
AN
OVERVIEW
OF NATIONAL
COMMERCIAL
BANK JAMAICA

Prepared by:

The Caribbean Centre for Money and Finance

15th April 2013.

Today trading on both the Jamaica and Trinidad & Tobago stock exchanges, NCB has grown to become Jamaica's largest financial services provider with 40.7% market share by assets of the commercial banking sector (as at September 2012). NCB provides a wealth of financial services through its network of 42 locations and over 170 ABMs island wide. These services include chequing and savings accounts, credit card facilities, personal and commercial loans, insurance, and wealth management.

Group Subsidiaries & Percentage Ownership in 2011 & 2012

	Principal Activities	Percentage Ownership by The Group	
		2012	2011
Data-Cap Processing Limited	Security Services	100	100
Mutual Security Insurance Brokers Limited	Insurance Brokerage Services	100	100
NCB Capital Markets Limited	Securities Dealer and Stock Brokerage Services	100	100
NCB Capital Markets (Cayman) Limited *	Securities Dealer	100	100
NCB (Cayman) Limited	Commercial Banking	100	100
NCB Remittance Services (Cayman) Limited	Money Remittance Services	100	100
NCB Capital Markets (Cayman) Limited *	Securities Dealer	100	100
NCB Insurance Company Limited	Life Insurance, Investment and Pension Fund Management Services	100	100
N.C.B. (Investments) Limited	Dormant	100	100
N.C.B. Jamaica (Nominees) Limited	Registrar Services	100	100
NCB Remittance Services (Jamaica) Limited	Money Remittance Services	100	100
NCB Remittance Services (UK) Limited	Money Remittance Services	100	100
West Indies Trust Company Limited	Trust and Estate Management Services	100	100
NCB Employee Share Scheme	Dormant	100	100

Source: NCB Annual Report 2012

[Consolidated Statement of Financial Position]

September 30, 2012

[expressed in Jamaican dollars unless otherwise indicated]

	Note	2012 \$'000	Restated 2011 \$'000
ASSETS			
Cash in hand and balances at Bank of Jamaica	16	24,102,812	20,725,491
Due from other banks	17	14,927,069	24,812,575
Derivative financial instruments	18	4,978	-
Investment securities at fair value through profit or loss	19	720,406	1,785,352
Reverse repurchase agreements	20	408,294	1,897,472
Loans and advances, net of provision for credit losses	21	111,904,854	91,728,138
Investment securities classified as available-for-sale and loans and receivables	22	209,933,151	202,962,775
Investment in associates	23	7,149,880	6,898,130
Investment property	24	12,500	12,000
Intangible asset – computer software	25	1,135,599	897,862
Property, plant and equipment	26	5,231,798	4,322,866
Deferred income tax assets	27	19,483	26,191
Income tax recoverable		887,577	1,402,777
Customers' liability – letters of credit and undertaking		530,719	361,606
Other assets	28	2,466,599	2,184,878
Total Assets		379,435,519	359,618,113


[Consolidated Statement of Financial Position]

September 30, 2012


[expressed in Jamaican dollars unless otherwise indicated]

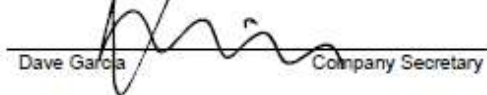
	Note	2012 \$'000	Restated 2011 \$'000
LIABILITIES			
Due to other banks	29	9,324,897	6,215,824
Customer deposits		182,930,350	155,800,401
Repurchase agreements		101,890,449	84,075,103
Obligations under securitization arrangements	30	2,593,201	14,378,119
Derivative financial instruments	18	5,312	-
Other borrowed funds	31	3,620,012	5,693,957
Income tax payable		11,191	12,591
Deferred income tax liabilities	27	1,398,092	2,387,682
Liabilities under annuity and insurance contracts	32	25,194,324	23,564,275
Provision for litigation	33	17,300	13,000
Post-employment benefit obligations	34	810,276	582,491
Liability – letters of credit and undertaking		530,719	361,606
Other liabilities	35	4,766,075	4,555,800
Total Liabilities		<u>313,092,198</u>	<u>297,640,849</u>
EQUITY			
Share capital	36	6,465,731	6,465,731
Shares held by NCB Employee Share Scheme	36	(3,388)	(3,388)
Fair value and capital reserves	37	2,194,179	5,166,594
Loan loss reserve	38	4,662,842	4,922,610
Banking reserve fund	39	6,512,634	6,039,687
Retained earnings reserve	40	14,013,657	11,375,761
Retained earnings		32,497,666	28,010,289
Total Equity		<u>66,343,321</u>	<u>61,977,264</u>
Total Equity and Liabilities		<u>379,435,519</u>	<u>359,618,113</u>

Approved for issue by the Board of Directors on November 15, 2012 and signed on its behalf by:


 Patrick Hylton Group Managing Director


 Dennis Cohen Deputy Group Managing Director


 Professor Alvin Wint Director


 Dave Garcia Company Secretary

[Consolidated Income Statement]

Year ended September 30, 2012

[expressed in Jamaican dollars unless otherwise indicated]

	Note	2012 \$'000	Restated 2011 \$'000
Operating Income			
Interest income		30,475,968	30,191,938
Interest expense		(8,691,878)	(9,041,078)
Net interest income	6	<u>21,784,090</u>	<u>21,150,860</u>
Fee and commission income		8,300,085	7,497,876
Fee and commission expense		(1,186,403)	(1,078,430)
Net fee and commission income	7	<u>7,113,682</u>	<u>6,419,446</u>
Gain on foreign currency and investment activities	8	3,731,492	4,035,443
Dividend income	9	119,634	11,830
Premium income	10	1,687,082	2,921,919
Other operating income		110,969	132,698
		<u>5,649,177</u>	<u>7,101,890</u>
		<u>34,546,949</u>	<u>34,672,196</u>
Operating Expenses			
Staff costs	11	9,755,916	9,240,116
Provision for credit losses	21	2,462,811	768,881
Depreciation and amortization		812,512	580,132
Impairment losses on securities	12	467,778	262,003
Other operating expenses	13	8,780,474	8,333,326
		<u>22,279,491</u>	<u>19,184,458</u>
Operating Profit		<u>12,267,458</u>	<u>15,487,738</u>
Gain on acquisition of associates	23	-	1,867,377
Share of profit of associates	23	947,141	234,979
Dilution of share in associates	23	(11,948)	-
Profit before Taxation		<u>13,202,651</u>	<u>17,590,094</u>
Taxation	14	(3,156,789)	(3,704,793)
NET PROFIT		<u>10,045,862</u>	<u>13,885,301</u>
Earnings per stock unit (expressed in \$ per share)			
Basic and diluted	15	<u>4.08</u>	<u>5.64</u>