

Merger likely

Globe Finance and Signia sign letter of intent

Added by [Marlon Madden](#) on February 8, 2018.

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A major merger is in the making in this island's vital financial services sector.

Globe Finance Inc and Signia Financial have confirmed that they are currently exploring a possible marriage, subject to regulatory approval. However, the final decision will be up to their shareholders.

"The shareholders of Globe and of Signia have signed a letter of intent to explore the possibility of merging the two businesses. However, for this to occur both parties need to agree on the transaction and, more importantly, regulatory approval must be obtained, namely from the Central Bank of Barbados, the Fair Trading Commission and the Financial Services Commission," Signia said in a statement issued through its public relations consultants in response to queries from **Barbados TODAY** on the rumoured amalgamation.

It said it was therefore "important to be aware that no sale and purchase agreement has been signed, nor has approval been obtained from the regulatory authorities".

No further details were provided.

However, market analysts said the development was a significant one, given the current tentacles of both Globe Finance, which was launched jointly by insurance giant Sagicor and Goddard Enterprises Limited back in 1998, and Signia Financial, which was established in 2003 by United Insurance Company Ltd (now Massy United Insurance), Cave Shepherd & Company and the Jamaica-based conglomerate Grace Kennedy Ltd.

Globe currently offers a range of services, including personal and corporate loans, foreign exchange services, safety deposit boxes and deposit accounts.

Signia offers similar services, ranging from loans and deposit options to foreign exchange and brokerage services. Available data up to the end of financial year 2016 showed that Signia had a team of over 40 employees with profit of \$3.7 million. However, the latest data on Globe Finance's performance was not readily available following major hiccups experienced with introduction of its new visa card last year and the pending retirement of its longstanding Chief Executive Officer Ron Davis.

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