











Financial Results

For The Quarter Ended
December 31, 2023

Key Highlights

Reporting Period:	Quarter Ended December 31, 2023	Restated Quarter Ended December 31, 2022
 Net Profit	\$5.97B	\$2.21B
 Net Profit Attributable to Stockholders of the parent	\$3.08B	\$1.38B
 Total Assets	\$2.22T	\$2.08T
 Equity	\$196.05B	\$157.14B
 Equity Attributable to Stockholders of the parent	\$159.66B	\$132.55B
 Earnings Per Share	\$1.32	\$0.60
 Return On Assets	1.08%	0.43%
 Return On Equity	7.96%	4.56%

First Quarter 2024 Report to Shareholders

Kingston, Jamaica - February 8, 2024

The Board of Directors approved the release of the following unaudited financial results for NCB Financial Group Limited (NCBFG) and its subsidiaries (the Group) for the quarter ended December 31, 2023.

The Group, for the first quarter following the adoption of IFRS 17 reports unaudited consolidated net profit of \$5.97 billion for the quarter ended December 31, 2023, a \$3.76 billion or 170% increase over the prior year. Consolidated net profit attributable to stockholders of the parent totalled \$3.08 billion, a 123% or \$1.70 billion increase over the prior year. The net profit of \$5.97 billion for the quarter is a \$7.54 billion improvement compared to the net loss of \$1.57 billion reported in fourth quarter of the last financial year. The net profit attributable to stockholders of the parent of \$3.08 billion is an improvement of \$7.28 billion compared to the net loss in the fourth quarter of the last financial year. Consolidated equity increased by 25% or \$38.91 billion and consolidated equity attributable to stockholders of the parent increased by 20% or \$27.11 billion compared to the prior year.

The performance in the quarter includes the full year's asset tax charge of \$2.5 billion, which was expensed in the current quarter. Having made a number of transformational changes at the end of the last financial year and with the adoption of IFRS 17, performance in this first quarter of the new fiscal year was in line with our expectations and we look forward to sequential improvement going forward.

The Group remains well capitalised and resilient to respond to the highly dynamic environment. We continue our emphasis on efficiency, governance and customer satisfaction as we seek to leverage the opportunities and synergies inherent in the leading scale and scope of our platform. We have more work to do and we are confident that the dedication of our talented team will enable us to successfully execute our strategic initiatives so that we can meet and exceed the key objectives of our critical stakeholders.

[Adoption of IFRS 17 - Insurance Contracts](#)

Effective October 1, 2023, the Group adopted IFRS 17 – Insurance Contracts, which replaces IFRS 4. This materially changes the recognition and measurement of insurance contracts mainly in the Life, Health and Pension (LHP) segment and the corresponding presentation and disclosures in the Group's financial statements. In accordance with the transition requirements of IFRS 17, the Group has restated its financial statements for the prior year's comparative results and recognised the total impact on initial application of IFRS 17 in the

Adoption of IFRS 17 - Insurance Contracts (continued)

opening consolidated statement of financial position as at October 1, 2022 (see note 4 to the financial statements for further details). The various new measurement criteria under IFRS 17 had a significant impact on the Group's performance. The restatement positively impacted the net profit for the December 2022 quarter of the prior year.

Group Performance

For the quarter, the Group's performance improved for its main revenue lines, recording higher operating income of \$34.5 billion, an increase of \$7.6 billion or 28%, primarily as a result of increased net revenues from insurance service results. On the adoption of IFRS 17, the Group's life insurance segment utilised an option in the standard to redesign certain financial assets based on a change in its business model. This redesignation of those financial assets to fair value through profit or loss resulted in a one off gain of approximately \$3 billion.

The increased revenues resulted in improvement in some of our key performance indicators when measured against the prior year. Return on assets (ROA) and return on equity (ROE) (annualised) improved to 1.08% up from 0.43% and 7.96% up from 4.56%, respectively. The rolling twelve-month ROA and ROE were 0.74% and 5.30%, respectively. The cost to income ratio declined from 82.01% in the prior year to 73.93%, which includes a full year's asset tax in the quarter. We are committed to implementing strategic measures to bring these key performance indicators in line with leading global benchmarks.

Banking and Investment Activities

Net revenues from banking and investment activities of \$19.5 billion, increased by 4% or \$719 million over the prior year's first quarter results. Net interest income and net fee and commission income increased by \$262 million and \$510 million, respectively. Growth in the interest-earning asset portfolio and higher transaction volumes resulted in the increased interest and fee and commission income, respectively. Gain on foreign currency and investment activities declined by \$607 million, mainly as a result of unrealised fair losses in the current quarter, which were partially offset by increased foreign exchange income.

Insurance Activities

Net revenues from insurance activities was \$15.0 billion, 85% or \$6.9 billion higher than the prior year. Insurance service result totalled \$6.2 billion, an increase of 86% or \$2.9 billion over the prior year. The improvement was mainly from our property & casualty general insurance segment, with the property business line contributing

Group Performance (continued)

Insurance Activities (continued)

most of the increase due to the growth in those insurance revenue lines. The increased insurance service results were tempered by net insurance finance expenses of \$6.1 billion that increased by 30% or \$1.4 billion. This increase was due to higher finance expenses from insurance contracts mainly due to fair value movements, changes in interest rate assumptions and interest accretion. Investment and other income earned from the insurance segment increased by \$5.4 billion or 57%, primarily due to a non-recurring adjustment of \$3.0 billion and net gains from Trinidadian and Jamaican equities.

Operating Expenses

Operating expenses totalled \$26.2 billion, increasing by \$3.2 billion or 14% over the prior year. One of the main reasons for the higher reported operating expenses in the current period was due to a downward adjustment in the prior year for depreciation and amortisation expenses due to policy changes that extended the useful life of certain asset categories. Staff costs increased by 7% primarily due to annual negotiated salary increases, partially offset by the significant reductions following the restructuring at the executive level at the end of the previous financial year. Credit card loyalty expenses, insurance related operating expenses, operational losses, auditor's remuneration, management fees and Jamaican asset tax were the main contributors to the rise in other operating expenses.

We are focussed on cost optimisation and building a foundation for future enhancements in our cost-to-income ratio. We have been working on the implementation of rigorous cost-control measures and constantly exploring and executing initiatives to lower our cost structure. Shareholders can rest assured in our steadfast efforts and commitment to prudently manage costs for future positive trajectory in the Group's financial performance.

Consolidated Statement of Financial Position

Total assets rose to \$2.22 trillion, an increase of 7% or \$138.4 billion over the prior year. The growth in the asset base was mainly due to increased investment securities and net loans and advances, which was mainly funded by repurchase agreements, deposits and other borrowed funds.

Investment Securities and Reverse Repurchase Agreements

Investment securities, including pledged assets and reverse repurchase agreements, exceeded \$1.1 trillion, an increase of 12% or \$117.6 billion. This continues to be the Group's largest interest-bearing asset portfolio.

Consolidated Statement of Financial Position (continued)

Loans and Advances

The Group's loans and advances, net of credit impairment losses, totalled \$621.2 billion, an increase of 5% or \$29.2 billion over the prior year, primarily driven by growth in our CSME and Payment Services portfolios. Non-performing loans declined by \$349 million or 1% from the prior year to \$25.6 billion as at December 31, 2023, representing 4.0% of the gross loans, an improvement from the 4.3% in the prior year.

Deposits

Deposits, our largest source of funding, increased by a 6% or \$39.7 billion to \$756.6 billion at December 2023, demonstrating the continued confidence that customers have in the Group.

Insurance Contracts Liabilities

Insurance contracts total \$517.9 billion, a 4% or \$22.2 billion increase over the prior year.

Capital and Liquidity

Equity attributable to stockholders of the parent totalled \$159.7 billion, an increase of \$27.1 billion or 20% over the prior year. The growth in equity was mainly attributable to increased retained earnings and a reduction in unrealised fair value losses. During the quarter, additional NCBFG shares were issued and allotted to executives and former executives resulting in a \$4.9 billion increase in share capital to \$158.7 billion. Issued and fully paid-up ordinary stock units increased by 78,081,784 shares to total 2,544,844,612 at December 31, 2023. Subsequently, 480,900 new shares were issued in January 2024 to a former executive of the Group increasing total issued ordinary shares to 2,545,325,512.

Board Meeting Date and Dividend Consideration

A Board of Directors meeting is to be held on Friday, February 16, 2024 and the payment of a dividend will be recommended for consideration at this meeting.

Environment, Social and Governance (ESG)

We are proud to reaffirm our dedication to ESG principles and have been resolute in strengthening our resolve to advance sustainability, promote social responsibility and uphold the highest standards of governance. The objective is to actively participate in endeavours fostering long-term success, delivering meaningful benefits to diverse stakeholders and ensuring adherence to all relevant regulations through responsible and ethical business

Environment, Social and Governance (ESG) (continued)

practices. Our ongoing initiatives prioritise the well-being of our employees, shareholders, customers, business partners and communities.

As part of the Group's commitment to environmental sustainability we will continue to:

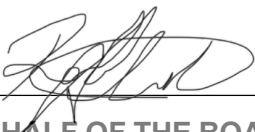
- provide a suite of tailored solutions for green financing, including funding for wind, solar energy, waste and water management projects,
- support sustainable infrastructure development and
- foster awareness through partnerships, sponsorships and hosting various events.

Across the Group, our subsidiaries play a critical role in executing our ESG strategy. Our commitment to environmental sustainability is reflected in our operational strategies and business practices, from paperless operations and energy conservation to environmentally friendly packaging and encouraging merchants and clients to migrate to digital solutions. The Group continually embraces environmentally conscious practices to diminish our ecological footprint, championing sustainability. These ESG commitments are integral to our long-term strategy, aligning financial success with responsible corporate citizenship. Upholding our commitment to empowerment and community building, we persist in funding initiatives through our Foundations, aimed at enhancing the well-being of individuals within the communities we serve and beyond.

Governance remains a cornerstone of our business philosophy. Our Board of Directors is dedicated to upholding the highest standards of corporate governance, ensuring transparency, accountability, and ethical decision-making. We maintain rigorous governance structures that promote integrity and fairness in all aspects of our business to safeguard the interests of our stakeholders.

Integrating ESG considerations into our business practices allows us to mitigate risks and seize opportunities for long-term sustainable growth. We understand that these principles are fundamental to our success and are confident that our investors share our vision for a socially responsible and environmentally sustainable future.

NCBFG – Empowering People | Unlocking Dreams | Building Communities.



ON BEHALF OF THE BOARD

Robert Almeida, Interim Group Chief Executive Officer

Amounts are shown in millions

	CURRENT YEAR		RESTATED PRIOR YEAR	
	Quarter ended	Quarter ended	Quarter ended	Quarter ended
	December 31	September 30	December 31	December 31
	2023	2023	2022	2022
	\$'M	\$'M	\$'M	\$'M
Operating income				
Banking and investment activities				
Interest income	21,657	21,339	18,875	
Interest expense	(10,059)	(10,045)	(7,539)	
Net interest income	11,598	11,295	11,336	
Fee and commission income	9,481	9,106	8,426	
Fee and commission expense	(3,010)	(3,044)	(2,465)	
Net fee and commission income	6,472	6,062	5,962	
Gain on foreign currency and investment activities	1,896	2,092	2,503	
Credit impairment losses	(877)	(283)	(1,167)	
Dividend income	280	345	101	
Other operating income	143	38	57	
	1,441	2,192	1,494	
Net revenues from banking and investment activities	19,511	19,549	18,791	
Insurance activities				
Insurance revenue	31,806	33,063	28,666	
Insurance service expenses	(21,924)	(17,214)	(21,088)	
Net expenses from reinsurance contracts held	(3,680)	(8,237)	(4,252)	
Insurance service result	6,202	7,611	3,325	
Insurance finance expenses				
Finance expenses from insurance contracts issued	(6,087)	(2,251)	(4,736)	
Finance income from reinsurance contracts held	(28)	26	26	
Net insurance finance expenses	(6,116)	(2,225)	(4,710)	
Investment income and other income insurance segment	14,920	7,089	9,481	
Net revenues from insurance activities	15,006	12,476	8,097	
Net operating income	34,516	32,024	26,888	
Operating expenses				
Staff costs	13,585	20,283	13,119	
Depreciation and amortisation	2,436	1,710	1,165	
Finance cost	517	502	567	
Other operating expenses	9,627	11,726	8,157	
	26,165	34,221	23,008	
Operating profit/(loss)	8,351	(2,197)	3,880	
Share of profit of associates	46	49	194	
Profit/(loss) before taxation	8,398	(2,147)	4,074	
Taxation	(2,428)	577	(1,865)	
NET PROFIT/(LOSS)	5,970	(1,571)	2,209	
Attributable to:				
Stockholders of parent	3,077	(4,200)	1,378	
Non-controlling interest	2,893	2,630	831	
	5,970	(1,571)	2,209	
Earnings per stock unit				
Basic and diluted (expressed in \$)	1.32	(1.83)	0.60	

Amounts are shown in millions

	RESTATED		
	Quarter ended December 31 2023 \$'M	Quarter ended September 30 2023 \$'M	Quarter ended December 31 2022 \$'M
Net Profit/(Loss)	5,970	(1,571)	2,209
Other comprehensive income, net of tax-			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	(847)	2,042	29
	(847)	2,042	29
Items that may be subsequently reclassified to profit or loss			
Currency translation (losses)/gains	(170)	(888)	410
Expected credit reversals/(losses) on debt instruments at fair value through other comprehensive income (FVOCI)	84	(904)	560
Unrealised gains on securities designated as FVOCI	11,552	2,262	22,607
Realised fair value gains on securities designated as FVOCI	(361)	(195)	(356)
Insurance finance reserves	(8,002)	(13,613)	(1,160)
	3,103	(13,339)	22,061
Total other comprehensive income/(loss)	2,256	(11,297)	22,089
TOTAL COMPREHENSIVE INCOME/(LOSS)	8,226	(12,868)	24,299
Total comprehensive income/(loss) attributable to:			
Stockholders of the parent	6,238	(14,257)	24,180
Non-controlling interest	1,988	1,389	119
	8,226	(12,868)	24,299


Amounts are shown in millions


	RESTATED		
	December 31 2023	September 30 2023	December 31 2022
	\$'M	\$'M	\$'M
ASSETS			
Cash in hand and balances at Central Banks	87,450	80,956	78,152
Due from banks	144,246	139,901	170,395
Derivative financial instruments	1,044	827	896
Reverse repurchase agreements	6,407	8,765	7,430
Loans and advances, net of credit impairment losses	621,216	612,705	592,063
Investment securities	840,753	831,605	745,373
Pledged assets	281,839	284,366	258,631
Investment in associates	6,848	7,126	7,093
Investment properties	36,206	36,593	36,487
Intangible assets	53,744	53,982	53,274
Property, plant and equipment	29,774	29,143	28,864
Right-of-use assets	4,616	4,731	4,754
Properties for development and sale	3,846	4,152	2,153
Deferred income tax assets	21,151	22,162	17,177
Income tax recoverable	12,715	8,004	2,152
Reinsurance contract assets	8,103	19,442	20,035
Insurance contract assets	3,160	17,545	2,106
Letters of credit and undertaking	6,258	5,180	5,401
Other assets	51,948	52,839	50,530
Total assets	<u>2,221,322</u>	<u>2,220,022</u>	<u>2,082,967</u>
LIABILITIES			
Due to banks	21,582	31,932	31,806
Customer deposits	756,587	747,872	716,907
Repurchase agreements	297,431	280,714	255,205
Obligations under securitisation arrangements	97,066	98,195	98,045
Derivative financial instruments	-	9	210
Other borrowed funds	175,853	179,648	156,594
Deferred income tax liabilities	8,063	7,525	6,926
Third party interests in mutual funds	38,735	38,911	35,027
Insurance contract liabilities	517,890	520,753	495,642
Reinsurance contract liabilities	464	4,471	11,138
Investment contract liabilities	46,477	47,047	45,283
Post-employment benefit obligations	8,936	7,812	4,239
Letters of credit and undertaking	6,258	5,180	5,401
Lease liabilities	4,673	4,757	4,896
Other liabilities	45,259	61,066	58,511
Total liabilities	<u>2,025,272</u>	<u>2,035,890</u>	<u>1,925,831</u>
STOCKHOLDERS' EQUITY			
Share capital	158,725	153,827	153,827
Treasury shares	(25,675)	(25,675)	(26,653)
Reserve from the scheme of arrangement	(147,035)	(147,035)	(147,035)
Insurance Finance Reserves	8,284	16,286	11,209
Fair value and capital reserves	(2,663)	(14,673)	(9,674)
Loan loss reserve	6,062	5,754	6,149
Statutory reserve fund	8,254	6,933	6,897
Retained earnings reserve	75,270	75,270	75,270
Retained earnings	78,440	79,044	62,563
Equity attributable to stockholders of the parent	<u>159,662</u>	<u>149,732</u>	<u>132,553</u>
Non-controlling interest	36,388	34,399	24,582
Total stockholders' equity	<u>196,050</u>	<u>184,131</u>	<u>157,136</u>
Total stockholders' equity and liabilities	<u>2,221,322</u>	<u>2,220,022</u>	<u>2,082,967</u>

Approved for issue by the Board of Directors on February 8, 2024 and signed on its behalf by:


Robert Almeida, Interim Group Chief Executive Officer


Malcolm Sadler, Chief Financial Officer


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


Dave Garcia, Corporate Secretary

Financial Results

Unaudited Consolidated Statement of Changes in Stockholders' Equity

Quarter Ended December 31, 2023

(expressed in Jamaican dollars unless otherwise indicated)

Amounts are shown in millions

	Share capital	Treasury shares	Reserve from the Scheme of Arrangement	Insurance finance reserves	Fair value and capital reserves	Loan loss reserve	Banking reserve fund	Retained earnings reserve	Retained earnings	Non-controlling interest	Total
	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
Balance as at October 1, 2022 - Restated	153,827	(26,653)	(147,035)	12,369	(33,607)	6,350	6,897	67,170	69,054	24,463	132,837
Total comprehensive income											
Net profit - Restated	-	-	-	-	-	-	-	-	1,378	831	2,209
Other comprehensive (loss)/income	-	-	-	(1,160)	23,933	-	-	-	29	(712)	22,089
Transfer from loan loss reserve	-	-	-	-	-	(201)	-	-	201	-	-
Transfer to retained earnings reserve	-	-	-	-	-	-	-	8,100	(8,100)	-	-
Balance at December 31, 2022 - Restated	153,827	(26,653)	(147,035)	11,209	(9,674)	6,149	6,897	75,270	62,563	24,582	157,136
Balance as at October 1, 2023 - Restated	153,827	(25,675)	(147,035)	16,286	(14,673)	5,754	6,933	75,270	79,044	34,399	184,131
Total comprehensive income											
Net profit	-	-	-	-	-	-	-	-	3,077	2,893	5,970
Other comprehensive (loss)/income	-	-	-	(8,002)	12,010	-	-	-	(847)	(904)	2,256
Transfer to loan loss reserve	-	-	-	-	-	308	-	-	(308)	-	-
Transfer to statutory reserve	-	-	-	-	-	-	1,321	-	(1,321)	-	-
Issue of additional share capital	4,897	-	-	-	-	-	-	-	-	-	4,897
Transaction with owners of the Company - Dividends paid	-	-	-	-	-	-	-	-	(1,205)	-	(1,205)
Balance at December 31, 2023	158,725	(25,675)	(147,035)	8,284	(2,663)	6,062	8,254	75,270	78,440	36,388	196,050

Financial Results

Unaudited Consolidated Statement of Cash Flows

Quarter Ended December 31, 2023

(expressed in Jamaican dollars unless otherwise indicated)

Amounts are shown in millions

	December 31 2023 \$'M	RESTATED December 31 2022 \$'M
Cash Flows from Operating Activities		
Net profit	5,970	2,209
Adjustments to reconcile net profit to net cash provided by operating activities	13,225	13,997
Net cash provided by operating activities	<u>19,195</u>	<u>16,206</u>
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(1,716)	(483)
Acquisition of intangible asset - computer software	(1,144)	(2,072)
Proceeds from disposal of property, plant and equipment	22	1,101
Purchase of investment property	(86)	(675)
Sale of investment properties	2	-
Purchases of investment securities	(162,941)	(143,313)
Sales/maturities of investment securities	163,380	115,656
Net cash provided by/(used in) investing activities	<u>(2,484)</u>	<u>(29,786)</u>
Cash Flows from Financing Activities		
Repayments under securitisation arrangements	(711)	(672)
Proceeds from other borrowed funds	1,309	8,391
Repayments of other borrowed funds	(6,400)	(4,962)
Due to banks	215	(6,482)
Lease repayment	(404)	(464)
Dividends paid	(1,205)	-
Net cash used in financing activities	<u>(7,196)</u>	<u>(4,189)</u>
Effect of exchange rate changes on cash and cash equivalents	(563)	(961)
Net increase/(decrease) in cash and cash equivalents	8,952	(18,730)
Cash and cash equivalents at beginning of period	155,564	201,498
Cash and cash equivalents at end of period	<u>164,516</u>	<u>182,768</u>
Comprising:		
Cash in hand and balances at Central Banks	37,602	34,507
Due from banks	140,472	167,229
Reverse repurchase agreements	-	520
Investment securities	311	1,747
Due to banks	(13,868)	(21,235)
	<u>164,516</u>	<u>182,768</u>

Amounts are shown in millions

	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	
	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	
External revenue	10,632	8,213	3,941	6,039	9,114	31,482	22,105	(11,343)	80,182
Revenue from other segments	1,166	18	909	3,449	1,132	263	-	(6,936)	0
Total Revenue	11,798	8,231	4,850	9,488	10,246	31,744	22,105	(18,279)	80,182
Net interest income	7,307	1,531	2,171	1,812	1,341	6,864	470	(3,615)	17,883
Net fee and commission income	1,585	2,562	497	154	706	1,147	1,350	(667)	7,335
Gain/(loss) on foreign currency and investment activities	13	127	0	2,220	(80)	6,522	28	(922)	7,908
Net revenues from insurance activities	-	-	-	-	-	2,950	2,860	391	6,202
Insurance finance expenses	-	-	-	-	-	(5,668)	(447)	0	(6,116)
Credit impairment (losses)/reversals	(507)	(498)	(179)	15	197	(23)	23	95	(877)
Other operating income and dividend income	52	(1)	0	0	398	1,173	(9)	97	1,710
Total operating income	8,450	3,721	2,489	4,201	2,562	12,966	4,275	(4,620)	34,044
Total operating expense	5,181	1,682	822	1,148	2,255	3,226	2,169	829	17,311
Operating profit before allocated cost	3,269	2,040	1,667	3,054	308	9,740	2,106	(5,450)	16,733
Allocated costs	(3,118)	(1,516)	(461)	(262)	-	-	-	-	(5,357)
Operating (loss)/profit	151	524	1,205	2,792	308	9,740	2,106	(5,450)	11,376
Unallocated corporate expenses									(3,025)
Share of profit of associates									46
Profit before taxation									8,398
Taxation									(2,428)
Net Profit									5,970
Segment assets	579,030	63,635	176,884	404,783	438,496	660,169	97,089	(239,478)	2,180,608
Associates									6,848
Unallocated assets									33,866
Total assets									2,221,322
Segment liabilities	512,282	24,680	162,233	424,911	393,278	545,940	52,736	(98,850)	2,017,209
Unallocated liabilities									8,063
Total liabilities									2,025,272
Capital expenditure	1,179	766	99	40	79	373	63	264	2,861

Amounts are shown in millions

RESTATED	Banking and Investment Activities					Insurance Activities			Total
	Consumer & SME Banking	Payment Services	Corporate & Commercial Banking	Treasury & Correspondent Banking	Wealth, Asset Management & Investment Banking	Life and Health Insurance & Pension Fund Management	General Insurance	Other & Consolidation Adjustments	
	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	
External revenue	9,011	7,132	3,865	5,270	5,113	23,905	15,412	(1,598)	68,109
Revenue from other segments	1,137	11	869	2,513	1,093	177	86	(5,887)	-
Total Revenue	10,148	7,143	4,734	7,783	6,206	24,082	15,498	(7,485)	68,109
Net interest income	7,071	1,726	2,406	1,086	1,563	6,179	296	(3,233)	17,093
Net fee and commission income	1,272	2,415	377	144	735	966	1,439	(798)	6,550
Gain/(loss) on foreign currency and investment activities	8	95	(0)	1,996	392	105	0	(38)	2,558
Net revenues from insurance activities	-	-	-	-	-	401	2,505	419	3,325
Insurance finance expenses	-	-	-	-	-	(4,761)	51	-	(4,710)
Credit impairment (losses)/reversals	(900)	(339)	(32)	(3)	40	(98)	95	71	(1,167)
Other operating income and dividend income	33	1	0	0	456	2,404	(247)	291	2,937
Total operating income	7,484	3,897	2,750	3,223	3,186	5,197	4,139	(3,289)	26,588
Total operating expense	5,034	2,194	910	1,197	2,255	3,185	1,635	1,866	18,277
Operating profit before allocated cost	2,450	1,703	1,840	2,026	931	2,012	2,504	(5,155)	8,311
Allocated costs	(3,050)	(1,461)	(485)	(264)	-	-	-	-	(5,260)
Operating (loss)/profit	(600)	242	1,355	1,762	931	2,012	2,504	(5,155)	3,051
Unallocated corporate expenses									829
Share of profit of associates									194
Profit before taxation									4,074
Taxation									(1,865)
Net Profit									2,209
Segment assets	496,713	51,502	185,654	447,530	427,715	613,325	101,333	(267,228)	2,056,544
Associates									7,093
Unallocated assets									19,329
Total assets									2,082,967
Segment liabilities	460,587	28,988	171,526	408,052	381,899	521,292	92,255	(145,695)	1,918,905
Unallocated liabilities									6,926
Total liabilities									1,925,831
Capital expenditure	1,005	669	64	113	198	304	112	91	2,556

1. Identification and Principal Activities

NCB Financial Group Limited (“the Company”) is a financial holding company, incorporated and domiciled in Jamaica. The Company is 49.58% (December 31, 2022 - 52.72%) 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 quarter ended December 31, 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, 2023 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, 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. Adoption of IFRS 17 - Insurance Contracts

Effective October 1, 2023, IFRS 17 replaced IFRS 4 Insurance Contracts, materially changing the recognition and measurement of insurance contracts and the corresponding presentation and disclosures in the Group’s financial statements.

In accordance with the transition requirements of IFRS 17, the Group has restated its financial statements and is therefore presenting:

1. Within the summarised consolidated statement of financial position, an opening balance sheet as at 1 October 2022, the date of transition to IFRS 17. Differences between the carrying value of assets, liabilities and equity previously recorded and those under IFRS 17 were recorded in retained earnings.
2. Summarised consolidated statement of financial position as at September 30, 2022, now restated under IFRS 17 regime.
3. Summarised consolidated statement of financial position, income, comprehensive income, cash flows and changes in equity as at and for the periods ended December 2023, September 2023 and December 2022 in compliance with IFRS 17.

While retrospective application is required, full retrospective to a group of contracts is impractical, the modified retrospective or fair value methods may be used. The Group therefore applied the fair value approach on all long-term portfolios within the Life, Health and Pensions business that were in issue as at October 1, 2022 and prior, and the full retrospective approach thereafter. For all other portfolios, the full retrospective approach was used for all relevant periods.

Refer to Note 58 of the Group’s 2023 audited financial statements for further details on the adoption of IFRS 17.

4. Adoption of IFRS 17 - Insurance Contracts (continued)

The initial application of IFRS 17 resulted in a reduction of total equity of \$59 billion as at October 1, 2022. The opening IFRS 17 statement of financial position and related adjustments are presented below:

BALANCE SHEET	As previously reported	September 2022	
	\$'000	Restatement \$'000	Restated \$'000
Cash in hand and due from banks	256,663,119	(971,097)	255,692,022
Investment securities and pledged assets	968,349,401	(1,694,564)	966,654,837
Loans and advances, net of credit impairment losses	580,987,814	(924,427)	580,063,387
Property, plant, equipment & intangible assets	83,767,904	(3,146,933)	80,620,971
Reinsurance assets	30,312,857	(7,753,830)	22,559,027
Insurance assets	-	5,388,516	5,388,516
Deferred & income taxes	28,028,581	-	28,028,581
Other assets	130,076,583	(24,126,827)	105,949,756
Total assets	2,078,186,259	(33,229,162)	2,044,957,097
Customer deposits	715,276,682	-	715,276,682
Repurchase agreements	247,676,853	411,911	248,088,764
Borrowed funds	153,272,229	(23,188)	153,249,041
Liabilities under annuity and insurance contracts	441,463,531	44,237,859	485,701,390
Reinsurance contract liabilities	-	17,966,468	17,966,468
Other liabilities	327,287,979	(36,642,980)	290,644,999
Total liabilities	1,884,977,274	25,950,070	1,910,927,344
Share capital & other equity	60,556,962	9,531,211	70,088,173
Fair value and other reserves	(26,945,082)	(16,505,913)	(43,450,995)
Insurance service reserves	-	12,369,390	12,369,390
Retained earnings	112,486,311	(42,239,046)	70,247,265
Equity attributable to stockholders of the parent	146,098,191	(36,844,358)	109,253,833
Non-controlling interest	47,110,794	(22,334,874)	24,775,920
Total stockholders equity	193,208,985	(59,179,232)	134,029,753
Total stockholders equity and liability	2,078,186,259	(33,229,162)	2,044,957,097

The initial application adjustments arise principally from:

a. Introduction of the Contractual Service Margin (CSM)

This is a new liability that represents future unearned profits on long-term insurance contracts written.

b. The measurement of the Risk Adjustment

This is a concept in IFRS 17 that is similar to the Margins for Adverse Deviation that was previously estimated under IFRS 4. IFRS 17 does however introduce some specific considerations in the calculation and application of this item.

c. The determination of Discount Rates

IFRS 17 introduced some changes in how discount rates are determined, primarily removing from consideration the characteristics of the assets which support the related insurance liabilities.

d. Other measurement changes

This includes changes to the level at which contracts are aggregated for measurement purposes and how contract boundaries are defined.

4. Adoption of IFRS 17 - Insurance Contracts (Cont'd)

e. Presentation changes

Several assets and liabilities experienced no change to their measurement but have been moved to other areas of the financial statements, including:

Premiums receivable and Policy loans – These amounts were previously reported in loans and receivables and have now been reclassified to insurance contract liabilities/assets as they are insurance contract related.

Deposits with/balances due from reinsurers – These amounts were previously reported in loans and receivables and have now been reclassified to reinsurance contract assets/liabilities as they are related to reinsurance contracts.

Deposits and premiums received in advance – These amounts were previously reported in other liabilities and have now been reclassified to insurance contract liabilities/assets as they are insurance contract related.

Amounts due to reinsurers – These amounts were previously reported in other liabilities and have now been reclassified to reinsurance contract assets/liabilities as they are related to reinsurance contracts.

Deferred acquisition costs – These were previously reported as a separate line within the assets section of the financial statements and have been reclassified to insurance contract liabilities/assets as they are insurance contract related.

Interest/Ownership of Stock Units by Directors of NCB Financial Group Limited as at December 31, 2023

Directors ¹	Total	Direct	Connected Parties
Robert Almeida	65,990,231	171,750	65,818,481
Sandra Glasgow ²	130,848,050	188,126	130,659,924
Sanya Goffe	65,890,481	72,000	65,818,481
Hon. Michael Lee-Chin, OJ	1,467,645,135	146,698	1,467,498,437
Thalia Lyn, OD ²	131,075,213	429,449	130,645,764
Prof., the Hon. Alvin Wint, OJ, CD	65,906,625	88,144	65,818,481

Interest/Ownership of Stock Units by Executives/Senior Managers of NCB Financial Group Limited as at December 31, 2023

Executives	Total	Direct	Connected Parties
Robert Almeida ¹	65,990,231	171,750	65,818,481
Dave Garcia (Corporate Secretary)	175,027	175,027	0
Malcolm Sadler	58,827	28,774	30,053
Misheca Seymour-Senior	27,195	27,195	0
Mukisa Wilson Ricketts	87,552	87,552	0
Allison Wynter ²	65,007,230	191,237	64,815,993

Interest/Ownership of Stock Units by Executives/Senior Managers of subsidiaries of NCB Financial Group Limited as at December 31, 2023

Executives	Total	Direct	Connected Parties
Bruce Bowen	0	0	0
Danielle Cameron Duncan	92,854	92,854	0
Ian Chinapoo	0	0	0
Jacqueline De Lisser	30,146	30,146	0
Raymond Donaldson	0	0	0
Ramon Lewis	57,215	57,215	0
Sheree Martin	6,713	6,713	0
Anne McMorris Cover	8,735	8,735	0
Antonio Spence	0	0	0
Ian Truran	0	0	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 Sandra Glasgow, Thalia Lyn and Allison Wynter include shares of 64,675,993 held as trustees of the N.C.B. Staff Pension Fund.



10 Largest Shareholders of NCB Financial Group Limited as at December 31, 2023

Name of Shareholder	Units	Percentage Ownership
AIC (Barbados) Limited	1,261,730,942	49.58%
MF&G Asset Management Limited - NCB Share Scheme	101,406,205	3.98%
Sagicor PIF Equity Fund	73,706,956	2.90%
Patrick Hylton	60,838,988	2.39%
NCB Insurance Agency & Fund Managers Limited WT 109	54,715,172	2.15%
Harprop Limited	46,434,102	1.82%
AIC Global Holdings Inc.	45,449,690	1.79%
National Insurance Fund	33,139,232	1.30%
Ideal Portfolio Services Company Limited	32,544,258	1.28%
SJIML A/C 3119	31,039,032	1.22%

Shareholder Profile of NCB Financial Group Limited as at December 31, 2023

Number of Shareholders	Ownership of Each Shareholder	Percentage Ownership	Number of Units
One shareholder with five accounts	49.58%	49.58%	1,261,730,942
12	1 - 5%	22.14%	563,543,981
44,794	Less than 1%	28.28%	719,569,689
44,807		100.00%	2,544,844,612



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