

# Financial Results

For The Year Ended September 30, 2023

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**KEY RESULTS –  
YEAR ENDED  
SEPTEMBER 30,  
2023**



\$7.6B

Net Profit \*



\$2.2T

Total Assets



\$170.4B

Equity \*



\$3.30

Earnings per Share



0.71%

Return on Assets



4.80%

Return on Equity

**KEY RESULTS –  
QUARTER  
ENDED  
SEPTEMBER 30,  
2023**



(\$2.1B)

Net Loss \*



\$2.2T

Total Assets



\$170.4B

Equity \*



(\$0.92)

Earnings per Share



0.29%

Return on Assets



(4.78%)

Return on Equity

\* Attributable to stockholders of the parent

## Fourth Quarter 2023 Report to Shareholders

Kingston, Jamaica - November 21, 2023

The Board of Directors approved the release of the following financial results for NCB Financial Group Limited (NCBFG) and its subsidiaries (the Group) for the year ended September 30, 2023.

NCBFG reports consolidated net profit of \$15.3 billion for the year ended September 30, 2023, a 56% or \$19.8 billion decline from the prior year. Consolidated net profit attributable to stockholders of the parent totalled \$7.6 billion, a reduction of \$16.3 billion or 68% from the prior year. For the quarter ended September 30, 2023, the Group reported net profit of \$1.6 billion, a \$5.8 billion or 78% decrease from the June 2023 quarter. Net loss attributable to stockholders of

the parent for the September 2023 quarter was \$2.1 billion, \$7.6 billion lower than the previous quarter. Stockholders' equity of \$223.7 billion increased by 16% or \$30.5 billion. Equity attributable to stockholders of the parent totalled \$170.4 billion, up 17% or 424.3 billion over the prior year.

The net result was impacted by significant non-recurring events, primarily related to strategic restructuring activities. NCBFG remains firmly committed to sustainable growth and continued success. The Group begins the new fiscal year in a strong position given the actions taken in the fourth quarter, which will result in significantly reduced operating expenses, improved operational efficiency and effectiveness as well as a stronger more efficient capital position.

Our dedicated team, with their unwavering commitment, continues to be instrumental to the Group's success and stability. We are confidently poised to enhance shareholder value and secure a prosperous path for the Group and our valued stakeholders and remain enthusiastic about the opportunities that lie ahead.

For more  
information,  
contact:

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## Restatement

There was a restatement of the prior year's results in our Life and Health Insurance and Pension Fund Management (LHP) segment and in the Holding Company (see note 5 to the financial statements for further details). The restatement in LHP segment was due to a non-recurring actuarial adjustment of \$4.3 billion, previously booked in the December 2022 quarter in relation to the 2022 financial year. The restatement in the Holding Company was in relation to certain staff benefits.

## Group Performance

Operating income of \$137.3 billion declined by \$8.0 billion or 6%. This was primarily as a result of events in our LHP segment. Additionally, during the September quarter the Group made significant leadership and other changes, which resulted in restructuring and separation costs.

The reduced revenues, in addition to increased operating expenses impacted most of our key performance metrics. Return on assets (ROA) and return on equity (ROE) declined to 0.71% from 1.76% and 4.80% from 15.53%, respectively. The cost to income ratio increased to 82.54% up from 71.40% in the prior year. The decline in these metrics is due to certain non-recurring events. There is a renewed commitment to enhancing operational efficiency, optimising asset utilisation and reducing costs.

## Banking and Investment Activities

Net revenues from banking and investment activities totalled \$113.0 billion for the year, which increased by 5% or \$5.7 billion over the previous year. The main contributors to the increase were net interest income and gain on foreign currency and investment activities, which increased by \$3.6 billion and \$3.7 billion, respectively. The growth in the loans and investment securities portfolios along with increased yields for some interest earning assets were the main drivers of the improved net interest income. Gains on investment activities were positively impacted by unrealised fair value gains on equity investments designated as fair value through profit and loss. Net fee and commission income improved by \$1.9 billion or 7%, primarily due to increased card transaction volumes in the Payment Services segment and credit related fees on new loans booked in the Consumer & SME Banking segment. These increases were partially offset by a 95% or \$2.6 billion increase in credit impairment provisions, which rose to \$5.3 billion, reflecting a normal level of expected credit losses (ECL). The previous financial year included reversals of ECL charges due to the improved economic outlook.

## Insurance Activities

Net revenues from insurance activities totalled \$24.2 billion, a 36% or \$13.8 billion decrease from the restated prior year. The segment was impacted by increased net insurance costs due to higher net claims mainly from our LHP segment. The increased claims were primarily in relation to health and some additional general insurance claims. During the year there was also a reduction in reinsurance claim benefits, due to a prior year claim recovery.



## **Operating Expenses**

Operating expenses totalled \$117.7 billion, increasing by 11% or \$12.0 billion over the prior year. During the September 2023 quarter additional staff costs related to separation and restructuring activities were incurred by NCBFG and National Commercial Bank Jamaica Limited (NCBJ). Included in these costs were separation provisions for the previous executive directors of the Company, which will be settled by a cash payment and the allotment of shares. There was also an increase in operational losses and property, vehicle, ABM maintenance and utilities during the year.

The Group is dedicated to identifying and implementing a range of cost-control measures. These initiatives will create a solid basis for future improvements in the cost to income ratio as well as more effective cost control while optimising operational efficiency. Shareholders can be confident in our ongoing efforts and commitment to prudently manage our costs to enhance the Group's financial performance.

## **Consolidated Statement of Financial Position**

Total assets increased to \$2.23 trillion, an increase of 7% or \$147.1 billion over the prior year. The growth in the asset base was mainly due to increased loans and investment securities that were primarily funded by repurchase agreements, deposits, liabilities under annuity and insurance contracts and other borrowed funds. Our asset base continues to position the Group for sustained financial strength and enables us to take advantage of future opportunities.

## **Investment Securities and Reverse Repurchase Agreements**

Investment securities, including pledged assets and reverse repurchase agreements, totalled \$1.12 trillion, an increase of 15% or \$142.2 billion over the prior year. The increase was due to improving asset prices, portfolio growth and the expansion of the Hold to Collect business model in NCBJ.

## **Loans and Advances**

The Group's loans and advances, net of credit impairment losses, totalled \$613.8 billion, an increase of 6% or \$32.8 billion over the prior year. Non-performing loans totalled \$25.7 billion as at September 30, 2023, a 1% or \$264 million reduction from the prior year, which led to an improvement in our non-performing loan ratio, decreasing to 4.1%, from 4.4% in the prior year.

## **Deposits**

Deposits totalled \$747.9 billion, a 5% or \$32.6 billion increase over the prior year. This continues to be the largest source of funding, as customers continue to display confidence in the Group.

## **Policyholders' Liabilities**

Liabilities under annuity and insurance contracts increased to \$459.5 billion, up 4% or \$18.1 billion over the prior year.



## **Capital and Liquidity**

Equity attributable to stockholders of the parent totalled \$170.4 billion, an increase of \$24.3 billion or 17% over the prior year, improving due to retained earnings reserve and lower unrealised fair value losses.

All our regulated entities continue to meet the applicable capital and liquidity regulatory requirements.

## **Dividends**

The Board of Directors, at its meeting on November 17, 2023, approved a dividend payment of \$0.50 per ordinary stock unit.

## **Environment, Social and Governance (ESG)**

The Group remains committed to conducting our operations in a manner that aligns with our core values and supports the long term sustainability of our business and the communities in which we operate. We have spent the year developing an ESG framework for the Group as we are invested in the key principles of ESG.

We understand the importance of addressing environmental challenges and continue to make steps towards minimising our own environmental footprint and promoting sustainability. We continue to intentionally reduce our energy consumption and support projects and initiatives that will contribute to a greener future. We also continue to actively incorporate environmental considerations into our lending and investing decisions and activities.

We recognise that, in addition to pursuing financial success for our ecosystem and stakeholders, a key element of our business operations is our dedication to social responsibility. Our goal is to create a positive and enduring impact on the communities we serve. We are prioritising diversity, equity and inclusion within our organisation and are supporting initiatives that foster social development and well-being. Through our Foundations, we encourage volunteerism among our employees and provide resources and channels for individuals, families and organisations to assist them in making well informed financial decisions.

Strong governance and ethical business practices remain fundamental to our operations. We maintain the highest standards of integrity, transparency and accountability. Our Board of Directors and the various Board and Management Committees provide robust oversight and continuously work to ensure that our policies and practices are aligned with the interests of our stakeholders.



# Financial Results

For The Year Ended September 30, 2023

Net Profit of \$7.6 billion (attributable to stockholders of the parent)



## Environment, Social and Governance (ESG) (continued)

We are proud of the progress we have made to date in our ESG journey and remain dedicated to the completion of the framework and incorporating ESG principles into our business strategy. We see ESG issues as both our moral duty and a key driver in long-term financial success. As a result, we will continue our journey and efforts to create a more ethical, inclusive and green environment.

ON BEHALF OF THE BOARD

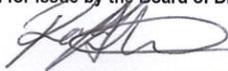
Robert Almeida, Interim Group Chief Executive Officer

	CURRENT YEAR			RESTATED PRIOR YEAR	
	Quarter ended September 30 2023 \$'000	Quarter ended June 30 2023 \$'000	Year ended September 30 2023 \$'000	Quarter ended September 30 2022 \$'000	Year ended September 30 2022 \$'000
<b>Operating income</b>					
<b>Banking and investment activities</b>					
Interest income	26,955,191	25,779,247	101,296,273	19,963,707	84,923,549
Interest expense	(10,963,532)	(9,934,129)	(38,495,233)	(6,708,686)	(25,724,687)
Net interest income	15,991,659	15,845,118	62,801,040	13,255,021	59,198,862
Fee and commission income	9,844,083	10,361,295	39,329,099	9,572,565	35,302,748
Fee and commission expense	(3,044,112)	(2,823,374)	(11,251,530)	(2,585,305)	(9,169,997)
Net fee and commission income	6,799,971	7,537,921	28,077,569	6,987,260	26,132,751
Gain on foreign currency and investment activities	4,319,781	7,954,973	20,241,374	6,931,010	16,576,264
Credit impairment losses	(514,634)	(1,533,557)	(5,303,309)	(854,879)	(2,723,555)
Dividend income	791,796	701,793	2,830,951	475,218	2,498,263
Other operating income	749,937	873,275	4,378,819	358,748	5,610,038
	5,346,880	7,996,484	22,147,835	6,910,097	21,961,010
Net revenues from banking and investment activities	<b>28,138,510</b>	<b>31,379,523</b>	<b>113,026,444</b>	<b>27,152,378</b>	<b>107,292,623</b>
<b>Insurance activities</b>					
Premium income	42,943,782	42,459,753	168,071,055	43,634,943	164,690,753
Insurance premium ceded to insurers	(16,684,142)	(14,843,448)	(59,130,877)	(10,940,221)	(50,583,005)
Reinsurance commission income	3,011,234	3,584,108	12,030,503	790,409	9,801,164
Net underwriting income	29,270,874	31,200,413	120,970,681	33,485,131	123,908,912
Net insurance benefits and claims	(12,319,657)	(22,679,387)	(78,026,342)	(16,826,566)	(69,186,781)
Commission and other selling expenses	(4,639,661)	(4,296,892)	(18,711,910)	(4,121,199)	(16,706,258)
Net revenues from insurance activities	<b>12,311,556</b>	<b>4,224,134</b>	<b>24,232,429</b>	<b>12,537,366</b>	<b>38,015,873</b>
<b>Net operating income</b>	<b>40,450,066</b>	<b>35,603,657</b>	<b>137,258,873</b>	<b>39,689,744</b>	<b>145,308,496</b>
<b>Operating expenses</b>					
Staff costs	20,282,848	13,100,977	60,617,081	12,816,502	50,337,084
Depreciation and amortisation	1,760,772	2,224,661	7,394,097	2,684,193	8,892,804
Finance cost	512,524	513,496	2,146,374	516,401	2,048,822
Other operating expenses	16,213,510	11,676,559	47,516,054	12,426,752	44,412,709
	<b>38,769,654</b>	<b>27,515,693</b>	<b>117,673,606</b>	<b>28,443,848</b>	<b>105,691,419</b>
<b>Operating profit</b>	<b>1,680,412</b>	<b>8,087,964</b>	<b>19,585,267</b>	<b>11,245,896</b>	<b>39,617,077</b>
Share of profit of associates	143,808	75,872	376,617	89,772	732,513
<b>Profit before taxation</b>	<b>1,824,220</b>	<b>8,163,836</b>	<b>19,961,884</b>	<b>11,335,668</b>	<b>40,349,590</b>
Taxation	(214,343)	(776,290)	(4,625,957)	(2,082,899)	(5,217,209)
<b>NET PROFIT</b>	<b>1,609,877</b>	<b>7,387,546</b>	<b>15,335,927</b>	<b>9,252,769</b>	<b>35,132,381</b>
Attributable to:					
Stockholders of parent	(2,116,769)	5,481,754	7,592,226	5,246,342	23,889,103
Non-controlling interest	3,726,646	1,905,792	7,743,701	4,006,427	11,243,278
	<b>1,609,877</b>	<b>7,387,546</b>	<b>15,335,927</b>	<b>9,252,769</b>	<b>35,132,381</b>
<b>Earnings per stock unit</b>					
Basic and diluted (expressed in \$)	<b>(0.92)</b>	<b>2.38</b>	<b>3.30</b>	<b>2.28</b>	<b>10.39</b>

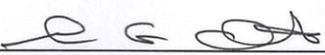
	RESTATED				
	Quarter ended September 30 2023 \$'000	Quarter ended June 30 2023 \$'000	Year ended September 30 2023 \$'000	Quarter ended September 30 2022 \$'000	Year ended September 30 2022 \$'000
<b>Net Profit</b>	<b>1,609,877</b>	<b>7,387,546</b>	<b>15,335,927</b>	<b>9,252,769</b>	<b>35,132,381</b>
<b>Other comprehensive income, net of tax-</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Remeasurements of post-employment benefit obligations	(2,039,462)	-	(2,065,100)	4,009,475	4,596,112
Other	249,278	-	249,278	-	-
	<u>(1,790,184)</u>	<u>-</u>	<u>(1,815,822)</u>	<u>4,009,475</u>	<u>4,596,112</u>
<b>Items that may be subsequently reclassified to profit or loss</b>					
Currency translation losses	(888,141)	(880,548)	(784,190)	(773,723)	(3,191,404)
Expected credit reversals/(losses) on debt instruments at fair value through other comprehensive income (FVOCI)	411,651	(904,014)	609,235	(557,097)	(366,683)
Unrealised (losses)/gains on securities designated as FVOCI	(9,169,024)	2,261,822	16,756,260	(22,042,357)	(52,250,534)
Realised fair value losses/(gains) on securities designated as FVOCI	1,186,327	(195,255)	966,553	9,322,076	3,649,163
	<u>(8,459,187)</u>	<u>282,005</u>	<u>17,547,858</u>	<u>(14,051,101)</u>	<u>(52,159,458)</u>
<b>Total other comprehensive (loss)/ income</b>	<b>(10,249,371)</b>	<b>282,005</b>	<b>15,732,036</b>	<b>(10,041,626)</b>	<b>(47,563,346)</b>
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME</b>	<b>(8,639,494)</b>	<b>7,669,551</b>	<b>31,067,963</b>	<b>(788,857)</b>	<b>(12,430,965)</b>
<b>Total comprehensive (loss)/income attributable to:</b>					
Stockholders of the parent	(11,126,221)	7,673,724	23,280,953	(4,514,090)	(15,821,275)
Non-controlling interest	2,486,727	(4,173)	7,787,010	3,725,233	3,390,310
	<u><b>(8,639,494)</b></u>	<u><b>7,669,551</b></u>	<u><b>31,067,963</b></u>	<u><b>(788,857)</b></u>	<u><b>(12,430,965)</b></u>

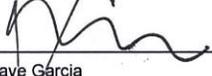
	RESTATED		
	September 30 2023 \$'000	September 30 2022 \$'000	September 30 2021 \$'000
<b>ASSETS</b>			
Cash in hand and balances at Central Banks	80,955,771	70,856,440	69,134,649
Due from banks	141,254,321	185,806,679	175,494,037
Derivative financial instruments	826,738	874,471	767,441
Reverse repurchase agreements	8,765,450	8,300,133	9,667,060
Loans and advances, net of credit impairment losses	613,788,134	580,987,814	523,488,890
Investment securities	825,709,348	711,734,420	683,855,078
Pledged assets	284,366,064	256,614,981	223,301,253
Investment in associates	7,330,319	7,051,463	5,950,188
Investment properties	36,593,390	38,713,587	38,218,322
Intangible assets	56,501,199	54,690,029	52,546,872
Property, plant and equipment	29,143,058	29,077,875	28,221,326
Right-of-use assets	4,979,316	5,111,594	5,234,938
Properties for development and sale	4,152,048	2,008,010	2,794,053
Deferred income tax assets	21,856,346	26,198,921	14,421,483
Income tax recoverable	7,838,875	2,558,641	3,767,401
Reinsurance assets	34,576,550	30,312,857	26,635,997
Letters of credit and undertaking	5,179,547	6,451,165	4,801,671
Other assets	61,440,991	60,837,179	48,827,313
<b>Total assets</b>	<b>2,225,257,465</b>	<b>2,078,186,259</b>	<b>1,917,127,972</b>
<b>LIABILITIES</b>			
Due to banks	31,908,336	37,501,992	24,104,359
Customer deposits	747,872,120	715,276,682	647,085,400
Repurchase agreements	279,754,087	247,676,853	224,805,387
Obligations under securitisation arrangements	98,195,007	99,085,658	63,087,217
Derivative financial instruments	9,192	-	45,228
Other borrowed funds	179,671,743	153,272,229	136,972,443
Deferred income tax liabilities	9,080,065	9,126,008	9,254,122
Third party interests in mutual funds	38,910,757	33,587,741	33,699,975
Liabilities under annuity and insurance contracts	459,549,252	441,463,531	433,056,798
Segregated fund liabilities	14,848,093	14,436,764	15,419,433
Investment contract liabilities	47,062,613	46,176,282	43,772,829
Post-employment benefit obligations	7,811,461	4,091,822	9,484,565
Letters of credit and undertaking	5,179,547	6,451,165	4,801,671
Lease liabilities	5,002,345	5,173,159	5,377,512
Other liabilities	76,671,028	71,657,387	59,496,007
<b>Total liabilities</b>	<b>2,001,525,646</b>	<b>1,884,977,273</b>	<b>1,710,462,946</b>
<b>STOCKHOLDERS' EQUITY</b>			
Share capital	153,827,330	153,827,330	153,827,330
Treasury shares	(25,674,883)	(26,652,675)	(27,198,690)
Reserve from the scheme of arrangement	(147,034,858)	(147,034,858)	(147,034,858)
Fair value and capital reserves	(9,440,533)	(26,945,082)	17,361,407
Loan loss reserve	5,753,840	6,349,934	2,269,374
Statutory reserve fund	6,933,385	6,897,231	6,795,733
Retained earnings reserve	75,270,000	67,170,000	65,320,000
Retained earnings	110,722,656	112,486,312	90,115,895
<b>Equity attributable to stockholders of the parent</b>	<b>170,356,937</b>	<b>146,098,192</b>	<b>161,456,191</b>
Non-controlling interest	53,374,882	47,110,794	45,208,835
<b>Total stockholders' equity</b>	<b>223,731,819</b>	<b>193,208,986</b>	<b>206,665,026</b>
<b>Total stockholders' equity and liabilities</b>	<b>2,225,257,465</b>	<b>2,078,186,259</b>	<b>1,917,127,972</b>

Approved for issue by the Board of Directors on November 21, 2023 and signed on its behalf by:

  
 Robert Almeida Interim Group Chief Executive Officer

  
 Malcolm Sadler Chief Financial Officer

  
 Professor, the Hon. Alvin Wint, OJ, CD Lead Independent Director

  
 Dave Garcia Corporate Secretary

	Share capital	Treasury shares	Reserve from the Scheme of Arrangement	Fair value and capital reserves	Loan loss reserve	Statutory reserve fund	Retained earnings reserve	Retained earnings	Non-controlling interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance as at October 1, 2021</b>	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 - Restated	-	-	-	-	-	-	-	23,889,103	11,243,278	35,132,381
Other comprehensive (loss)/income	-	-	-	(44,306,489)	-	-	-	4,596,112	(7,852,969)	(47,563,346)
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 non-controlling interest	-	-	-	-	-	-	-	-	(1,488,350)	(1,488,350)
<b>Balance at September 30, 2022 - Restated</b>	<b>153,827,330</b>	<b>(26,652,675)</b>	<b>(147,034,858)</b>	<b>(26,945,082)</b>	<b>6,349,934</b>	<b>6,897,231</b>	<b>67,170,000</b>	<b>112,486,312</b>	<b>47,110,794</b>	<b>193,208,986</b>
Total comprehensive income										
Net profit	-	-	-	-	-	-	-	7,592,226	7,743,701	15,335,927
Other comprehensive income	-	-	-	17,504,549	-	-	-	(1,815,822)	43,309	15,732,036
Transfer from loan loss reserve	-	-	-	-	(596,094)	-	-	596,094	-	-
Transfer to statutory reserve	-	-	-	-	-	36,154	-	(36,154)	-	-
Transfer to retained earnings reserve	-	-	-	-	-	-	8,100,000	(8,100,000)	-	-
Disposal of treasury shares	-	977,792	-	-	-	-	-	-	-	977,792
Dividends paid non-controlling interest	-	-	-	-	-	-	-	-	(1,522,922)	(1,522,922)
<b>Balance at September 30, 2023</b>	<b>153,827,330</b>	<b>(25,674,883)</b>	<b>(147,034,858)</b>	<b>(9,440,533)</b>	<b>5,753,840</b>	<b>6,933,385</b>	<b>75,270,000</b>	<b>110,722,656</b>	<b>53,374,882</b>	<b>223,731,819</b>

	<b>September 30 2023 \$'000</b>	<b>RESTATED September 30 2022 \$'000</b>
<b>Cash Flows from Operating Activities</b>		
Net profit	15,335,927	35,132,381
Adjustments to reconcile net profit to net cash provided by operating activities	54,676,058	14,356,450
Net cash provided by operating activities	<u>70,011,985</u>	<u>49,488,831</u>
<b>Cash Flows from Investing Activities</b>		
Acquisition of property, plant and equipment	(2,997,106)	(3,093,060)
Acquisition of intangible asset - computer software	(5,760,466)	(8,640,526)
Proceeds from disposal of property, plant and equipment	1,396,972	3,459,229
Purchase of investment property	(692,035)	(1,209,841)
Proceeds from disposal of investment property	4,829,887	952,088
Purchases of investment securities	(707,723,125)	(533,056,538)
Sales/maturities of investment securities	584,115,583	438,687,607
Net cash used in investing activities	<u>(126,830,290)</u>	<u>(102,901,041)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from securitisation arrangements	-	45,187,455
Repayments under securitisation arrangements	(2,745,242)	(9,089,479)
Proceeds from other borrowed funds	43,074,294	64,458,635
Repayments of other borrowed funds	(17,858,116)	(49,767,061)
Proceeds from disposal of treasury shares	-	463,275
Due to banks	(9,808,195)	8,654,988
Lease repayment	(1,729,837)	(1,633,705)
Dividends paid	(1,522,922)	(1,488,350)
Net cash provided by financing activities	<u>9,409,982</u>	<u>56,785,758</u>
Effect of exchange rate changes on cash and cash equivalents	<u>782,376</u>	<u>3,375,153</u>
Net (decrease)/increase in cash and cash equivalents	<u>(46,625,947)</u>	<u>6,748,701</u>
Cash and cash equivalents at beginning of period	202,491,841	195,743,140
<b>Cash and cash equivalents at end of period</b>	<b><u>155,865,894</u></b>	<b><u>202,491,841</u></b>
<b>Comprising:</b>		
Cash in hand and balances at Central Banks	30,977,917	25,364,556
Due from banks	138,368,133	183,381,829
Reverse repurchase agreements	4,303,162	1,870,664
Investment securities	6,386,437	11,894,607
Due to banks	(24,169,755)	(20,019,815)
	<b><u>155,865,894</u></b>	<b><u>202,491,841</u></b>

	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	38,311,614	30,246,812	15,205,650	22,456,491	23,448,286	129,884,272	91,596,909	(2,971,960)	348,178,074
Revenue from other segments	5,009,751	15,902	4,187,952	10,381,632	5,868,712	946,705	322,877	(26,733,531)	-
<b>Total Revenue</b>	<b>43,321,365</b>	<b>30,262,714</b>	<b>19,393,602</b>	<b>32,838,123</b>	<b>29,316,998</b>	<b>130,830,977</b>	<b>91,919,786</b>	<b>(29,705,491)</b>	<b>348,178,074</b>
Net interest income	29,310,802	7,722,957	9,630,633	3,034,358	6,262,955	17,507,370	1,327,753	(12,095,435)	62,701,393
Net fee and commission income	5,529,968	9,724,148	1,164,308	619,700	3,519,850	4,061,110	4,307,894	(2,726,593)	26,200,385
Gain/(loss) on foreign currency and investment activities	32,086	327,055	(3,955)	9,094,156	3,392,185	9,588,899	(127,103)	(2,061,950)	20,241,373
Net result from insurance activities	-	-	-	-	-	6,593,393	17,182,978	456,058	24,232,429
Credit impairment (losses)/reversals	(3,757,322)	(1,138,745)	(418,064)	495,948	89,819	(844,772)	117,253	152,574	(5,303,309)
Other operating income and dividend income	71,907	3,048	(7,540)	14,209	2,446,004	2,717,708	1,408,637	2,658,447	9,312,420
<b>Total operating income</b>	<b>31,187,441</b>	<b>16,638,463</b>	<b>10,365,382</b>	<b>13,258,371</b>	<b>15,710,813</b>	<b>39,623,708</b>	<b>24,217,412</b>	<b>(13,616,899)</b>	<b>137,384,691</b>
Staff costs	10,072,604	1,792,877	732,674	337,011	3,707,944	8,459,209	6,420,401	11,287,266	42,809,986
Depreciation and amortisation	1,227,907	522,181	208	11,615	145,329	1,155,608	494,316	2,245,704	5,802,868
Finance cost	490,447	11,112	16,863	6,489	55,836	55,939	432,711	292,886	1,362,283
Other operating expense	7,580,813	6,728,763	1,452,754	1,946,331	2,995,391	8,411,024	5,247,945	(4,096,407)	30,266,614
<b>Total operating expense</b>	<b>19,371,771</b>	<b>9,054,933</b>	<b>2,202,499</b>	<b>2,301,446</b>	<b>6,904,500</b>	<b>18,081,780</b>	<b>12,595,373</b>	<b>9,729,449</b>	<b>80,241,751</b>
Operating profit before allocated cost	11,815,670	7,583,530	8,162,883	10,956,925	8,806,313	21,541,928	11,622,039	(23,346,348)	57,142,940
Allocated costs	(12,534,722)	(6,088,122)	(1,944,078)	(1,068,850)	-	-	-	-	(21,635,772)
<b>Operating (loss)/profit</b>	<b>(719,052)</b>	<b>1,495,408</b>	<b>6,218,805</b>	<b>9,888,075</b>	<b>8,806,313</b>	<b>21,541,928</b>	<b>11,622,039</b>	<b>(23,346,348)</b>	<b>35,507,168</b>
Unallocated corporate expenses									(15,921,901)
Share of profit of associates									376,617
<b>Profit before taxation</b>									19,961,884
Taxation									(4,625,957)
<b>Net Profit</b>									15,335,927
Segment assets	572,506,912	49,297,162	195,370,365	395,857,316	451,939,350	654,427,906	130,401,224	(261,568,312)	2,188,231,923
Associates									7,330,319
Unallocated assets									29,695,223
<b>Total assets</b>									<b>2,225,257,465</b>
Segment liabilities	498,846,315	22,125,532	184,901,331	416,147,633	401,921,713	488,201,912	84,361,447	(104,060,302)	1,992,445,581
Unallocated liabilities									9,080,065
<b>Total liabilities</b>									<b>2,001,525,646</b>
Capital expenditure	3,413,205	2,275,712	225,386	445,110	593,188	791,487	290,135	723,349	8,757,572

RESTATED	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	\$'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)	-
<b>Total Revenue</b>	<b>38,127,899</b>	<b>25,314,860</b>	<b>15,127,470</b>	<b>25,612,609</b>	<b>24,423,984</b>	<b>126,407,992</b>	<b>84,652,235</b>	<b>(20,264,270)</b>	<b>319,402,779</b>
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	-	-	-	-	-	23,892,395	14,021,234	102,244	38,015,873
Credit impairment (losses)/reversals	(2,124,246)	(64,358)	235,580	85,364	575,985	(1,144,037)	(142,554)	(145,289)	(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
<b>Total operating income</b>	<b>30,785,019</b>	<b>14,219,173</b>	<b>10,206,403</b>	<b>14,918,623</b>	<b>16,008,522</b>	<b>52,580,383</b>	<b>19,250,084</b>	<b>(13,829,695)</b>	<b>144,138,512</b>
Staff costs	9,538,785	1,518,248	649,039	293,460	3,197,537	8,834,068	6,298,156	7,229,248	37,558,541
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
<b>Total operating expense</b>	<b>18,440,766</b>	<b>8,101,019</b>	<b>1,996,986</b>	<b>1,799,932</b>	<b>6,858,024</b>	<b>19,817,940</b>	<b>13,423,518</b>	<b>5,880,550</b>	<b>76,318,735</b>
Operating profit before allocated cost	12,344,253	6,118,154	8,209,417	13,118,691	9,150,498	32,762,443	5,826,566	(19,710,245)	67,819,777
Allocated costs	(12,286,723)	(3,867,886)	(1,547,565)	(708,533)	-	-	-	-	(18,410,707)
<b>Operating (loss)/profit</b>	<b>57,530</b>	<b>2,250,268</b>	<b>6,661,852</b>	<b>12,410,158</b>	<b>9,150,498</b>	<b>32,762,443</b>	<b>5,826,566</b>	<b>(19,710,245)</b>	<b>49,409,070</b>
Unallocated corporate expenses									(9,791,992)
Share of profit of associates									732,513
<b>Profit before taxation</b>									<b>40,349,591</b>
Taxation									(5,217,209)
<b>Net Profit</b>									<b>35,132,381</b>
Segment assets	479,573,398	44,280,064	182,202,778	437,530,022	417,792,263	620,211,568	118,597,422	(257,810,281)	2,042,377,234
Associates									7,051,463
Unallocated assets									28,757,562
<b>Total assets</b>									<b>2,078,186,259</b>
Segment liabilities	455,122,313	26,684,561	167,154,220	412,216,949	375,163,174	466,160,855	77,902,010	(104,552,817)	1,875,851,265
Unallocated liabilities									9,126,008
<b>Total liabilities</b>									<b>1,884,977,273</b>
Capital expenditure	4,030,621	3,749,372	143,438	338,097	600,457	1,197,029	1,240,268	434,304	11,733,586

### 1. Identification and Principal Activities

NCB Financial Group Limited (“the Company”) is a financial holding company, incorporated and domiciled in Jamaica. The Company is 51.15% (September 30, 2022 - 52.68%) 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, 2023 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, 2022 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.

#### *Update on the adoption of IFRS 17 – Insurance Contracts*

The interim consolidated financial statements have been prepared using International Financial Reporting Standards (IFRS) 4 – Insurance Contracts. However, our insurance subsidiary, Guardian Holdings Limited, adopted IFRS 17 – Insurance Contracts effective January 1, 2023. IFRS 17 will materially change the recognition and measurement of insurance contracts and the corresponding presentation and disclosures mainly in the Life, Health and Pension (LHP) segment. The Group, however, will adopt IFRS 17 at the start of the next financial year, on October 1, 2023, as the standard is effective for annual periods beginning on or after January 1, 2023.

### 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, certain inactive subsidiaries and the parent company are classified as Other for segment reporting. Eliminations comprise inter-segment transactions and adjustments on consolidation of the financial statements are also included in this segment.

#### 4. Restatement

The result for the 2022 financial year was restated due to misstatements in our Life Insurance Subsidiary and at the Holding Company. These misstatements affected the insurance reserves and staff costs. The impacted categories and the amounts are detailed in the table below:

INCOME STATEMENT	As previously reported	Restatement	Restated
	\$'000	\$'000	\$'000
Net result from banking and investment activities	107,292,623	-	107,292,623
Net underwriting income	123,908,912	-	123,908,912
Policyholders' and annuitants' benefits and reserves	(113,569,020)	(4,288,121)	(117,857,141)
Reinsurance on policyholders' and annuitants benefits	48,670,360	-	48,670,360
Commission and other selling expenses	(16,706,258)	-	(16,706,258)
Net result from insurance activities	42,303,994	(4,288,121)	38,015,873
<b>Net Operating Income</b>	<b>149,596,617</b>	<b>(4,288,121)</b>	<b>145,308,496</b>
Staff costs	49,105,761	1,231,323	50,337,084
Other operating expenses	55,354,335	-	55,354,335
	<b>104,460,096</b>	<b>1,231,323</b>	<b>105,691,419</b>
Operating profit	45,136,521	(5,519,444)	39,617,077
Share of profit of associates	732,513	-	732,513
<b>Profit before taxation</b>	<b>45,869,034</b>	<b>(5,519,444)</b>	<b>40,349,590</b>
Taxation	(5,946,189)	728,981	(5,217,208)
<b>Profit after taxation</b>	<b>39,922,845</b>	<b>(4,790,464)</b>	<b>35,132,381</b>
BALANCE SHEET	As previously reported	Restatement	Restated
	\$'000	\$'000	\$'000
Cash in hand and due from banks	244,628,686	-	244,628,686
Investment securities	968,349,401	-	968,349,401
Loans and advances, net of credit impairment losses	580,987,814	-	580,987,814
Property, plant, equipment & software	83,767,904	-	83,767,904
Deferred & income taxes	28,028,581	728,981	28,757,562
Other assets	172,926,215	(1,231,323)	171,694,892
<b>Total assets</b>	<b>2,078,688,601</b>	<b>(502,342)</b>	<b>2,078,186,259</b>
Customer deposits	715,276,682	-	715,276,682
Repurchase agreements	247,676,853	-	247,676,853
Borrowed funds	252,357,887	-	252,357,887
Liabilities under annuity and insurance contracts	437,175,410	4,288,121	441,463,531
Other liabilities	228,202,320	-	228,202,320
<b>Total liabilities</b>	<b>1,880,689,152</b>	<b>4,288,121</b>	<b>1,884,977,273</b>
Share capital & other equity	33,611,880	-	33,611,880
Retained earnings	115,916,115	(3,429,803)	112,486,312
<b>Equity attributable to stockholders of the parent</b>	<b>149,527,995</b>	<b>(3,429,803)</b>	<b>146,098,192</b>
Non-controlling interest	48,471,454	(1,360,660)	47,110,794
<b>Total stockholders equity</b>	<b>197,999,449</b>	<b>(4,790,463)</b>	<b>193,208,986</b>
<b>Total stockholders equity and liability</b>	<b>2,078,688,601</b>	<b>(502,342)</b>	<b>2,078,186,259</b>

## Interest/Ownership of Stock Units by Directors of NCB Financial Group Limited as at September 30, 2023

<b>Directors</b> <sup>1.</sup>	<b>Total</b>	<b>Direct</b>	<b>Connected Parties</b>
Robert Almeida	65,990,231	171,750	65,818,481
Dennis Cohen <sup>2.</sup>	132,764,818	2,267,344	130,497,474
Sandra Glasgow <sup>2.</sup>	130,848,050	188,126	130,659,924
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	1,410,890,347	146,698	1,410,743,649
Thalia Lyn, OD <sup>2.</sup>	131,075,213	429,449	130,645,764
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, 2023

<b>Executives</b>	<b>Total</b>	<b>Direct</b>	<b>Connected Parties</b>
Robert Almeida <sup>1.</sup>	65,990,231	171,750	65,818,481
Dennis Cohen <sup>1.2.</sup>	132,764,818	2,267,344	130,497,474
Dave Garcia (Corporate Secretary)	175,027	175,027	0
Hon. Patrick Hylton, OJ, CD <sup>1.</sup>	75,324,136	9,505,655	65,818,481
Malcolm Sadler	58,827	28,774	30,053
Misheca Seymour-Senior	27,195	27,195	0
Mukisa Wilson Ricketts	87,552	87,552	0
Allison Wynter <sup>2.</sup>	65,007,230	191,237	64,815,993

## Interest/Ownership of Stock Units by Executives/Senior Managers of subsidiaries of NCB Financial Group Limited as at September 30, 2023

<b>Executives</b>	<b>Total</b>	<b>Direct</b>	<b>Connected Parties</b>
Gabrielle Banbury-Kelly	95,508	95,508	0
Septimus Blake	211,144	211,144	0
Danielle Cameron Duncan	92,854	92,854	0
Ian Chinapoo	0	0	0
Euton Cummings	10	10	0
Jacqueline De Lisser	30,146	30,146	0
Raymond Donaldson	0	0	0
Steven Gooden	4,293	4,293	0
Vernon James	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
Antonio Spence	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 64,675,993 held as trustees of the N.C.B. Staff Pension Fund.

## 10 Largest Shareholders of NCB Financial Group Limited as at September 30, 2023

Name of Shareholder	Units	Percentage Ownership
AIC (Barbados) Limited	1,261,730,942	51.15%
MF&G Asset Management Limited - NCB Share Scheme	103,432,153	4.19%
Sagicor PIF Equity Fund	73,706,956	2.99%
NCB Insurance Agency & Fund Managers Limited WT 109	54,715,172	2.22%
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	32,683,334	1.32%
SJIML A/C 3119	31,039,032	1.26%
Guardian Life of the Caribbean	30,206,368	1.22%

## Shareholder Profile of NCB Financial Group Limited as at September 30, 2023

Number of Shareholders	Ownership of Each Shareholder	Percentage Ownership	Number of Units
One shareholder with five accounts	51.15%	51.15%	1,261,730,942
10	1 - 5%	19.33%	476,936,006
44,796	Less than 1%	29.52%	728,095,880
<b>44,807</b>		<b>100.00%</b>	<b>2,466,762,828</b>