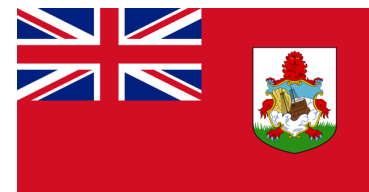


# BERMUDA BANKERS ASSOCIATION

## ECONOMIC IMPACT ANALYSIS FOR YE 2018

31 JULY 2019



Mutual Strength & Resilience  
for Bermuda's Financial Sector  
through Cooperation and  
Collaboration

# INTRODUCTION & HIGHLIGHTS

## (ALL \$ IN BMD)

- ❖ This report highlights the financial impact of the operations of BBA members in the local economy in 2018:
- ❖ Last time this report was issued – 2014, based on YE 2013;
- ❖ Total Direct Spend by BBA Members into the Bermuda economy (payroll, benefits and local vendors) in 2018 -- **\$247.7 million versus \$311 million in 2013**
- ❖ BBA Member FTEs as at 31 December 2018 – **1,248 of which 90% hold Bermudian status (citizen or spouse of) versus 1,442 (with 91% Bermudian status) in 2013**
- ❖ Amounts paid by BBA members to the Bermuda government in taxes and other levies -- **\$49.3 million (this number not reported in 2013 and the Financial Services Tax and BDIC premiums have come into existence since then)**
- ❖ **Incremental Annual Tax and Levy Increase since 2013 = ~\$15 million**
- ❖ New loans and loan renewals in local market -- **\$620.3 million**
- ❖ Amounts invested by BBA Members in Bermuda Government and Quango debt -- **\$172 million**
- ❖ Compensated hours provided to BBA Member employees for Charitable work – **3,247 versus 2,700 hours in 2013**



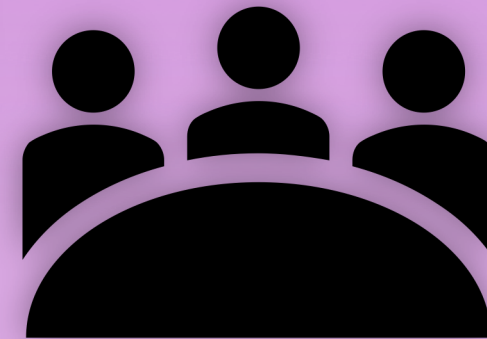


# INVESTING IN BERMUDA

**Equity Invested  
in Bermuda's  
Banks  
\$1.9 billion**

**Investments in Loans to and Debt  
Securities issued by the BDA Government  
and BDA Quangos at end of 2018  
\$172 million**

**Business Loans in 2018 – \$398.6 million  
(includes renewals of existing facilities)**



# FINANCING HOUSING IN BERMUDA

## Activity in 2018 (millions of BMD)

**Home Mortgage Loans Closed --  
\$221.7**

**Mortgage Loans Placed into Debt  
Relief -- \$102.6**

**Bermuda Mortgage Loan Book --  
\$2,897**





# DIRECT SPENDING IN LOCAL ECONOMY -- \$248 MILLION



Salaries & Paid Benefits  
\$178.8 million

Utilities and  
Communication  
Services  
\$10.6 million

Lodging, Catering  
and Other  
\$13.6 million

Facilities and  
Professional Services  
\$44.6 million

# GOVERNMENT LEVIES

(MILLIONS OF BMD)

*PAYROLL AND SOCIAL INSURANCE -- \$26.3*

*FINANCIAL SERVICES TAX -- \$4.2*

*DEPOSIT INSURANCE PREMIUMS -- \$5.3*

*OTHER TAXES -- \$13.5*

MEMBER – DEPOSIT INSURANCE SCHEME



Both the Financial Service Tax (FST) and the Deposit Insurance Premiums did not exist in 2013, when this report was last produced. The Bermuda government has raised the FST by 50% for 2019. Other taxes largely comprised of Foreign Currency Purchase Tax (FCPT).



# CHARITABLE INVESTING & EMPLOYEE DEVELOPMENT



- Direct cash donations to local charitable organizations -- \$1.77 million
- Amount spent for Employee Development, Scholarships and paid Internships -- \$1.58 million
- Hours of compensated time off for BBA member employees to attend charitable events - 3,247
- ❖ It also of note that BBA Members provide numerous hours of personal time for charitable organizations such as the Salvation Army, Eliza Dolittle Society, Bermuda Cancer & Health Centre and many others....



# QUESTIONS AND COMMENTS

- This presentation was compiled by the BBA from Member data and any questions relating to this presentation should be directed to the following person:

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