

<p><b>SUPERVISION PROFILE</b></p> <p><b>CENTRAL BANK OF BARBADOS</b></p>
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1. (a) **SUPERVISORY AGENCY**

Central Bank of Barbados

(b) **CATEGORIES OF FINANCIAL INSTITUTIONS FOR WHICH IT HAS REGULATORY OVERSIGHT**

- Commercial Banks
- Non-Bank Financial/Finance Companies
- Offshore Banks

2. **ENTITIES UNDER SUPERVISION**

Categories	No. of Entities
1) Commercial Banks	6
2) Holding Company	1
3) Trust and Finance Companies and Merchant Banks	15
4) Offshore Banks	57

FINANCIAL INSTITUTIONS		
Type	Number	Names
<b>Commercial Banks and Holding Company</b>	7	1) FirstCaribbean International Bank Ltd. 2) FirstCaribbean International Bank (B'dos) Ltd. 3) RBTT 4) Butterfield Bank (B'dos) Ltd. 5) Bank of Nova Scotia 6) Royal Bank of Canada 7) Barbados National Bank

**FINANCIAL INSTITUTIONS**

Type	Number	Names
<b>Trust &amp; Finance Companies &amp; Merchant Banks</b>	<p align="center">15</p>	<ol style="list-style-type: none"> <li>1) Atlantic Trust</li> <li>2) Bank of Nova Scotia Trust</li> <li>3) Barbados Mortgage Finance Co.</li> <li>4) BNB Finance</li> <li>5) Signia</li> <li>6) Royfincor</li> <li>7) Consolidated Finance</li> <li>8) Citicorp</li> <li>9) GlobE Finance</li> <li>10) Clico Mortgage Finance</li> <li>11) St. Michael Trust</li> <li>12) DGM Trust Corporation</li> <li>13) FirstCaribbean International Trust and Merchant Bank (B'dos) Ltd</li> <li>14) CCG Trust</li> <li>15) Courtyard Trustees</li> </ol>
<b>Offshore Banks</b>	<p align="center">57</p>	<ol style="list-style-type: none"> <li>1) Amphora Bank &amp; Trust Corp.</li> <li>2) *Bancafe International Bank</li> <li>3) Bank of Montreal (Barbados) Ltd.</li> <li>4) Bank of Nova Scotia – Offshore Banking Unit</li> <li>5) Barbados International Bank &amp; Trust Co.</li> <li>6) Barrick International Bank Corp.</li> <li>7) Bayshore Bank &amp; Trust (Barbados) Corp.</li> <li>8) BOC Global Bank Ltd.</li> <li>9) Canaccord International Ltd.</li> <li>10) Caribbean Investment Bank Incorporated</li> <li>11) CIBC Offshore Banking Services Corp.</li> <li>12) CIBC Bank &amp; Trust (Cayman) Ltd. – Barbados Branch</li> <li>13) Cidel Bank &amp; Trust Inc.</li> <li>14) Concorde Bank Ltd.</li> <li>15) Continental Bank Corp.</li> <li>16) CXE International Bank Ltd.</li> <li>17) Dancap Bank (Barbados) Inc.</li> <li>18) DGM Bank &amp; Trust Inc</li> <li>19) FirstCaribbean International Wealth Management Bank (Barbados) Ltd.</li> <li>20) First Cumberland Bank Inc.</li> </ol>

## FINANCIAL INSTITUTIONS

Type	Number	Names
<b>Offshore Banks</b>	57	21) Five Continents Bank Corp. 22) Front Street Private Bank (Barbados) Ltd. 23) Glenhuron Bank Ltd. 24) Great Pacific Bank Ltd. 25) GraceKennedy Money Services Caribbean SRL 26) Helmsdale Bank Corporation 27) Intercontinental Investment & Development Bank 28) International Energy Bank 29) *Keywest Swiss Investment Bank Inc. 30) KFW Capital Bank Ltd. 31) Mancal Bank (Barbados) Inc. 32) Mercom Bank Ltd. 33) Meridian Gold (Barbados) Ltd. 34) National Bank of Canada (Global) Ltd. 35) Occidental Bank (Barbados) Ltd. 36) *Olympus Bank & Trust SCC 37) Oxbridge Bank & Trust Ltd. 38) Pan Atlantic Bank & Trust Ltd. 39) PDG Bank Ltd. 40) Premier Bank International & Trust (Barbados) Ltd 41) RBTT Trust Corporation 42) Republic Bank of Trinidad & Tobago (Barbados) Ltd. 43) Royal Bank of Canada (Caribbean) Corp. 44) SGS International Private Bank SCC 45) Stellar Bank Ltd. 46) St. Lawrence Bank Inc. 47) Summit International Bank Ltd. 48) The Coutts Halsall International Bank Inc. 49) The Victoria Bank (Barbados) Inc. 50) The Mid Atlantic Bank 51) Toronto Dominion International Inc. 52) TransAlta International Finance Ltd. 53) Transcom Bank (Barbados) Ltd. 54) Trilon International Inc. 55) Universal Compression Finance Company Ltd. 56) Whitten Bank & Trust Company Ltd. 57) Windermere Bank & Trust Ltd.

\* Under compulsory wind up

### **3. PRUDENTIAL INFORMATION REQUIRED OF LICENSED INSTITUTIONS**

- a) Monthly Balance Sheets and Supporting Schedules
- b) Quarterly Profit and Loss Statements and Other Returns, which seek to measure such areas as Liquidity, Capital Adequacy, Classified Debt, Adequacy of Loan Loss Provisions and Large Exposures
- c) Annual Audited Statements

### **4. DATA PUBLISHED BY SUPERVISORY AUTHORITY**

The Bank publishes financial sector information but not specific prudential data.

### **5. LEGISLATION GOVERNING THE OPERATION OF FINANCIAL LICENSEES**

The principal pieces of legislation:

- Central Bank Act Cap 323 C
- Financial Institutions Act, 1996
- International Financial Services Act, 2002
- Exchange Control Act Cap 71
- International Trusts Act Cap 245
- Deposit Insurance Act, 2006
- Money Laundering and Financing of Terrorism (Prevention and Control) Act, 2002
- The Companies Act

### **6. MAJOR CHANGES TO FINANCIAL STATUTES IN THE LAST TEN YEARS**

- The Offshore Banking Act, 1985 was repealed and replaced by the International Financial Services Act, 2002
- The Anti-Terrorism Act, 2002 was enacted in May 2002. Consequently, amendments were made to the Money Laundering (Prevention and Control) Act, 1998, which was replaced by the Money Laundering and Financing of Terrorism (Prevention and Control) Act, 2002
- Central Bank (Amendment) Act, 2006
- Deposit Insurance Act, 2006
- Financial Institutions (Amendment) Act, 2006
- International Financial Services (Amendment) Act, 2006
- International Business (Miscellaneous Provisions) Act 2004-7 updated 2007-7
- Caricom Single Market and Economy (Implementation) (Miscellaneous Provisions) Act, 2004-24 Financial

Regulations were issued in 1998 on:

- Capital Adequacy
- Asset classification & provisioning
- Audited financial statements for institutions licensed under the Financial Institutions Act, 1996
- Financial Institutions (Fees) regulations, 1998

## **7. AREAS IDENTIFIED FOR FURTHER LEGISLATIVE CHANGE**

Regulations for institutions licensed under The International Financial Services Act (IFSA).

## **8. FORMAL DIRECTIVES, POLICIES AND GUIDELINES**

Guidelines issued:

- Anti-Money Laundering Guidelines
- Guidelines for Electronic Banking
- Corporate Governance Guidelines
- Guidelines on the Administration of Abandoned Property for Institutions licensed under the Financial Institutions Act of Barbados
- Operational Risk Management Guidelines
- Outsourcing Guidelines
- Stress Testing Guidelines
- Foreign Exchange and Settlement Risk Guidelines

## **9. JURISDICTION STATUS VIS A VIS BASEL CORE PRINCIPLES OF BANKING SUPERVISION**

- i) Self Assessment was completed in 2007
- ii) External Assessment is scheduled for 2008

## **10. JURISDICTION STATUS VIS A VIS FINANCIAL SECTOR ASSESSMENT PROGRAMME (FSAP)**

The highlights of the FSAP as it relates to banking included:

- Systemic risks in the financial sector are generally contained, although the sector faces considerable challenges both in the short-term and medium-term.
- Indicators of the health of the banking system and sensitivity analysis suggest that the system is resilient and fundamentally sound.

- Offshore banks are, to a large extent, insulated from the domestic banking system and their deposit taking activities are highly circumscribed thereby limiting their potential to destabilize the domestic financial system.
- Considering the presence of exchange controls and the structure of banks' portfolios, other risks were not significant.
- Observance of the international supervisory standards was high in both the onshore and offshore banking sector. The latter was facilitated by the passage of the International Financial Services Act.

**Recommendations:**

The primary recommendations indicated the need to:

- Develop regulations to provide for market and country risks for both onshore and offshore banks;
- Amend The Financial Institutions Act, to strengthen the operational independence of the Central Bank of Barbados (CBB);
- Impose aggregate limits on large exposures and connected lending;
- Speed up license revocation and distressed bank resolution; and
- Require CBB's prior approval for the external auditors of licensees.

Subsequent to the last FSAP, the department has sought to address some of the deficiencies and recommendations highlighted by issuing several guidelines on risk management to the industry and amending legislation.

31 December 2007