











Financial Results

For The Financial Year Ended
September 30, 2024

Key Highlights

Reporting Period:	Year Ended September 30, 2024	Restated Year Ended September 30, 2023
 Net Profit	\$23.25B	\$8.50B
 Net Profit Attributable to Stockholders of the parent	\$15.02B	\$3.29B
 Total Assets	\$2.32T	\$2.20T
 Equity	\$212.89B	\$171.53B
 Equity Attributable to Stockholders of the parent	\$174.45B	\$142.91B
 Earnings Per Share	\$6.33	\$1.39
 Return On Assets	1.03%	0.40%
 Return On Equity	9.47%	2.54%

Fourth Quarter 2024 Report to Shareholders

Kingston, Jamaica – November 14, 2024

The Board of Directors approved the release of the following financial results for NCB Financial Group Limited (NCBFG) and its subsidiaries (the Group) for the year ended September 30, 2024.

The Group reports consolidated net profit of \$23.3 billion for the year ended September 30, 2024, an improvement of 174% or \$14.8 billion over the prior year. Consolidated net profit attributable to stockholders of the parent totalled \$15.0 billion, a 357% or \$11.7 billion increase over the prior year. Consolidated equity of \$212.9 billion increased by 24% or \$41.4 billion and consolidated equity attributable to stockholders of the parent of \$174.4 billion increased by 22% or \$31.5 billion over the prior year.

The adoption of International Financial Reporting Standards 17 (IFRS 17) – Insurance Contracts on October 1, 2023 by the Group marked a significant shift in how insurance contracts, particularly in the Life, Health, and Pension (LHP) segment, are recognised, measured and presented in the Group’s financial statements. As a result, the financial statements of the previous financial year were restated for the impact of IFRS 17 and other items. Further details on the IFRS 17 changes are presented in note 5 of the financial statements.

Throughout the financial year, the Group has demonstrated its resilience by adapting and refocussing on enhancing its core business while improving efficiency. Despite a high interest rate environment, a volatile global economic climate, elevated inflation and ongoing regulatory and accounting changes, we successfully delivered a commendable performance. Our ability to navigate these challenges highlights the strength of our operations and the effectiveness of our strategic focus. We remain committed to adapting swiftly to external pressures while continuing to drive value for our investors and stakeholders.

Group Performance

The Group recorded operating income of \$120.0 billion, a 4% or \$4.6 billion increase over the prior year. The performance was led by the results from our banking and investment activities which contributed \$121.0 billion to the operating income. Additionally, insurance service result of \$18.5 billion increased by 27% or \$4.0 billion. This was partially offset by insurance finance expenses totalling \$19.5 billion, increasing by \$1.9 billion or 10%. Four of our seven business segments experienced improved performance over the prior year.

Group Performance (continued)

The consolidated profit of \$23.25 billion, excludes the one-off gain of approximately \$3 billion, net of taxes, which was previously included in the first quarter of the financial year. The gain was related to the reclassification of certain assets by a subsidiary from amortised cost and fair value through other comprehensive income to fair value through profit or loss under IFRS 9. This gain is included in the restated prior year.

The Group reported \$2.2 billion for the September 2024 quarter, which included this reclassification of the one-off gain of approximately \$3 billion, net of taxes. Without this reclassification entry the net profit for the September 2024 quarter would have been \$5.2 billion.

The increased revenues and reduced operating expenses contributed to a general improvement in our key performance indicators when compared to the prior year. Return on assets (ROA) increased to 1.03% from 0.40% and the return on equity (ROE) improved to 9.47% from 2.54% in the prior year. The cost to income ratio also improved to 71.60% from 86.38% in the prior year. The improvements in our cost to income ratio reflect our ongoing efforts to enhance efficiency, coupled with the operational restructuring which took place at the end of the last financial year, which resulted in lower staff costs in the 2024 financial year. In the new financial year, we will continue our disciplined approach to resource allocation, effective cost management, and strategic initiatives to enhance operational efficiency.

Banking and Investment Activities (across all business segments)

Net revenues from banking and investment activities of \$121.0 billion represented a 2% or \$2.5 billion improvement over the prior year's results. Higher gains on foreign currency and investment activities were the major contributor to the increase, with a \$3.0 billion or 10% rise stemming from higher unrealised gains on equity investments.

Higher net interest income and net fee and commission income of \$60.4 billion and \$30.7 billion, respectively, were the other contributors to the improved performance, increasing by 2% or \$1.3 billion and 7% or \$2.1 billion, respectively. These results were driven by the growth in our loan and investment portfolios, as well as increased card transaction volumes.

Partially offsetting the improved performance was a 109% or \$4.5 billion increase in credit impairment losses mainly due to higher provisions across all operating segments, except Consumer and SME.

Group Performance (continued)

Insurance Activities (excludes investment activities)

The Group's insurance service result of \$18.5 billion reflected an increase of \$4.0 billion or 27% over the prior period. The improved performance was attributed to continued growth in business activities across the diversified insurance product offerings in the Caribbean. An increase in insurance revenue by \$15.0 billion or 13% to \$134.0 billion was partially offset by increased insurance service expenses of \$11.8 billion or 15%, which were impacted by a higher level of claims and directly attributable expenses. These claims include the impact of net claims incurred from Hurricane Beryl of approximately \$400 million by three of our Guardian Group subsidiaries. There was, however, a decline in reinsurance expenses of \$848 million or 3% from the prior year benefitting from a higher level of incurred claims recovery. The property and casualty segment continues to closely manage the general tightening of reinsurance markets.

Net insurance finance expenses of \$19.5 billion increased by \$1.9 billion or 10% over the prior year, mainly due to our life, health and pension segment. Included in finance expenses is the portion of net investment income linked to insurance products with an investment component. While this led to higher expenses for the Group's insurance liabilities, it benefitted our clients, who earned more in investment income attributed to the growth in policyholders' underlying funds.

Operating Expenses

The Group's operating expenses of \$92.2 billion declined by 11% or \$11.1 billion, benefiting from our continued cost optimisation efforts. A reduction in staff costs to \$50.2 billion, from \$60.9 billion, represented an 18% or \$10.7 billion decline from the prior year. Prior year staff costs included one-off expenses resulting from the restructuring activities undertaken in that year.

Consolidated Statement of Financial Position

Total assets were \$2.32 trillion as at September 30, 2024, representing a \$116.7 billion, or 5%, increase over the previous year. This growth was largely attributed to the investment securities and loan portfolios. This reflects our strategic focus on increasing key assets while maintaining a solid funding base.

Consolidated Statement of Financial Position (continued)

Investment Securities and Reverse Repurchase Agreements

Investment securities, including pledged assets and reverse repurchase agreements, totalled \$1.18 trillion, an increase of 5% or \$56.9 billion over the prior year due to increased holdings coupled with improving market prices. This continues to be the Group's largest earning asset portfolio, representing 51% of total assets.

Loans and Advances

The Group's loans and advances, net of credit impairment losses, totalled \$626.2 billion, a 2% or \$13.6 billion increase over the prior year. Our loan portfolio remains robust with strong customer appetite for loans during the year evidenced by our new loan bookings for the various loan categories. Within our main Jamaican banking subsidiary, in comparison to the prior year there was a total of 16% more personal mortgages booked for the period while business mortgages booked increased by 18%. There was also an increase of 25% in the number of digital loans booked for the year compared to prior year, highlighting our drive to increase our digital offerings.

Non-performing loans (NPLs) totalled \$26.1 billion as at September 30, 2024, an increase of \$461 million or 2% over the prior year. Notwithstanding the increase in the nominal value of the NPLs, the NPL ratio remains flat at 4.1%. The Group remains confident in our robust credit risk management processes.

Deposits

Customer deposits increased to \$784.0 billion as at September 30, 2024, marking a 5% increase, or \$36.1 billion, compared to the prior year's total of \$747.9 billion. Deposits remain the Group's primary funding source, underscoring the trust and confidence our customers place in our banking services. The success of connecting with Jamaican customers through campaigns held throughout the year played a key role in driving the growth in deposit balances.

Insurance Contract Liabilities

Insurance contracts totalled \$544.6 billion, a 7% or \$33.6 billion increase over the prior year. This demonstrates sustained growth in our insurance segment driven by strong customer demand in most business lines, namely life and property and casualty insurance, and effective risk management strategies.

Consolidated Statement of Financial Position (continued)

Capital and Liquidity

Equity attributable to the stockholders of the parent totalled \$174.4 billion, marking a 22% or \$31.5 billion increase over the prior year. This growth was primarily driven by a \$16.2 billion reduction in the unrealised fair value losses and a \$10.7 billion rise in retained earnings. Share capital increased by \$7.3 billion to \$161.2 billion, resulting from the shares issued in the APO as well as shares issued to current and former executives during the year. Total stockholders' equity amounted to \$212.9 billion, a 24% or \$41.4 billion increase over the prior year. See note 4 to the financial statements for additional details.

We consistently exceeded regulatory capital and liquidity requirements across all our regulated entities and our robust capital position prepares us to meet future capital adequacy demands.

Board Meeting Date and Dividend Consideration

The Board of Directors, at its meeting on November 14, 2024, approved an interim dividend of \$0.50 per ordinary stock unit. The dividend is payable on December 13, 2024 to stockholders on record as at November 29, 2024.

Environmental, Social and Governance (ESG)

Environmental Stewardship:

Our commitment to Environmental, Social, and Governance (ESG) principles continues to drive impactful initiatives, focussing on environmental sustainability, social responsibility and strong governance practices. We have made strides in environmental stewardship by continuing our work on solar installation across the Group which included the installation of solar panels at a subsidiary of Guardian Group in August 2024, following similar efforts at another subsidiary in the second quarter. Additionally, we continue to reduce our environmental footprint through initiatives like promoting paperless records and contactless transaction processing, complemented by green financing opportunities. Furthermore, the Guardian Group's participation in global initiatives such as the International Coastal Clean-Up and World Clean Up Day in September 2024 highlights our dedication to community well-being and improving our environment. Employees collected over 500 pounds of waste, actively contributing to a cleaner, healthier environment.

Environmental, Social and Governance (ESG) (continued)

Social Commitment:

Our efforts in the realm of social impact continue. The N.C.B. Foundation (NCBF) launched the NCB ‘Building a Better Jamaica’ Fund as a disaster relief fund established to facilitate donations from all over the world towards relief and recovery efforts in Jamaica post Hurricane Beryl. Over \$300 million was raised through the initiative, which included donations from the Guardian Group Charitable Foundation, with the NCBF matching up to \$150 million in donations. This support was crucial in rebuilding homes, small businesses and the agricultural sector in hard-hit parishes like St. Elizabeth, Westmoreland and Clarendon.

Governance Practices:

On the matter of governance, we remain steadfast in upholding high standards and fostering a culture of ethical excellence. During the year, Board-level governance has been strengthened through the appointment of new directors, balancing seasoned experience with fresh insights. We also maintain rigorous data protection and privacy measures, aligning with international standards, such as the Payment Card Industry Data Security Standard (PCI DSS), to ensure the secure handling of personal information. Our governance initiatives ensure that directors and employees alike adhere to documented ethical expectations, reinforced by regular training.

Through these efforts, we demonstrate a comprehensive approach to ESG, encompassing and addressing climate change mitigation, biodiversity conservation, diversity and inclusion, financial inclusion and responsible supply chain management. We also prioritise ethical labor practices, corporate transparency and community engagement. As we continue to assess our ESG maturity, we remain committed to prioritising initiatives that strengthen resilience, promote environmental and social well-being and drive enduring positive impact.

NCBFG – Empowering People | Unlocking Dreams | Building Communities.



ON BEHALF OF THE BOARD

Robert Almeida, Group Chief Executive Officer

	CURRENT YEAR			RESTATED PRIOR YEAR	
	Quarter ended September 30 2024 \$'M	Quarter ended June 30 2024 \$'M	Year ended September 30 2024 \$'M	Quarter ended September 30 2023 \$'M	Year ended September 30 2023 \$'M
Operating income					
Banking and investment activities					
Interest income	27,706	27,131	107,489	25,501	97,729
Interest expense	(12,555)	(12,025)	(47,046)	(11,029)	(38,592)
Net interest income	15,151	15,106	60,443	14,472	59,137
Fee and commission income	10,784	10,805	43,434	9,596	39,810
Fee and commission expense	(3,369)	(3,028)	(12,760)	(3,044)	(11,252)
Net fee and commission income	7,415	7,777	30,674	6,552	28,558
Gain on foreign currency and investment activities	4,847	6,531	32,606	4,242	29,601
Credit impairment losses	(3,011)	(2,926)	(8,702)	(192)	(4,159)
Dividend income	575	883	2,830	807	2,896
Other operating income	394	1,365	3,186	297	2,499
	2,805	5,853	29,920	5,154	30,837
Net revenues from banking and investment activities	25,371	28,736	121,037	26,178	118,532
Insurance activities					
Insurance revenue	34,788	35,103	134,035	31,709	119,062
Insurance service expenses	(25,232)	(22,781)	(91,387)	(19,795)	(79,556)
Net expenses from reinsurance contracts held	(5,213)	(7,455)	(24,129)	(7,800)	(24,977)
Insurance service result	4,343	4,867	18,519	4,114	14,529
Insurance finance expenses					
Finance expense from insurance contracts issued	(3,932)	(4,807)	(19,726)	(2,382)	(17,787)
Finance expense from reinsurance contracts held	45	136	181	(52)	93
Net insurance finance expenses	(3,887)	(4,671)	(19,545)	(2,434)	(17,694)
Net operating income	25,827	28,932	120,011	27,858	115,367
Operating expenses					
Staff costs	11,884	11,724	50,179	20,318	60,861
Depreciation and amortisation	1,994	2,001	8,392	1,710	7,192
Finance cost	453	435	1,852	513	2,146
Other operating expenses	8,764	6,989	31,741	12,473	33,050
	23,095	21,149	92,164	35,014	103,249
Operating profit/(loss)	2,732	7,783	27,847	(7,156)	12,118
Share of profit of associates	107	147	483	46	219
Profit/(loss) before taxation	2,839	7,930	28,330	(7,110)	12,337
Taxation	(673)	(537)	(5,080)	824	(3,840)
NET PROFIT/(LOSS)	2,166	7,393	23,250	(6,286)	8,497
Attributable to:					
Stockholders of the parent	1,351	5,016	15,021	(8,212)	3,291
Non-controlling interest	815	2,377	8,229	1,926	5,206
	2,166	7,393	23,250	(6,286)	8,497
Earnings per stock unit	0.54	2.11	6.33	(2.31)	1.39
Basic and diluted (expressed in \$)					


	RESTATED				
	Quarter ended	Quarter ended	Year ended	Quarter ended	Year ended
	September 30	June 30	September 30	September 30	September 30
	2024	2024	2024	2023	2023
	\$'M	\$'M	\$'M	\$'M	\$'M
Net Profit/(Loss)	2,166	7,393	23,250	(6,286)	8,497
Other comprehensive income, net of tax-					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	428	11	(527)	(2,039)	(2,065)
Other	(291)	-	(291)	249	249
	<u>137</u>	<u>11</u>	<u>(818)</u>	<u>(1,790)</u>	<u>(1,816)</u>
Items that may be subsequently reclassified to profit or loss					
Currency translation gains/(losses)	627	173	1,440	(1,012)	(1,211)
Expected credit (losses)/reversals on debt instruments at fair value through other comprehensive income (FVOCI)	(39)	25	124	963	609
Unrealised gains/(losses) on securities designated as FVOCI	14,800	(879)	13,988	(13,165)	14,118
Realised fair value losses/(gains) on securities designated as FVOCI	1,027	(458)	620	635	967
Insurance finance reserves	(1,465)	633	(1,251)	5,471	7,220
	<u>14,950</u>	<u>(506)</u>	<u>14,921</u>	<u>(7,108)</u>	<u>21,703</u>
Total other comprehensive income/(loss)	<u>15,087</u>	<u>(495)</u>	<u>14,103</u>	<u>(8,898)</u>	<u>19,887</u>
TOTAL COMPREHENSIVE INCOME	<u>17,253</u>	<u>6,898</u>	<u>37,353</u>	<u>(15,184)</u>	<u>28,384</u>
Total comprehensive income attributable to:					
Stockholders of the parent	15,155	2,471	26,052	(16,317)	20,379
Non-controlling interest	2,098	4,427	11,301	1,133	8,005
	<u>17,253</u>	<u>6,898</u>	<u>37,353</u>	<u>(15,184)</u>	<u>28,384</u>


	RESTATED		
	September 30 2024 \$'M	September 30 2023 \$'M	September 30 2022 \$'M
ASSETS			
Cash in hand and balances at Central Banks	95,651	80,956	70,856
Due from banks	161,498	140,018	184,967
Derivative financial instruments	1,492	827	874
Reverse repurchase agreements	5,610	8,765	8,300
Loans and advances, net of credit impairment losses	626,240	612,689	580,063
Investment securities	917,862	830,381	713,102
Pledged assets	256,966	284,366	256,615
Investment in associates	8,922	7,248	7,126
Investment properties	37,487	36,593	38,714
Intangible assets	52,775	53,982	51,544
Property, plant and equipment	29,889	29,143	29,078
Right-of-use assets	4,235	4,980	5,112
Properties for development and sale	3,654	4,152	2,008
Deferred income tax assets	23,488	22,711	26,263
Income tax recoverable	7,795	8,399	4,362
Reinsurance contract assets	22,884	20,247	19,961
Insurance contract assets	2,517	2,392	2,884
Letters of credit and undertaking	4,337	5,180	6,451
Other assets	52,124	45,670	42,965
Total assets	2,315,426	2,198,699	2,051,245
LIABILITIES			
Due to banks	20,894	31,932	37,525
Customer deposits	783,967	747,872	715,277
Repurchase agreements	300,495	280,714	248,089
Obligations under securitisation arrangements	92,999	98,195	99,086
Derivative financial instruments	-	9	0
Other borrowed funds	186,947	179,648	153,249
Deferred income tax liabilities	6,986	7,917	9,417
Third party interests in mutual funds	37,699	38,911	33,588
Insurance contract liabilities	544,578	510,957	482,570
Reinsurance contract liabilities	2,389	3,508	9,986
Investment contract liabilities	48,468	47,086	46,176
Post-employment benefit obligations	8,091	7,811	4,092
Letters of credit and undertaking	4,337	5,180	6,451
Lease liabilities	4,281	5,002	5,173
Other liabilities	60,400	61,868	60,194
Total liabilities	2,102,531	2,027,169	1,912,676
STOCKHOLDERS' EQUITY			
Share capital	161,171	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	15,530	16,782	9,561
Fair value and capital reserves	(440)	(16,613)	(31,095)
Loan loss reserve	2,954	5,754	6,350
Statutory reserve fund	18,004	6,933	6,897
Retained earnings reserve	65,545	75,270	67,170
Retained earnings	84,393	73,663	77,406
Equity attributable to stockholders of the parent	174,447	142,906	116,428
Non-controlling interest	38,448	28,624	22,141
Total stockholders' equity	212,895	171,530	138,569
Total stockholders' equity and liabilities	2,315,426	2,198,699	2,051,245

Approved for issue by the Board of Directors on November 14, 2024 and signed on its behalf by:


 Robert Almeida (Nov 14, 2024 20:12 EST)
 Robert Almeida Group Chief Executive Officer


 Malcolm Sadler
 Chief Financial Officer


 Gary Brown (Nov 14, 2024 20:09 EST)
 Gary Brown Lead Independent Director


 Dave Garcia
 Corporate Secretary

Financial Results

Consolidated Statement of Changes in Stockholders' Equity

Year Ended September 30, 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Share capital	Treasury shares	Reserve from the Scheme of Arrangement	Insurance finance reserves	Fair value and capital reserves	Loan loss reserve	Statutory 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)	9,561	(31,095)	6,350	6,897	67,170	77,406	22,141	138,569
Deferred tax credit on application of IFRS 17	-	-	-	-	-	-	-	-	2,322	-	2,322
Total comprehensive income											
Net profit - Restated	-	-	-	-	-	-	-	-	3,291	5,206	8,497
Other comprehensive income/(loss)	-	-	-	7,220	14,483	-	-	-	(1,816)	2,799	22,686
Transfer from loan loss reserve	-	-	-	-	-	(596)	-	-	596	-	-
Transfer to statutory reserve	-	-	-	-	-	-	36	-	(36)	-	-
Transfer to retained earnings reserve	-	-	-	-	-	-	-	8,100	(8,100)	-	-
Disposal of treasury shares	-	978	-	-	-	-	-	-	-	-	978
Dividends paid non-controlling interest	-	-	-	-	-	-	-	-	-	(1,523)	(1,523)
Balance at September 30, 2023 - Restated	153,827	(25,675)	(147,035)	16,781	(16,613)	5,754	6,933	75,270	73,663	28,624	171,530
Total comprehensive income											
Net profit	-	-	-	-	-	-	-	-	15,021	8,229	23,250
Other comprehensive (loss)/income	-	-	-	(1,252)	16,172	-	-	-	(818)	3,072	17,174
Transfer from loan loss reserve	-	-	-	-	-	(2,800)	-	-	2,800	-	-
Transfer to statutory reserve	-	-	-	-	-	-	1,345	-	(1,345)	-	-
Transfer from retained earnings reserve	-	-	-	-	-	-	9,725	(9,725)	-	-	-
Issue of shares	7,344	-	-	-	-	-	-	-	-	-	7,344
Transaction with owners of the Company -											
Dividends paid	-	-	-	-	-	-	-	-	(4,927)	-	(4,927)
Dividends paid non-controlling interest	-	-	-	-	-	-	-	-	-	(1,476)	(1,476)
Balance at September 30, 2024	161,171	(25,675)	(147,035)	15,530	(440)	2,954	18,004	65,545	84,393	38,448	212,895

Financial Results

Consolidated Statement of Cash Flows

Year Ended September 30, 2024

(expressed in Jamaican dollars unless otherwise indicated)

	September 30 2024 \$'M	RESTATED September 30 2023 \$'M
Cash Flows from Operating Activities		
Net profit	23,250	8,497
Adjustments to reconcile net profit to net cash provided by operating activities	80,426	57,800
Net cash provided by operating activities	<u>103,676</u>	<u>66,297</u>
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(2,915)	(3,153)
Acquisition of intangible asset - computer software	(4,583)	(5,663)
Proceeds from disposal of property, plant and equipment	387	2,330
Purchase of investment property	(152)	(666)
Sale of investment properties	186	418
Purchases of investment securities	(642,180)	(700,892)
Sales/maturities of investment securities	590,716	584,116
Net cash used in investing activities	<u>(58,541)</u>	<u>(123,510)</u>
Cash Flows from Financing Activities		
Repayments under securitisation arrangements	(6,249)	(2,745)
Proceeds from other borrowed funds	44,498	43,073
Repayments of other borrowed funds	(37,372)	(17,860)
Proceeds from additional public offer	2,414	-
Due to banks	(3,577)	(9,808)
Lease repayment	(1,349)	(1,730)
Dividends paid	(6,403)	(1,523)
Net cash (used in)/provided by financing activities	<u>(8,038)</u>	<u>9,407</u>
Effect of exchange rate changes on cash and cash equivalents	1,099	782
Net increase/(decrease) in cash and cash equivalents	38,196	(47,024)
Cash and cash equivalents at beginning of period	154,605	201,629
Cash and cash equivalents at end of period	<u>192,801</u>	<u>154,605</u>
Comprising:		
Cash in hand and balances at Central Banks	43,570	30,978
Due from banks	155,648	137,132
Reverse repurchase agreements	300	4,303
Investment securities	10,153	6,386
Due to banks	(16,870)	(24,194)
	<u>192,801</u>	<u>154,605</u>

	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
	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
External revenue	44,340	34,785	16,058	23,002	21,767	111,317	70,447	1,864	323,579
Revenue from other segments	4,663	(5)	4,360	15,350	5,208	906	541	(31,024)	-
Total Revenue	49,003	34,780	20,418	38,352	26,975	112,224	70,988	(29,160)	323,579
Interest income	39,496	10,378	18,863	29,423	21,463	17,421	1,742	(32,167)	106,617
Interest expense	(9,114)	(4,116)	(9,553)	(22,081)	(16,577)	(1,702)	(60)	16,595	(46,607)
Net interest income	30,381	6,262	9,310	7,341	4,886	15,720	1,682	(15,573)	60,010
Net fee and commission income	6,426	10,972	1,431	676	3,227	3,903	744	1,831	29,210
Gain/(loss) on foreign currency and investment activities	37	471	(0)	8,155	1,344	22,562	(84)	121	32,606
Insurance service result	-	-	-	-	-	10,010	7,285	1,224	18,519
Insurance finance expenses	-	-	-	-	-	(18,759)	(786)	-	(19,545)
Credit impairment (losses)/reversals	(3,766)	(2,198)	(1,833)	32	(462)	(511)	(13)	48	(8,702)
Other operating income and dividend income	188	1	0	(2)	854	1,759	350	2,893	6,043
Total operating income	33,266	15,508	8,908	16,203	9,850	34,684	9,177	(9,455)	118,142
Total operating expense	18,771	6,945	1,842	2,201	7,897	10,732	3,091	3,991	55,471
Operating profit before allocated cost	14,496	8,563	7,066	14,001	1,952	23,952	6,087	(13,447)	62,671
Allocated costs	(12,681)	(6,162)	(1,812)	(1,092)	-	-	-	-	(21,747)
Operating profit	1,814	2,401	5,254	12,910	1,952	23,952	6,087	(13,447)	40,924
Unallocated corporate expenses									(13,077)
Share of profit of associates									483
Profit before taxation									28,330
Taxation									(5,080)
Net Profit									23,250
Segment assets	581,484	59,275	143,107	434,565	453,183	664,859	88,148	(149,399)	2,275,222
Associates									8,922
Unallocated assets									31,283
Total assets									2,315,426
Segment liabilities	517,506	22,271	145,033	439,052	415,248	569,042	61,106	(73,715)	2,095,545
Unallocated liabilities									6,986
Total liabilities									2,102,531
Capital expenditure	2,761	1,678	76	145	262	831	118	1,627	7,498

RESTATED	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
	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
External revenue	38,312	30,247	15,206	22,456	23,399	97,522	67,818	(3,363)	291,597
Revenue from other segments	5,010	17	4,188	10,382	5,822	919	93	(26,430)	-
Total Revenue	43,321	30,264	19,394	32,838	29,221	98,441	67,911	(29,793)	291,597
Net interest income	29,311	7,723	9,631	3,034	6,160	14,772	699	(12,292)	59,038
Net fee and commission income	5,530	9,724	1,164	620	3,435	3,871	6,069	(3,732)	26,682
Gain/(loss) on foreign currency and investment activities	32	327	(4)	9,094	3,237	18,693	(381)	(1,396)	29,601
Insurance service result	-	-	-	-	-	6,565	7,076	888	14,529
Insurance finance expenses	-	-	-	-	-	(17,342)	(353)	-	(17,694)
Credit impairment (losses)/reversals	(3,757)	(1,139)	(418)	496	92	268	146	154	(4,159)
Other operating income and dividend income	72	3	(8)	14	2,718	163	1,750	2,786	7,498
Total operating income	31,187	16,638	10,365	13,258	15,641	26,990	15,006	(13,592)	115,495
Total operating expense	19,372	9,055	2,202	2,301	7,182	9,120	8,710	8,737	66,681
Operating profit before allocated cost	11,816	7,584	8,163	10,957	8,459	17,870	6,296	(22,330)	48,814
Allocated costs	(12,536)	(6,089)	(1,944)	(1,069)	-	-	-	-	(21,638)
Operating (loss)/profit	(720)	1,494	6,219	9,888	8,459	17,870	6,296	(22,330)	27,176
Unallocated corporate expenses									(15,058)
Share of profit of associates									219
Profit before taxation									12,337
Taxation									(3,840)
Net Profit									8,497
Segment assets	572,507	47,175	195,370	395,857	450,680	634,365	102,116	(237,728)	2,160,341
Associates									7,248
Unallocated assets									31,110
Total assets									2,198,699
Segment liabilities	498,846	20,004	184,901	416,148	401,536	528,989	52,174	(83,907)	2,018,691
Unallocated liabilities									8,478
Total liabilities									2,027,169
Capital expenditure	3,413	2,276	225	445	636	791	290	739	8,816

1. Identification and Principal Activities

NCB Financial Group Limited (“the Company”) is a financial holding company, incorporated and domiciled in Jamaica. The Company is 47.49% (September 30, 2023 - 51.15%) 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 financial year ended September 30, 2024 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). See note 5.

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. Share Capital

	The Group		The Company	
	September 2024	September 2023	September 2024	September 2023
	\$'M	\$'M	\$'M	\$'M
Authorised – unlimited				
Issued and fully paid up –				
2,583,804,847 (2023: 2,466,762,828) ordinary stock units of no par value	161,190	153,827	161,190	153,827
Treasury shares	(25,675)	(25,675)	(11,232)	(11,232)
	<u>135,515</u>	<u>128,152</u>	<u>149,958</u>	<u>142,595</u>

Shares were issued and allotted to executives and former executives during the current financial year.

NCBFG’s Additional Public Offering (APO) of new ordinary shares closed on June 3, 2024 with total raised of \$2.5 billion. The number of outstanding shares increased by 1.50% to 2,583,539,847.

The weighted average number of consolidated ordinary stock units in issue for year ended September 30, 2024 was 2,374,321,239 (September 2023: 2,298,327,391). The weighted average number of ordinary stock units (excluding treasury shares) is used to compute earnings per share.

5. 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 October 1, 2022, the retrospective 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 September 2022, September 2023 and September 2024 in compliance with IFRS 17.

While retrospective application is required, if full retrospective to a group of contracts is impractical, then 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.

The initial application of IFRS 17 resulted in a reduction of total equity of \$55 billion as at October 1, 2022. The opening IFRS 17 statement of financial position and related adjustments are presented below:

BALANCE SHEET	September 2022		
	As previously reported	Restatement	Restated
	\$'M	\$'M	\$'M
Cash in hand and due from banks	256,663	(840)	255,823
Investment securities	968,349	1,368	969,717
Loans and advances, net of credit impairment losses	580,988	(924)	580,063
Property, plant, equipment & software	83,768	(3,146)	80,622
Reinsurance assets	30,313	(10,352)	19,961
Insurance assets	-	2,884	2,884
Deferred & income taxes	28,029	(1,765)	26,263
Other assets	130,077	(14,165)	115,912
Total assets	2,078,186	(26,941)	2,051,245
Customer deposits	715,277	-	715,277
Repurchase agreements	247,677	412	248,089
Borrowed funds	153,272	(23)	153,249
Liabilities under annuity and insurance contracts	441,464	41,106	482,570
Reinsurance contract liabilities	-	9,986	9,986
Other liabilities	327,288	(23,784)	303,504
Total liabilities	1,884,977	27,697	1,912,674
Share capital & other equity	60,557	0	60,557
Fair value and other reserves	(26,945)	(4,150)	(31,095)
Insurance service reserves	-	9,561	9,561
Retained earnings	112,486	(35,080)	77,406
Equity attributable to stockholders' of the parent	146,098	(29,669)	116,429
Non-controlling interest	47,111	(24,970)	22,141
Total stockholders' equity	193,209	(54,638)	138,571
Total stockholders' equity and liability	2,078,186	(26,941)	2,051,245

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

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.

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.

6. Divestment of NCB (Cayman) Limited

On February 2, 2024, National Commercial Bank Jamaica Limited, a subsidiary of NCBFG, entered into a Share Purchase Agreement with Berkeley Financial Holdings Ltd (Berkeley), a privately held company based in London, United Kingdom, for the sale of its 100% stake in NCB (Cayman) Limited ("NCB Cayman"). NCB Cayman is domiciled in the Cayman Islands and operates under a Category "A" Banking licence.

The completion of this transaction is subject to conditions including all necessary regulatory approvals. Following the proposed sale, NCBFG, through its subsidiaries, will provide transition support to Berkeley, in addition to maintaining its interest in NCB Capital Markets (Cayman) Ltd.

NCBFG expects to record a gain in its consolidated financial results upon completion of the transaction. Going forward, the sale of NCB Cayman will not have a material impact on the future earnings or the asset base of the Group.

7. Sale of Controlling Interest in Clarien Group Limited

In June 2024, NCBFG entered into a Share Purchase Agreement (SPA) with Cornerstone Financial Holdings Limited (Cornerstone), a privately held company organised in Barbados, for the sale of 30.20% of Clarien Group Limited's (Clarien Group's) equity.

The completion of this transaction is subject to conditions, including the requisite regulatory approvals. Following the proposed sale, NCBFG will maintain a 19.90% interest in Clarien Group and will provide transition support to Cornerstone, through its subsidiaries.

Going forward, NCBFG's reduced ownership interest in the Clarien Group will not have a material impact on the future earnings of NCBFG after the completion of the sale.

8. Impact of Hurricane Beryl

Our customers in Jamaica and the Eastern Caribbean were impacted by the passage of Hurricane Beryl in early July. The impact of net claims incurred from the hurricane as at September 30, 2024 amount to approximately \$400 million. This amount is reflected in this quarter's insurance service expenses.

Interest/Ownership of Stock Units by Directors of NCB Financial Group Limited as at September 30, 2024

Directors ¹	Total	Direct	Connected Parties
Robert Almeida	70,578,574	1,321,684	69,256,890
Sanya Goffe	69,328,890	72,000	69,256,890
Hon. Michael Lee-Chin, OJ	1,436,337,750	146,698	1,436,191,052
Thalia Lyn, OD ²	134,544,972	460,799	134,084,173
Bruce Bowen	69,453,740	196,850	69,256,890
Gary Brown	69,256,890	0	69,256,890
Howard Shearer	69,256,890	0	69,256,890

Interest/Ownership of Stock Units by Executives/Senior Managers of NCB Financial Group Limited as at September 30, 2024

Executives	Total	Direct	Connected Parties
Robert Almeida ¹	70,578,574	1,321,684	69,256,890
Dave Garcia (Corporate Secretary)	175,027	175,027	0
Malcolm Sadler ²	64,756,050	50,004	64,706,046
Misheca Seymour-Senior	27,655	27,655	0
Mukisa Wilson Ricketts	87,552	87,552	0
Allison Wynter ²	65,008,089	192,096	64,815,993

Interest/Ownership of Stock Units by Executives/Senior Managers of subsidiaries of NCB Financial Group Limited as at September 30, 2024

Executives	Total	Direct	Connected Parties
Bruce Bowen ¹	69,453,740	196,850	69,256,890
Danielle Cameron Duncan	99,617	99,617	0
Hopelin Hines	10,571	10,571	0
Ian Chinapoo	0	0	0
Jacqueline De Lisser	30,606	30,606	0
Sheree Martin	9,666	9,666	0
Anne McMorris Cover	9,874	9,874	0
Antonio Spence	0	0	0
Ian Truran	0	0	0
Tanya Watson Francis	156,791	156,791	0
Angus Young	2,106	2,106	0

1. Connected parties for all directors include shares of 69,256,890 held by subsidiaries and managed funds for the Guardian Group.

2. Connected parties for Thalia Lyn, Malcolm Sadler 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 September 30, 2024

Name of Shareholder	Units	Percentage Ownership
AIC (Barbados) Limited	1,227,142,254	47.49%
MF&G Asset Management Limited - NCB Share Scheme	101,406,205	3.92%
National Insurance Fund	90,864,532	3.52%
Sagicor PIF Equity Fund	62,139,507	2.40%
NCB Insurance Agency & Fund Managers Limited WT 109	54,715,172	2.12%
Harprop Limited	46,434,102	1.80%
AIC Global Holdings Inc.	45,449,690	1.76%
Patrick Hylton	43,113,038	1.67%
Ideal Portfolio Services Company Limited	32,364,655	1.25%
SJIML A/C 3119	30,659,032	1.19%

Shareholder Profile of NCB Financial Group Limited as at September 30, 2024

Number of Shareholders	Ownership of Each Shareholder	Percentage Ownership	Number of Units
One shareholder with five accounts	47.49%	47.49%	1,227,142,254
12	1 - 5%	22.80%	589,147,694
47,575	Less than 1%	29.71%	767,514,899
47,588		100.00%	2,583,804,847



For More Information

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