



Financial Results

For The Financial Year Ended
September 30, 2022



KEY RESULTS

\$27.32B	\$2.08T	\$149.53B	\$11.89	2.00%	17.57%
Net Profit	Total Assets	Equity	EPS	Return on Assets	Return on Equity

Fourth Quarter 2022 Report to Shareholders

Kingston, Jamaica - November 10, 2022

The Board of Directors is pleased to release the following financial results for NCB Financial Group Limited (NCBFG) and its subsidiaries (the Group) for the year ended September 30, 2022.

NCBFG reports consolidated net profit of \$39.9 billion for the year ended September 30, 2022, an increase of 99% or \$19.8 billion over the prior year. Consolidated net profit attributable to stockholders of the parent totalled \$27.3 billion reflecting a \$13.1 billion or 92% increase over the \$14.2 billion achieved in the previous financial year.

During the financial year, there has been a gradual uptick in economic activity in most of our operating territories and many global economies, however, we are cognisant of the downside risks from the tightening financial conditions in most regions. The Group continues to focus on capitalising on emerging opportunities while mitigating the lingering risks.

Notwithstanding the challenges, the Group is committed to executing on our strategies for continued growth and improvement. For the new financial year, we will continue investments in digital capabilities geared towards growing the business and increasing efficiency as we serve our customers. We will continue to pursue our aspiration of becoming the region's premier financial ecosystem, adding value to our customers, employees, shareholders and partners wherever we operate.

For more information, contact:

INVESTOR RELATIONS

Jacqueline De Lisser
Head - Group Investor Relations & Financial Advisory
Email: DelisserJN@jncb.com

MEDIA RELATIONS

G'Tanya Forbes
Corporate Communications Manager
Email: ForbesGM@jncb.com





Group Performance

Operating income of \$149.6 billion increased by \$28.5 billion or 24% over the prior year. This improvement was led by insurance activities, primarily life and health, while banking and investment activities reflected commendable growth over the prior year as business and consumer activities increased during the year. This enhanced performance in operating income was however tempered by a 10% increase in operating expenses.

The increased revenues contributed to a general improvement in some of our key performance indicators when compared to the prior year. Return on assets and return on equity improved to 2.00% up from 1.08% and 17.57% up from 8.96%, respectively. The cost to income ratio also improved to 68.58% down from 76.19% in the prior year, mainly due to revenue growth outpacing the growth in operating expenses.

Banking and Investment Activities

The net revenues from banking and investment activities of \$107.3 billion represented a 9% or \$9.1 billion increase over the prior year's performance. A \$10.6 billion or 22% improvement in net interest income and a \$3.6 billion or 16% increase in net fee and commission income were the main drivers. These increases were however offset by a \$6.3 billion or 27% reduction in gains on foreign currency and investment activities. This decline was mainly as a result of unrealised fair value losses on financial instruments of \$2.9 billion, an adverse variance of \$5.9 billion from the prior year, coupled with reduced gains from the sale of debt securities of \$4.4 billion consequent on increased interest rates in the local and global markets, which resulted in lower bond prices. This was partially offset by a \$5.4 billion increase in net foreign exchange income.

Credit impairment losses reflected a \$662 million or 20% reduction compared to the prior year due to the reversal of previously booked provisions. This resulted from improved loan portfolio quality given further improvements in the macro-economic outlook, the reopening of the economies in which we operate and the resultant gradual return to normalcy for various business sectors and consumer activities.

Insurance Activities

The net revenues from insurance activities totalled \$42.3 billion, an increase of \$19.4 billion or 84% over the prior year. The GHL Group implemented a number of initiatives in its life, health and pensions (LHP) segment of our Trinidad and Jamaica operations. The resultant operational synergies, cost savings and centers of excellence have produced long-term cost savings which have the effect of creating favourable reserve movements contributing to the Group's improved performance.

Operating Expenses

Operating expenses totalled \$104.5 billion, an increase of \$9.6 billion or 10% over the prior year. Staff costs of \$49.1 billion increased by \$4.6 billion or 10% primarily due to the annual negotiated increases coupled with increased



Financial Results

For The Financial Year Ended September 30, 2022

Net Profit of \$27.3 billion (attributable to stockholders of the parent)

Group Performance (continued)

Operating Expenses (continued)

redundancy costs and incentive payments. Other operating expenses totalled \$44.4 billion, an increase of \$5.2 billion or 13%. Technical consultancy and professional fees as well as infrastructure maintenance costs increased to support the Group's digital agenda. Investments in technological capabilities continue as we enhance our ability to deliver digital solutions that will transform the customer experience and how we do business as a Group.

Consolidated Statement of Financial Position

Total assets increased to \$2.08 trillion, up \$159.1 billion or 8% over the prior year. The asset base grew primarily as a result of increased net loans and investment securities, which was mainly funded by growth in deposits, obligation under securitisation arrangements, repurchase agreements and other borrowed funds.

Investment Securities and Reverse Repurchase Agreements

Investment securities, including pledged assets and reverse repurchase agreements, totalled \$976.6 billion, an increase of 7% or \$59.8 billion over the prior year. This continues to be the Group's largest earning asset portfolio.

Loans and Advances

The Group's loans and advances, net of credit impairment losses, totalled \$581.0 billion, an increase of 11% or \$57.5 billion over the prior year. Non-performing loans totalled \$25.9 billion as at September 30, 2022, a reduction of \$6.7 billion or 20% from the prior year. This represents 4.4% of gross loans, down from 6.1% in the prior year.

Deposits

Deposits totalled \$715.3 billion, an increase of 11% or \$68.2 billion over the prior year, reflecting increases in all our customer segments. This continues to be our largest source of funding.

Policyholders' Liabilities

Liabilities under annuity and insurance contracts increased to \$437.2 billion, up \$4.1 billion or 1% over the prior year.

Equity

Equity attributable to stockholders of the parent declined by 7% or \$11.9 billion to \$149.5 billion as at September 30, 2022, primarily due to the unrealised losses sustained on securities fair valued through other comprehensive income as a result of the effects of rising local and global interest rates on asset prices.

Dividends

The Board of Directors, at its meeting on November 10, 2022, decided not to pay an interim dividend.



Financial Results

For The Financial Year Ended September 30, 2022

Net Profit of \$27.3 billion (attributable to stockholders of the parent)

Environment, Social and Governance (ESG)

The Group is committed to engaging in activities that support long-term success, providing appropriate benefits for various stakeholders and ensuring compliance with all applicable rules and regulations through responsible and ethical business practices. We ensure our business strategies positively impact society and the environment.

We continue our environmentally conscious investments to facilitate the use of ecologically friendly refrigerants and solar systems to reduce harmful emissions. These changes will reduce the organisation's carbon footprint and assist in driving sustainability and taking care of our environment.

During this financial year, we continued our focus on subsidiary governance, in keeping with our objective to align governance practices across the Group and have an efficient approach to governing each and all our entities with appropriate flows of information and oversight while recognising the distinct responsibilities of each Board, Committee, Director and Officer throughout the Group.

To advance our commitment to empowering people, unlocking dreams and building communities funds were allotted to support initiatives and projects within the communities the Group serves.

We will continue to provide a safe and secure environment for our customers and stakeholders to conduct business with the Group. We are grateful to the persons on the front line and thank them for their continued service. Thanks to our valued stakeholders, including our team members, for their continued loyalty, confidence and support.

NCBFG – Empowering People | Unlocking Dreams | Building Communities.

ON BEHALF OF THE BOARD

Hon. Patrick Hylton, OJ, CD, President and Group Chief Executive Officer



	CURRENT YEAR			PRIOR YEAR	
	Quarter ended September 30 2022 \$'000	Quarter ended June 30 2022 \$'000	Year ended September 30 2022 \$'000	Quarter ended September 30 2021 \$'000	Year ended September 30 2021 \$'000
Operating income					
Banking and investment activities					
Interest income	19,963,707	21,311,393	84,923,549	21,869,270	74,574,816
Interest expense	(6,708,686)	(6,885,639)	(25,724,687)	(6,185,777)	(25,947,849)
Net interest income	13,255,021	14,425,754	59,198,862	15,683,493	48,626,967
Fee and commission income	9,572,565	8,546,236	35,302,748	7,589,026	28,280,912
Fee and commission expense	(2,585,305)	(2,355,113)	(9,169,997)	(1,961,299)	(5,791,918)
Net fee and commission income	6,987,260	6,191,123	26,132,751	5,627,727	22,488,994
Gain on foreign currency and investment activities	6,931,010	3,379,136	16,576,264	2,185,076	22,830,152
Credit impairment reversals/(losses)	(854,879)	429,111	(2,723,555)	(1,202,119)	(3,385,126)
Dividend income	475,218	657,163	2,498,263	792,725	2,315,752
Other operating income	358,748	1,647,087	5,610,038	1,312,722	5,276,924
	6,910,097	6,112,497	21,961,010	3,088,404	27,037,702
Net revenues from banking and investment activities	27,152,378	26,729,374	107,292,623	24,399,624	98,153,663
Insurance activities					
Premium income	43,634,943	37,002,118	164,690,753	40,608,413	150,037,225
Insurance premium ceded to insurers	(10,940,221)	(13,428,899)	(50,583,005)	(14,499,794)	(48,582,448)
Reinsurance commission income	790,409	3,301,328	9,801,164	2,720,471	8,778,843
Net underwriting income	33,485,131	26,874,547	123,908,912	28,829,090	110,233,620
Insurance benefits and claims	(24,977,226)	(26,448,226)	(113,569,020)	(21,692,894)	(77,276,066)
Reinsurance on benefits and claims	12,438,782	12,985,893	48,670,360	1,821,142	6,707,259
Commission and other selling expenses	(4,121,199)	(3,859,528)	(16,706,258)	(4,105,173)	(16,713,121)
Net revenues from insurance activities	16,825,488	9,552,686	42,303,994	4,852,165	22,951,692
Net operating income	43,977,866	36,282,060	149,596,617	29,251,789	121,105,355
Operating expenses					
Staff costs	11,585,179	12,961,578	49,105,761	9,955,397	44,500,542
Depreciation and amortisation	2,684,193	1,360,447	8,892,804	2,336,509	9,309,964
Finance cost	516,401	582,693	2,048,822	501,518	1,836,346
Other operating expenses	12,426,752	10,612,494	44,412,709	10,478,440	39,203,259
	27,212,525	25,517,212	104,460,096	23,271,864	94,850,111
Operating profit	16,765,341	10,764,848	45,136,521	5,979,925	26,255,244
Share of profit of associates	89,772	154,332	732,513	171,344	340,289
Profit before taxation	16,855,113	10,919,180	45,869,034	6,151,269	26,595,533
Taxation	(2,811,880)	(325,042)	(5,946,189)	11,878	(6,519,927)
NET PROFIT	14,043,233	10,594,138	39,922,845	6,163,147	20,075,606
Attributable to:					
Stockholders of parent	8,676,146	8,208,253	27,318,907	4,321,032	14,226,671
Non-controlling interest	5,367,087	2,385,885	12,603,938	1,842,115	5,848,935
	14,043,233	10,594,138	39,922,845	6,163,147	20,075,606
Earnings per stock unit					
Basic and diluted (expressed in \$)	3.78	3.57	11.89	2.07	6.25



Financial Results

Consolidated Statement of Comprehensive Income

Financial Year Ended September 30, 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Quarter ended September 30 2022 \$'000	Quarter ended June 30 2022 \$'000	Year ended September 30 2022 \$'000	Quarter ended September 30 2021 \$'000	Year ended September 30 2021 \$'000
Net Profit	14,043,233	10,594,138	39,922,845	6,163,147	20,075,606
Other comprehensive income, net of tax-					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	4,009,475	177,587	4,596,111	559,856	975,959
	<u>4,009,475</u>	<u>177,587</u>	<u>4,596,111</u>	<u>559,856</u>	<u>975,959</u>
Items that may be subsequently reclassified to profit or loss					
Currency translation (losses)/gains	(773,723)	(2,683,536)	(3,191,404)	959,927	1,406,148
Expected credit (losses)/reversals on debt instruments at fair value through other comprehensive income (FVOCI)	(557,097)	370,596	(366,683)	206,435	79,417
Unrealised (losses)/gains on securities designated as FVOCI	(22,042,357)	(11,532,154)	(52,250,531)	(187,840)	4,524,416
Realised fair value losses/(gains) on securities designated as FVOCI	9,322,076	(4,441,233)	3,649,163	(2,327,865)	(6,714,168)
	<u>(14,051,101)</u>	<u>(18,286,327)</u>	<u>(52,159,454)</u>	<u>(1,349,343)</u>	<u>(704,187)</u>
Total other comprehensive (loss)/income	<u>(10,041,626)</u>	<u>(18,108,740)</u>	<u>(47,563,343)</u>	<u>(789,487)</u>	<u>271,772</u>
TOTAL COMPREHENSIVE INCOME/(LOSS)	<u>4,001,607</u>	<u>(7,514,602)</u>	<u>(7,640,498)</u>	<u>5,373,660</u>	<u>20,347,378</u>
Total comprehensive income/(loss) attributable to:					
Stockholders of the parent	(1,084,285)	(5,925,329)	(12,391,467)	2,765,647	18,866,223
Non-controlling interest	5,085,892	(1,589,273)	4,750,969	2,608,013	1,481,155
	<u>4,001,607</u>	<u>(7,514,602)</u>	<u>(7,640,498)</u>	<u>5,373,660</u>	<u>20,347,378</u>



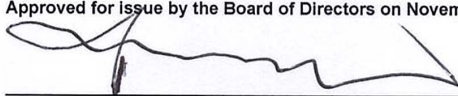
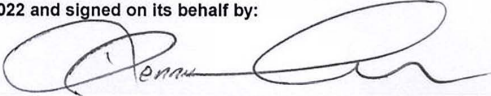


Financial Results

Consolidated Statement of Financial Position September 30, 2022

re-presented in US-dollars unless otherwise indicated

	September 30 2022 \$'000	September 30 2021 \$'000
ASSETS		
Cash in hand and balances at central banks	70,856,440	69,134,649
Due from banks	187,232,762	175,494,037
Derivative financial instruments	1,277,166	767,441
Reverse repurchase agreements	8,300,133	9,667,060
Loans and advances, net of credit impairment losses	580,987,814	523,488,890
Investment securities	711,734,420	683,855,078
Pledged assets	256,614,981	223,301,253
Investment in associates	7,051,463	5,950,188
Investment properties	38,713,587	38,218,322
Intangible assets	54,690,029	52,546,872
Property, plant and equipment	29,077,875	28,221,326
Right-of-use assets	5,111,594	5,234,938
Properties for development and sale	2,008,010	2,794,053
Deferred income tax assets	25,469,940	14,421,483
Income tax recoverable	2,558,641	8,007,601
Reinsurance assets	30,312,857	26,635,997
Letters of credit and undertaking	6,451,165	4,801,671
Other assets	62,068,501	48,827,313
Total assets	2,080,517,378	1,921,368,172
LIABILITIES		
Due to banks	37,501,992	24,104,359
Customer deposits	715,276,682	647,085,400
Repurchase agreements	248,088,765	224,805,387
Obligations under securitisation arrangements	99,085,658	63,087,217
Derivative financial instruments	402,695	45,228
Other borrowed funds	153,272,229	136,972,443
Deferred income tax liabilities	9,126,008	13,494,322
Third party interests in mutual funds	33,587,741	33,699,975
Liabilities under annuity and insurance contracts	437,175,410	433,056,798
Segregated fund liabilities	14,436,764	15,419,433
Investment contract liabilities	46,176,282	43,772,829
Post-employment benefit obligations	4,091,822	9,484,565
Letters of credit and undertaking	6,451,165	4,801,671
Lease liabilities	5,173,159	5,377,512
Other liabilities	72,671,557	59,496,007
Total liabilities	1,882,517,929	1,714,703,146
STOCKHOLDERS' EQUITY		
Share capital	153,827,330	153,827,330
Treasury shares	(26,652,675)	(27,198,690)
Reserve from the scheme of arrangement	(147,034,858)	(147,034,858)
Fair value and capital reserves	(26,945,082)	17,361,407
Loan loss reserve	6,349,934	2,269,374
Statutory reserve fund	6,897,231	6,795,733
Retained earnings reserve	67,170,000	65,320,000
Retained earnings	115,916,115	90,115,895
Equity attributable to stockholders of the parent	149,527,995	161,456,191
Non-controlling interest	48,471,454	45,208,835
Total stockholders' equity	197,999,449	206,665,026
Total stockholders' equity and liabilities	2,080,517,378	1,921,368,172

Approved for issue by the Board of Directors on November 10, 2022 and signed on its behalf by:

	
Hon. Patrick Hylton, OJ, CD President and Group Chief Executive Officer	Dennis Cohen Group Chief Financial Officer and Deputy Chief Executive Officer
	
Professor, the Hon. Alvin Wint, OJ, CD Lead Independent Director	Dave Garcia Corporate Secretary



Financial Results

(expressed in Jamaican dollars unless otherwise indicated)

Consolidated Statement of Changes in Stockholder's Equity

Financial Year Ended September 30, 2022

	Share capital \$'000	Treasury shares \$'000	Reserve from the Scheme of Arrangement \$'000	Fair value and capital reserves \$'000	Loan loss reserve \$'000	Statutory reserve fund \$'000	Retained earnings reserve \$'000	Retained earnings \$'000	Non-controlling interest \$'000	Total \$'000
Balance as at October 1, 2020	153,827,330	(15,150,201)	(147,034,858)	12,216,660	-	6,735,063	58,580,000	86,940,684	44,090,245	200,204,923
Total comprehensive income -										
Net profit	-	-	-	-	-	-	-	14,226,671	5,848,935	20,075,606
Other comprehensive income	-	-	-	5,144,747	-	-	-	(505,195)	(4,367,780)	271,772
Transfer to loan loss reserve	-	-	-	-	2,269,374	-	-	(2,269,374)	-	-
Transfer to statutory reserve	-	-	-	-	-	60,670	-	(60,670)	-	-
Transfer to retained earnings reserve	-	-	-	-	-	-	6,740,000	(6,740,000)	-	-
Purchase of treasury shares	-	(14,889,477)	-	-	-	-	-	-	-	(14,889,477)
Disposal of treasury shares	-	2,840,988	-	-	-	-	-	(312,492)	-	2,528,496
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	(362,565)	(362,565)
Transaction with owners of the Company -										
Dividends paid	-	-	-	-	-	-	-	(1,163,729)	-	(1,163,729)
Balance at September 30, 2021	153,827,330	(27,198,690)	(147,034,858)	17,361,407	2,269,374	6,795,733	65,320,000	90,115,895	45,208,835	206,665,026
Total comprehensive income -										
Net profit	-	-	-	-	-	-	-	31,915,018	12,603,938	44,518,956
Other comprehensive income	-	-	-	(44,306,489)	-	-	-	-	(7,852,969)	(52,159,458)
Transfer to loan loss reserve	-	-	-	-	4,080,560	-	-	(4,080,560)	-	-
Transfer to statutory reserve	-	-	-	-	-	101,498	-	(101,498)	-	-
Transfer to retained earnings reserve	-	-	-	-	-	-	1,850,000	(1,850,000)	-	-
Disposal of treasury shares	-	546,015	-	-	-	-	-	(82,740)	-	463,275
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	(1,488,350)	(1,488,350)
Balance at September 30, 2022	153,827,330	(26,652,675)	(147,034,858)	(26,945,082)	6,349,934	6,897,231	67,170,000	115,916,115	48,471,454	197,999,449



	September 30 2022 \$'000	September 30 2021 \$'000
Cash Flows from Operating Activities		
Net profit	39,922,845	20,075,606
Adjustments to reconcile net profit to net cash provided by operating activities	18,670,295	18,379,727
Net cash provided by operating activities	<u>58,593,140</u>	<u>38,455,333</u>
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(3,093,061)	(3,440,521)
Acquisition of intangible asset - computer software	(8,640,526)	(4,956,374)
Proceeds from disposal of property, plant and equipment	3,459,229	79,338
Purchase of investment property	(1,761)	(2,464,615)
Proceeds from disposal of investment property	-	19,393
Purchase of investment securities	(547,777,075)	(676,729,612)
Sales/maturities of investment securities	438,687,607	647,446,405
Net cash used in investing activities	<u>(117,365,587)</u>	<u>(40,045,986)</u>
Cash Flows from Financing Activities		
Proceeds from securitisation arrangements	45,187,455	-
Repayments under securitisation arrangements	(9,089,479)	(7,894,566)
Proceeds from other borrowed funds	64,458,635	55,166,682
Repayments of other borrowed funds	(49,767,061)	(45,264,920)
Purchase of treasury shares	-	(831,815)
Proceeds from disposal of treasury shares	463,275	2,528,496
Due to banks	1,054,053	(2,978,153)
Lease repayment	(1,633,705)	(2,564,669)
Dividends paid	(1,488,350)	(1,526,294)
Net cash provided by/(used in) financing activities	<u>49,184,823</u>	<u>(3,365,239)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>3,375,153</u>	<u>(466,371)</u>
Net decrease in cash and cash equivalents	(6,212,471)	(5,422,263)
Cash and cash equivalents at beginning of period	195,743,140	201,165,403
Cash and cash equivalents at end of period	<u>189,530,669</u>	<u>195,743,140</u>
Comprising:		
Cash in hand and balances at Central Banks	25,364,556	27,886,988
Due from banks	185,872,983	171,369,963
Reverse repurchase agreements	1,870,664	4,677,979
Investment securities	4,043,216	7,190,324
Due to banks	(27,620,750)	(15,382,114)
	<u>189,530,669</u>	<u>195,743,140</u>



NCB
FINANCIAL GROUP
LIMITED

Financial Results

(expressed in Jamaican dollars unless otherwise indicated)

Segment Report

Financial Year Ended September 30, 2022

For the Financial Year ended September 30, 2022	Banking and Investment Activities					Insurance Activities			Total
	Consumer & SME Banking	Payment Services	Corporate & Commercial Banking	Treasury & Correspondent Banking	Wealth, Asset Management & Investment Banking	Life and Health Insurance & Pension Fund Management	General Insurance	Other & Consolidation Adjustments	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
External revenue	35,110,907	25,311,620	14,187,839	18,812,960	20,319,067	125,563,983	84,252,249	(4,155,846)	319,402,779
Revenue from other segments	3,016,992	3,240	939,631	6,799,649	4,104,917	844,009	399,986	(16,108,424)	-
Total Revenue	38,127,899	25,314,860	15,127,470	25,612,609	24,423,984	126,407,992	84,652,235	(20,264,270)	319,402,779
Net interest income	25,428,512	5,613,374	8,746,029	4,767,546	7,697,635	16,941,929	1,019,295	(10,950,912)	59,263,408
Net fee and commission income	4,814,277	8,609,725	1,225,185	535,219	4,271,601	3,805,385	3,859,244	(2,531,389)	24,589,247
Gain/(loss) on foreign currency and investment activities	41,459	56,131	56	9,530,478	2,661,435	5,835,059	394,528	(1,942,882)	16,576,264
Net result from insurance activities	-	-	-	-	-	28,180,517	14,021,234	102,244	42,303,995
Credit impairment (losses)/reversals	(2,124,246)	(64,358)	235,580	85,364	575,985	(1,144,038)	(142,554)	(145,288)	(2,723,555)
Other operating income and dividend income	2,625,017	4,301	(447)	16	801,866	3,249,652	98,337	1,638,533	8,417,275
Total operating income	30,785,019	14,219,173	10,206,403	14,918,623	16,008,522	56,868,504	19,250,084	(13,829,694)	148,426,634
Staff costs	9,538,785	1,518,248	649,039	293,460	3,197,537	8,834,068	6,298,156	5,997,925	36,327,218
Depreciation and amortisation	1,317,336	718,548	52	29,295	111,514	997,830	755,062	2,301,636	6,231,273
Finance cost	527,010	11,223	24,590	7,202	64,192	190,145	130,785	374,599	1,329,746
Other operating expense	7,057,635	5,853,000	1,323,305	1,469,975	3,484,781	9,795,897	6,239,515	(4,024,933)	31,199,175
Total operating expense	18,440,766	8,101,019	1,996,986	1,799,932	6,858,024	19,817,940	13,423,518	4,649,227	75,087,412
Operating profit before allocated cost	12,344,253	6,118,154	8,209,417	13,118,691	9,150,498	37,050,564	5,826,566	(18,478,921)	73,339,222
Allocated costs	(12,286,723)	(3,867,886)	(1,547,565)	(708,533)	-	-	-	-	(18,410,707)
Operating profit	57,530	2,250,268	6,661,852	12,410,158	9,150,498	37,050,564	5,826,566	(18,478,921)	54,928,515
Unallocated corporate expenses									(9,791,994)
Share of profit of associates									732,513
Profit before taxation									45,869,034
Taxation									(5,946,189)
Net Profit									39,922,845
Segment assets	479,573,398	44,280,064	182,202,778	437,530,022	419,218,345	620,211,568	118,597,422	(256,176,263)	2,045,437,334
Associates									7,051,463
Unallocated assets									28,028,581
Total assets									2,080,517,378
Segment liabilities	455,122,313	23,487,121	167,154,220	412,216,949	376,589,256	461,872,734	77,902,010	(100,952,682)	1,873,391,921
Unallocated liabilities									9,126,008
Total liabilities									1,882,517,929
Capital expenditure	4,030,621	3,749,372	143,438	338,097	600,457	1,197,029	1,240,268	434,305	11,733,587



NCB
FINANCIAL GROUP
LIMITED

Financial Results

(expressed in Jamaican dollars unless otherwise indicated)

Segment Report

Financial Year Ended September 30, 2022

For the Financial Year ended September 30, 2021	Banking and Investment Activities					Insurance Activities			Total
	Consumer & SME Banking	Payment Services	Corporate & Commercial Banking	Treasury & Correspondent Banking	Wealth, Asset Management & Investment Banking	Life and Health Insurance & Pension Fund Management	General Insurance	Other & Consolidation Adjustments	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
External revenue	31,228,434	19,161,695	13,317,771	18,129,035	16,965,696	111,619,451	79,751,970	1,920,572	292,094,624
Revenue from other segments	2,513,635	-	51,407	4,277,065	9,170,327	951,906	278,981	(17,243,321)	-
Total Revenue	33,742,069	19,161,695	13,369,178	22,406,100	26,136,023	112,571,357	80,030,951	(15,322,749)	292,094,624
Net interest income	24,338,183	5,742,297	7,519,189	3,475,798	6,479,750	10,188,922	843,652	(9,828,961)	48,758,830
Net fee and commission income	4,468,348	6,592,422	1,480,397	457,157	4,162,877	2,791,181	1,925,869	(760,754)	21,117,497
Gain/(loss) on foreign currency and investment activities	110,639	(54,964)	70,634	8,933,872	6,044,392	12,745,439	642,298	(5,662,158)	22,830,152
Net result from insurance activities	-	-	-	-	-	10,913,613	12,091,158	(53,079)	22,951,692
Credit impairment (losses)/reversals	(2,866,762)	(102,175)	953,048	165,210	(225,351)	(1,466,556)	268,936	(111,476)	(3,385,126)
Other operating income and dividend income	996,642	3,870	379,389	4,959	640,970	1,694,738	83,392	3,812,211	7,616,171
Total operating income	27,047,050	12,181,450	10,402,657	13,036,996	17,102,638	36,867,337	15,855,305	(12,604,217)	119,889,216
Staff costs	8,834,682	1,067,073	442,984	230,723	2,978,704	8,129,228	6,153,029	5,624,030	33,460,453
Depreciation and amortisation	1,446,672	527,885	173	618	115,233	986,178	552,825	2,382,200	6,011,784
Finance cost	411,716	8,243	15,393	8,033	49,857	215,251	139,665	493,851	1,342,009
Other operating expense	5,682,944	4,862,402	772,993	1,145,174	2,790,768	7,960,342	4,144,288	139,292	27,498,203
Total operating expense	16,376,014	6,465,603	1,231,543	1,384,548	5,934,562	17,290,999	10,989,807	8,639,373	68,312,449
Operating profit before allocated cost	10,671,036	5,715,847	9,171,114	11,652,448	11,168,076	19,576,338	4,865,498	(21,243,590)	51,576,767
Allocated costs	(8,997,538)	(3,369,398)	(3,569,690)	(966,695)	-	-	-	-	(16,903,321)
Operating profit	1,673,498	2,346,449	5,601,424	10,685,753	11,168,076	19,576,338	4,865,498	(21,243,590)	34,673,446
Unallocated corporate expenses									(8,418,202)
Share of profit of associates									340,289
Profit before taxation									26,595,533
Taxation									(6,519,927)
Net Profit									20,075,606
Segment assets	480,659,700	30,121,414	192,516,914	386,143,676	385,478,671	477,087,890	109,491,074	(168,510,439)	1,892,988,900
Associates									5,950,188
Unallocated assets									22,429,084
Total assets									1,921,368,172
Segment liabilities	422,701,604	4,600,411	152,283,938	418,110,323	331,617,682	415,184,609	72,161,682	(115,451,425)	1,701,208,824
Unallocated liabilities									13,494,322
Total liabilities									1,714,703,146
Capital expenditure	4,385,084	1,328,397	252,199	92,224	582,679	1,108,494	229,625	418,193	8,396,895



1. Identification and Principal Activities

NCB Financial Group Limited ("the Company") is a financial holding company, incorporated and domiciled in Jamaica. The Company is 52.68% (September 30, 2021 - 52.63%) owned by AIC (Barbados) Limited. The ultimate parent company is Portland Holdings Inc., incorporated in Canada. Portland Holdings Inc. is controlled by Hon. Michael A. Lee-Chin, O.J., Chairman of the Company.

The Company's registered office is located at 32 Trafalgar Road, Kingston 10, Jamaica.

The Company's ordinary stock units are listed on the Jamaica Stock Exchange and the Trinidad and Tobago Stock Exchange.

2. Basis of preparation

The condensed consolidated interim financial statements (interim financial statements) for the year ended September 30, 2022 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim financial statements should be read in conjunction with the annual financial statements for the year ended September 30, 2021 which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

3. Segment reporting

The Group is organised into the following business segments:

- Consumer & SME banking – This incorporates the provision of banking services to individual and small and medium business clients.
- Payment services – This incorporates the provision of card related and digital/electronic payment services.
- Corporate and commercial banking – This incorporates the provision of banking services to large corporate clients.
- Treasury & correspondent banking – This incorporates the Group's liquidity and investment management function, management of correspondent bank relationships, and relationships with other financial institutions as well as foreign currency dealing activities.
- Wealth, asset management and investment banking – This incorporates stock brokerage, securities trading, investment management and other financial services provided by certain overseas subsidiaries.
- Life and health insurance & pension fund management – This incorporates life and health insurance, investment and pension fund management services.
- General insurance - This incorporates property and casualty insurance services.
- Other/Consolidation Adjustments - The Group's trustee services, property development and the outstanding transactions and balances of certain inactive subsidiaries and the parent company are classified as Other for segment reporting. Eliminations comprising inter-segment transactions and adjustments on consolidation of the financial statements are also included in this segment.

4. Macro-environment update

Though still expected to grow in 2022, global economic activity is slowing more broadly and sharply than previously forecasted, with inflation higher than it has been in several decades. High cost-of-living, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering effects of the COVID-19 pandemic are weighing on the growth outlook. Against this background, the IMF revised its 2023 global growth projections from 2.9% to 2.7%, while keeping its 3.2% forecast for 2022. Except for the global financial crisis and the acute phase of the COVID-19 pandemic, this is the weakest growth profile since 2001¹. Countries within Latin America and the Caribbean are expected to grow by 3.5% in 2022, with growth slowing to 1.7% in 2023, following a 6.9% rebound in 2021².

All of our operating territories are expected to see strong growth in real GDP in 2022. Barbados is expected to lead with 10.5%, followed by Trinidad and Tobago (4.0%), Cayman Islands (4.0%), Jamaica (2.8%) and Bermuda (2.6%)³. Tourism dependent countries should continue to benefit from the recovery in global travel, and its spillover effects on other sectors. According to the most recent United Nations World Tourism Organization (UNWTO) World Tourism Barometer, international tourism experienced a strong rebound in the first seven months of 2022, with arrivals reaching 57% of their pre-pandemic levels. Notably, the Caribbean region is recovering at a faster pace, reaching 82% of its 2019 level over the same period. The rebound has been fueled by pent-up demand, increased airlifts, reduced fear around travelling, higher investments, economic recovery and strong labour markets in source countries. These factors have supported growth in our tourism dependent operating countries of Jamaica, Barbados, Cayman Islands and Bermuda⁴, while elevated energy prices and increased energy production is driving growth in Trinidad & Tobago. Additionally, growth is being bolstered by the economic reopening, normalised business hours, higher employment and greater private consumption.

However, the forecast is for growth to moderate across our operating territories in 2023 as high inflation and tighter financial conditions are presenting headwinds that could slow the pace of recovery in key trading partners and the region. Furthermore, while the tourism sector is still expected to grow, there is the risk of a moderation in the pace of growth. The latest UNWTO Confidence Index and booking trends are suggesting the potential for a slowdown in the demand for travel, given the combination of rising interest rates, high, though falling, energy and food prices, and prospects of a global recession. Although oil and natural gas prices are expected to fall in 2023, they should remain relatively high, which along with higher production, will continue to support growth in Trinidad.

1. Source: International Monetary Fund (IMF).

2. Source: IMF

3. Sources: IMF, Fitch Solutions, HIS Markit.

4. Jamaica grew by 4.8% in Q2, the Barbados by 10.1% for the first 9 months, the Cayman Islands grew by 3.8% in Q1 2022 and Bermuda by 3.9% in Q1 2022.



4. Macro-environment update (continued)

Despite the risks to our operating environments, the outlook for growth for the 2022 calendar year remains positive, thanks to the more widespread economic reopening. The high inflation and interest environment have and should continue to fuel greater net interest and fee and commission income in the banking sector. However, this is likely to be tempered by a slowdown in loan demand given higher market interest rates. It will also continue to adversely affect insurance and securities dealers by reducing the value of bonds. Higher interest rates should reduce the assets and liabilities of life insurers, but the net effect is expected to be positive, because the impact on the value of liabilities is expected to be greater. However, bond prices are expected to remain weak, reducing opportunities for trading gains. Tighter liquidity conditions could cause some spread compression in our securities business. However, because of their ability to hedge against inflation, demand for new alternative investment products should increase, boosting fee and commission income. Furthermore, high debt costs will make equity financing more attractive supporting increased initial public offerings, additional public offerings, and cross-listings on the Jamaica Stock Exchange. However, the size of these transactions will be limited by tight JMD liquidity. Despite new headwinds, the Group will continue to capitalise on emerging opportunities, while attempting to mitigate existing and emerging risks.



Interest/Ownership of Stock Units by Directors of NCB Financial Group Limited as at September 30, 2022

Directors ¹	Total	Direct	Connected Parties
Robert Almeida	65,990,231	171,750	65,818,481
Dennis Cohen ²	141,038,802	2,267,344	138,771,458
Sandra Glasgow ²	139,122,034	188,126	138,933,908
Sanya Goffe	65,890,481	72,000	65,818,481
Hon. Patrick Hylton, OJ, CD	75,324,136	9,505,655	65,818,481
Hon. Michael Lee-Chin, OJ	1,505,334,073	146,698	1,505,187,375
Thalia Lyn, OD ²	139,204,204	424,104	138,780,100
Prof., the Hon. Alvin Wint, OJ, CD	65,906,625	88,144	65,818,481

Interest/Ownership of Stock Units by Executives/Senior Managers of NCB Financial Group Limited as at September 30, 2022

Executives/Senior Managers	Total	Direct	Connected Parties
Dennis Cohen ^{1,2}	141,038,802	2,267,344	138,771,458
Dave Garcia (Corporate Secretary)	175,027	175,027	0
Hon. Patrick Hylton, OJ, CD ¹	75,324,136	9,505,655	65,818,481
Misheca Seymour-Senior	27,195	27,195	0
Mukisa Wilson Ricketts	87,552	87,552	0
Allison Wynter ²	73,281,214	191,237	73,089,977

Interest/Ownership of Stock Units by Executives/Senior Managers of subsidiaries of NCB Financial Group Limited as at September 30, 2022

Executives/Senior Managers	Total	Direct	Connected Parties
Gabrielle Banbury-Kelly	95,508	95,508	0
Septimus Blake	211,144	211,144	0
Brian Boothe	242,000	102,000	140,000
Danielle Cameron Duncan	92,854	92,854	0
Euton Cummings	10	10	0
Raymond Donaldson	0	0	0
Steven Gooden	124,420	124,420	0
Vernon James	0	0	0
Desmond Johnson	0	0	0
Ramon Lewis	57,215	57,215	0
Sheree Martin	6,713	6,713	0
Nadeen Matthews Blair	94,000	94,000	0
Anne McMorris Cover	8,735	8,735	0
Malcolm Sadler	58,827	28,774	30,053
Ravi Tewari	0	0	0
Ian Truran	0	0	0
Tanya Watson Francis	156,323	156,323	0

1. Connected parties for all directors include shares of 65,818,481 held by subsidiaries of Guardian Holdings Limited.

2. Connected parties for Dennis Cohen, Sandra Glasgow, Thalia Lyn and Allison Wynter include shares of 72,949,977 held as trustees of the N.C.B. Staff Pension Fund.



10 Largest Shareholders of NCB Financial Group Limited as at September 30, 2022

Name of Shareholder	Units	Percentage Ownership
AIC (Barbados) Limited	1,299,419,880	52.68%
MF&G Asset Management Limited - NCB Share Scheme	101,406,205	4.11%
Sagicor PIF Equity Fund	77,867,428	3.16%
NCB Insurance Agency & Fund Managers Limited WT 109	62,989,156	2.55%
Harprop Limited	46,434,102	1.88%
AIC Global Holdings Inc.	45,449,690	1.84%
National Insurance Fund	33,139,232	1.34%
Ideal Portfolio Services Company Limited	33,029,485	1.34%
SJIML A/C 3119	32,539,032	1.32%
Guardian Life of the Caribbean	30,206,368	1.22%

Shareholder Profile of NCB Financial Group Limited as at September 30, 2022

Number of Shareholders	Ownership of Each Shareholder	Percentage Ownership	Number of Units
One shareholder with five accounts	52.68%	52.68%	1,299,419,880
10	1 - 5%	19.83%	489,190,665
44,132	Less than 1%	27.50%	678,152,283
44,143		100.00%	2,466,762,828