was expected and adequately provided for in the budget. She added that the increase was primarily attributable to "our strategic decision to onboard key personnel and rationalise 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," she said.

Another achievement Eleuthere-Jn Marie reported was the expansion of BDIC's asset base from \$98.9 million in 2023 to \$109.7 million last year.

"This growth is largely driven by increases in investment securities and cash and cash equivalents, including foreign currency term deposits, which increased to \$19 million at December 2024, up from \$14 million in 2023," she said.

"Additionally, the corporation invested in plant and equipment, which was essential infrastructure to accommodate our growing team and support our evolving operational needs."