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# AN OVERVIEW OF NATIONAL COMMERCIAL BANK OF JAMAICA

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Prepared by:

The Caribbean Centre for Money and  
Finance

7<sup>th</sup> August 2009.

## NATIONAL COMMERCIAL BANK OF JAMAICA<sup>1</sup>

The National Commercial Bank Jamaica Limited is incorporated in Jamaica and licensed under the Banking Act, 1992. The Bank is a 66.36% subsidiary of AIC (Barbados) Limited. The ultimate parent company is Portland Holdings Inc., incorporated in Canada. With a current work force of over 2,500 employees, NCBJ has an assets base of approximately US \$3,877 million. The Bank is listed on the Jamaica Stock Exchange and the Trinidad and Tobago Stock Exchange.

The Bank's subsidiaries, which together with the Bank are referred to as "the Group", are as follows:

NAME OF COMPANIES	PRINCIPAL ACTIVITIES	% OF EQUITY CAPITAL HELD
<b>Subsidiaries :</b>		
Data-Cap Processing Limited	Data Processing	100
Mutual Security Insurance Brokers Limited	Insurance Brokerage Services	100
NCB Capital Markets Limited	Primary Dealer and Stock Brokerage Services	100
NCB (Cayman) Limited and its 100 % subsidiaries	Commercial Banking	100
NCB Remittance Services (Cayman) Limited	Money Remittance Services	100
NCB Capital Markets (Cayman) Limited	Securities Dealer	100
NCB Insurance Company Limited	Life Insurance, Investment and Pension Fund Management	100
NCB (Investments) Limited	Money Market Trading	100
NCB Jamaica (Nominees) Limited	Registrar Services	100
NCB Remittance Services (Jamaica) Limited	Money Remittance Services	100
NCB Remittance Services (UK) Limited	Money Remittance Services	100
West Indies Trust Company Limited	Trust and Estate Management Services	100
<b>Associates:</b>		
Kingston Wharves Limited	Wharf Operations and Stevedoring	43.45
Dyoll Group Limited	Coffee cultivation and other activities	44.47

<sup>1</sup> <http://www.jncb.com>

## National Commercial Bank Jamaica Limited

### Consolidated Profit & Loss Account

Nine months ended 30 June 2009

(expressed in Jamaican dollars unless otherwise indicated)

	<i>CURRENT YEAR</i>		<i>PRIOR YEAR</i>	
	Quarter Ended	Year to Date	Quarter Ended	Year to Date
	30 Jun 09	30 Jun 09	30 Jun 08	30 Jun 08
	\$'000	\$'000	\$'000	\$'000
<b>Operating Income</b>				
Interest income from loans	3,255,382	9,810,212	2,591,375	7,396,722
Interest income from securities	5,966,281	16,257,899	4,923,691	14,031,067
Total interest income	9,221,663	26,068,111	7,515,066	21,427,789
Interest expense	(4,373,920)	(12,408,666)	(3,308,405)	(9,821,343)
Net interest income	4,847,743	13,659,445	4,206,661	11,606,446
Fee and commission income	1,528,098	4,567,408	1,491,056	4,321,060
Fee and commission expense	(360,257)	(1,024,282)	(315,788)	(883,990)
Net fee and commission income	1,167,841	3,543,126	1,175,268	3,437,070
Gain on foreign currency and investment activities	625,377	2,128,172	597,265	2,607,921
Dividend income	41,355	88,196	28,569	66,673
Insurance premium income	74,187	266,174	85,758	296,621
Other operating income	92,442	122,347	61,471	101,866
	833,361	2,604,889	773,063	3,073,081
	<b>6,848,945</b>	<b>19,807,460</b>	<b>6,154,992</b>	<b>18,116,597</b>
<b>Operating Expenses</b>				
Staff costs	1,883,764	5,990,477	1,798,760	5,409,145
Provision for credit losses	294,781	772,264	93,131	307,032
Depreciation and amortisation	147,502	450,595	173,654	549,351
Other operating expenses	945,124	3,240,762	1,184,013	3,278,145
	<b>3,271,171</b>	<b>10,454,098</b>	<b>3,249,558</b>	<b>9,543,673</b>
<b>Operating Profit</b>	<b>3,577,774</b>	<b>9,353,362</b>	<b>2,905,434</b>	<b>8,572,924</b>
Share of (losses)/profits of associate	(58,646)	(59,321)	50,154	137,706
<b>Profit before Taxation</b>	<b>3,519,128</b>	<b>9,294,041</b>	<b>2,955,588</b>	<b>8,710,630</b>
Taxation	(804,743)	(1,953,866)	(704,106)	(1,953,174)
<b>NET PROFIT</b>	<b>2,714,385</b>	<b>7,340,175</b>	<b>2,251,482</b>	<b>6,757,456</b>
Earnings per stock unit (expressed in \$ per share)	<b>\$ 1.10</b>	<b>\$ 2.98</b>	<b>\$ 0.91</b>	<b>\$ 2.74</b>

## National Commercial Bank Jamaica Limited


### Consolidated Balance Sheet

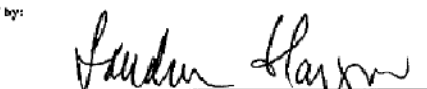
30 June 2009


(expressed in Jamaican dollars unless otherwise indicated)

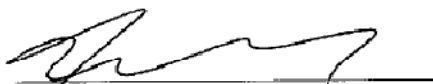
	30 June 2009 S'000	30 September 2008 S'000	30 June 2008 S'000
<b>ASSETS</b>			
Cash and balances at Bank of Jamaica	22,960,049	15,442,828	16,442,423
Due from other banks	18,473,188	15,207,522	18,650,953
Investment securities at fair value through profit or loss	448,479	916,906	1,142,005
Reverse repurchase agreements	8,277,535	12,578,633	12,545,079
Loans and advances, net of provision for credit losses	88,986,558	82,169,396	70,747,114
Investment securities	158,767,862	153,654,776	149,770,692
Investments in associate	3,108,608	2,181,407	2,168,994
Investment property	13,000	13,000	13,000
Property, plant and equipment	3,721,077	3,830,313	3,971,326
Deferred income tax assets	1,841,856	1,679,056	948,754
Intangible asset - computer software	242,070	282,264	206,073
Retirement benefit asset	13,077	13,077	11,627
Income tax recoverable	2,120,581	1,157,799	741,388
Other assets	2,213,068	1,325,792	1,805,991
Customers' liability - letters of credit and undertaking	319,286	700,628	715,990
<b>Total Assets</b>	<b>311,506,294</b>	<b>291,153,397</b>	<b>279,881,409</b>
<b>LIABILITIES</b>			
Due to other banks	8,082,008	10,038,502	9,653,837
Customer deposits	132,762,222	126,099,896	119,208,601
Derivative financial instruments	83,464	104,754	108,004
Promissory notes and certificates of participation	139,558	4,626	4,233
Repurchase agreements	72,664,301	69,619,957	65,109,477
Obligations under securitisation arrangements	28,617,064	26,259,740	26,438,932
Other borrowed funds	7,725,055	5,522,891	6,283,121
Income tax payable	6,644	489,559	51,761
Deferred income tax liabilities	147,250	112,006	79,476
Policyholders' liabilities	18,573,261	16,533,984	15,999,339
Provision for litigation	66,000	39,000	40,300
Retirement benefit obligations	404,811	354,321	343,832
Other liabilities	4,242,946	3,960,871	3,307,462
Liability - letters of credit and undertaking	319,286	700,628	715,990
<b>Total Liabilities</b>	<b>273,833,870</b>	<b>259,840,735</b>	<b>247,434,365</b>
<b>STOCKHOLDERS' EQUITY</b>			
Share capital	6,465,731	6,465,731	6,465,731
Shares held by NCB Employee Share Scheme	(3,388)	(3,388)	(3,867)
Fair value and other reserves	(617,361)	(1,536,733)	799,747
Loan loss reserve	779,036	697,061	446,868
Banking reserve fund	4,151,168	3,663,000	2,607,000
Retained earnings reserve	8,875,761	8,875,761	6,375,761
Retained earnings	18,021,477	13,171,230	15,755,804
<b>Total Stockholders' Equity</b>	<b>37,672,424</b>	<b>31,312,662</b>	<b>32,447,044</b>
<b>Total Equity and Liabilities</b>	<b>311,506,294</b>	<b>291,153,397</b>	<b>279,881,409</b>

Approved for issue by the Board of Directors on 23 July 2009 and signed on its behalf by:

  
Director

  
Director

  
Director

  
Secretary

(Full Report can be downloaded at: [http://www.jncb.com/corp\\_info/financials.asp](http://www.jncb.com/corp_info/financials.asp) )