

Financial Results

For The Financial Year Ended September 30, 2021

KEY RESULTS



\$14.23B

Net Profit



\$1.92T

Total Assets



\$161.09B

Equity



\$6.25

EPS



1.08%

Return on Assets



8.97%

Return on Equity

Fourth Quarter 2021 Report to Shareholders

Kingston, Jamaica - November 11, 2021

The Board of Directors is pleased to release the following financial results for NCB Financial Group Limited (NCBFG) and its subsidiaries (the Group) for the financial year ended September 30, 2021.

NCBFG reports consolidated net profit of \$20.1 billion, a decline of 25% or \$6.8 billion from the prior year. Consolidated net profit attributable to stockholders of the parent totalled \$14.2 billion, a 25% or \$4.9 billion decrease from the prior year. COVID-19 created widespread economic shocks globally and weakened economic conditions persisted throughout the financial

year for Caribbean economies amidst second and third waves of the virus. The effects of the pandemic impacted various sectors creating uncertainties for consumers and businesses. Economic recovery, albeit asynchronous, is expected as countries within the region gradually re-open while employing various strategies to keep infection rates low. Despite these challenges, the Group delivered commendable overall financial performance for the financial year.

For the year, strategic transformation was the main area of focus. This allowed us to achieve growth in key areas, such as loans and deposits, as we navigated the ongoing global disruption, while laying the foundation for a clear path to improved efficiency and accelerated performance as uncertainty abates.

We will continue to execute on our strategy, capitalising on opportunities for growth, digital advancement and unlocking potential across our markets to emerge stronger from the pandemic.

For more
information,
contact:

INVESTOR RELATIONS

Jacqueline De Lisser

Head -
Group Investor Relations & Financial
Advisory
Email: DeLisserJN@ncb.com

MEDIA RELATIONS

Camile Glenister

Head -
Group Marketing & Communications
Email: GlenisterCS@ncb.com

Financial Results

For The Financial Year Ended September 30, 2021

Net Profit of \$14.2 billion (attributable to stockholders of the parent)

2



Group Performance

Operating income improved by \$12.2 billion or 11% over the prior year. This was driven by improved performance from our banking and investment activities reflecting the improved market prices and economic outlook. This enhanced performance from banking and investment activities was offset by a 29% reduction in the performance from insurance activities coupled with a 16% increase in operating expenses.

Banking and Investment Activities

The net result from banking and investment activities of \$98.2 billion represented a 29% or \$21.8 billion increase over the prior year's performance. The main improvement was experienced in gains from investment activities which increased by \$14.0 billion or 160% over the prior year. During the year, securities' prices and investment activities improved compared to the prior financial year when prices declined due mainly to the onset of the pandemic in the Caribbean. The favourable price movements resulted in increased gains from the sale of debt securities and mark to market valuations.

Credit impairment provisions continued to benefit from the improving environment and more positive economic outlook relative to the previous financial year coupled with improving scenarios no longer significantly weighted to the worse case. Credit impairment losses declined by \$6.9 billion or 67% from the prior year, reflecting the expected economic recovery in a number of sectors.

Insurance Activities

The net result from insurance activities totalled \$23.0 billion, a reduction of 29% or \$9.5 billion from the prior year. This resulted from reduced activities due to COVID-19 restrictions and lockdowns in Trinidad and Tobago during the financial year. Net underwriting income improved by 8% or \$8.6 billion, driven by improved premium income, while underwriting expenses increased by \$18.1 billion over the prior year. The increased underwriting expenses were due to actuarial adjustments, increased claims and annuity payments as well as higher commission expenses incurred in the current financial year.

Operating Expenses

Operating expenses totalled \$94.9 billion, an increase of \$13.3 billion or 16% over the prior year. Staff costs were \$44.5 billion, increasing by \$4.0 billion or 10% over the prior year primarily due to the annual increases in salaries, wages and allowances coupled with incentive payments within the current period related to the prior financial year. Other operating expenses totalled \$39.2 billion, an increase of \$8.1 billion or 26%. During the year, significant investments in technology and digital channel enhancements were made to transform our business to a more customer centric, digitally enabled business. Increased technical, consultancy and professional fees as well as infrastructure maintenance costs were associated with these investments.

Given the COVID-19 pandemic and resultant economic downturn, which affected revenues, and the rise in expenses, the cost to income ratio increased to 76.19%, up from 68.48% in the prior year.

Financial Results

For The Financial Year Ended September 30, 2021

Net Profit of \$14.2 billion (attributable to stockholders of the parent)

3



Consolidated Statement of Financial Position

Total assets increased to \$1.92 trillion, up \$121.1 billion or 7% over the prior year. The asset base grew primarily as a result of net loans and investment securities, which was funded by growth in deposits, liabilities under annuity and insurance contracts, repurchase agreements and other borrowed funds.

Investment Securities and Reverse Repurchase Agreements

Investment securities, including pledged assets and reverse repurchase agreements, totalled \$910.3 billion, an increase of 6% or \$47.7 billion over the prior year. This continues to be the Group's largest earning asset portfolio.

Loans and Advances

The Group's loans and advances, net of credit impairment losses, totalled \$523.5 billion, an increase of 16% or \$70.5 billion over the prior year. Non-performing loans totalled \$32.5 billion as at September 30, 2021, an increase of \$7.8 billion or 31% over the prior year. This represents 6.1% of gross loans, up from 5.3% in the prior year.

Deposits

Deposits, our largest source of funding, totalled \$643.0 billion, an increase of \$69.0 billion or 12% over the prior year, reflecting our banking customers' confidence in the Group.

Policyholders' Liabilities

Liabilities under annuity and insurance contracts increased to \$433.1 billion, up \$28.0 billion or 7% over the prior year. This reflects continued growth in all our markets.

Capital and Liquidity

Equity attributable to stockholders of the parent increased by 3% or \$5.0 billion to \$161.1 billion as at September 30, 2021, primarily due to increased retained earnings and fair value reserves as a result of improving market conditions.

All our regulated entities have met the applicable capital and liquidity regulatory requirements.

Dividends

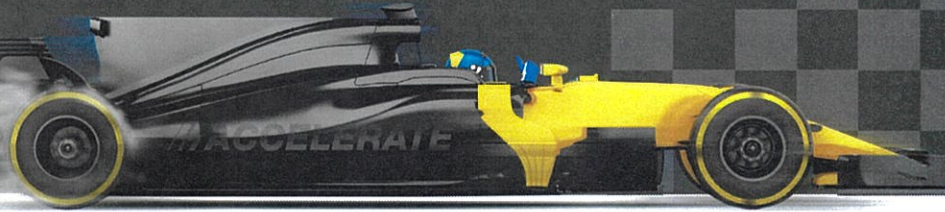
The Board of Directors, at its meeting on November 11, 2021, did not declare an interim dividend.

Financial Results

For The Financial Year Ended September 30, 2021

Net Profit of \$14.2 billion (attributable to stockholders of the parent)

4



Corporate Social Responsibility (CSR)

Our CSR policy focuses on six main areas: inspired people; doing good business; creating delighted, lifelong customers; data security; community development; and environmental sustainability. The Group is committed to engaging in activities that support long-term success, providing appropriate benefits for various stakeholders and ensuring compliance with all applicable rules and regulations through responsible and ethical business practices in the respective territories.

The Group remains committed to protecting our employees, customers and the communities we serve and have maintained effective protocols to limit the spread of COVID-19. We continue to encourage the use of digital channels and maintain remote work options for non-customer facing roles within the Group. We will continue to provide a safe, secure environment for our customers to conduct business with the Group, while minimising face-to-face interactions by offering suitable alternative channels and urging everyone to practise the recommended safety measures.

Our foundations have embraced philanthropic activities relevant to health, education and the improvement and development of the region.

NCBFG remains committed to building the communities we serve through the work of our foundations, our subsidiaries and staff. We are grateful to the persons on the front line and thank them for their continued service. Thanks to our valued stakeholders for their continued loyalty, confidence and support. ***Put Your Best Life Forward.***



ON BEHALF OF THE BOARD

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

CURRENT YEAR

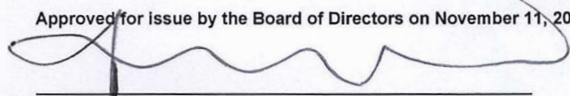
PRIOR YEAR

	Quarter ended September 30 2021 \$'000	Quarter ended June 30 2021 \$'000	Year ended September 30 2021 \$'000	Quarter ended September 30 2020 \$'000	Year ended September 30 2020 \$'000
Operating income					
Banking and investment activities					
Interest income	21,869,270	20,837,053	74,574,816	18,763,436	74,421,878
Interest expense	(6,185,777)	(6,648,032)	(25,947,849)	(3,917,521)	(21,932,169)
Net interest income	15,683,493	14,189,021	48,626,967	14,845,915	52,489,709
Fee and commission income	7,589,026	7,094,586	28,280,912	6,249,568	25,925,325
Fee and commission expense	(1,961,299)	(1,542,332)	(5,791,918)	(1,249,640)	(4,555,918)
Net fee and commission income	5,627,727	5,552,254	22,488,994	4,999,928	21,369,407
Gain on foreign currency and investment activities	2,185,076	3,875,430	22,830,152	2,338,727	8,793,286
Credit impairment (losses)/reversals	(1,202,119)	348,882	(3,385,126)	(4,634,212)	(10,284,994)
Dividend income	792,725	529,221	2,315,752	193,897	1,901,300
Other operating income	1,312,722	2,662,261	5,276,924	235,048	2,102,190
	3,088,404	7,415,794	27,037,702	(1,866,540)	2,511,782
Net result from banking and investment activities	24,399,624	27,157,069	98,153,663	17,979,303	76,370,898
Insurance activities					
Premium income	40,608,413	35,868,646	150,037,225	35,565,945	135,202,001
Insurance premium ceded to insurers	(14,499,794)	(12,936,605)	(51,378,200)	(12,075,517)	(42,003,606)
Reinsurance commission income	2,720,471	2,762,069	11,574,595	2,130,508	8,470,579
Net underwriting income	28,829,090	25,694,110	110,233,620	25,620,936	101,668,974
Insurance benefits and claims	(21,692,894)	(18,855,874)	(77,276,066)	(16,392,747)	(63,223,937)
Reinsurance on benefits and claims	1,821,142	2,000,365	6,707,259	3,396,744	7,016,737
Commission and other selling expenses	(4,105,173)	(3,901,045)	(16,713,121)	(3,518,994)	(13,005,783)
Net result from insurance activities	4,852,165	4,937,556	22,951,692	9,105,939	32,455,991
Net operating income	29,251,789	32,094,625	121,105,355	27,085,242	108,826,889
Operating expenses					
Staff costs	9,955,397	11,188,191	44,500,542	10,598,151	40,526,668
Depreciation and amortisation	2,336,509	2,395,534	9,309,964	2,064,976	8,517,471
Finance cost	501,518	446,510	1,836,346	945,371	1,423,727
Other operating expenses	10,478,440	10,417,863	39,203,259	8,174,867	31,097,938
	23,271,864	24,448,098	94,850,111	21,783,365	81,565,804
Operating profit	5,979,925	7,646,527	26,255,244	5,301,877	27,261,085
Share of profit of associates	171,344	118,238	340,289	173,762	312,391
Profit before taxation	6,151,269	7,764,765	26,595,533	5,475,639	27,573,476
Taxation	11,878	(3,093,715)	(6,519,927)	1,104,975	(690,064)
NET PROFIT	6,163,147	4,671,050	20,075,606	6,580,614	26,883,412
Attributable to:					
Stockholders of parent	4,321,032	4,015,984	14,226,671	4,312,061	19,090,378
Non-controlling interest	1,842,115	655,066	5,848,935	2,268,553	7,793,034
	6,163,147	4,671,050	20,075,606	6,580,614	26,883,412
Earnings per stock unit	2.07	1.70	6.25	1.82	8.01
Basic and diluted (expressed in \$)					

	Quarter ended September 30 2021 \$'000	Quarter ended June 30 2021 \$'000	Year ended September 30 2021 \$'000	Quarter ended September 30 2020 \$'000	Year ended September 30 2020 \$'000
Net Profit	6,163,147	4,671,050	20,075,606	6,580,614	26,883,412
Other comprehensive income, net of tax-					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	559,856	(1,218)	975,959	289,511	418,946
	559,856	(1,218)	975,959	289,511	418,946
Items that may be subsequently reclassified to profit or loss					
Currency translation gains	959,927	21,265	1,406,148	1,637,005	5,409,780
Expected credit reversals/(losses) on debt instruments at fair value through other comprehensive income (FVOCI)	206,435	(270,702)	79,417	(181,426)	(38,349)
Unrealised (losses)/gains on securities designated as FVOCI	(187,840)	2,139,677	4,524,416	11,060,603	(4,510,060)
Realised gains on securities designated as FVOCI	(2,327,865)	(1,192,143)	(6,714,168)	(105,318)	(1,803,657)
	(1,349,343)	698,097	(704,187)	12,410,864	(942,286)
Total other comprehensive (loss)/income	(789,487)	696,879	271,772	12,700,375	(523,340)
TOTAL COMPREHENSIVE INCOME	5,373,660	5,367,929	20,347,378	19,280,989	26,360,072
Total comprehensive income attributable to:					
Stockholders of the parent	2,765,647	8,684,765	18,866,223	13,889,808	18,550,266
Non-controlling interest	2,608,013	(3,316,836)	1,481,155	5,391,181	7,809,806
	5,373,660	5,367,929	20,347,378	19,280,989	26,360,072

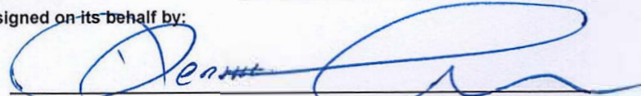
	September 30 2021 \$'000	September 30 2020 \$'000
ASSETS		
Cash in hand and balances at Central Banks	69,134,649	74,039,589
Due from banks	175,494,037	178,898,210
Derivative financial instruments	767,441	653,735
Reverse repurchase agreements	9,667,060	9,518,854
Loans and advances, net of credit impairment losses	523,488,890	452,954,936
Investment securities	683,855,078	456,802,747
Pledged assets	223,301,253	401,757,217
Investment in associates	5,950,188	6,955,109
Investment properties	38,218,322	33,751,227
Intangible assets	52,546,872	53,018,480
Property, plant and equipment	28,221,326	27,530,567
Right-of-use assets	5,234,938	4,543,678
Properties for development and sale	2,794,053	2,759,044
Deferred income tax assets	14,421,483	14,634,857
Income tax recoverable	8,007,601	2,323,139
Reinsurance assets	26,635,997	26,532,008
Letters of credit and undertaking	4,801,671	3,618,540
Other assets	48,827,313	49,968,338
Total assets	1,921,368,172	1,800,260,275
LIABILITIES		
Due to banks	24,104,359	30,134,601
Customer deposits	642,957,799	573,968,886
Repurchase agreements	224,805,387	211,436,379
Obligations under securitisation arrangements	63,087,217	71,083,957
Derivative financial instruments	45,228	-
Other borrowed funds	136,972,443	125,066,336
Deferred income tax liabilities	13,494,322	11,244,924
Third party interests in mutual funds	33,699,975	27,572,914
Liabilities under annuity and insurance contracts	433,056,798	405,014,541
Segregated fund liabilities	15,419,433	14,255,178
Investment contract liabilities	43,772,829	41,682,306
Post-employment benefit obligations	9,484,565	9,731,059
Letters of credit and undertaking	4,801,671	3,618,540
Lease liabilities	5,377,512	4,597,994
Other liabilities	63,623,608	70,647,737
Total liabilities	1,714,703,146	1,600,055,352
STOCKHOLDERS' EQUITY		
Share capital	153,827,330	153,827,330
Treasury shares	(27,198,690)	(15,150,201)
Reserve from the scheme of arrangement	(147,034,858)	(147,034,858)
Fair value and capital reserves	17,361,407	12,216,660
Loan loss reserve	2,269,374	-
Statutory reserve fund	6,795,733	6,735,063
Retained earnings reserve	65,320,000	58,580,000
Retained earnings	89,753,330	86,940,684
Equity attributable to shareholders of the parent	161,093,626	156,114,678
Non-controlling interest	45,571,400	44,090,245
Total stockholders' equity	206,665,026	200,204,923
Total stockholders' equity and liabilities	1,921,368,172	1,800,260,275

Approved for issue by the Board of Directors on November 11, 2021 and signed on its behalf by:



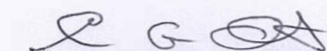
Hon. Patrick Hylton, O.J., CD

President and Group
Chief Executive Officer



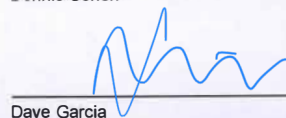
Dennis Cohen

Group Chief Financial Officer and
Deputy Chief Executive Officer



Professor Alvin Wint, CD

Lead Independent Director



Dave Garcia

Corporate Secretary

Consolidated Statement of Changes in Stockholders' Equity

Financial Year Ended September 30, 2021

(expressed in Jamaican dollars unless otherwise indicated)

	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
Balance as at September 30, 2019	153,827,330	(10,756,253)	(147,034,858)	13,158,946	2,947,624	6,625,209	43,820,000	84,709,206	39,736,592	187,033,796
Impact of revised Purchase Price Allocation on acquisition of majority stake in Guardian Holdings Limited	-	-	-	-	-	-	-	292,975	(3,456,153)	(3,163,178)
Balance as at October 1, 2019	153,827,330	(10,756,253)	(147,034,858)	13,158,946	2,947,624	6,625,209	43,820,000	85,002,181	36,280,439	183,870,618
Total comprehensive income	-	-	-	(942,286)	-	-	-	19,492,552	7,809,806	26,360,072
Transfer from loan loss reserve	-	-	-	-	(2,947,624)	-	-	2,947,624	-	-
Transfer to statutory reserve	-	-	-	-	-	109,854	-	(109,854)	-	-
Transfer to retained earnings reserve	-	-	-	-	-	-	14,760,000	(14,760,000)	-	-
Disposal of treasury shares	-	49,827	-	-	-	-	-	(49,827)	-	-
Purchase of treasury shares	-	(4,443,775)	-	-	-	-	-	-	-	(4,443,775)
Dividends paid non-controlling interest	-	-	-	-	-	-	-	(166,953)	-	(166,953)
Transaction with owners of the Company -										
Dividends paid	-	-	-	-	-	-	-	(5,415,039)	-	(5,415,039)
Balance at September 30, 2020	153,827,330	(15,150,201)	(147,034,858)	12,216,660	-	6,735,063	58,580,000	86,940,684	44,090,245	200,204,923
Total comprehensive income	-	-	-	5,144,747	-	-	-	13,721,476	1,481,155	20,347,378
Transfer to loan loss reserve	-	-	-	-	2,269,374	-	-	(2,269,374)	-	-
Transfer to statutory reserve	-	-	-	-	-	60,670	-	(60,670)	-	-
Transfer to retained earnings reserve	-	-	-	-	-	-	6,740,000	(6,740,000)	-	-
Purchase/reallocation of treasury shares	-	(14,889,477)	-	-	-	-	-	-	-	(14,889,477)
Disposal of treasury shares	-	2,840,988	-	-	-	-	-	(312,492)	-	2,528,496
Transaction with owners of the Company -										
Dividends paid	-	-	-	-	-	-	-	(1,526,294)	-	(1,526,294)
Balance at September 30, 2021	153,827,330	(27,198,690)	(147,034,858)	17,361,407	2,269,374	6,795,733	65,320,000	89,753,330	45,571,400	206,665,026

Consolidated Statement of Cash Flows

Financial Year Ended September 30, 2021

(expressed in Jamaican dollars unless otherwise indicated)

	September 30 2021 \$'000	September 30 2020 \$'000
Cash Flows from Operating Activities		
Net profit	20,075,606	26,883,412
Adjustments to reconcile net profit to net cash provided by operating activities	18,379,727	143,508,764
Net cash provided by operating activities	38,455,333	170,392,176
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(3,440,521)	(4,531,453)
Acquisition of intangible asset - computer software	(4,956,374)	(9,640,375)
Proceeds from disposal of property, plant and equipment	79,338	82,671
Purchase of investment property	(2,464,615)	(4,150,516)
Proceeds from disposal of investment property	19,393	1,118,391
Purchases of investment securities	(676,729,612)	(705,712,209)
Sales/maturities of investment securities	647,446,405	581,889,676
Net cash used in investing activities	(40,045,986)	(140,943,815)
Cash Flows from Financing Activities		
Proceeds from securitisation arrangements	-	35,392,925
Repayments under securitisation arrangements	(7,894,566)	(12,077,688)
Proceeds from other borrowed funds	55,166,682	24,192,548
Repayments of other borrowed funds	(45,264,920)	(27,547,524)
Purchase of treasury shares	(831,815)	(4,443,775)
Proceeds from disposal of treasury shares	2,528,496	49,827
Due to banks	(2,978,153)	4,055,319
Lease repayment	(2,564,669)	-
Dividends paid	(1,526,294)	(5,415,039)
Net cash (used in)/provided by financing activities	(3,365,239)	14,206,593
Effect of exchange rate changes on cash and cash equivalents	(466,371)	651,908
Net (decrease)/increase in cash and cash equivalents	(5,422,263)	44,306,862
Cash and cash equivalents at beginning of period	201,165,403	156,858,541
Cash and cash equivalents at end of period	195,743,140	201,165,403
Comprising:		
Cash in hand and balances at Central Banks	27,886,988	38,487,461
Due from banks	171,369,963	175,089,394
Reverse repurchase agreements	4,677,979	5,814,046
Investment securities	7,190,324	230,004
Due to banks	(15,382,114)	(18,455,502)
	195,743,140	201,165,403

Financial year ended September 30, 2021	Banking and Investment Activities					Insurance Activities			Total
	Consumer & SME Banking	Payment Services	Corporate & Commercial Banking	Treasury & Correspondent Banking	Wealth, Asset Management & Investment Banking	Life and Health Insurance & Pension Fund Management	General Insurance	Other & Consolidation Adjustments	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
External revenue	31,228,434	19,161,695	13,317,771	18,129,035	16,965,696	114,415,203	79,751,970	1,920,572	294,890,376
Revenue from other segments	2,513,635	-	51,407	4,277,065	9,170,327	951,906	278,981	(17,243,321)	-
Total Revenue	33,742,069	19,161,695	13,369,178	22,406,100	26,136,023	115,367,109	80,030,951	(15,322,749)	294,890,376
Net interest income	24,338,183	5,742,297	7,519,189	3,475,798	6,479,750	10,188,922	843,652	(9,828,961)	48,758,830
Net fee and commission income	4,468,348	6,592,422	1,480,397	457,157	4,162,877	2,791,181	1,925,869	(760,754)	21,117,497
Gain/(loss) on foreign currency and investment activities	110,639	(54,964)	70,634	8,933,872	6,044,392	12,745,439	642,298	(5,662,158)	22,830,152
Net result from insurance activities	-	-	-	-	-	10,913,613	12,091,158	(53,079)	22,951,692
Credit impairment (losses)/reversals	(2,866,762)	(102,175)	953,048	165,210	(225,351)	(1,466,556)	268,936	(111,476)	(3,385,126)
Other operating income and dividend income	996,642	3,870	379,389	4,959	640,970	1,694,738	83,392	8,539,999	12,343,959
Total operating income	27,047,050	12,181,450	10,402,657	13,036,996	17,102,638	36,867,337	15,855,305	(7,876,429)	124,617,004
Staff costs	8,834,682	1,067,073	442,984	230,723	2,978,704	8,129,228	6,153,029	5,624,030	33,460,453
Depreciation and amortisation	1,446,672	527,885	173	618	115,233	986,178	552,825	2,382,200	6,011,784
Finance cost	411,716	8,243	15,393	8,033	49,857	215,251	139,665	493,851	1,342,009
Other operating expense	5,682,944	4,862,402	772,993	1,145,174	2,790,768	7,960,342	4,144,288	139,292	27,498,203
Total operating expense	16,376,014	6,465,603	1,231,543	1,384,548	5,934,562	17,290,999	10,989,807	8,639,373	68,312,449
Operating profit before allocated cost	10,671,036	5,715,847	9,171,114	11,652,448	11,168,076	19,576,338	4,865,498	(16,515,802)	56,304,555
Allocated costs	(8,997,538)	(3,369,398)	(3,569,690)	(966,695)	-	-	-	-	(16,903,321)
Operating profit	1,673,498	2,346,449	5,601,424	10,685,753	11,168,076	19,576,338	4,865,498	(16,515,802)	39,401,234
Unallocated corporate expenses									(13,145,990)
Share of profit of associates									340,289
Profit before taxation									26,595,533
Taxation									(6,519,927)
Net Profit									20,075,606
Segment assets	480,659,700	30,121,414	192,516,914	386,143,676	385,478,671	477,087,890	109,491,074	(168,510,439)	1,892,988,900
Associates									5,950,188
Unallocated assets									22,429,084
Total assets									1,921,368,172
Segment liabilities	422,701,604	4,600,411	152,283,938	418,110,323	331,617,682	415,184,609	72,161,682	(115,451,425)	1,701,208,824
Unallocated liabilities									13,494,322
Total liabilities									1,714,703,146
Capital expenditure	4,385,084	1,328,397	252,199	92,224	582,679	1,108,494	229,625	418,193	8,396,895

Financial year ended September 30, 2020	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	29,361,427	17,343,238	11,952,596	13,461,902	14,393,206	103,675,982	65,505,763	1,122,445	256,816,559
Revenue from other segments	2,454,279	2,141	201,970	4,136,991	3,959,457	531,614	455,967	(11,742,419)	-
Total Revenue	31,815,706	17,345,379	12,154,566	17,598,893	18,352,663	104,207,596	65,961,730	(10,619,974)	256,816,559
Net interest income	23,164,265	6,313,275	7,257,443	3,200,585	5,667,085	14,530,207	894,235	(8,402,180)	52,624,915
Net fee and commission income	4,218,382	5,326,452	1,191,418	436,650	4,022,325	2,482,394	1,424,104	682,072	19,783,797
Gain/(loss) on foreign currency and investment activities	191,362	(1,836)	166,153	5,592,506	714,036	4,665,539	(156,101)	(2,378,373)	8,793,286
Net result from insurance activities	-	-	-	-	-	17,606,502	12,794,953	2,054,536	32,455,991
Credit impairment (losses)/reversals	(5,074,667)	(2,296,979)	(1,893,194)	(275,011)	312,423	(1,339,741)	(93,775)	375,950	(10,284,994)
Other operating income and dividend income	200,217	2,401	646	12,975	463,065	1,274,517	75,134	(1,382,668)	646,287
Total operating income	22,699,559	9,343,313	6,722,466	8,967,705	11,178,934	39,219,418	14,938,550	(9,050,663)	104,019,282
Staff costs	9,584,149	923,085	243,588	188,694	2,401,393	8,150,773	4,939,174	6,238,589	32,669,445
Depreciation and amortisation	1,536,353	522,407	11	543	159,547	752,516	458,166	2,205,150	5,634,693
Finance cost	69,321	4,315	9,807	10,067	42,623	686,552	-	3,117	825,802
Other operating expense	5,309,676	3,259,728	1,113,647	1,343,291	2,443,195	5,911,356	3,323,105	(2,303,659)	20,400,339
Total operating expense	16,499,499	4,709,535	1,367,053	1,542,595	5,046,758	15,501,197	8,720,445	6,143,197	59,530,279
Operating profit before allocated cost	6,200,060	4,633,778	5,355,413	7,425,110	6,132,176	23,718,221	6,218,105	(15,193,860)	44,489,003
Allocated costs	(7,254,889)	(2,193,446)	(2,643,040)	(533,262)	-	-	-	-	(12,624,637)
Operating profit	(1,054,829)	2,440,332	2,712,373	6,891,848	6,132,176	23,718,221	6,218,105	(15,193,860)	31,864,366
Unallocated corporate expenses									(4,603,281)
Share of profit of associates									312,391
Profit before taxation									27,573,476
Taxation									(690,064)
Net Profit									26,883,412
Segment assets	439,335,132	27,251,600	156,880,584	366,204,287	346,603,496	563,591,085	99,683,481	(223,202,495)	1,776,347,170
Associates									6,955,109
Unallocated assets									16,957,996
Total assets									1,800,260,275
Segment liabilities	382,908,884	8,274,345	126,645,928	388,005,295	299,625,401	431,194,623	66,227,885	(114,071,933)	1,588,810,428
Unallocated liabilities									11,244,924
Total liabilities									1,600,055,352
Capital expenditure	3,860,713	896,208	333,221	123,260	688,512	6,858,058	182,065	1,229,791	14,171,828

1. Identification and Principal Activities

NCB Financial Group Limited ("the Company") is a financial holding company, incorporated and domiciled in Jamaica. The Company is 52.63% (September 30, 2020 - 52.10%) 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, 2021 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, 2020 which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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

3. Segment reporting

The Group is organised into the following business segments:

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

4. Impact of COVID-19

The global economy is still expected to grow for the full calendar year of 2021; however, the growth outlook for emerging and developing economies has improved, while the outlook for growth in advanced/developed economies has slowed. Expectations for a slower pace of growth in developed economies are being driven by the expiration of unprecedented fiscal stimulus, and global supply chain disruptions, which have caused shortages and delayed delivery of inputs and goods needed by manufacturers and distributors. This has caused the IMF to cut its global growth forecast for 2021 from 6% in July to 5.9% in its most recent release in October. The outlook is also being impacted by inflation concerns, which led to expectations of monetary policy tightening as supply chain challenges have pushed up shipping costs and company input costs, and there are currently expectations that these challenges could persist into 2022. This along with surging consumer demand as the global economy reopens, have elevated inflation leading many central banks including Jamaica's, to tighten monetary policy through rate increases and lower bond buybacks, which could slow the recovery. Furthermore, despite the growth to date, the risks to the overall global growth forecast are still skewed to the downside given the uncertainties related to the evolving pandemic, elevated debt levels, a lack of policy space in some countries, as well as the slowing growth path for China due to COVID-19 outbreaks that resulted in localised lockdowns between July and August 2021, and acute power shortages.

4. Impact of COVID-19 (continued)

Following the 7.0% contraction in 2020, Latin America and the Caribbean is expected to grow by 6.3%, an upward revision from the previous IMF forecast of 5.8%, however, the recovery is expected to be uneven across the region. Whilst the IMF is now forecasting a narrow contraction (-1% from 2.1%) in Trinidad & Tobago (T&T) and has lowered its growth projection for Barbados (3.3% from 4.1%), it has increased its growth forecast for Jamaica (4.6% from 1.5%). In T&T, the COVID-19 outbreak in Quarter 2 of 2021, which delayed the rebound in private consumption, adversely impacted the recovery. However, the sovereign is expected to experience economic growth of 5.4% next year on the back of a rebound in private consumption as the impact of the pandemic wanes and as global growth powers demand for its energy exports. At the same time, the IMF is less optimistic about Barbados' growth prospects this year, because of a delayed recovery of the tourism industry and continued domestic spread of COVID-19, which is undermining economic activity. However, real GDP growth is forecasted to accelerate to 8.5% in 2022 as tourism activity continues to pick up on the back of higher vaccination rates in source markets, improved traveller sentiment and the recovery in cruise travel. Jamaica, which grew by 14.2% in Quarter 2 of 2021, following 5 consecutive quarterly contractions, is expected to grow by 4.6% for the full 2021 calendar year. This is an upward revision from the 1.5% expected in July driven by renewed tourism activity. Key markets including Canada and the UK have lifted bans to allow citizens to travel for non-essential purposes, and cruise lines have re-commenced trips to Jamaica. Growth will also be influenced by real exports bolstered by increased global vaccination, and private consumption supported by rising employment. However, downside risks still exist as the continued spread of COVID-19 and the emergence of new variants remain significant risks to the local recovery, particularly within the context of the country's low inoculation rates. Bermuda reported consecutive declines in real output for the first half of the year, as the effects of the pandemic on traveller sentiment, mobility and physical distancing requirements weighed on their services industry, particularly the hotel, accommodation and restaurant sectors. In Bermuda there was also an adverse influence from lower government consumption primarily reflecting a reduction in spending on goods and services, and lower gross capital formation owing to reduced spending on construction and decreased investment in machinery and equipment. Bermuda eased its lockdowns and restrictions at the start of April 2021 which is expected to be beneficial to the economy. Bermuda is also expected to benefit from the continued rebounding demand for travel and economic conditions in source markets. In Bermuda, growth will also be influenced by rebounding activity in its financial services industries.

These developments across our operating environment will continue to impact the demand for financial services. According to S&P Global Ratings (2021) (S&P), normalisation is expected to be the dominant theme within the banking sector over the next 12 months, as rebounding economies, vaccinations, and state measures help banks bounce back much more quickly than anticipated in 2020. Consequently, S&P reduced its net negative outlook for the global banking sector. Notably, National Commercial Bank Jamaica Limited was among the banks that had its outlook revised to stable from negative, on October 5, 2021, due to a similar change in outlook on Jamaica's creditworthiness. As was mentioned above, Jamaica is in the nascent stages of an economic recovery and this augurs well for disposable and corporate incomes, which should bolster the demand for credit and financial products, thus improving the profitability, and liquidity levels for the NCB Financial Group.

The insurance industry should benefit from the economic recovery and increased need for insurance solutions; however, it could be challenged by the elevated inflation environment and its impact on fixed income valuations. The economic rebound along with increased risk awareness owing to COVID-19 and greater need for insurance solutions by individual and commercial customers will continue to support growth in the insurance sector in 2021. However, rising COVID-19 cases and lockdowns in some territories continue to cause policy lapses and a decrease in premium collection, weighing on the bottom-line. Additionally, vulnerabilities have increased for life insurers, as the industry is at the "center of fixed income markets" given its significant holdings of fixed income investments, and bond yields could rise due to increased inflationary concerns¹. Therefore, a large and sudden rise in bond yields could cause a significant falloff in prices resulting in mark-to-market losses.

Seasonal factors and economic expectations are driving a positive outlook for the capital markets, though monetary policy tightening in the local market presents risks. Concerns about persistent inflation, along with supply chain disruptions, and potential fiscal policy changes, caused a turbulent September in the emerging market (EM) bond performance in Quarter 3 of 2021 that wiped away gains made in July and August. The near-term path is fraught with uncertainties around the risk of premature Fed tightening and concerns around the new variants of the virus. The BOJ has also begun its tightening cycle which could result in higher yields and lower bond prices, thereby limiting capital gains. However, the outlook on EM bonds on a whole remains generally positive, as historically, EM economies have thrived in a strong global economy. Furthermore, two additional factors augur well for EM, namely, the recovery in oil and commodity prices, and a resumption of international trade and tourism. With roughly a quarter of global bonds trading at zero or negative yields, EM continues to be one of the few spots globally where investors can find return potential relative to developed markets (DM). On the equity side, the retightening of restrictions in the Jamaican market during the September quarter impacted company earnings and investor sentiments, influencing a 2.0% quarter over quarter falloff in the JSE Combined Index. However, as the gradual rebound in key markets continues and the winter season begins, the financial performance of companies with direct and indirect exposure to the tourism sector, and those in the e-commerce, manufacturing and distribution space should improve.

The prospects for recovery and economic growth should create significant opportunities that we are positioned to leverage in the coming quarters. That being said, the lingering effects of COVID-19, the surge in cases and the retightening of restrictions are downside risks that could continue to negatively impact the Group's various business segments. Within this context, the Group continues to take advantage of emerging opportunities while mitigating the lingering risks.

^[1] IMF Global Financial Stability Report (2021)

Interest/Ownership of Stock Units by Directors of NCB Financial Group Limited as at September 30, 2021

Directors ^{1.}	Total	Direct	Connected Parties
Robert Almeida	65,990,231	171,750	65,818,481
Dennis Cohen ^{2.}	141,038,802	2,267,344	138,771,458
Sandra Glasgow ^{2.}	139,119,484	142,626	138,976,858
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	1,504,105,526	146,698	1,503,958,828
Thalia Lyn, OD ^{2.}	139,204,204	413,984	138,790,220
Prof. Alvin Wint, CD	65,906,625	88,144	65,818,481
Dave Garcia (Corporate Secretary)	175,027	175,027	0

Interest/Ownership of Stock Units by Executives/Senior Managers of NCB Financial Group Limited as at September 30, 2021

Executives/Senior Managers	Total	Direct	Connected Parties
Dennis Cohen ^{1.2.}	141,038,802	2,267,344	138,771,458
Dave Garcia	175,027	175,027	0
Hon. Patrick Hylton, OJ, CD ^{1.}	75,324,136	9,505,655	65,818,481
Misheca Seymour-Senior	7,195	7,195	0
Mukisa Wilson Ricketts	87,552	87,552	0
Allison Wynter ^{2.}	73,281,214	191,237	73,089,977

Interest/Ownership of Stock Units by Executives/Senior Managers of subsidiaries of NCB Financial Group Limited as at September 30, 2021

Executives/Senior Managers	Total	Direct	Connected Parties
Gabrielle Banbury-Kelly	95,508	95,508	0
Septimus Blake	211,144	211,144	0
Brian Boothe	242,000	102,000	140,000
Danielle Cameron Duncan	92,854	92,854	0
Euton Cummings	10	10	0
Raymond Donaldson	0	0	0
Steven Gooden	124,420	124,420	0
Vernon James	0	0	0
Desmond Johnson	0	0	0
Ramon Lewis	57,215	57,215	0
Sheree Martin	6,713	6,713	0
Nadeen Matthews Blair	94,000	94,000	0
Anne McMorris Cover	8,735	8,735	0
Malcolm Sadler	58,827	28,774	30,053
Ravi Tewari	0	0	0
Ian Turan	0	0	0
Simona Watkis	6,595	6,595	0
Tanya Watson Francis	156,323	156,323	0
Angus Young	0	0	0

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

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

10 Largest Shareholders of NCB Financial Group Limited as at September 30, 2021

Name of Shareholder	Units	Percentage Ownership
AIC (Barbados) Limited	1,298,191,333	52.63%
MF&G Asset Management Limited - NCB Share Scheme	102,574,419	4.16%
Sagicor PIF Equity Fund	79,148,444	3.21%
NCB Insurance Agency & Fund Managers Limited WT 109	62,989,156	2.55%
Harprop Limited	46,434,102	1.88%
AIC Global Holdings Inc.	45,449,690	1.84%
Ideal Portfolio Services Company Limited	33,279,939	1.35%
SJIML A/C 3119	32,539,032	1.32%
Guardian Life of the Caribbean	30,206,368	1.22%
National Insurance Fund	26,836,950	1.09%

Shareholder Profile of NCB Financial Group Limited as at September 30, 2021

Number of Shareholders	Ownership of Each Shareholder	Percentage Ownership	Number of Units
One shareholder with six accounts	52.63%	52.63%	1,298,191,333
10	1 - 5%	19.69%	485,588,067
44,416	Less than 1%	27.69%	682,983,428
44,427		100.00%	2,466,762,828