

**MINUTES OF THE ANNUAL GENERAL MEETING OF NCB FINANCIAL GROUP LIMITED HELD AT  
THE SPANISH COURT HOTEL, THE VALENCIA, 16 WORTHINGTON AVENUE, KINGSTON 5,  
IN THE PARISH OF SAINT ANDREW ON FRIDAY, JANUARY 31, 2020 AT 10:13 A.M.**

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**PRESENT**

Hon. Michael Lee-Chin, OJ.	-	Chairman, in the Chair
Mr Patrick Hylton, CD.	-	President & Group Chief Executive Officer
Mr Dennis Cohen	-	Group Chief Financial Officer & Deputy Chief Executive Officer
Mr Robert Almeida	-	Director
Mrs Sandra Glasgow	-	Director
Mrs Thalia Lyn, OD.	-	Director
Prof. Alvin Wint, CD.	-	Director
Mrs Sanya Goffe	-	Director
Mr Dave Garcia	-	Secretary

together with 198 other persons.

The persons present altogether held or represented among them 1,697,610,642 ordinary stock units.

Mr Garfield Reece, representing the Auditors, Messrs PricewaterhouseCoopers, was also in attendance.

**CALL TO ORDER**

The meeting was called to order by the Chairman.

**1. THE NATIONAL ANTHEM**

The National Anthem was played.

**2. CHAIRMAN'S WELCOME**

The Chairman apologized for his late arrival and welcomed the members, staff and guests to the meeting and made the opening remarks in which he commented on how well the Company had performed and it being a fulfilling investment for him.

The Company Secretary then confirmed that a quorum of members was present.

**3. PRAYERS**

The Company Secretary introduced Miss Sharon Williams, Manager Group Service Quality Delivery, who prayed.

**4. NOTICE OF THE MEETING**

On a motion duly proposed by Mr Livingston Young and seconded by Mr Howard Burton, the following resolution was put to the Meeting:

**“THAT the Notice of this meeting as circulated be taken as read.”**

Following a vote by a show of hands, the Chairman declared the motion carried.

The Secretary advised that a number of proxies had been received and that a Proxy Register was available for inspection.

## **5. REPORT ON THE FINANCIAL AND BUSINESS PERFORMANCE**

Mr Dennis Cohen, Group Chief Financial Officer & Deputy Chief Executive Officer, then addressed the meeting aided by a PowerPoint presentation.

He remarked that the 2019 financial year was pivotal for the NCB Group in advancing its strategy to be a regional leader in financial services with the acquisition of Guardian Holdings Limited in May 2019. He gave an overview of the financial performance for the 2019/2020 financial year in which net income of \$30.7 billion was earned with \$29.6 billion being attributable to shareholders, representing a 6% or \$1.6 billion increase over the prior year. He also gave highlights of the first quarter for the 2019/2020 financial year. Mr Cohen noted that consequent on the Group's regional expansion strategy, the Group's main geographic segments had expanded. He noted that as at May 2019, half of the Group's assets were now outside of Jamaica, with 30% of its 2019 operating revenues being generated outside of Jamaica, up from just over 10% in the prior year. Details of the financial and segment performance were briefly examined.

Mr Patrick Hylton, President and Group Chief Executive Officer, then spoke. He shared a message entitled "Bold Ambition - An NCB Transformation Story" with the shareholders. This message was printed and circulated at the meeting.

A copy of both Messrs Cohen's and Hylton's presentations are attached as **Appendices 1 and 2, respectively**.

Appreciation was expressed to Mr Hylton and Mr Cohen for their presentations. Then, at the request of the Chairman, the Secretary continued with the business of the Meeting.

## **6. AUDITED ACCOUNTS**

At the request of the Secretary, Mr Garfield Reece of Messrs PricewaterhouseCoopers read the Auditors' Report on pages 127 to 138 of the Annual Report.

The following resolution was then proposed by Mr Livingston Young and was duly seconded by Mr Orrette Staple:

***"THAT the Audited Accounts for the year ended September 30, 2019 and the Reports of the Directors and Auditors, circulated with the Notice convening the Meeting, be and are hereby adopted."***

Members were then invited to pose questions on the audited accounts. Questions, answers and comments on the accounts have been attached to these minutes as **Appendix 3**.

After the discussion, the motion was put to the vote on a show of hands, after which the Chairman declared that the motion had been carried.

## **7. DECLARATION OF DIVIDENDS**

The following resolution was proposed by Mr Arthur Ellison and seconded by Mr Solomon Clarke:

***"THAT the interim dividends per stock unit of \$0.90 paid in February 2019, \$0.90 paid in May 2019, \$0.90 paid in August 2019, and \$0.90 paid in December 2019 be treated on the recommendation of the Directors as the final dividend for the financial year ended September 30, 2019"***.

The motion was then put to the vote and the Chairman declared, on a show of hands, that the motion had been carried.

## 8. ELECTION OF DIRECTORS

The Secretary then said that Article 94 of the Company's Articles of Incorporation provides that one-third of the Board other than the Managing Director (that is, the President and Group Chief Executive Officer) and Deputy Managing Director (that is, the Group Chief Financial Officer and Deputy Chief Executive Officer) or, if the number of members of the Board is not three or a multiple of three, then the number nearest to one-third shall retire from office at each Annual General Meeting. He further said that the Directors retiring under this Article were **Mrs Thalia Lyn** and **Mr Oliver Mitchell Jr** of whom Mrs Lyn, being eligible, was offering herself for re-election.

The proposed Resolution was thereafter put to the Meeting as follows:

- (a) "THAT Director, Mrs Thalia Lyn, retiring pursuant to Article 94 of the Articles of Incorporation be and is hereby re-elected."**

This motion was proposed by Mr Theodore Golding and seconded by Mrs Clarke Allwood. Following a vote by a show of hands, the Chairman declared that the motion had been carried.

## 9. DIRECTORS' REMUNERATION

The next item for consideration was the remuneration of directors.

The following resolution was proposed by Mr Victor Francis and seconded by Mr Solomon Clarke:

- (a) "THAT the Directors be and are hereby empowered to fix the remuneration of the Executive Directors."**

The motion was then put to the vote and the Chairman declared that it had been carried on a show of hands.

The following resolution was then proposed by Mr Arthur Ellison and seconded by Ms Sonia Young:

- (b) "THAT the total remuneration of all of the Directors combined, other than the Executive Directors, for the financial year of the Company ending September 30, 2020 BE AND IS HEREBY fixed at \$27,000,000, which remuneration may include such share incentive scheme for directors as may be determined by the Board."**

The motion was then put to the vote and the Chairman declared, on a show of hands, that the motion had been carried.

## 10. APPOINTMENT OF AUDITORS AND THEIR REMUNERATION

The Secretary advised that Messrs PricewaterhouseCoopers had indicated their willingness to continue in office as Auditors of the Company, until the conclusion of the next Annual General Meeting.

The following resolution was then proposed by Mr Theodore Golding, and seconded by Mr Orette Staple:

- "THAT Messrs PricewaterhouseCoopers, having signified their willingness to serve, continue in office as Auditors of the Company until the conclusion of the next Annual General Meeting, at a remuneration to be agreed with the Directors."**

Prof. Wint, Chairman of the Audit Committee was invited, by the Secretary, to address the meeting.

In his brief remarks, Prof. Wint stated that it has been a challenging year from a financial audit perspective due to the consolidation of Guardian Holdings Limited. He indicated that the Board continued to have confidence in PricewaterhouseCoopers' ability to carry out the audit. Prof. Wint advised that the performance of the auditors was evaluated during the course of the year.

The motion was then put to the vote and the Chairman declared, on a show of hands, that the motion had been carried.

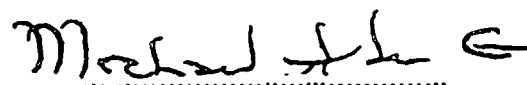
11. QUESTIONS AND ANSWERS

*Mrs Glasgow apologized and left near the end of this section of the meeting.*

Questions and comments were invited from the floor. These covered a range of topics, as captured in Appendix 4.

12. TERMINATION

The Chairman thanked the members for their attendance and declared the meeting terminated at 1:42 p.m.

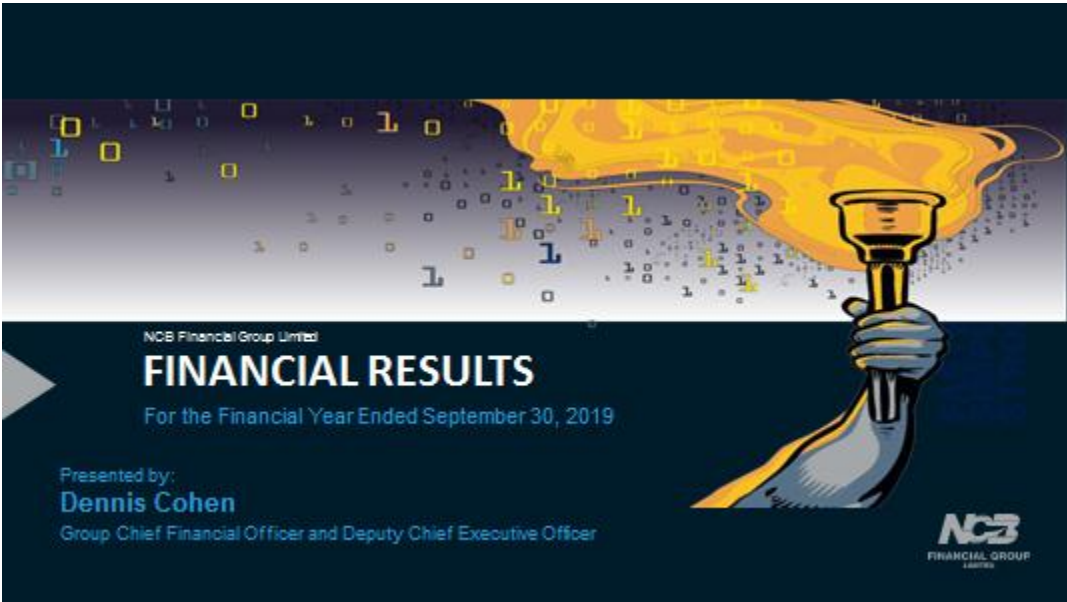
  
CHAIRMAN

  
COMPANY SECRETARY

  
RECORDING SECRETARY

APPENDIX 1

Presentation by Mr Dennis Cohen, Group Chief Financial Officer & Deputy Chief Executive Officer



NCB Financial Group Limited

# FINANCIAL RESULTS

For the Financial Year Ended September 30, 2019

Presented by:  
**Dennis Cohen**  
Group Chief Financial Officer and Deputy Chief Executive Officer

**NCB**  
FINANCIAL GROUP  
LIMITED

AGENDA

## Financial Performance FY2019

Financial Performance Q1 FY2020

Outlook

NCB Financial Group Limited | FINANCIAL RESULTS | Financial Year Ended September 30, 2019

**NCB**  
FINANCIAL GROUP  
LIMITED

# Overview FY2019

**Strategic progress:** One of the largest fully integrated financial services providers across the Caribbean

**Diversity:** banking, wealth & investment management, insurance services, pension fund management

**Consistent execution:** improved financial performance and financial strength

**Shareholder return:** consistent dividend payments and share price appreciation

Summary Information	FY18	FY19
Return on assets	3.42%	2.37%
Return on equity	22.73%	21.33%
Cost to income ratio	60.68%	67.87%
Shareholder return	46.20%	70.41%
Share price	124.52	208.79

**\$30B**  
Net Profit

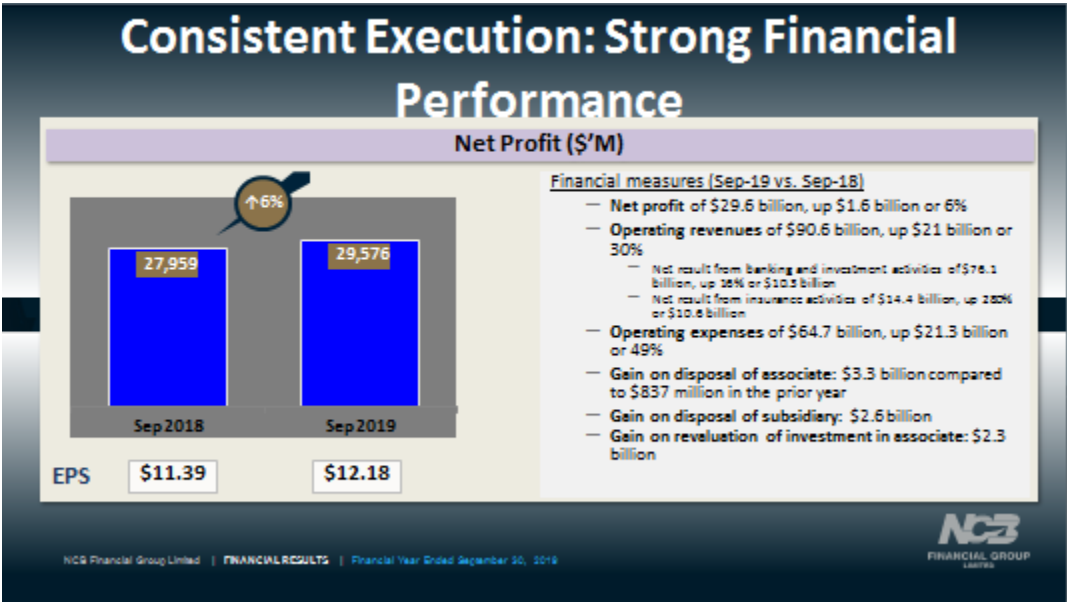
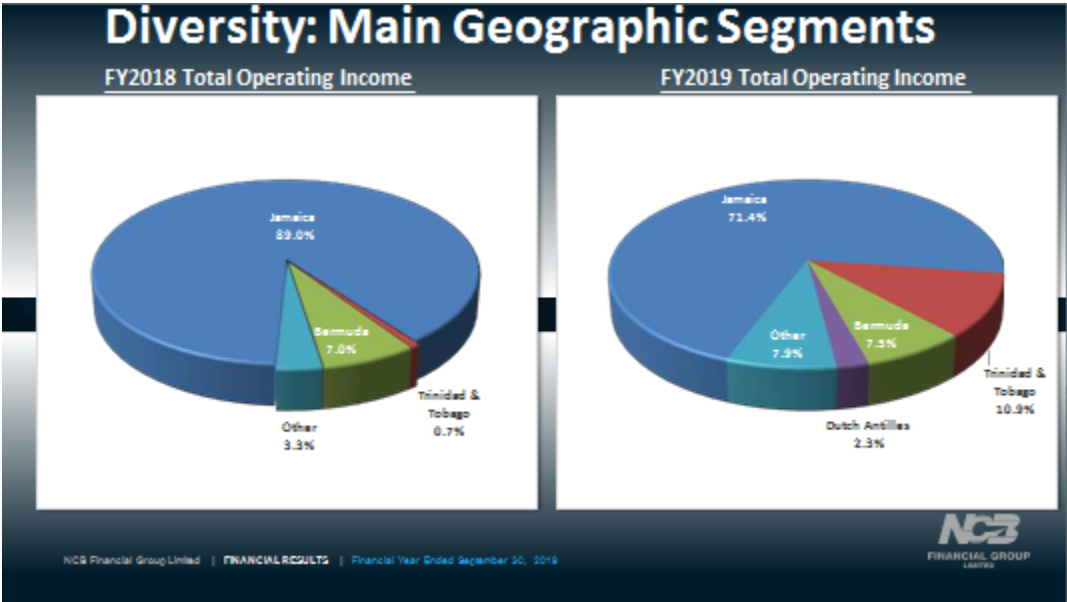
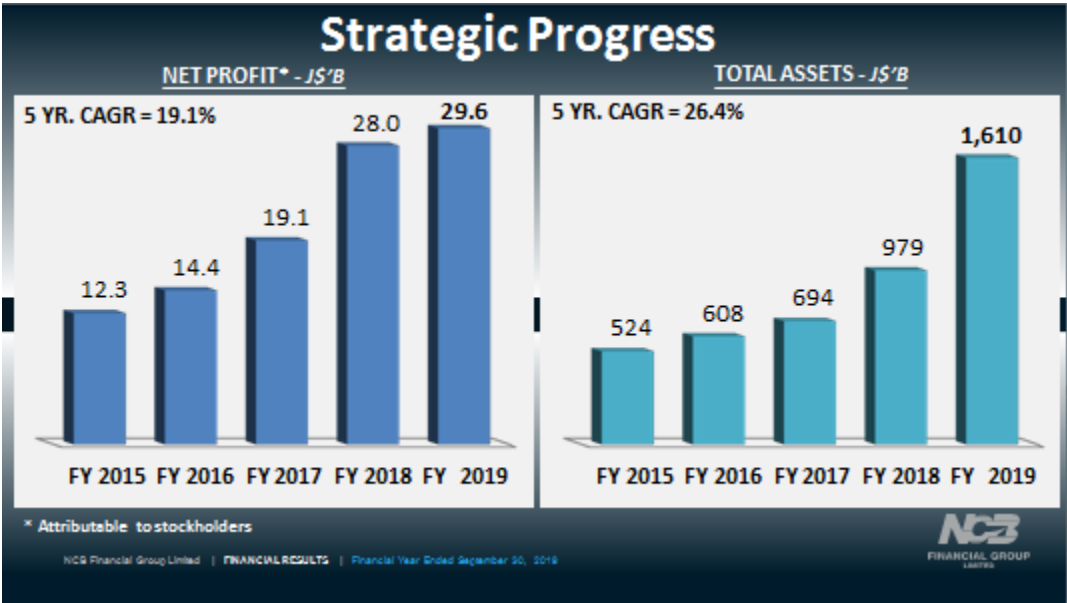
**30%**  
Operating Revenue Growth (Y-O-Y)

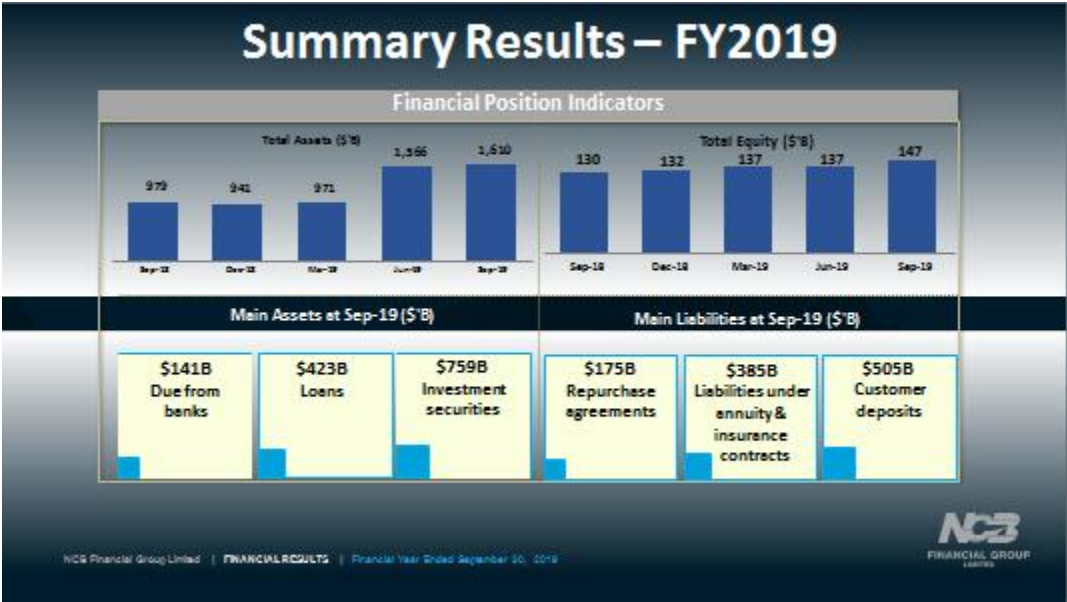
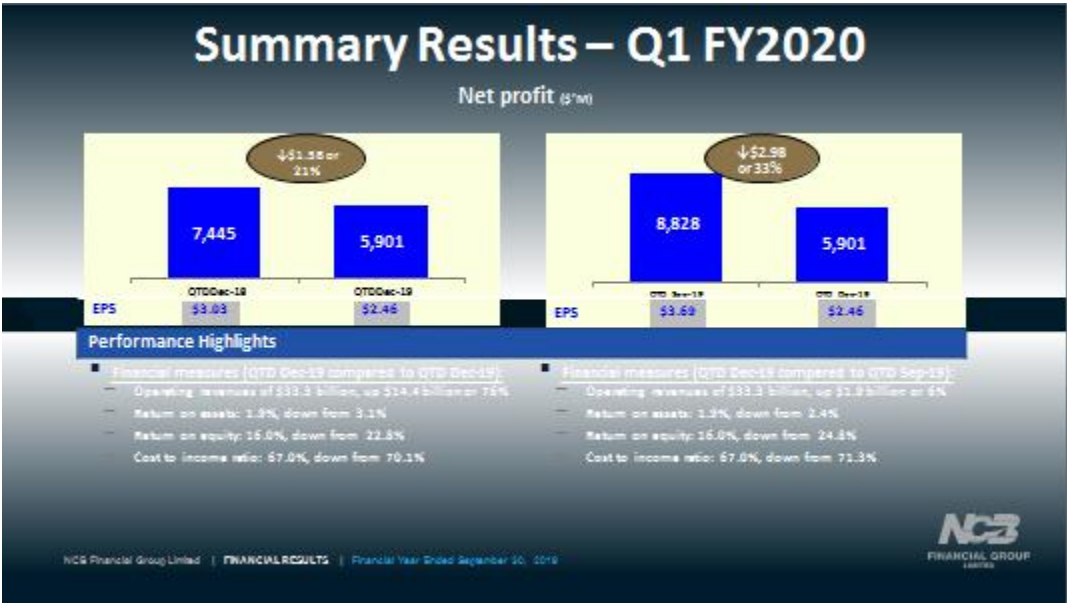
**\$1.6T**  
Total Assets

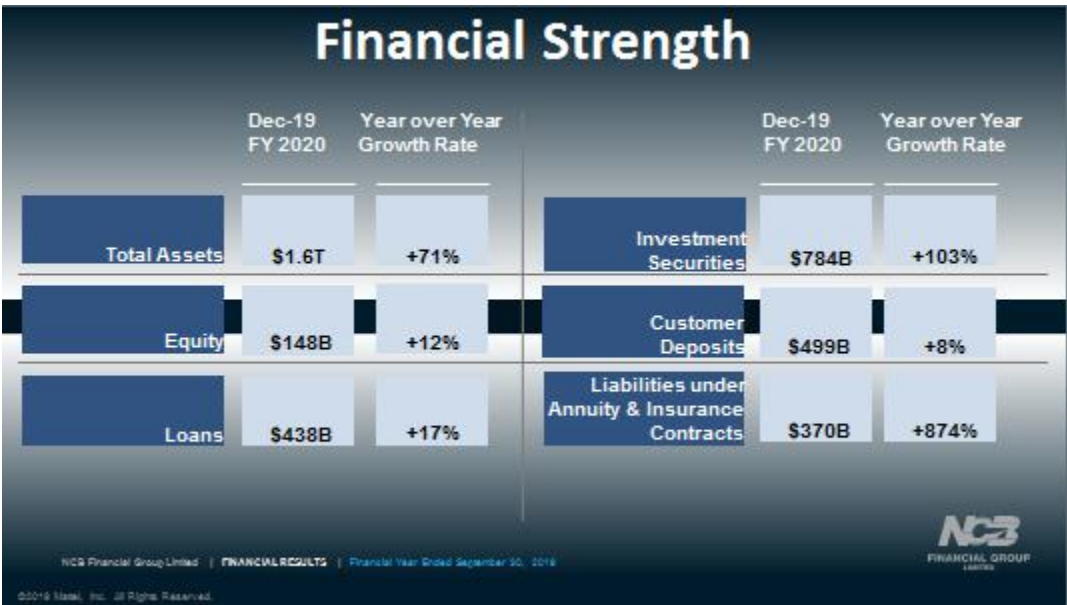
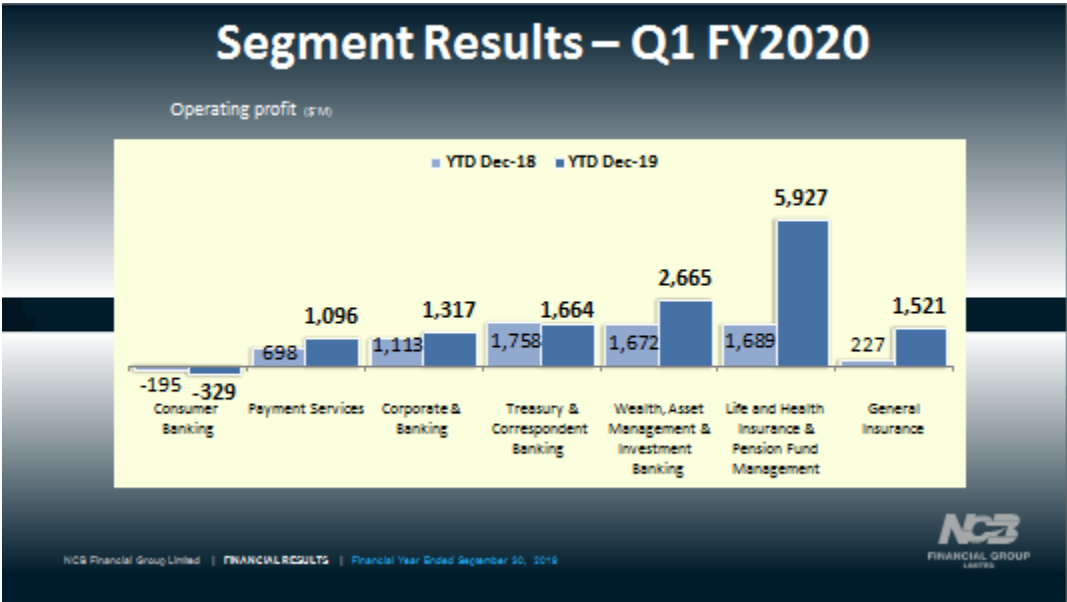
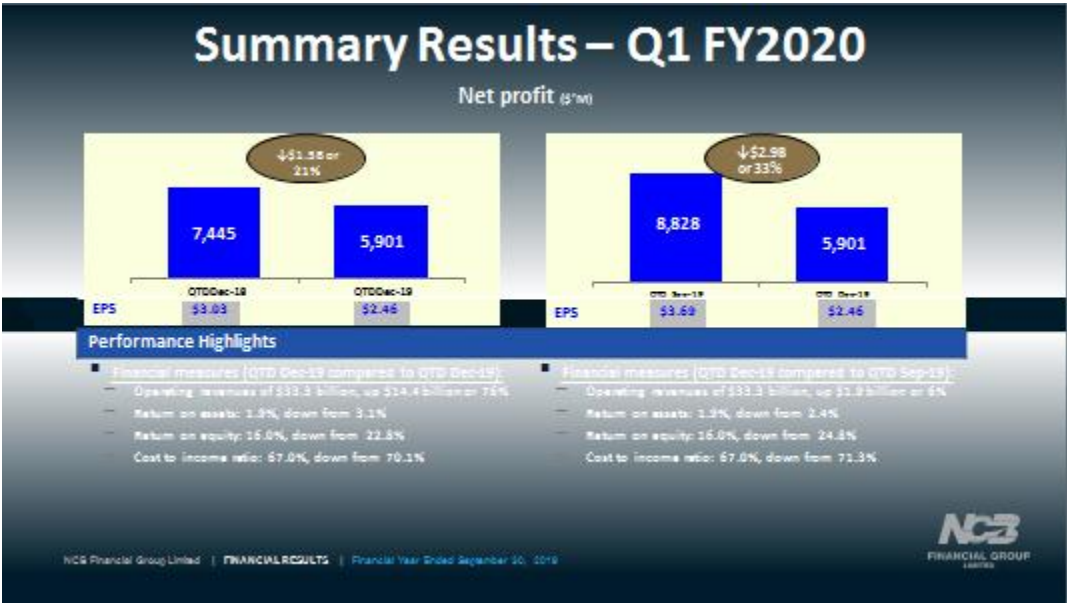
**\$147B**  
Equity

**NCB**  
FINANCIAL GROUP  
LIMITED

NCB Financial Group Limited | FINANCIAL RESULTS | Financial Year Ended September 30, 2019









AGENDA

Financial Performance FY2019

Financial Performance Q1 FY2020

Outlook

NCS Financial Group Limited

FINANCIAL RESULTS

Financial Year Ended September 30, 2019

NCS

FINANCIAL GROUP

LIMITED

Growth strategy

Building on our momentum

Strong financial performance

Inspired people & culture

Delighted customers

Digital to the core

World-class financial ecosystem

NCS

FINANCIAL GROUP

LIMITED

NCS Financial Group Limited

FINANCIAL RESULTS

Financial Year Ended September 30, 2019

THANK YOU

NCS

FINANCIAL GROUP

LIMITED

NCS Financial Group Limited

FINANCIAL RESULTS

Financial Year Ended September 30, 2019



January 31, 2020

# BOLD AMBITION

AN NCB TRANSFORMATION STORY



**Patrick A. Hylton, CD, LLD**  
President and Group Chief Executive Officer  
NCB Financial Group

To our valued shareholders,

As we accelerate into the 2020 financial year, I want to express my utmost gratitude to you for being a part of the NCB journey, through our greatest achievements and lessons.

The end of the 2019 financial year marked the early closing of the NCB 2.0: Faster | Simpler | Stronger strategy. The NCB 2.0 strategy was originally scheduled to conclude in FY 2020; however, we achieved two significant milestones before 2020 having:

I take this opportunity to thank each and every team member, customer, and shareholder that has been a part of the journey and for contributing to this shared success story. We hope this Jamaican success story is an inspiration to local and regional companies and individuals. I wish the same success for everyone, and it is within this spirit that I share a few lessons from this story.

1. Generated net profit after tax of over \$200M USD in FY 2018, two years ahead of schedule; and
2. Acquired a majority share of Guardian Holdings Limited, which cemented our position as a leading Caribbean financial conglomerate with a presence in over 20 territories.

Having achieved these milestones ahead of the 2020 financial year, it was an opportune time to reset and think about the next phase of our strategic journey. Before I walk you through our new strategic ambitions, I want you to understand where we are coming from and how far we have come as an organisation.

From distress to a new beginning

In March of 1998, I was appointed Managing Director of FINSAC. One of the first and most urgent responsibilities confronting me following my appointment was the need to intervene in NCB. The company had significant



# BOLD AMB

financial challenges and there was the fear that as the situation unfolded, we could see a run on the bank, which would permanently damage the organisation and have broader implications for Jamaica.

We worked feverishly to come up with a plan for intervention and recapitalisation, which needed to be done with urgency given the circumstances. We then engaged in a restructuring of the NCB Group, as it was known then, which involved separating non-core assets, which were retained by FINSAC, from core financial assets, which were retained in the newly created National Commercial Bank Jamaica Limited, in which the Government had a 75% stake.

In the year 2000, I then set about the task of divesting the Government's stake in the institution. To assist me in the process of selling the shares I sought to engage an international investment bank. I thought this would be a fairly simple exercise, as we would be paying all the expenses of the investment bank throughout the process up until sale, plus a success fee. However, I received a rude awakening, as initially I could not find a single investment bank willing to accept the assignment. One told me that if he owned shares in a bank that bought the Government's shares in NCB, he would immediately sell his shares in that bank because he would view that bank's management as incompetent. Another told me he would not sully the reputation of his organisation by being associated with the sale of the shares in NCB.

Notwithstanding the challenges, I continued in my efforts to complete the sale of shares by directly contacting the CEOs and senior executives of a number of banks operating in the region. Their responses were in most instances similar to the investment banks. One CEO told me that what I was trying to sell was not a bank; he said it was an ugly monkey.

Another said they would only consider purchasing it if the Government as part of the deal guaranteed them a minimum return on the capital they invested and protection from currency depreciation.

Eventually through persistence, I was able to hire an investment bank; however, their efforts proved futile. One day having heard about AIC and Michael Lee-Chin the Jamaican-Canadian billionaire, I told them to enquire if he might be interested. They sent him a teaser memorandum and we engaged in negotiations that lasted over one year. By this time, the investment bankers I had hired had given up on the sale and wanted to abandon the effort.

I told them I wanted to try one more time but they refused to be a part of that effort. So, in early 2002 I travelled to Canada alone to meet with Michael Lee-Chin. On arriving at Michael's office and being ushered into his meeting room, I saw him accompanied by two of his advisors. He and his advisors had previously shared with me that after having had extensive due diligence completed on NCB by an international accounting firm the advice they received from that firm was to stay far away from NCB.

I took a seat at the table with Michael and his advisors, and asked to speak to him alone. He agreed to my request and so we went alone into another room. I said to him **"Michael I'm not here to sell you a bank. I am here to sell you a vision of a bank. I am not here to sell you what this bank is today. I am here to sell you what it could become."** I then shared a presentation with him at the end of which we discussed and agreed a price and shook hands. The rest as they say is history. Thirteen months later, I joined NCB at his invitation as Deputy Managing Director. On December 1, 2004, I became the Managing Director.

## From 'ugly monkey' to leading Caribbean financial institution

During my tenure with NCB, we have journeyed from being a bank that no one thought could be sold and a bank that was referred to as an "ugly monkey" to becoming the top financial institution in Jamaica. From that position as the leading financial institution domiciled in Jamaica, we have gone on to become a leading financial conglomerate in the Caribbean represented in over 20 territories as a result of our acquisition of a majority stake in regional powerhouse Guardian Group.

## A few highlights

- From 2004, through December 2019, we generated over JMD \$200 Billion in net profit after taxes and paid out over \$65 billion in dividends to shareholders.
- Since March 2002, the stock price has gone from \$5.79 JMD to over \$200 JMD. For every \$1,000 Jamaican dollars that a shareholder invested in NCB on March 22, 2002 with the quarterly dividends re-invested, that investment would have been worth \$91,282 JMD based on the average trading price in September 2019.
- We have paid tens of billions in taxes and contributed over \$2 billion in donations through the N.C.B. Foundation to assist in nation building.
- To contextualise where we are globally, we recently did an assessment of how we compare to US and Canadian banks. In spite of the much larger asset base for top US banks, only 80 US banks out of 4,905 total banks in the market, and only 7 Canadian banks out of 88 total banks in the market have net income higher than NCB. NCB





has a return on assets (ROA) higher than 96% of banks in the US. Across industries, approximately 1,100 US publicly listed companies have net income higher than NCB's out of over 9,000 listed companies.

- Our performance has allowed us to provide attractive compensation and benefits to our team members and to invest in their training and development in new emerging skills in high demand globally such as agile, data science, and software development. There is also a tremendous opportunity for their personal development and growth arising from being a part of a regional group.
- We have again been chosen by the Banker Magazine as Bank of the Year for Jamaica which is the fourth consecutive year and makes nine times we have won this award between 2008 and 2019.
- Latin Finance magazine has also chosen us as the Bank of the Year - Jamaica for six consecutive years and we have won this award nine times since 2007.

This organisation has done well, not just by local benchmarks, but by international standards as well.  
***I take this opportunity to thank each and every team member, customer, and shareholder that has been a part of the journey and for contributing to this shared success story. We hope this Jamaican success story is an inspiration to local and regional companies and individuals. I wish the same success for everyone, and it is within this spirit that I share a few lessons from this story.***

Lessons from the past for the journey ahead

It is important that we understand the major principles that have contributed to our success over the years and

those that will ensure our continued success in the future as we seek to further transform our organisation and accelerate our performance momentum.

1. Dream Big

The first of these principles I would mention is the power of the dream, the vision, the aspiration and its ability to galvanise and energise an entire organisation around a transformational goal. The American architect Daniel Burnham put it beautifully when he said, "Make no little plans; they have no magic to stir men's blood and probably themselves will not be realised. Make big plans; aim high in hope and work, remembering that a noble, logical diagram once recorded will never die, but long after we are gone be a living thing, asserting itself with ever-growing insistency."

As Mr Murthy, the founder of Infosys, correctly asserted, "An aspiration is the main fuel for progress; it converts ordinary people into extraordinary achievers". We here at NCB have lived that experience by setting bold aspirations and then seeking to achieve well beyond those aspirations.

2. The power of the mind

What you choose to believe is what will ultimately become reality. Confucius said, "The man who says he can and the man who says he cannot are both correct." Muhammad Ali is quoted as saying: "Impossible is just a big word thrown around by small men who find it easier to live in the world they've been given than to explore the power they have to change it. Impossible is not a fact. It's an opinion." ***It was someone's***

***opinion that we were an 'ugly monkey'.*** It was someone's opinion that we could not become the top bank in Jamaica. It was someone's opinion that we could not become a top bank in the region. The opinion of others irrespective of who they are need not become our reality. As Shelly-Ann Fraser-Pryce said, "No one gets to write your story but you."

NCB's success as an institution started with our belief in spite of all the naysayers that our dream was possible. We are writing our own story.

3. The value of persistence in the face of challenges

Nothing easily attained is highly cherished. Nothing easily attained is of high value either. Anything of great value is cloaked in layers of challenges and you must persist to reap the rewards.

Calvin Coolidge said, "Nothing in the world can take the place of persistence. Talent will not; nothing is more common than unsuccessful men with talent. Genius will not; unrewarded genius is almost a proverb. Education will not; the world is full of educated derelicts. Persistence and determination alone are omnipotent. The slogan 'Press On' has solved and always will solve the problems of the human race."

4. Challenges are opportunities in disguise

We have learned that there is always opportunity and our role is to find it and execute on it. Many times that opportunity comes disguised in the form of a challenge or a problem and so it is



important to embrace challenges and seek to convert them into real opportunities. **If Michael Lee-Chin had walked away from this challenging bank, the opportunity to transform this organisation and realise its value would have been missed.**

Accelerating to world-class

Ladies and gentlemen, I again have a dream as I did in early 2002 when I met with Michael Lee Chin in Burlington Ontario and as T.E. Lawrence said, “All men dream but not equally”. As we look to the future, we are excited and enthusiastic about the opportunities that confront us. We are once more engaged in a major transformation that we have now dubbed **NCB ACCELERATE**.

**Our new aspiration for FY 2024 is to become a world-class Caribbean financial ecosystem.** This strategy is about unleashing the power of the combined group to take our performance to the next level for the benefit of our combined team, our customers, our shareholders and the territories in which we operate.



Four main pillars anchor our new aspiration:

- 1. Strong Financial Performance
- 2. Delighted Customers
- 3. Inspired People and Culture
- 4. Digital to the Core

Becoming world-class means that we will not be satisfied with customer experiences, systems, processes, and performance that are the best in our country or the best in our region. Our customers, employees, and shareholders are exposed to world-class products and services. Therefore, we are committed to delivering at that standard.

Becoming a Caribbean financial ecosystem means going beyond just having a presence in over 20 territories, to creating an integrated platform among the companies in the NCB Financial Group and external partners that enables us to seamlessly provide the solutions that allow our customers to build, grow and excel financially.

Accelerating boldly together

This is a bold ambition and a courageous dream, but based on where we are coming from, I have 100% confidence that we are up to the challenge. Having become among the best in country and best in region, best can only now be defined as world-class. Therefore, we embark on this new journey to becoming a world-class Caribbean financial ecosystem, anchored by our four strategic pillars, with a belief that we must and that we can do it, but also with a commitment to persisting until we do. We are on our journey from good to great and from great to amazing. My fellow shareholders, I ask you to also believe and to continue on this journey with us as we ACCELERATE to a new frontier in 2024. Thank you.

### APPENDIX 3

#### QUESTIONS AND ANSWERS ON THE AUDITED ACCOUNTS

Question:	Mr Young asked for an explanation of note 40 on page 245 of the Annual Report which indicated a loss on present value of funded obligations.
Response:	Mr Cohen responded that it was due to a long term projection of the obligations of Pension Funds which was reviewed annually.
Question:	Reference was made to page 257 Note 40 (Related Party Transaction and balances), Mr Young asked what was “Key Management Compensation”.
Response:	Mr Cohen explained that the payments shown were to the key management team and directors.
Question:	Ms Clarke Allwood asked what percentage of profits were fees.
Response:	Mr Cohen referred to page 139, indicating that net operating income was shown as \$90 billion while net fees were \$19 billion.
Question:	Reference was made to pages 69-70 (Financial Performance). Mr Justin Scott noted the percentage growth in some of the banking segments had been falling and requested comments, particularly about whether this was now a trend with expectation for it to continue.
Response:	Mr Cohen responded that this was the consequence of insurance representing a much more significant percentage of total revenue arising from the acquisition of a majority interest in Guardian Holdings Limited (GHL). With GHL consolidation the “pie” was bigger. The smaller share for other segments was the result of a larger pie, not of declining performance.
Question:	Mr Scott then referred to page 71 (Wealth, Asset Management & Investment Banking), making specific reference to the bond transaction for New Fortress Energy Limited and asked what the plans were for NCB to keep up that segment.
Response:	Mr Cohen responded that the Group sees it as a major growth area and with GHL in 20 territories, the Group was in a more competitive position regionally. As the discussion continued, Mr Cohen added that regional growth was a major pillar cross-cutting various areas.
Question:	Mr Michael Hendricks, referring to page 152, asked whether there was significant cash invested in Dyoll Group Limited.
Response:	Mr Cohen responded that while the Group legally owned a 44% stake in Dyoll; the amount had been written off so it was no longer treated as an investment.
Question:	Mr Staple referred to page 129 (Auditor’s Report) and asked why the acquisition of a 61.98% share in GHL was considered a complex matter.
Response:	Mr Garfield Reece responded that it involved estimates and judgments by management. This always required investigations to ensure there was no significant misstatement.
Question:	Mr Staple referred to pages 139-140 (Consolidated Income Statement & Comprehensive Income) and noted that expenses as a percentage of revenue had increased in 2018-2019. He stated that expenses were increasing at a rate higher than profit and asked what was happening.

Response:	Mr Cohen responded by clarifying that the 2019 accounts were consolidated with GHL and the consolidated revenues represented 100% of NCB and GHL. He further clarified that the profit reflected only what was attributable to NCB shareholders. That approach was based on applicable accounting principles. Also, the metrics of an insurance group were different from a banking group. He said this difference had to be borne in mind when comparing 2018 to 2019.
Question:	Mr Staple asked noted that the Commercial & Consumer Banking Segment had losses year over year and asked what plans were in place for a turnaround in 2020.
Response:	Mr Cohen responded that this was a big part of the transformation of the business and infrastructure investments and digital would be important to its success.
Question:	Mr Staple noted that the Commercial & Consumer Banking Segment was employee intensive and asked if the employees would be impacted.
Response:	Mr Cohen responded that it would not necessarily impact them adversely. He explained that the Group was investing in training to help employees to be ready for the NCB of the future.
Question:	Mr Staple referred to page 222, and asked how the Group was continuing to benefit from securitizations.
Response:	Mr Cohen responded that they continued to provide a funding source in addition to deposits. He explained that they supply medium to long term stable funding for loans and other investments.
Question:	Mr David Nunes, referring to page 197 (first two lines), noted the gains on foreign exchange trading activity and the fall year over year. He asked what the expectations were having regard to the upcoming Bank of Jamaica swap arrangements and whether the loss shown was a one off loss.
Response:	Mr Cohen responded that the 1 <sup>st</sup> line was the spread in foreign exchange; the 2 <sup>nd</sup> related to debt securities. The net foreign exchange gains & losses were not necessarily related to devaluation. He further explained that gains and losses are computed based on the spread between buying and selling rates and the volume traded. He advised that if the initiatives cause greater confidence, that could increase volumes. He noted, however, that the changes year over year were not considered material and accordingly did not reflect a trend or present cause for concern.
Question:	Mr Livingston Young referred to page 240 (Disposal of Subsidiary) and asked what was being shown.
Response:	Mr Cohen responded that it represented the 2019 disposal of Advantage General Insurance Company Limited, with that company's liabilities being removed based on the disposal.
Question:	Referring to pages 139-140, Mr Ashton White asked about the percentage of the Group's profit that was contributed by GHL.
Response:	Mr Cohen responded that the segment report included GHL under the Insurance Segment.
Comment:	Mr White thought that essentially the banking side made lower profits in the 2019 Financial Year.
Response:	Mr Cohen responded that the issue was somewhat more involved as account had to be taken of the funding cost for the acquisition which was included in the amounts attributed to the banking performance.
Question;	Mr White asked whether GHL was a good fit for the Group.
Response:	Mr Cohen responded that it was looking positive so far, some of the key initiatives for 2020 were taking place in GHL as well and the outlook was positive.
Question:	Mr Steven Jackson noted that non-controlling interests were accounting for a larger chunk of profit each quarter. He requested confirmation of his presumption that this was related to GHL.
Response:	Mr Cohen responded that previously GHL was an associate and the Company would have accounted for its share of their subsidiaries. Now, with GHL being a subsidiary, the Company books the entire GHL profit and then deducts the 38% held by others, with the difference accordingly showing.

	<b>APPENDIX 4 GENERAL COMMENTS/QUESTIONS &amp; ANSWERS</b>
Question:	Mrs Clarke Allwood stated that she appreciated the non-charging of fees when the upgrade was undertaken. However, she queried the fees charged in relation to certain deposits and that she expected the payment of interest on deposits, not the charging of fees.
Response:	Mr Septimus Blake (Chief Executive Officer, National Commercial Bank Jamaica Limited – “NCBJ”/“the Bank”) responded that the he would need to know to which fees she was referring as the Bank does not charge fees on all deposits.
Question:	Mrs Clarke Allwood asked how much emphasis was placed on communication in employee training.
Response:	Mr Blake said he could not specify this as a percentage of training received but it was being done.
Question:	Mrs Clarke Allwood asked if thought was being given to crypto currencies.
Response:	Mr Blake responded that it was an ongoing consideration.
Comment:	Mrs Clarke Allwood stated that she would like to see more females on the Board.
Response:	Mr Garcia responded that the composition was always under review. He stated that the recruitment process takes a while and details could not be provided publicly about recruitments in progress.
Question:	Mrs Clarke Allwood asked if there were any plans to address fees.
Response:	Mr Blake responded that they were being reviewed regularly.
Comments:	Mr Theodore Golding gave commendations on the results for financial year 2019. He stated that staff was an important asset not appearing on a statement of financial position. He spoke to some of the history of NCB over the last few decades. He asked if there was any consideration being given to a stock split and to listing on international markets. He also asked if the branches could get additional tellers.
Response:	Mr Cohen responded that no consideration was being given to a stock split or listing on the international markets at this time. Mr Blake also responded stating that he was aware of the wait times in the branches. He indicated that the issue was being assessed so NCBJ could align customers to appropriate channels and free up branches for more consultative experiences. It was noted that investments were being made in that regard.
Suggestion:	Ms Monique Palmer had several suggestions to be considered: granting home equity and home improvement loans for pensioners; partnering with National Water Commission to preserve Jamaica’s watershed; giving young farmers assistance, granting better loan facilities for entrepreneurs; and issuing more securities in which pensioners could invest.
Comment:	Mr Staple expressed thanks to God and asked for His blessing for the next year. He congratulated the Chairman and members of the Board for the hard work; he also commended the management and staff of 1-7 Knutsford Boulevard Branch for their good service especially to senior citizens. He also commended Management on the quality of the Management Discussion and Analysis in the Annual Report.
Question:	Mr Graham Jarvis asked if any colour could be provided on opportunities in Guyana.
Response:	Mr Hylton responded that the Group had been looking at it and would have to consider the best approach.
Question:	Mr Nicholas Dundas said saw a transaction involving Exxon in Guyana and wondered why it was done through NCB Capital Markets Limited (NCBCM) and whether it was leverage for the future.
Response:	Mr Cohen responded that the Investment Banking Unit of NCBCM typically finds appropriate deals and explores the environment. Determinations then follow as to transactions to be explored and how they should be structured
Question:	In referring to the proposed plan to upgrade the Washington Boulevard Branch to a cashless branch, Ms Sonia Young asked if it was an efficient branch and if a survey had been done.
Response:	Mr Blake responded that a survey was done. He noted that there would be no handling of cash in the traditional manner. There will be a channel to deal with



	cash. He stated that a review had been done and customers should see their service expectations being met.
Question:	Ms Young asked what would happen to the staff at that branch.
Response:	Mr Blake advised that staff do not exist only to handle cash and there were other opportunities including for sales; staff would therefore be reoriented to those activities.
Question:	Mr Roystan Lewars referred to the upgrade of the Chapleton Branch to a cashless branch and noted that the service had declined as there were not enough Automated Banking Machines.
Response:	Mr Blake responded that the Bank needed to ensure the services were available for customers and promised to look at Chapleton's service.
Question:	Mr Leon Francis noted the 4 <sup>th</sup> consecutive year of record profits; he asked about the one off gains and what the expectations were.
Response:	Mr Cohen responded that the Group takes pride in setting and achieving aggressive targets and expected to continue earning record profits as demonstrated in the first quarter of 2020.
Question:	Mr Francis requested that the Company's 2024 targets be shared.
Response:	Mr Cohen responded that it was not the Company's practice to share specific internal forecasts publicly.
Question:	Mr Francis asked when would the chip & PIN features for cards be on board to prevent fraud.
Response:	Mr Blake responded that it was in the final stage of testing, to be followed by a pilot and then roll out.
Question:	Mr Ambre Houslin asked whether, considering the low interest rates being offered, the Group was looking into having a deeper foothold in private equities.
Response:	Mr Cohen responded that those were among the opportunities Management had been considering but with no decisions reached yet.
Comment:	Mr Clinton Allen commended the performance of NCBCM but expressed concern that they were under-represented in the branches.
Response:	Mr Cohen responded that the Group tries to place NCBCM representatives in areas where there was sufficient support for the resources. However, where there was not a representative in branch, connection to a representative could be arranged. The placement of representatives was also reviewed on an ongoing basis
Comment:	Mr Allen continued stating that the Bank on the Go was great; he was thankful that withdrawals of \$100,000 did not attract fees. He also welcomed the upgrades to the restrooms.
Question:	Mr Morgan Kennedy asked about the time it would take for integration & synergies to take place for GHL and NCB.
Response:	Mr Cohen responded that it should largely happen within the next 12 months.
Question:	Ms Aileen Campbell asked if there was any benchmarking with other performing banks on items other than profitability. She thought it would be good to look at others metrics.
Answer:	Mr Cohen responded that the Group had looked at performances outside the financial metrics, such as service delivery. He said that had inspired the transformation strategy.
Question:	Ms Campbell asked about the likelihood of added services in London.
Response:	Mr Cohen noted the point and explained that in managing expansion initiatives, Management had to prioritize, looking at what would best benefit shareholders. He advised that expanding to the UK was not a priority at this time as Management was not seeing a comparative advantage for NCB there.
Question:	Ms Pauline Mitchell asked where the senior citizens who were being served by Washington Boulevard should go as the changes to the branch took effect.
Response:	Mr Blake responded that ABMs would be there and support would be provided for senior citizens.
Question:	Ms Mitchell asked if more machines were expected.
Response:	Mr Blake responded that NCBJ would calibrate based on the demand.