

MINUTES OF THE ANNUAL GENERAL MEETING OF NCB FINANCIAL GROUP LIMITED HELD AT THE ATRIUM, 32 TRAFALGAR ROAD, KINGSTON 10, IN THE PARISH OF SAINT ANDREW, JAMAICA, AND ONLINE ON FEBRUARY 5, 2021, AT 3:00 P.M.

PRESENT

Hon. Michael Lee-Chin, OJ	-	Chairman
Prof. Alvin Wint, CD	-	Lead Independent Director
Hon. Patrick Hylton, OJ, CD	-	President and Group Chief Executive Officer
Mr Dennis Cohen	-	Group Chief Financial Officer & Deputy Chief Executive Officer
Mr Robert Almeida	-	Director
Mrs Sandra Glasgow	-	Director
Mrs Sanya Goffe	-	Director
Mr Adrian Lee-Chin	-	Director
Mr Dave Garcia	-	Corporate Secretary

ABSENT

Mrs Thalia Lyn, OD	-	Director
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Mr Paul Williams, representing the Auditors, Messrs PricewaterhouseCoopers, was also in attendance as well as over 161 registered shareholders.

1. THE NATIONAL ANTHEM

The National Anthem was played.

2. CHAIRMAN'S WELCOME

Professor Wint, Lead Independent Director, opened the meeting noting that it was the first time that the Chairman was not physically present at an Annual General Meeting, since he had become Chairman, but that he was online.

Having received confirmation from the Secretary that there was a quorum, Prof. Wint then called the meeting to order.

The Secretary indicated that the meeting was being held in a manner different from previous years due to the observance of COVID-19 protocols. He acknowledged the presence of the Directors, some of whom were present in person while others had joined online.

The Secretary tendered apologies on behalf of Director, Mrs Thalia Lyn, who was travelling. He informed the meeting that with the Board Chairman not being physically present, the Lead Independent Director, Prof. Alvin Wint, would be chairing the meeting.

The Meeting Chair then invited Mr Lee-Chin, Board Chairman, to give his welcome and opening remarks. Mr. Lee-Chin recalled and highlighted the general negative macro-economic conditions which existed in 2002 prior to the change of ownership of the institution and noted that the organisation had a culture of succeeding through difficult times by focussing on its vision, customer experience, delivering value to its stakeholders and building communities. Optimism, he said, was very important and that it had helped to propel the organisation through the difficult times. He commented that the difficulties of the past were training for the current environment and expressed confidence that the Group would emerge stronger.

Moment of Silence

A moment of silence was observed for persons who had passed during the year including several pensioners, shareholders and the following members of staff:

- Dr Rickert Allen
- Mrs Susan Hosang
- Mr Stuart Reid
- Mrs Andrea Lowe-Garwood

3. PRAYERS

The Meeting Chair then introduced Mr Stephen Ricketts, Assistant General Manager - Finance, Transformation Office, National Commercial Bank Jamaica Limited, who prayed.

4. NOTICE OF THE MEETING

The Secretary then outlined the procedures for the meeting and introduced members, Ms. Jacqueline DeLisser, Head of Investor Relations, and Mrs Stephanie Neita, Assistant Corporate Secretary, who he said were physically present and would be moving and seconding the motions for the resolutions at the meeting. He also gave instructions with regards to voting, noting that some members may have opted to vote beforehand, which was permitted within the scope of the Supreme Court Order relating to the holding of the Annual General Meeting.

On a motion duly proposed by Ms. Jacqueline DeLisser and seconded by Mrs Stephanie Neita, the following resolution was put to the Meeting:

"THAT the Notice of the meeting as circulated be taken as read."

Following the elapse of time given for voting electronically, the results were displayed and the Secretary confirmed that all votes were in favour. The Meeting Chair declared the motion carried.

The Secretary advised that a number of proxies had been received and that a Proxy Register was available. Given the different circumstances under which the meeting was being held, persons who wished to inspect the Proxy Register were invited to contact the Registrar, Jamaica Central Securities Depository.

5. REPORT ON THE FINANCIAL AND BUSINESS PERFORMANCE

The Meeting Chair invited the Group Chief Financial Officer & Deputy Chief Executive Officer, Mr Dennis Cohen, to deliver his report. He advised that Mr Cohen would be followed by the President and Group Chief Executive Officer, Hon Patrick Hylton, CD, OJ. The Meeting Chair extended congratulations on behalf of the Board and asked everyone to join him in congratulating the Hon. Mr Patrick Hylton CD, OJ, on been awarded the Order of Jamaica last year.

Mr Cohen then addressed the meeting aided by a PowerPoint presentation.

Mr Cohen first thanked staff and customers for the unwavering support during the challenging times, and also expressed gratitude to frontline workers across the territories for their dedication and service.

He gave an overview of the performance for the financial year 2019/2020, in which net income of \$26.9 billion was achieved. He also outlined the financial performance for the quarter ended December 31, 2020.

He also noted the improvements in the various business segments and highlighted the streamlining of the insurance business with the sale at the end of the 2020 financial year of NCB Insurance Company Limited's portfolio to Guardian Life Limited.

Mr Cohen noted that the Group's financial strength continued to be demonstrated in the asset base and equity which totalled \$1.8 trillion and \$165 billion respectively at the end of December 2020.

He said that the Group would continue its history of delivering strong financial performance through growth and efficiency, while empowering the team to achieve shared goals, ultimately leading to continued success.

A copy of Mr Cohen's presentation is attached as Appendix 1.

Hon. Mr Patrick Hylton, OJ, CD, President and Group Chief Executive Officer, then spoke. He expressed gratitude at being afforded the opportunity of stewardship for the organization for over 16 years. He spoke of the challenges of 2020 and expressed optimism about the year ahead.

Mr Hylton indicated that at the beginning of the 2020 financial year, the Group had embarked on a bold 2024 aspiration to become a world-class Caribbean financial ecosystem anchored by four main pillars:

- Strong financial performance
- Delighted customers
- Inspired people and culture
- Digital to the core

He said that the team remained committed to that aspiration.

Mr Hylton mentioned the four "Ps" that would continue to guide the journey, namely: 1. Pivot – knowing when to pivot or to try an alternate approach, 2. Pursuing new opportunities, 3. Persistence – persevering through challenging times and 4. Paying it forward – showing support for our citizens and communities.

He said the Group faced many trials and would continue to encounter them as the aspiration grew, but would not back down and would use adversity as a platform for even greater accomplishments.

6. AUDITED ACCOUNTS

The Secretary indicated that questions were being accepted via e-mail as well as through the application used to join the meeting. He said persons who had challenges joining the meeting using the application were also able to join participate via YouTube, noting that questions being submitted on YouTube were being monitored.

At the request of the Secretary, Mr Paul Williams of Messrs PricewaterhouseCoopers read the Auditors' Report on pages 155 to 167 of the Annual Report.

The following resolution was then proposed by Ms. Jacqueline DeLisser and was duly seconded by Mrs Stephanie Neita:

"THAT the Audited Accounts for the year ended September 30, 2020 and the Reports of the Directors and Auditors, circulated with the Notice convening the Meeting, be and are hereby adopted."

The motion was put to the vote electronically, after which the Meeting Chair declared that it had been carried.

Discussion was then taken on the audited accounts. Questions, answers and comments on the accounts have been attached to these minutes as Appendix 2.

7. DECLARATION OF DIVIDENDS

The following resolution was proposed by Ms. Jacqueline DeLisser and seconded by Mrs Stephanie Neita:

"THAT the interim dividends per stock unit of \$1.00 paid in December 2019 and \$0.90 paid in March 2020 be treated on the recommendation of the Directors as the final dividend for the financial year ended September 30, 2020."

Questions and answers on the Declaration of Dividends have been attached to these minutes as Appendix 3.

The motion was put to the vote electronically, after which the Meeting Chair declared that it had been carried.

8. ELECTION OF DIRECTORS

- (a) The Secretary said Article 94 of the Company's Articles of Incorporation provides that one-third of the Board other than the Managing Director (that is, our President and Group Chief Executive Officer) and Deputy Managing Director (that is, our 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 advised that the Directors retiring under this Article were Prof. Alvin Wint and Mr Robert Almeida who, being eligible, had offered themselves for re-election.

The proposed Resolutions were thereafter put to the Meeting individually as follows:

- (i) **"THAT Director, PROF. ALVIN WINT retiring pursuant to Article 94 of the Articles of Incorporation be and is hereby re-elected."**

This motion was proposed by Mrs Stephanie Neita and seconded by Ms. Jacqueline DeLisser. Following a vote done electronically, the Meeting Chair declared that it had been carried.

- (ii) **"THAT Director, MR ROBERT WILFRED ALMEIDA, retiring pursuant to Article 94 of the Articles of Incorporation be and is hereby re-elected."**

This motion was proposed by Mrs Stephanie Neita and seconded by Ms. Jacqueline DeLisser. Following a vote done electronically, the Meeting Chair declared that it had been carried.

- (b) The Secretary indicated that Mr Adrian Lee-Chin had been appointed Director of the Company on July 29, 2020 and that under Article 103 of the Company's Articles of Incorporation his appointment expired on the date of the Meeting but, being eligible, he was offering himself for re-election.

The proposed resolution was therefore as follows:

- (iii) **"THAT Director, MR ADRIAN LEE-CHIN, retiring pursuant to Article 103 of the Articles of Incorporation be and is hereby re-elected."**

This motion was proposed by Mrs Stephanie Neita and seconded by Ms. Jacqueline DeLisser. Following a vote done electronically, the Meeting Chair declared that it had been carried.

9. DIRECTORS' REMUNERATION

The Secretary said the next item for consideration was the remuneration of directors.

The following resolution was proposed by Ms. Jacqueline DeLisser and seconded by Mrs Stephanie Neita:

- (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 electronically and the Meeting Chair declared that it had been carried.

The following resolution was then proposed by Ms. Jacqueline DeLisser and seconded by Mrs Stephanie Neita

(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, 2021, 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 electronically and the Chairman declared that it 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 Mrs Stephanie Neita and seconded by Ms. Jacqueline DeLisser:

"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, in his capacity as Chairman of the Audit Committee, was invited by the Company Secretary, to address the meeting.

In his brief remarks, Prof. Wint indicated that the Audit Committee had considered the capacity and capabilities of audit firms that available to NCB Financial Group Limited (NCBFG) and the entities within the Group and continued to be satisfied with the performance of PricewaterhouseCoopers.

The motion was then put to the vote electronically and the Meeting Chair declared that it had been carried.

The Secretary thanked all members for their participation in this section of the meeting.

11. QUESTIONS AND ANSWERS

Questions and remarks were invited from the floor in addition to any already submitted. The questions/comments then covered a range of topics, as captured in Appendix 4.

12. TERMINATION

The Meeting Chair thanked everyone for their hard work in preparing for the meeting. He made specific mention of Ms. Jacqueline DeLisser, Mrs Stephanie Neita and the Corporate Secretary. He then thanked the members for their attendance and declared the meeting terminated at 5:31 p.m.



MEETING CHAIRMAN



CORPORATE SECRETARY



RECORDING SECRETARY

APPENDIX 1

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



Performance Highlights

 Business Model	Resilience through scale, regional and business diversification
 Strategy	Disciplined execution of strategic priorities
 Financial Performance	Commendable performance

NCB Financial Group Limited | FINANCIAL RESULTS | Financial Performance Statement 3Q 2020


Financial Performance

Net Profit* (\$'M)



EPS **\$12.30** **\$8.01**

* Attributable to stockholders of NCBFG

Financial summary (Sep-20 vs. Sep-19)

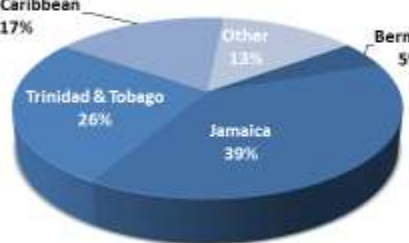
- **Operating revenues** of \$108.8 billion, up \$17.6 billion or 19%
 - Net result from banking and investment activities of \$76.4 billion, down \$379 million
 - Net result from insurance activities of \$32.0 billion, up 125% or \$18.0 billion
- **Operating expenses** of \$81.6 billion, up \$16.8 billion or 26%
- **Prior year** included one-off adjustments totaling \$8.2 billion

Key Financial Metrics	Sep-19	Sep-20
Return on assets	2.40%	1.57%
Return on equity	21.52%	12.53%
Cost to income ratio	67.43%	68.48%
1 year shareholder return	70.41%	-36.40%
Share price	208.75	130.90


NCB Financial Group Limited | FINANCIAL RESULTS | Financial Performance Statement 3Q 2020

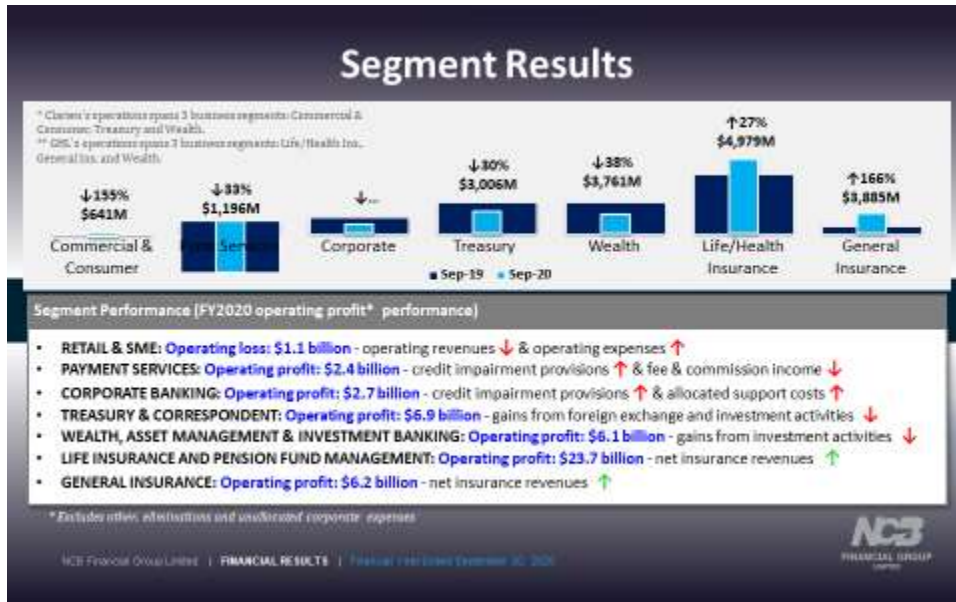

Geographic Diversification

GEOGRAPHICAL COMPOSITION OF OPERATING INCOME



■ Bermuda
■ Jamaica
■ Trinidad & Tobago
■ Dutch Caribbean
■ Other

NCB Financial Group Limited | FINANCIAL RESULTS | Financial Performance Statement 3Q 2020




Financial Strength

	Sep-20	Year over Year Growth Rate	Sep-20	Year over Year Growth Rate
Total Assets	\$1.8T	+11%	Investment Securities	\$853B +12%
Equity	\$156B	+6%	Customer Deposits	\$574B +14%
Loans	\$453B	+7%	Liabilities under Annuity & Insurance Contracts	\$405B +3%

NC3
FINANCIAL GROUP

NCB Financial Group Limited | FINANCIAL RESULTS | Fiscal Year Ended December 31, 2020

AGENDA

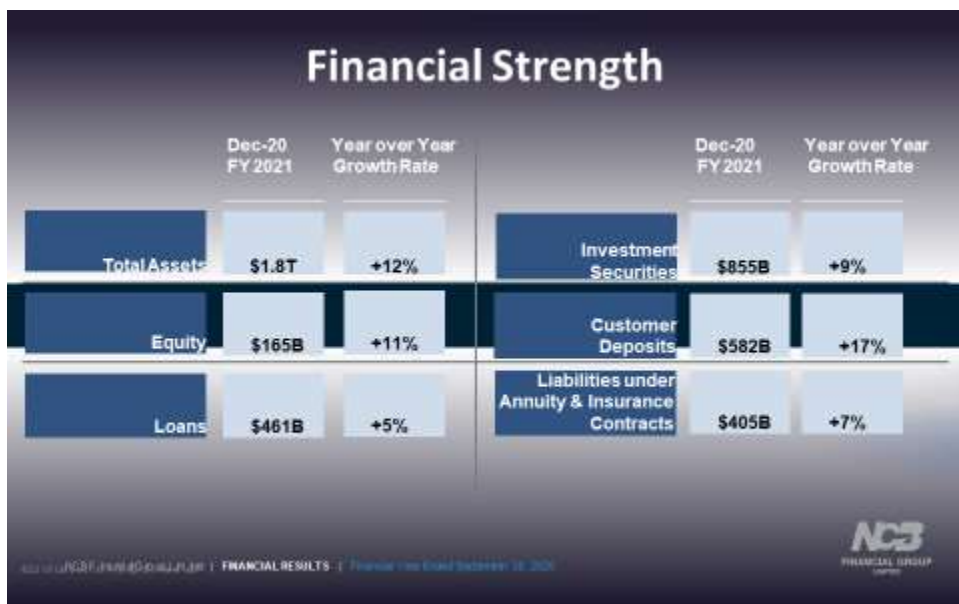
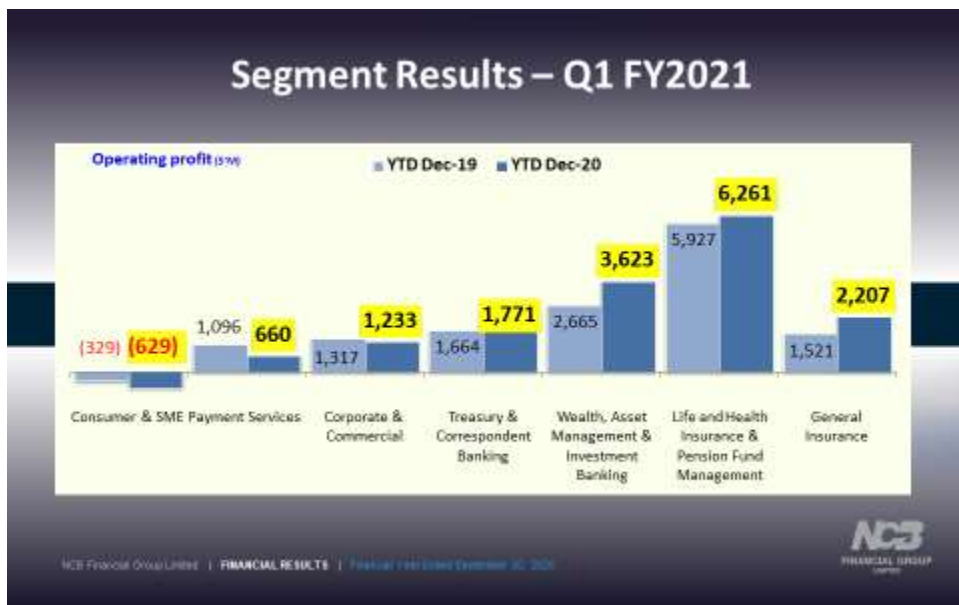
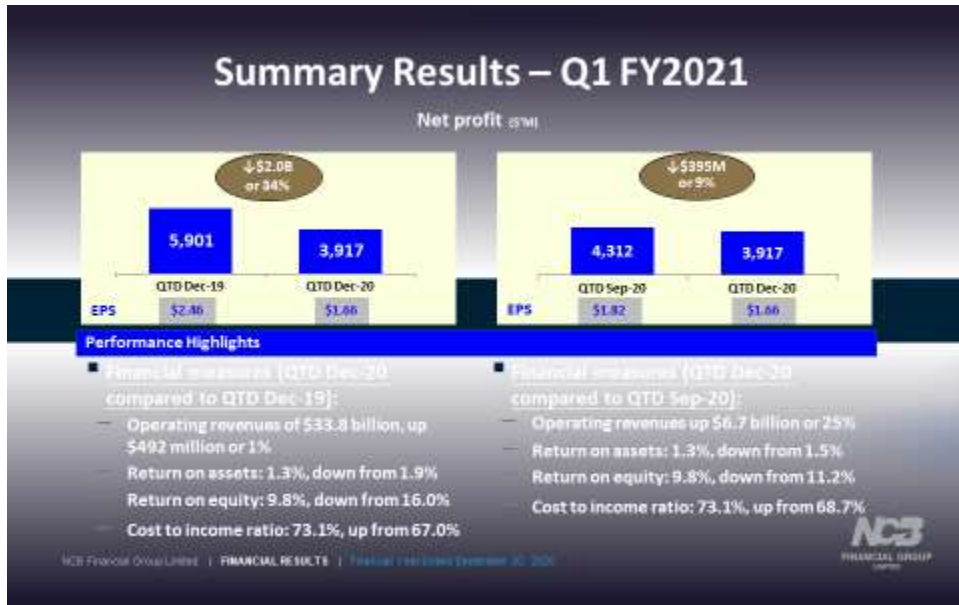
Financial Performance FY2020

FINANCIAL PERFORMANCE Q1 FY2021

Outlook

NC3
FINANCIAL GROUP

NCB Financial Group Limited | FINANCIAL RESULTS | Fiscal Year Ended December 31, 2020



AGENDA

Financial Performance FY2020

Financial Performance Q1 FY2021

OUTLOOK

NCS Financial Group Limited | FINANCIAL RESULTS | Financial Year Ended September 30, 2020



FOUR THRUSTS OF OUR 2024 ASPIRATION

 <p>We will deliver world class growth, efficiency, return on assets and equity</p> <p>01</p> <p>Strong Financial Performance</p>	 <p>We will become the employer of choice, with strong organisational health, and a place where each employee is proud to be a part of the team and committed to our success as an organisation</p> <p>02</p> <p>Inspired People & Culture</p>	 <p>We will be the preferred and most trusted financial partner for customers across segments</p> <p>03</p> <p>Delighted Customers</p>	 <p>We will operate a world-class technology and analytics platform that enables fast, simple, intuitive, secure, stable, and delightful digital-first experiences for customers and employees</p> <p>04</p> <p>Digital to the Core</p>
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THANK YOU

NCS Financial Group Limited | FINANCIAL RESULTS | Financial Year Ended September 30, 2020



APPENDIX 2

QUESTIONS AND ANSWERS ON THE AUDITED ACCOUNTS

Question	Mr David Rose asked about dividends paid by NCB Capital Markets Limited to National Commercial Bank Jamaica Limited in the context where a dividend was not declared by NCBFG to shareholders.
Response	Mr Cohen responded that NCB Capital Markets Limited has an independent dividend policy and payment was made consistent with that policy. The Group's dividend arrangement was different and separate from the policy of NCBCM.
Question	Mr Rose asked whether the increase in staff cost year over year had anything to do with COVID 19.
Response	Mr Cohen explained that it represented the usual increase in salaries and allowances for the financial year. There was also an exceptional cost based on a payment in the current period related to the prior year.
APPENDIX 3 QUESTIONS AND ANSWERS ON DECLARATION OF DIVIDENDS	
Question	Ms. Lorna Scharschmidt indicated that she had not received any dividend payments recently and expressed concern about the lack of communication with regards to dividend payments.
Response	Mr Garcia indicated that the information regarding the position related to dividends at this time was available publicly on the Jamaica Stock Exchange website, the Trinidad and Tobago Stock Exchange website and Mynccb.com website.
Question	Mr David Rose asked if any agreement had been secured from shareholders who held more than 1% of the Company's issued shares to facilitate dividends being declared.
Response	Mr Garcia responded that consent would be required from all shareholders who would not be receiving dividends and that had not been received.
Question	Mr Carl Carby expressed concern about the non-payment of dividends and asked if consideration had been given to paying even a small dividend.
Response	Mr Cohen referred to the Secretary's response earlier regarding obtaining consent of all the shareholders who hold more than 1% of shares. Second, he indicated that the focus was on long term sustainability of the organisation. He explained that in the light of the pandemic, it was not business as usual and it was prudent and common in even stable financial institutions not to pay dividends at the time. He encouraged the shareholders to focus on the long term and put less emphasis on the short term dividend receipts. He said that there were strong indications that the Company would return to its regular dividend payment pattern in due course.

**APPENDIX 4
GENERAL COMMENTS/QUESTIONS & ANSWERS**

Question	Mr Randy Aird asked when access would be allowed to the Stock Exchanges in Trinidad & Tobago and Barbados now that NCB Capital Markets Limited (NCBCM) had its own trading platform.
Response	Mr Steven Gooden (Chief Executive Officer, NCBCM) indicated that last year a Barbados Stock Exchange licence was obtained for NCB Capital Markets (Barbados) Limited and that NCB Global Finance Limited had recently applied for a relevant licence in the Trinidad and Tobago. Once the licences had been obtained the system would be rolled out in both territories which would allow investors to participate to the extent that they had accounts.
Question	Mr Randy Aird asked about any plans for NCB to become a world global bank.
Response	Mr Hylton responded that the immediate focus was on the 2024 aspiration to which he had spoken earlier in the meeting of becoming a Caribbean financial ecosystem. He indicated that the Group now operated in approximately 20 countries across the region. He said plans were in place to enhance operations and improve performance to a level to achieve regional dominance while at the same time committing to obtaining world class standards so that wherever the opportunity presented itself and once it was consistent with the plans and strategies then approaches would be made into those areas where the opportunity exists.
Question	Mr Willis asked what were the measures in place to reduce the Company's leverage.
Response	Mr Cohen indicated that the focus was driven by a build-up of retained earnings and being fairly conservative with dividends. He said that discussions about other relevant activities were being held, but were confidential at this time and would be disclosed in a few months. He added that the matter was certainly a significant topic for the Board.
Question	Mr David Rose referred to NCB holding the majority of Jamaica's tourism related debts and travel being restricted to Jamaica as well as low occupancy levels in the hotels, and asked how NCB planned to address the heightened risk associated with the tourism and hospitality related industry.
Response	Mr Cohen made reference to the Chairman's opening remarks about the institution being seasoned in managing crises. He said that this was just another crisis and that the status was not expected to remain forever. Also, with the recent developments regarding vaccination, the US Election and the decisions regarding stimulus etc. the focus was on providing a bridge for customers to endure the crisis. He suggested that it was more a question of duration and the strength of the bridge but that the team was optimistic and expected to be out of it in a few months.
Question	Mr David Rose asked if there had been a tightening of credit requirements for unsecured loans and a subsequent increase in collateralised assets to match the associated level of risks in the COVID 19 environment.
Response	Mr Septimus Blake indicated that there was no tightening of the parameters for the extension of credit. There was, however, consistent updating of views in terms of emerging risks and adjustments were done accordingly.
Question	Mr Ralston Samuels asked whether, with NCB constantly innovating and pioneering digitization initiatives to improve its efficiency rate, the team was satisfied with the benefits being obtained from innovation.
Response	Mr Hylton responded that generally there was satisfaction with the benefits of the innovations. He said there would be a deepening of digitization because it would enable greater efficiencies across the business. He explained that the adoption of some of the innovations had to be accelerated and the inability to recently improve the efficiency ratio in the manner desired was driven by the challenges of the current crisis. The current environment had impacted on the financial performance of the business and was not a reflection of a general deterioration in the operating performance of the business.
Question	Mr Mark Gayle asked about the rationale or justification for not containing staff costs but allowing them to erode net income, given the fact that net operating income had not moved substantially for the last quarter compared to the corresponding quarter the previous year.

Response	Mr Cohen responded that a big part of the reduction that was noted resulted from a reduction in spreads in the market; in addition, there had been the effects from a falloff in asset prices. The scale of the operation in the organisation had not contracted and there had not been a contraction in operations; therefore, there was no imperative to contract staffing. In fact, there had been an expansion in total assets by approximately 10% and growth in the number of transactions in many aspects of the business. Thus, while there had been a reduction in net income as a result of spread compression and reduced asset prices, the general scale of the business remained intact and in some areas would have increased.
Question	Mr David Rose noted that Clarien has not paid any dividend to NCBFG since its acquisition and enquired what was the current outlook and expectation of when there would be a more positive contribution to the Group.
Response	Mr Cohen responded that Clarien had been doing fairly well, especially in the context of the economic climate. Bermuda, he explained, was also dependent on tourism and in spite of the contraction in tourism globally, Clarien remained profitable. He noted that the focus for Clarien had been preservation of capital and also liquidity because it is a deposit taking institution and, as was the case with the National Commercial Bank Jamaica Limited, the focus was on long term sustainability, liquidity and capital preservation.
Question	Mr David Rose asked whether the transfer of the portfolio of NCB Insurance Company Limited, now NCB Insurance Agency and Fund Managers Limited (NCBIA) to Guardian Life Limited meant that the future net profit attributable to shareholders would be recorded at only 62% of what was attributable to the \$8 billion profit engine which NCB Insurance Company Limited had been.
Response	Mr Cohen responded that while on the surface it might appear that way, significant synergies in operations were expected with the combination of the portfolio. Effectively, the expectation was that shareholders would be getting 62% of a bigger number of Guardian Life Limited. The transaction had also freed up capital in NCBIA. NCBIA also retains the pension fund aspect of the business which was also significant as NCBFG continued to get 100% of the return from that line.
Question	Mr Ralston Samuels asked what the expectations were in relation to the organisation's future reserves and possible releases of reserves that were built up in anticipation of massive defaults, or if plans were being made for enforcing more credit defaults, given the near to medium term economic uncertainties arising from the pandemic and likely lingering recessionary events.
Response	Mr Cohen indicated that based on recent developments, the forecast was beginning to look more positive. With the development of vaccines, more certainties in relation to the U.S. elections etc. there was a consensus that the end was in sight. If things continued along this path, then there should be some recovery. Comments by the Bank of Jamaica indicated an expectation of growth in the next fiscal year and expectation of recovery to pre-COVID-19 levels in the fiscal year following; the Group's direction could be expected to be consistent with the expectation of the Jamaican economy. A positive outlook was beginning to emerge and over time there should accordingly be a reclaiming of those reserves.
Question	Mr David Rose asked whether in the light of the falling apart of the FCIB/CIBC deal if NCBFG would be considering expanding its banking reach throughout the Caribbean by purchasing some of the assets or banks in the region.
Response	Mr Hylton responded that to the extent there were opportunities and they were consistent with the direction in which the Group was going and NCBFG was able to capitalise, such opportunities could be explored. However, at this time there were no announcements to be made in relation to any transactions. When that time comes, the necessary announcements would be made.
Question	The question was asked about the plan to extract more for NCBFG from its overseas subsidiaries.
Response	Mr Hylton responded that the plan was two dimensional: first to work with overseas subsidiaries to enhance their own performance and second to determine where there were synergies and complementary initiatives on which to capitalise. Initiatives such as optimising the benefits of the sale of the NCBIA portfolio to Guardian Life Limited, and a host of other initiatives, were being pursued. With those efforts continuing the benefits would be seen going forward.