FINANCIAL GROUP LIMITED

Financial Results

For The Nine Months Ended June 30, 2023

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KEY RESULTS – NINE MONTHS ENDED JUNE 30, 2023					
$9.7B	$2.2T	$184B	$4.22	0.85%	7.76%
Net Profit	Total Assets	Equity	Earnings per Share	Return on Assets	Return on Equity

KEY RESULTS – QUARTER ENDED JUNE 30, 2023					
$5.5B	$2.2T	$184B	$2.38	1.36%	12.18%
Net Profit	Total Assets	Equity	Earnings per Share	Return on Assets	Return on Equity

Third Quarter 2023 Report to Shareholders

Kingston, Jamaica - August 9, 2023

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

NCBFG reports unaudited consolidated net profit of $13.7 billion for the nine months ended June 30, 2023, a 47% or $12.2 billion reduction from the prior year. Consolidated net profit attributable to stockholders of the parent totalled $9.7 billion, a decline of $8.9 billion or 48% from the prior year. For the quarter ended June 30, 2023, the Group reported net profit of $7.4 billion, a $2.4 billion or 48% improvement over the prior quarter ended March 2023. Net profit attributable to stockholders of the parent for the June 2023 quarter was $5.5 billion, an increase of $2.1 billion or 62% over the March 2023 quarter.

The Group's diversified business model and strong financial position continues to facilitate commendable financial benefits despite the challenging economic environment. This underpins the importance of our strategic transformation journey as we continue to digitally enable the organisation while placing a strong emphasis on customer centricity. We are well equipped to successfully execute our strategy and will create long-term shareholder value.

The Group's objective of building a Caribbean financial ecosystem to deliver high quality service to our customers remains unchanged and we will continue to execute on a range of growth and transformation initiatives. We are increasing our focus on efficiency and cost management while being uncompromising in the delivery of service for an exceptional customer experience.

For more information, contact:

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Net Profit of $9.7 billion (attributable to stockholders of the parent)

Group Performance

There was a rebound in the performance during the third quarter mainly due to improved gains from investment activities in our Wealth, Asset Management and Investment Banking segment. This contributed to operating income of $35.6 billion for the quarter ended June 30, 2023, reflecting an increase of 13% or $4.0 billion over the March 2023 quarter.

Return on assets (ROA) and return on equity (ROE) for the June 2023 quarter improved to 1.36% up from 0.94% and 12.18% up from 7.79%, respectively. The rolling twelve-month ROA and ROE were 1.31% and 11.12%, respectively. The cost to income ratio for the June 2023 quarter declined to 74.09% down from 76.12% in the prior March 2023 quarter. We are committed to continuing our expense management efforts to reduce our cost to income ratio.

Banking and Investment Activities

Net revenues from banking and investment activities totalled $31.4 billion for the June 2023 quarter, which increased by 18% or $4.9 billion over the prior quarter. The improved performance was mainly attributable to gains from foreign exchange and investment activities, which included fair value gains from equity investments, increasing by 162% or $3.9 billion over the March 2023 quarter. During the quarter, net fee and commission income benefitted from the continued growth in our loan portfolio coupled with increased card transaction volumes, reflecting an increase of $793 million or 12% over the March 2023 quarter. Net interest income increased marginally by 1%, also due to portfolio growth and improved net margins for loans and investment securities. These increases were partially offset by a 7% increase in credit impairment provisions; the quarterly performance continues to reflect normal expected credit losses based on the portfolio composition and size.

Insurance Activities

Net revenues from insurance activities for the June 2023 quarter totalled $4.2 billion, a 16% or $813 million decline from the March 2023 quarter. The segment recorded marginal improvement in net underwriting income; however, this was eroded by increased net insurance costs. Our insurance business experienced higher net claims mainly from our Life, Health and Pensions segment. The increased claims were primarily in relation to health and some additional general insurance claims.

Operating Expenses

Operating expenses for the June quarter totalled $27.5 billion, increasing by $2.4 billion or 10% over the March 2023 quarter. The main factor in the June quarter's lower staff costs was the inclusion of additional incentive payments in the March 2023 quarter. In contrast, professional fees increased in the current quarter. The increase in the cost to income ratio over the past few years is unacceptable and steps have been, and will continue to be taken to quickly and materially reduce this ratio going into the next fiscal year.

Consolidated Statement of Financial Position

Total assets at June 2023 was $2.22 trillion, an increase of 10% or $206.0 billion over the prior year. The growth in the asset base was mainly due to increased loans and investment securities. The growth was primarily funded by increased obligations under securitisation arrangements, repurchase agreements, deposits, liabilities under annuity and insurance contracts and other borrowed funds.

Investment Securities and Reverse Repurchase Agreements

Investment securities, including pledged assets and reverse repurchase agreements, totalled $1.12 trillion, an increase of 19% or $181.5 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 our Jamaican bank.

Loans and Advances

The Group's loans and advances, net of credit impairment losses, totalled $604.6 billion, an increase of 8% or $45.9 billion over the prior year. Non-performing loans totalled $24.9 billion as at June 30, 2023, declining by $5.5 billion or 18% from the prior year. The reduction in non-performing loans led to an improvement in our non-performing loan ratio, decreasing to 4.0%, from 5.3% in the prior year.

Deposits

Banking customers' continued confidence in the Group is demonstrated by a 4% or $26.9 billion increase in deposits, to $739.1 billion, which is our main source of funding.

Policyholders' Liabilities

Liabilities under annuity and insurance contracts increased to $465.3 billion, up 5% or $21.3 billion over the prior year.

Capital and Liquidity

Equity attributable to stockholders of the parent totalled $183.9 billion, an increase of $37.3 billion or 25% over the prior year, improving due to retained earnings 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 August 9, 2023, decided not to pay an interim dividend. Conserving capital is prudent to ensure the organisation is most resilient in a world of change. However, the continued absence of dividends to our shareholders is not aligned with our commitment to fulfilling the needs of all our stakeholders. Through an intense focus on operating efficiency and capital efficiency, as well as other strategies, we intend to return to the pattern of regular

Dividends (continued)

dividend declarations whilst we simultaneously meet the increasing regulatory capital requirements that are being implemented globally.

Environment, Social and Governance (ESG)

The Group recognises that ESG considerations are important to the long-term success and sustainability of our business. We are committed to the continued integration of ESG elements in our operations, decision making and investment strategies, with focus on driving positive change in environmental and social impact areas. In doing so, we aim to create resilient and sustainable value for our stakeholders and the society as a whole.

As a leader in the region, we take our responsibility to the environment seriously and are committed to minimising our ecological footprint and promoting environmental stewardship. We are making changes to our business practices and product lines to ensure that they are aligned with our ESG goals in order to accomplish this. The following developments should be highlighted:

- The Group is advanced in the development of our "Green Financing" framework for corporate and commercial lending;
- There is renewed focus on our participation in funding programmes aimed at promoting and facilitating projects and transactions designed to consider environmental sustainability; and
- We have implemented updates to our consumer products to facilitate easier access to funding for the acquisition of energy efficiency solutions.

While we work to ensure that our business practices and impact support our commitment to environment sustainability, we also continue to act through our foundations and other philanthropic initiatives to ensure that we are positively impacting the lives of the people in the communities we serve and the wider society.

We also continue in our efforts to build an organisational culture that is sensitive to issues regarding diversity, equity and inclusion and will expand and refine related programmes to satisfy our ESG deliverables and build a cohesive high performance team that takes ownership for truly addressing customer needs, increasing shareholder value and sustainably serving the needs of all stakeholders in our ecosystem.

ON BEHALF OF THE BOARD
Robert Almeida, Interim Group Chief Executive Officer

	CURRENT YEAR			PRIOR YEAR	
	Quarter ended June 30 2023 $'000	Quarter ended March 31 2023 $'000	Year to date June 30 2023 $'000	Quarter ended June 30 2022 $'000	Year to date June 30 2022 $'000
Operating income					
Banking and investment activities					
Interest income	27,419,715	26,100,776	79,402,197	23,069,529	67,582,436
Interest expense	(9,934,129)	(8,753,641)	(27,531,699)	(6,885,639)	(19,016,000)
Net interest income	17,485,586	17,347,135	51,870,498	16,183,890	48,566,436
Fee and commission income	10,361,295	9,664,413	29,485,016	8,546,236	25,730,183
Fee and commission expense	(2,823,374)	(2,919,413)	(8,207,419)	(2,355,113)	(6,584,692)
Net fee and commission income	7,537,921	6,745,000	21,277,597	6,191,123	19,145,491
Gain on foreign currency and investment activities	6,314,505	2,410,543	10,860,478	1,621,000	7,022,660
Credit impairment losses	(1,533,557)	(1,427,541)	(4,788,675)	429,111	(1,868,676)
Dividend income	701,793	488,019	2,039,155	657,163	2,023,044
Other operating income	873,275	957,177	3,628,882	1,647,087	5,251,292
	6,356,016	2,428,198	11,739,840	4,354,361	12,428,320
Net revenues from banking and investment activities	**31,379,523**	**26,520,333**	**84,887,935**	**26,729,374**	**80,140,247**
Insurance activities					
Premium income	42,459,753	41,022,772	125,127,273	37,002,118	121,055,810
Insurance premium ceded to insurers	(14,843,448)	(13,268,940)	(42,446,735)	(13,428,899)	(39,642,783)
Reinsurance commission income	3,584,108	2,611,289	9,019,268	3,301,328	9,010,756
Net underwriting income	31,200,413	30,365,121	91,699,806	26,874,547	90,423,783
Net insurance benefits and claims	(22,679,387)	(20,818,162)	(65,706,686)	(13,462,333)	(52,360,216)
Commission and other selling expenses	(4,296,892)	(4,509,801)	(14,072,249)	(3,859,528)	(12,585,059)
Net revenues from insurance activities	**4,224,134**	**5,037,158**	**11,920,871**	**9,552,686**	**25,478,508**
Net operating income	**35,603,657**	**31,557,491**	**96,808,806**	**36,282,060**	**105,618,755**
Operating expenses					
Staff costs	13,100,977	14,201,858	40,334,234	12,961,578	37,520,582
Depreciation and amortisation	2,224,661	2,193,563	5,633,325	1,360,447	6,208,611
Finance cost	513,496	553,376	1,633,850	582,693	1,532,420
Other operating expenses	11,676,559	8,160,709	31,302,544	10,612,494	31,985,956
	27,515,693	**25,109,506**	**78,903,953**	**25,517,212**	**77,247,569**
Operating profit	**8,087,964**	**6,447,985**	**17,904,853**	**10,764,848**	**28,371,186**
Share of profit/(loss) of associates	75,872	166,060	232,809	154,332	642,741
Profit before taxation	**8,163,836**	**6,614,045**	**18,137,662**	**10,919,180**	**29,013,927**
Taxation	(776,290)	(1,630,023)	(4,411,613)	(325,042)	(3,134,310)
NET PROFIT	**7,387,546**	**4,984,022**	**13,726,049**	**10,594,138**	**25,879,617**
Attributable to:					
Stockholders of parent	5,481,754	3,391,449	9,708,994	8,208,253	18,642,766
Non-controlling interest	1,905,792	1,592,573	4,017,055	2,385,885	7,236,851
	7,387,546	**4,984,022**	**13,726,049**	**10,594,138**	**25,879,617**
Earnings per stock unit Basic and diluted (expressed in $)	**2.38**	**1.48**	**4.22**	**3.57**	**8.11**

	Quarter ended June 30 2023 $'000	Quarter ended March 31 2023 $'000	Year to date June 30 2023 $'000	Quarter ended June 30 2022 $'000	Year to date June 30 2022 $'000
Net Profit	**7,387,546**	**4,984,022**	**13,726,049**	**10,594,138**	**25,879,617**
Other comprehensive income, net of tax-					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	-	(12)	(25,638)	177,587	586,636
	-	(12)	(25,638)	177,587	586,636
Items that may be subsequently reclassified to profit or loss					
Currency translation (losses)/gains	(880,548)	574,261	103,951	(2,683,536)	(2,417,681)
Expected credit (losses)/reversals on debt instruments at fair value through other comprehensive income (FVOCI)	(904,014)	542,004	197,584	370,596	190,414
Unrealised gains/(losses) on securities designated as FVOCI	2,261,822	3,105,558	25,925,655	(11,532,154)	(30,208,173)
Realised fair value (gains)/losses on securities designated as FVOCI	(195,255)	331,215	(219,774)	(4,441,233)	(5,672,913)
	282,005	4,553,038	26,007,416	(18,286,327)	(38,108,353)
Total other comprehensive income/(loss)	282,005	4,553,026	25,981,778	(18,108,740)	(37,521,717)
TOTAL COMPREHENSIVE INCOME/(LOSS)	**7,669,551**	**9,537,048**	**39,707,827**	**(7,514,602)**	**(11,642,100)**
Total comprehensive income/(loss) attributable to:					
Stockholders of the parent	7,673,724	4,039,095	34,407,544	(5,925,329)	(11,307,177)
Non-controlling interest	(4,173)	5,497,953	5,300,283	(1,589,273)	(334,923)
	7,669,551	**9,537,048**	**39,707,827**	**(7,514,602)**	**(11,642,100)**

	June 30 2023 $'000	September 30 2022 $'000	June 30 2022 $'000
ASSETS			
Cash in hand and balances at Central Banks	83,814,716	70,856,440	78,510,121
Due from banks	133,753,511	185,806,679	182,870,186
Derivative financial instruments	907,092	874,471	774,250
Reverse repurchase agreements	6,994,368	8,300,133	7,994,943
Loans and advances, net of credit impairment losses	604,617,106	580,987,814	558,744,134
Investment securities	809,958,105	711,734,420	724,844,735
Pledged assets	302,750,809	256,614,981	205,376,384
Investment in associates	8,084,981	7,051,463	6,876,825
Investment properties	36,471,343	38,713,587	37,753,381
Intangible assets	54,389,415	54,690,029	52,661,364
Property, plant and equipment	30,631,300	29,077,875	30,870,238
Right-of-use assets	4,799,571	5,111,594	5,967,887
Properties for development and sale	2,234,998	2,008,010	2,096,147
Deferred income tax assets	18,729,980	25,469,940	17,607,471
Income tax recoverable	6,988,857	2,558,641	7,258,719
Reinsurance assets	37,320,346	30,312,857	30,698,768
Letters of credit and undertaking	4,197,801	6,451,165	5,824,256
Other assets	77,091,908	62,068,502	60,966,163
Total assets	**2,223,736,207**	**2,078,688,601**	**2,017,695,972**
LIABILITIES			
Due to banks	29,284,083	37,501,992	24,194,898
Customer deposits	739,078,180	715,276,682	712,209,052
Repurchase agreements	277,063,919	247,676,853	240,184,814
Obligations under securitisation arrangements	98,455,855	99,085,658	56,367,535
Derivative financial instruments	151,398	-	113,413
Other borrowed funds	178,205,204	153,272,229	161,637,420
Deferred income tax liabilities	8,269,248	9,126,008	4,271,570
Third party interests in mutual funds	39,472,712	33,587,741	33,496,849
Liabilities under annuity and insurance contracts	465,254,380	437,175,410	443,933,466
Segregated fund liabilities	14,793,469	14,436,764	14,829,193
Investment contract liabilities	46,532,523	46,176,282	45,817,210
Post-employment benefit obligations	4,453,438	4,091,822	9,762,476
Letters of credit and undertaking	4,197,801	6,451,165	5,824,256
Lease liabilities	4,963,106	5,173,159	6,183,192
Other liabilities	76,891,267	71,657,387	68,459,529
Total liabilities	**1,987,066,583**	**1,880,689,152**	**1,827,284,873**
STOCKHOLDERS' EQUITY			
Share capital	153,827,330	153,827,330	153,827,330
Treasury shares	(26,652,675)	(26,652,675)	(26,652,675)
Reserve from the scheme of arrangement	(147,034,858)	(147,034,858)	(147,034,858)
Fair value and capital reserves	(2,220,894)	(26,945,082)	(17,150,330)
Loan loss reserve	6,314,986	6,349,934	6,156,128
Statutory reserve fund	6,897,231	6,897,231	6,824,472
Retained earnings reserve	75,270,000	67,170,000	67,170,000
Retained earnings	117,534,419	115,916,115	103,497,064
Equity attributable to stockholders of the parent	183,935,539	149,527,995	146,637,131
Non-controlling interest	52,734,085	48,471,454	43,773,968
Total stockholders' equity	**236,669,624**	**197,999,449**	**190,411,099**
Total stockholders' equity and liabilities	**2,223,736,207**	**2,078,688,601**	**2,017,695,972**

Approved for issue by the Board of Directors on August 9, 2023 and signed on its behalf by:

Robert Almeida — Interim Group Chief Executive Officer

Malcolm Sadler — Interim Group Chief Financial Officer

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

Dave Garcia — Corporate Secretary

Consolidated Statement of Changes in Stockholders' Equity

Nine Months ended June 30, 2023

	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 October 1, 2021	153,827,330	(27,198,690)	(147,034,858)	17,361,407	2,269,374	6,795,733	65,320,000	90,115,895	45,208,835	206,665,026
Total comprehensive income										
Net profit	-	-	-	-	-	-	-	18,642,766	7,236,851	25,879,617
Other comprehensive (loss)/income	-	-	-	(34,511,737)	-	-	-	586,636	(7,571,774)	(41,496,875)
Transfer to loan loss reserve	-	-	-	-	3,886,754	-	-	(3,886,754)	-	-
Transfer to statutory reserve	-	-	-	-	-	28,739	-	(28,739)	-	-
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	-	-	-	-	-	-	-	-	(1,099,944)	(1,099,944)
Balance at June 30, 2022	153,827,330	(26,652,675)	(147,034,858)	(17,150,330)	6,156,128	6,824,472	67,170,000	103,497,064	43,773,968	190,411,099
Balance as at October 1, 2022	153,827,330	(26,652,675)	(147,034,858)	(26,945,082)	6,349,934	6,897,231	67,170,000	115,916,115	48,471,454	197,999,449
Total comprehensive income										
Net profit	-	-	-	-	-	-	-	9,708,994	4,017,055	13,726,049
Other comprehensive income	-	-	-	24,724,188	-	-	-	(25,638)	1,283,228	25,981,778
Transfer from loan loss reserve	-	-	-	-	(34,948)	-	-	34,948	-	-
Transfer to retained earnings reserve	-	-	-	-	-	-	8,100,000	(8,100,000)	-	-
Dividends paid non-controlling interest	-	-	-	-	-	-	-	-	(1,037,652)	(1,037,652)
Balance at June 30, 2023	153,827,330	(26,652,675)	(147,034,858)	(2,220,894)	6,314,986	6,897,231	75,270,000	117,534,419	52,734,085	236,669,624

Consolidated Statement of Cash Flows

Nine Months ended June 30, 2023

	June 30 2023 $'000	June 30 2022 $'000
Cash Flows from Operating Activities		
Net profit	13,726,049	25,879,617
Adjustments to reconcile net profit to net cash provided by operating activities	50,416,889	26,389,293
Net cash provided by operating activities	64,142,938	52,268,910
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(3,346,836)	(4,582,770)
Acquisition of intangible asset - computer software	(3,798,467)	(4,339,630)
Proceeds from disposal of property, plant and equipment	61,692	3,700,187
Purchase of investment property	(793,838)	(737,477)
Proceeds from disposal of investment property	5,230,415	-
Purchases of investment securities	(549,349,659)	(452,437,091)
Sales/maturities of investment securities	422,161,807	391,520,751
Net cash used in investing activities	(129,834,886)	(66,876,030)
Cash Flows from Financing Activities		
Repayments under securitisation arrangements	(2,044,490)	(6,767,777)
Proceeds from other borrowed funds	30,826,366	47,675,957
Repayments of other borrowed funds	(7,026,270)	(24,656,473)
Proceeds from disposal of treasury shares	-	463,275
Due to banks	(9,818,570)	(1,948,345)
Lease repayment	(1,349,975)	(1,083,675)
Dividends paid	(1,037,652)	(1,099,944)
Net cash provided by financing activities	9,549,409	12,583,018
Effect of exchange rate changes on cash and cash equivalents	34,238	3,939,114
Net (decrease)/increase in cash and cash equivalents	(56,108,301)	1,915,012
Cash and cash equivalents at beginning of period	202,491,841	195,743,140
Cash and cash equivalents at end of period	**146,383,540**	**197,658,152**
Comprising:		
Cash in hand and balances at Central Banks	32,391,970	32,304,239
Due from banks	131,309,861	179,023,869
Reverse repurchase agreements	2,677,601	1,501,589
Investment securities	1,591,525	2,248,868
Due to banks	(21,587,417)	(17,420,413)
	146,383,540	**197,658,152**

	Banking and Investment Activities					Insurance Activities			
	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	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
External revenue	28,203,328	22,257,092	11,556,199	16,522,391	18,465,986	98,787,173	66,002,352	(2,232,252)	259,562,269
Revenue from other segments	3,671,154	24,694	2,996,246	7,904,093	3,994,290	647,679	237,775	(19,475,931)	-
Total Revenue	**31,874,482**	**22,281,786**	**14,552,445**	**24,426,484**	**22,460,276**	**99,434,852**	**66,240,127**	**(21,708,183)**	**259,562,269**
Net interest income	21,793,563	5,540,413	7,294,789	2,800,922	4,630,599	17,775,830	971,980	(8,990,738)	51,817,358
Net fee and commission income	4,027,762	7,249,813	912,041	480,081	2,882,046	3,011,617	3,302,919	(1,959,598)	19,906,681
Gain/(loss) on foreign currency and investment activities	36,912	224,733	(215)	6,604,867	3,698,889	1,991,236	157,457	(1,853,884)	10,859,995
Net result from insurance activities	-	-	-	-	-	652,425	11,001,689	266,757	11,920,871
Credit impairment (losses)/reversals	(2,959,169)	(807,736)	22,515	(34,830)	(124,259)	(1,124,045)	172,177	66,672	(4,788,675)
Other operating income and dividend income	128,055	5,965	(4,025)	13	1,382,984	2,774,329	75,941	1,916,114	6,279,376
Total operating income	**23,027,123**	**12,213,188**	**8,225,105**	**9,851,053**	**12,470,259**	**25,081,392**	**15,682,163**	**(10,554,677)**	**95,995,606**
Staff costs	7,248,622	1,309,378	562,237	263,323	2,902,926	6,454,271	4,742,891	4,991,867	28,475,515
Depreciation and amortisation	959,439	634,881	156	2,260	99,269	904,031	378,383	1,715,050	4,693,469
Finance cost	380,624	8,579	13,658	4,924	35,788	47,532	317,383	237,963	1,046,451
Other operating expense	5,387,664	4,749,883	1,039,060	1,634,880	2,997,120	6,461,132	3,555,704	(4,257,102)	21,568,341
Total operating expense	**13,976,349**	**6,702,721**	**1,615,111**	**1,905,387**	**6,035,103**	**13,866,966**	**8,994,361**	**2,687,778**	**55,783,776**
Operating profit before allocated cost	9,050,774	5,510,467	6,609,994	7,945,666	6,435,156	11,214,426	6,687,802	(13,242,455)	40,211,830
Allocated costs	(9,414,330)	(4,639,498)	(1,469,436)	(810,391)	-	-	-	-	(16,333,655)
Operating (loss)/profit	**(363,556)**	**870,969**	**5,140,558**	**7,135,275**	**6,435,156**	**11,214,426**	**6,687,802**	**(13,242,455)**	**23,878,175**
Unallocated corporate expenses									(5,973,322)
Share of profit of associates									232,809
Profit before taxation									18,137,662
Taxation									(4,411,613)
Net Profit									13,726,049
Segment assets	522,761,693	50,788,922	176,703,663	310,681,253	449,605,387	646,002,800	139,210,463	(105,821,792)	2,189,932,389
Associates									8,084,981
Unallocated assets									25,718,837
Total assets									2,223,736,207
Segment liabilities	483,263,406	6,411,979	47,070,088	412,350,487	396,917,376	481,430,166	94,409,767	56,944,067	1,978,797,336
Unallocated liabilities									8,269,248
Total liabilities									1,987,066,584
Capital expenditure	2,592,623	2,646,430	138,870	220,996	361,426	507,210	209,517	468,231	7,145,303

	Banking and Investment Activities					Insurance Activities			
	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	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
External revenue	26,840,923	18,492,063	10,461,173	13,392,060	14,581,420	91,137,458	60,877,732	1,893,352	237,676,181
Revenue from other segments	2,113,505	1,341	385,444	4,337,966	3,051,396	483,555	399,986	(10,773,193)	-
Total Revenue	**28,954,428**	**18,493,404**	**10,846,617**	**17,730,026**	**17,632,816**	**91,621,013**	**61,277,718**	**(8,879,841)**	**237,676,181**
Net interest income	18,927,181	4,256,387	6,554,271	3,260,104	5,688,650	17,242,407	719,967	(8,017,251)	48,631,716
Net fee and commission income	3,452,665	6,323,748	824,306	380,151	3,123,998	2,240,911	1,482,639	100,230	17,928,648
Gain/(loss) on foreign currency and investment activities	30,058	72,057	46	6,742,101	2,011,103	(748,095)	254,146	(1,338,756)	7,022,660
Net result from insurance activities	-	-	-	-	-	14,976,244	10,440,956	61,308	25,478,508
Credit impairment (losses)/reversals	(1,283,653)	(1,747)	383,415	83,444	432,101	(1,146,125)	(134,428)	(201,683)	(1,868,676)
Other operating income and dividend income	2,824,111	2,498	200	12	467,405	1,123,084	37,845	2,862,098	7,317,253
Total operating income	**23,950,362**	**10,652,943**	**7,762,238**	**10,465,812**	**11,723,257**	**33,688,426**	**12,801,125**	**(6,534,054)**	**104,510,109**
Staff costs	7,243,166	1,148,446	482,493	215,637	2,427,494	6,620,295	4,715,222	5,249,345	28,102,098
Depreciation and amortisation	1,300,906	271,859	1,247	8,159	83,089	689,887	519,501	1,824,910	4,699,558
Finance cost	405,241	8,288	18,558	5,541	47,930	135,813	97,352	317,254	1,035,977
Other operating expense	5,073,382	4,115,150	1,122,405	1,227,133	2,475,798	5,812,560	3,845,531	(1,026,218)	22,645,741
Total operating expense	**14,022,695**	**5,543,743**	**1,624,703**	**1,456,470**	**5,034,311**	**13,258,555**	**9,177,606**	**6,365,291**	**56,483,374**
Operating profit before allocated cost	9,927,667	5,109,200	6,137,535	9,009,342	6,688,946	20,429,871	3,623,519	(12,899,345)	48,026,735
Allocated costs	(8,951,833)	(2,867,448)	(1,173,217)	(543,862)	-	-	-	-	(13,536,360)
Operating (loss)/profit	**975,834**	**2,241,752**	**4,964,318**	**8,465,480**	**6,688,946**	**20,429,871**	**3,623,519**	**(12,899,345)**	**34,490,375**
Unallocated corporate expenses									(6,119,189)
Share of profit of associates									642,741
Profit before taxation									29,013,927
Taxation									(3,134,310)
Net Profit									**25,879,617**
Segment assets	468,774,689	40,835,401	183,176,774	415,123,973	418,427,083	528,211,048	108,414,368	(177,010,379)	1,985,952,957
Associates									6,876,825
Unallocated assets									24,866,190
Total assets									2,017,695,972
Segment liabilities	437,014,573	22,056,703	168,982,387	396,698,866	376,023,387	450,761,411	74,760,545	(103,284,569)	1,823,013,303
Unallocated liabilities									4,271,570
Total liabilities									1,827,284,873
Capital expenditure	3,394,517	2,663,903	74,375	126,077	300,481	835,811	1,056,935	470,301	8,922,400

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% (June 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 nine months ended June 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. Macro-environment update

Uncertainty Looms Over the Global Economy Amid Persistently High Inflation and Tight Monetary Policy

Monetary policy adjustments in response to persistently high, though declining, inflation and the effects of past and present tightening on economic activity will continue to be among the major factors impacting the global economic landscape for the rest of 2023 into 2024. The latest global growth estimates released are largely in line with that in our second quarter release[1]. The Organisation for Economic Co-operation and Development (OECD)[2] projects that global GDP growth in 2023 will be 2.7%, with a modest improvement to 2.9% in 2024. However, as past aggressive interest hikes filter through economies and sticky inflation forces central banks to keep monetary policy tight, expectations are for economic slowdowns and mild contractions in some countries, including the US, UK, and Germany. Headline inflation has remained on a downward trend in most economies due to the drop in energy prices, and international food prices, with service inflation cooling at a slower pace. Importantly, however, core inflation, though lower than recent highs, remains higher than its long-term average, as underlying price pressures such as wage growth remain strong in the face of historically low unemployment. As such, more rate hikes are being forecasted for major economies like the US[3] (despite the Fed's pause in June 2023) and UK, until more consistent disinflation trends towards targeted

[1] Global economic activity is forecast to slow to 2.8% and 3.0% for 2023 and 2024 (IMF).

[2] Global economic outlook improving, albeit to a low growth recovery (July, 2023).

[3] Investors are currently predicting a 90% chance that the Fed will raise interest rates by 25bps to between 5.25% and 5.50% at its July meeting (CNBC, 2023).

4. **Macro-environment update (continued)**

levels are observed. However, central banks will have to apply caution in administering these hikes as they try to balance controlling inflation with managing financial stability risks. Rising interest rates will deepen losses on securities held by banks and motivate savers to pull cash from accounts to seek higher interest-earning alternatives, squeezing the main way these financial institutions make money. As such, central banks have to factor the negative wealth and economic effects of additional monetary adjustments into their upcoming decisions. Importantly, despite concerns that inflation and interest rate hikes could negatively impact the economy, leading to a recession and job losses, the American economy has shown resilience. Against this background, many economists believe that the window for a 2023 recession is closing, leading to a shift in predictions that a mild recession could commence 2024, instead of end 2023.

Operating Territories Still Expected to Grow Despite Fresh Headwinds

Both the region and our operating territories are still expected to grow in 2023, with some divergence in the revisions. In general, the Latin America and Caribbean region is expected to expand by 1.4% in 2023[4], slightly below the 1.6% provided in our previous update, before improving to 2.4% in 2024 and 2025. Bermuda's growth forecast has been revised downward to 2.3%[5] from 2.8% due to the recent increase in the public debt and a wider budget deficit following the COVID-19 crisis. Furthermore, although the tourism sector will be the main growth driver in 2023, slowing rates of economic growth will reflect the impact of base effects, inflation eroding real household incomes and headwinds facing the global financial services sector. These headwinds will include higher global interest rates, geopolitical instability and volatility in equity markets, which together will likely reduce revenue from the sector. In contrast, the Cayman Islands is expected to see an increase in growth to 2.4% in 2023 up from 1.0%[6]. This is largely due to a robust recovery in tourism and an improved 2023 winter season. However, high inflation could dampen this growth by affecting household incomes.

Tourism recovery will continue to bolster the economies of Barbados (4.9%), Trinidad and Tobago (3.2%), and Jamaica (2.2%). Globally, international arrivals have already reached 80% of pre-pandemic levels in Q1 2023, and with a strong summer season, they are on track to reach 95% by year-end[7]. In the region, the Caribbean Tourism Organization Acting Secretary General Neil Walters, projects that the industry will see a 10% to 15% increase in arrivals over 2019. The biggest driver of the forecasted expansion in Trinidad & Tobago and Guyana is elevated gas and oil prices. Guyana continues to outpace the growth of its peers in the regions, with expected growth of 37.2% in 2023 fueled by its oil industry. Although energy prices are expected to soften this year, owing to weaker economic conditions, they are expected to remain elevated, which will incentivise energy production and drive growth. Freshly announced plans by Organization of the Petroleum Exporting Countries (OPEC)+ to deepen oil cuts[8] will continue to bolster prices and augur well for export earnings. The non-energy sector in these two territories is also expected to benefit from increased business activity due to spillover effects from the energy sector and recovery of consumer demand. These activities across all operating territories will also support employment, and hence private consumption of various goods and services. However, there are risks to these forecasts. Elevated inflation could lead to a more prolonged tightening of global financial conditions, greater strains on the financial system, and reduced disposable income potentially undermining business and consumer confidence. Escalating geopolitical tensions and increased recession risks could also negatively impact all operating markets' economic performance, while a further decline in global energy prices will reduce export earnings potential for Trinidad & Tobago and Guyana, with more far-reaching consequences for the recovering Trinidadian economy. The risks are greater for T&T as it is a mature hydrocarbon producer with declining reserves, which makes its ability to pay down debt and cover spending needs more vulnerable to changes in oil and gas prices.

Despite these risks, we expect our operating territories to grow this year, with key sectors continuing to recover. The banking sector will continue to benefit from higher net interest income and fees and commissions in a high-interest-rate environment. However, with loan demand already softening on the pass-through of higher policy rates to borrowing costs, it could decline faster if economic conditions worsen more than anticipated. In the insurance sector, the economic rebound will continue to support demand for new policies; however, in some areas there will be higher claim expenses such as health claims, as procedures previously postponed due to the pandemic are resumed. Trading gains for securities dealers will likely remain below historical highs due to high-interest rates and depressed bond and stock prices. Better trading gains will likely be realized in the middle of our new financial year as the Fed pauses hikes on a prolonged basis, supporting a recovery in emerging market bond prices. A peak in global and local interest rates will also have implications for the stock market as the relative attractiveness of fixed-income instruments declines, and the attractiveness of equities rises, especially as lower discount rates lead to higher valuations. Rebound in equity trading gains will also require sustained positive economic and fiscal outlooks and better liquidity for institutional investors to take advantage of opportunities. However, in the near term recession risk will remain a headwind. As a positive, the burgeoning alternatives market will continue to present opportunities through the demand for new alternative investments and structured products, which should drive fee and commission income. In the final quarter of this financial year into the next, the Group will continue to seize emerging opportunities while mitigating existing and emerging risks.

[4] The World Bank.
[5] Fitch Solutions.
[6] Fitch Solutions.
[7] World Tourism Organization.
[8] OPEC+ decided to extend oil cuts to August, and possibly beyond that, and Russia announced plans to cut oil production by 500,000 barrel per day.

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

Directors [1.]	Total	Direct	Connected Parties
Robert Almeida	65,990,231	171,750	65,818,481
Dennis Cohen [2.]	135,764,818	2,267,344	133,497,474
Sandra Glasgow [2.]	133,848,050	188,126	133,659,924
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	1,467,645,135	146,698	1,467,498,437
Thalia Lyn, OD [2.]	134,053,968	408,204	133,645,764
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 June 30, 2023

Executives	Total	Direct	Connected Parties
Dennis Cohen [1. 2.]	135,764,818	2,267,344	133,497,474
Dave Garcia (Corporate Secretary)	175,027	175,027	0
Hon. Patrick Hylton, OJ, CD [1.]	75,324,136	9,505,655	65,818,481
Misheca Seymour-Senior	27,195	27,195	0
Mukisa Wilson Ricketts	87,552	87,552	0
Allison Wynter [2.]	68,007,230	191,237	67,815,993

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

Executives	Total	Direct	Connected Parties
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
Raymond Donaldson	0	0	0
Steven Gooden	4,293	4,293	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
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 67,675,993 held as trustees of the N.C.B. Staff Pension Fund.

10 Largest Shareholders of NCB Financial Group Limited as at June 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	101,406,205	4.11%
Sagicor PIF Equity Fund	73,795,464	2.99%
NCB Insurance Agency & Fund Managers Limited WT 109	57,715,172	2.34%
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	32,843,465	1.33%
SJIML A/C 3119	31,883,479	1.29%
Guardian Life of the Caribbean	30,206,368	1.22%

Shareholder Profile of NCB Financial Group Limited as at June 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%	19.42%	479,003,144
44,083	Less than 1%	29.44%	726,028,742
44,094		**100.00%**	**2,466,762,828**