









Financial Results

For The Six Months Ended
March 31, 2024

Key Highlights

Reporting Period:	Six Months Ended March 31, 2024	Restated Six Months Ended March 31, 2023
 Net Profit	\$13.69B	\$6.91B
 Net Profit Attributable to Stockholders of the parent	\$8.65B	\$4.58B
 Total Assets	\$2.26T	\$2.11T
 Equity	\$199.13B	\$167.02B
 Equity Attributable to Stockholders of the parent	\$159.95B	\$138.23B
 Earnings Per Share	\$3.68	\$1.99
 Return On Assets	1.22%	0.67%
 Return On Equity	11.18%	7.40%

Second Quarter 2024 Report to Shareholders

Kingston, Jamaica - May 9, 2024

The Board of Directors is pleased to release the following unaudited financial results for NCB Financial Group Limited (NCBFG) and its subsidiaries (the Group) for the six months ended March 31, 2024.

The Group reports interim unaudited consolidated net profit of \$13.7 billion for the six months ended March 31, 2024, a notable improvement of 98% or \$6.8 billion over the prior year. Consolidated net profit attributable to stockholders of the parent totalled \$8.7 billion, an 89% or \$4.1 billion increase over the prior year. Net profit of \$7.7 billion for the March 2024 quarter increased by \$1.8 billion or 29% over the first quarter's performance. Comparatively, net profit attributable to stockholders of the parent for the quarter ended March 31, 2024 of \$5.6 billion was 81% or \$2.5 billion higher than the first quarter ended December 31, 2023. Consolidated equity of \$199.1 billion increased by 19% or \$32.1 billion and consolidated equity attributable to stockholders of the parent increased by 16% or \$21.7 billion over the prior year to \$160.0 billion.

The Group's almost twofold increase in net profit over the prior year confirms our commitment and capacity to produce substantial results in the short and medium term with our efforts focussed on specific objectives. This achievement reflects the initial results from our reorganisation and cost optimisation efforts. Over the past six months, we have delivered on the initial commitments made, which have led to a significant shift in the Group's performance and position. Our intense focus on improving customer experience, strengthening governance and enhancing efficiency is showing early signs of success and is expected to accelerate performance improvement over the short to medium term.

The adoption of 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 (see further details in note 5 to the financial statements).

[Additional Public Offer](#)

NCBFG launched an Additional Public Offering (APO) of new ordinary shares, with the offer opening on May 6, 2024 and a proposed closing date of May 27, 2024. The invitation by prospectus offers subscription up to a total of 78,500,000 new ordinary shares, with the ability to upsize to a maximum of 117,750,000 shares. The invitation to purchase these additional shares creates a unique opportunity for investors to own a part of the NCB Group, which plays an integral role in the major markets in the region. The Group invested heavily in

Additional Public Offer (continued)

acquisitions over the past several years to build competitive advantages in scale, regional footprint and breadth of financial service offerings. The APO is part of the Group's multi-pronged strategy to increase its resiliency and capitalise on these competitive advantages to:

- provide customers with the most efficient financial services, the convenience of a one-stop shop and comprehensive wealth management solutions; and
- realise on the operating leverage, inherent in the platform, to grow top-line revenues and improve profit margins, thereby producing a multiplier effect on shareholder returns.

Group Performance

Operating income of \$65.3 billion, increased by \$9.4 billion or 17% over the prior year. Four of our seven business segments showed performance improvement with the life and health insurance & pension fund management (LHP) segment being the main contributor to the increase in the Group's operating income.

The Group's key performance indicators, particularly annualised return on assets (ROA) and annualised return on equity (ROE), have increased over the period, improving to 1.22% up from 0.67% and 11.18% up from 7.40%, respectively. The cost to income ratio improved to 70.45% from 78.69% in the prior year and also reduced in the March 2024 quarter to 66.68% from 73.93% in the December 2023 quarter. The positive movement in the cost to income ratio was due to increased revenues and a slower pace of growth in operating expenses, which is consistent with our strategy to realise on the operating leverage inherent in the platform to grow revenues and improve profit margins concurrently.

We remain dedicated to improving our key performance metrics through disciplined execution of our strategic initiatives, innovation and ongoing operational excellence.

Banking and Investment Activities

Net revenues from banking and investment activities of \$40.0 billion represented an increase of 2% or \$817 million when compared to the prior year's results of \$39.2 billion. Net fee and commission income and net interest income increased by \$1.6 billion and \$276 million, respectively. This was mainly due to higher card transaction volumes and growth in our loan and investment portfolios whilst net interest margins declined as asset yield increases continue to lag cost of funds increases. This was partially offset by a \$638 million reduction in gain on foreign currency and investment activities and increased credit impairment losses of \$376 million.

Group Performance (continued)

Insurance Activities

Net revenues from our insurance segment was \$25.2 billion, 51% or \$8.6 billion higher than the prior year. This result was primarily attributable to investment income and other income increasing over the prior year by \$11.4 billion whilst net insurance finance expenses only increased by \$3.6 billion, representing a net increase of \$7.7 billion. As previously reported in the first quarter, the life insurance segment utilised an option on adoption of IFRS 17 to redesignate 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 net gain of \$3.3 billion. During the period, there was also improved unrealised gains from equity investments.

The insurance service result of \$9.3 billion, increased by 10% or \$830 million over the prior year. The insurance service result from our LHP portfolio accounted for the increase whilst the insurance service result from the property and casualty (P&C) portfolio declined.

Net expenses from reinsurance contracts held increased mainly due to P&C property costs.

Operating Expenses

Operating expenses totalled \$47.9 billion, an increase of 5% or \$2.1 billion over the prior year. Depreciation and amortisation charges increased primarily due to a one-off adjustment in the prior year related to policy changes that extended the useful life of certain assets. While we have optimised costs in certain areas, these reductions were not sufficient to offset inflationary increases for other operating expenses.

Improvements to date in our cost-to-income ratio was due to a combination of increased revenue and tangible results from our cost optimisation efforts, which moderated the overall increase in expenses. Efficiency remains a key priority, with particular attention to long-term cost containment to establish a solid foundation for future performance improvements.

Consolidated Statement of Financial Position

Total assets as at March 31, 2024 was \$2.26 trillion, an increase of \$147.2 billion or 7% over the prior year. This was primarily due to increased investment securities and net loans and advances, with funding predominantly provided by repurchase agreements, deposits and other borrowed funds.

Investment Securities and Reverse Repurchase Agreements

Investment securities, including pledged assets and reverse repurchase agreements, totalled \$1.14 trillion, an increase of 10% or \$106.0 billion over the prior year. This continues to be the Group's largest asset portfolio.

Consolidated Statement of Financial Position (continued)

Loans and Advances

The Group's loans and advances, net of credit impairment losses, totalled \$633.1 billion, a 6% or \$38.1 billion increase over the prior year. Growth in our consumer and SME and payment services portfolios were the main drivers of the increase. Non-performing loans totalled \$26.3 billion as at March 31, 2024, an increase of \$1.7 billion or 7% over the prior year. Despite the dollar value increase, the non-performing loan ratio remained stable at 4.1% compared to the prior year.

Deposits

Deposits, the Group's principal funding source, grew by 6% or \$40.2 billion to \$754.7 billion as at March 2024, demonstrating confidence and loyalty by customers.

Insurance Contracts Liabilities

Insurance contracts totalled \$518.0 billion, a 4% or \$21.9 billion increase over the prior year, representing continued growth in our insurance segment.

Capital and Liquidity

Equity attributable to stockholders of the parent totalled \$160.0 billion, an increase of \$21.7 billion over the prior year. This was mainly attributable to increased retained earnings, which went up by \$16.5 billion. The shares issued and allotted to executives and former executives accounted for the \$4.9 billion increase in share capital, bringing the total to \$158.8 billion. See note 4 to the financial statements for additional details.

All our regulated entities continue to meet the applicable capital and liquidity regulatory requirements.

Dividends

The Board of Directors, at its meeting on May 9, 2024, declared an interim dividend of \$0.50 per ordinary stock unit. The dividend is payable on June 10, 2024 to stockholders on record as at May 27, 2024.

Environmental, Social and Governance (ESG)

Our commitment to ESG principles underscores our dedication to sustainability, social responsibility and governance excellence as we prioritise initiatives that drive a positive impact and long-term value creation. The organisation has been conducting assessments of the level of maturity of aspects of the business with respect to

Environmental, Social and Governance (ESG) (continued)

Environmental, Social and Governance activities, and has been in the process of identifying key focus areas. While this process is ongoing, we continue to carry out activities related to each area. Our activities up to March 31, 2024 have included the following:

Environmental:

We continue to pursue themes related to paperless records and contact-less transaction processing, while reaping the benefits of investments made in eco-friendly transaction options with the promotion of higher mobile point of sale availability and adoption. Green financing opportunities also continue to be pursued.

Social:

Primarily through the Group's Foundations, we have placed significant focus on supporting education, particularly related to technology. This has included payment of Caribbean Examination fees for technology related subjects in Jamaica, in addition to support for programmes in selected educational institutions.

Customer experience has been a priority across the Group. In National Commercial Bank Jamaica Limited, a major channel accessed by customers has been the automated banking machine (ABM) network, where we have achieved peak time availability of 97% in Kingston & St. Andrew Metropolitan Area and rural areas, and 96% in other urban areas in February and March 2024.

Governance:

We have continued to strengthen governance at the Board level throughout the Group, including through new appointments of directors in several entities across the region, as we seek to maintain an approach that balances retention of experience with onboarding fresh insights. Our directors and employees continue to be held to high ethical standards, with clearly documented expectations for each group supplemented by appropriate training material.

Data protection and privacy programmes have also been implemented across the Group, built on the recognised (and in some places legislated) standards related to the careful and consensual handling of personal protected information of customers, employees and other stakeholders.

Environmental, Social and Governance (ESG) (continued)

ESG covers a plethora of areas to consider in today's interconnected world. Issues such as climate change mitigation, diversity, financial inclusion, labour practices, ethics, among others are ESG considerations which we have to prioritise to foster resilience to ensure long-term value creation.

NCBFG – Empowering People | Unlocking Dreams | Building Communities.



Robert Almeida (May 9, 2024 12:53 CDT)

ON BEHALF OF THE BOARD


Robert Almeida, Group Chief Executive Officer


	CURRENT YEAR			RESTATED PRIOR YEAR	
	Quarter ended March 31 2024 \$'M	Quarter ended December 31 2023 \$'M	Year to date March 31 2024 \$'M	Quarter ended March 31 2023 \$'M	Year to date March 31 2023 \$'M
Operating income					
Banking and investment activities					
Interest income	21,842	21,657	43,499	19,294	38,169
Interest expense	(9,675)	(10,059)	(19,734)	(7,499)	(14,679)
Net interest income	12,167	11,598	23,765	11,795	23,490
Fee and commission income	9,369	9,481	18,850	8,208	16,309
Fee and commission expense	(3,353)	(3,010)	(6,363)	(2,919)	(5,384)
Net fee and commission income	6,016	6,471	12,487	5,289	10,925
Gain on foreign currency and investment activities	3,133	1,896	5,029	3,163	5,666
Credit impairment losses	(1,888)	(877)	(2,765)	(1,222)	(2,389)
Dividend income	171	1,090	1,261	488	1,337
Other operating income	92	143	235	109	166
	1,508	2,252	3,760	2,538	4,780
Net revenues from banking and investment activities	19,691	20,321	40,012	19,622	39,195
Insurance activities					
Insurance revenue	32,338	31,806	64,144	28,073	56,739
Insurance service expenses	(21,449)	(21,924)	(43,373)	(16,758)	(37,846)
Net expenses from reinsurance contracts held	(7,781)	(3,680)	(11,461)	(6,160)	(10,413)
Insurance service result	3,108	6,202	9,310	5,155	8,480
Insurance finance expenses					
Finance expenses from insurance contracts issued	(4,902)	(6,087)	(10,989)	(2,541)	(7,277)
Finance income from reinsurance contracts held	30	(28)	2	(126)	(100)
Net insurance finance expenses	(4,872)	(6,115)	(10,987)	(2,667)	(7,377)
Insurance segment's investment and other income	12,809	14,110	26,919	6,862	15,562
Net revenues from insurance activities	11,045	14,197	25,242	9,350	16,665
Net operating income	30,736	34,518	65,254	28,972	55,860
Operating expenses					
Staff costs	12,986	13,585	26,571	14,332	27,452
Depreciation and amortisation	1,961	2,436	4,397	2,143	3,308
Finance cost	447	517	964	553	1,120
Other operating expenses	6,361	9,627	15,988	5,798	13,955
	21,755	26,165	47,920	22,826	45,835
Operating profit	8,981	8,353	17,334	6,146	10,025
Share of profit of associates	183	46	229	19	213
Profit before taxation	9,164	8,399	17,563	6,165	10,238
Taxation	(1,442)	(2,429)	(3,871)	(1,461)	(3,326)
NET PROFIT	7,722	5,970	13,692	4,704	6,912
Attributable to:					
Stockholders of the parent	5,577	3,077	8,654	3,203	4,581
Non-controlling interest	2,145	2,893	5,038	1,501	2,331
	7,722	5,970	13,692	4,704	6,912
Earnings per stock unit	2.36	1.32	3.68	1.39	1.99
Basic and diluted (expressed in \$)					

	Quarter ended		Year to date	RESTATED	
	March 31 2024 \$'M	December 31 2023 \$'M	March 31 2024 \$'M	March 31 2023 \$'M	Year to date March 31 2023 \$'M
Net Profit	7,722	5,970	13,692	4,704	6,912
Other comprehensive income, net of tax-					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	(119)	(847)	(966)	1	(28)
	(119)	(847)	(966)	1	(28)
Items that may be subsequently reclassified to profit or loss					
Currency translation gains/(losses)	40	(170)	(130)	574	1,697
Expected credit reversals on debt instruments at fair value through other comprehensive income (FVOCI)	55	84	139	542	1,102
Unrealised (losses)/gains on securities designated as FVOCI	(4,722)	8,462	3,740	3,106	22,391
Realised fair value (gains)/losses on securities designated as FVOCI	(3,261)	(361)	(3,622)	331	(25)
Insurance finance reserves	4,493	(4,912)	(419)	1,160	3,176
	(3,395)	3,103	(292)	5,713	28,341
Total other comprehensive (loss)/income	(3,514)	2,256	(1,258)	5,714	28,313
TOTAL COMPREHENSIVE INCOME	4,208	8,226	12,434	10,418	35,225
Total comprehensive income attributable to:					
Stockholders of the parent	1,420	6,238	7,658	5,172	29,860
Non-controlling interest	2,788	1,988	4,776	5,246	5,365
	4,208	8,226	12,434	10,418	35,225

	RESTATED		
	March 31 2024 \$'M	September 30 2023 \$'M	March 31 2023 \$'M
ASSETS			
Cash in hand and balances at Central Banks	86,115	80,956	79,403
Due from banks	163,162	139,901	160,301
Derivative financial instruments	1,018	827	97
Reverse repurchase agreements	4,420	8,765	6,575
Loans and advances, net of credit impairment losses	633,129	612,705	595,030
Investment securities	833,266	831,605	762,730
Pledged assets	303,154	284,366	265,516
Investment in associates	6,920	7,126	6,729
Investment properties	36,630	36,593	36,338
Intangible assets	52,976	53,982	51,722
Property, plant and equipment	29,727	29,143	29,956
Right-of-use assets	4,395	4,731	5,080
Properties for development and sale	3,937	4,152	2,199
Deferred income tax assets	22,543	22,162	21,146
Income tax recoverable	7,535	8,004	4,920
Reinsurance contract assets	19,554	19,442	24,808
Insurance contract assets	2,099	17,545	3,611
Letters of credit and undertaking	5,058	5,180	3,488
Other assets	43,672	52,838	52,430
Total assets	2,259,310	2,220,023	2,112,079
LIABILITIES			
Due to banks	32,239	31,932	39,942
Customer deposits	754,694	747,872	714,536
Repurchase agreements	306,177	280,714	244,644
Obligations under securitisation arrangements	94,819	98,195	96,962
Derivative financial instruments	-	9	44
Other borrowed funds	183,666	179,648	173,178
Deferred income tax liabilities	7,442	7,525	8,021
Third party interests in mutual funds	37,974	38,911	35,595
Insurance contract liabilities	517,996	520,753	496,095
Reinsurance contract liabilities	5,246	4,471	11,257
Investment contract liabilities	46,963	47,047	45,327
Post-employment benefit obligations	9,152	7,812	4,359
Letters of credit and undertaking	5,058	5,180	3,488
Lease liabilities	4,464	4,757	5,202
Other liabilities	54,293	61,066	66,406
Total liabilities	2,060,183	2,035,892	1,945,056
STOCKHOLDERS' EQUITY			
Share capital	158,757	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	9,640	10,060	9,194
Fair value and capital reserves	(8,058)	(8,446)	(5,125)
Loan loss reserve	6,429	5,754	5,967
Statutory reserve fund	8,254	6,933	6,897
Retained earnings reserve	75,270	75,270	75,270
Retained earnings	82,369	79,044	65,890
Equity attributable to stockholders of the parent	159,951	149,732	138,232
Non-controlling interest	39,176	34,399	28,791
Total stockholders' equity	199,127	184,131	167,023
Total stockholders' equity and liabilities	2,259,310	2,220,023	2,112,079

Approved for issue by the Board of Directors on May 9, 2024 and signed on its behalf by:


 Robert Almeida (May 9, 2024 12:53 EDT)
 Robert Almeida Group Chief Executive Officer


 Malcolm Sadler Chief Financial Officer


 Gary Brown (May 9, 2024 14:28 EDT)
 Gary Brown Lead Independent Director


 Dave Garcia Corporate Secretary

Financial Results

Unaudited Consolidated Statement of Changes in Stockholders' Equity

Six Months Ended March 31, 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)	12,370	(33,608)	6,350	6,897	67,170	69,054	24,463	132,836
Total comprehensive income											
Net profit - Restated	-	-	-	-	-	-	-	-	4,581	2,331	6,912
Other comprehensive (loss)/income	-	-	-	(3,176)	28,483	-	-	-	(28)	3,034	28,313
Transfer from loan loss reserve	-	-	-	-	-	(383)	-	-	383	-	-
Transfer to retained earnings reserve	-	-	-	-	-	-	-	8,100	(8,100)	-	-
Dividends paid non-controlling interest	-	-	-	-	-	-	-	-	-	(1,038)	(1,038)
Balance at March 31, 2023 - Restated	153,827	(26,653)	(147,035)	9,194	(5,125)	5,967	6,897	75,270	65,890	28,790	167,023
Balance as at October 1, 2023 - Restated	153,827	(25,675)	(147,035)	10,060	(8,446)	5,754	6,933	75,270	79,044	34,399	184,131
Total comprehensive income											
Net profit	-	-	-	-	-	-	-	-	8,654	5,038	13,692
Other comprehensive (loss)/income	-	-	-	(420)	388	-	-	-	(965)	(261)	(1,258)
Transfer to loan loss reserve	-	-	-	-	-	675	-	-	(675)	-	-
Transfer to statutory reserve	-	-	-	-	-	-	1,321	-	(1,321)	-	-
Issue of shares	4,930	-	-	-	-	-	-	-	-	-	4,930
Transaction with owners of the Company - Dividends paid	-	-	-	-	-	-	-	-	(2,368)	-	(2,368)
Balance at March 31, 2024	158,757	(25,675)	(147,035)	9,640	(8,058)	6,429	8,254	75,270	82,369	39,176	199,127

Financial Results

Unaudited Consolidated Statement of Cash Flows

Six Months Ended March 31, 2024

(expressed in Jamaican dollars unless otherwise indicated)

	March 31 2024 \$'M	RESTATED March 31 2023 \$'M
Cash Flows from Operating Activities		
Net profit	13,692	6,912
Adjustments to reconcile net profit to net cash provided by/(used in) operating activities	<u>26,252</u>	<u>(12,893)</u>
Net cash provided by/(used in) operating activities	<u>39,944</u>	<u>(5,981)</u>
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(2,149)	(1,344)
Acquisition of intangible asset - computer software	(2,139)	(3,023)
Proceeds from disposal of property, plant and equipment	17	1,284
Purchase of investment property	-	(694)
Sale of investment properties	36	-
Purchases of investment securities	(309,853)	(206,066)
Sales/maturities of investment securities	<u>291,759</u>	<u>176,440</u>
Net cash used in investing activities	<u>(22,329)</u>	<u>(33,403)</u>
Cash Flows from Financing Activities		
Repayments under securitisation arrangements	(2,532)	(1,353)
Proceeds from other borrowed funds	13,534	27,083
Repayments of other borrowed funds	(9,295)	(6,683)
Due to banks	98	(9,977)
Lease repayment	(773)	(695)
Dividends paid	<u>(2,367)</u>	<u>-</u>
Net cash (used in)/provided by financing activities	<u>(1,335)</u>	<u>8,375</u>
Effect of exchange rate changes on cash and cash equivalents	(606)	(2,866)
Net increase/(decrease) in cash and cash equivalents	15,674	(33,875)
Cash and cash equivalents at beginning of period	<u>155,564</u>	<u>202,492</u>
Cash and cash equivalents at end of period	<u>171,238</u>	<u>168,617</u>
Comprising:		
Cash in hand and balances at Central Banks	35,059	35,758
Due from banks	159,386	155,995
Reverse repurchase agreements	1,020	268
Investment securities	317	8,991
Due to banks	<u>(24,544)</u>	<u>(32,395)</u>
	<u>171,238</u>	<u>168,617</u>



	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	21,509	17,230	8,027	11,771	14,852	58,576	37,658	(9,685)	159,937
Revenue from other segments	2,262	7	1,910	7,271	2,470	544	93	(14,557)	-
Total Revenue	23,771	17,237	9,937	19,042	17,321	59,120	37,751	(24,242)	159,937
Net interest income	14,928	3,188	4,460	3,696	2,795	13,005	834	(6,619)	36,287
Net fee and commission income	3,153	5,467	942	326	1,542	2,105	3,230	(1,732)	15,034
Gain/(loss) on foreign currency and investment activities	19	243	(0)	4,308	267	10,470	143	(428)	15,023
Insurance service result	-	-	-	-	-	4,864	3,842	604	9,310
Insurance finance expenses	-	-	-	-	-	(10,257)	(730)	-	(10,987)
Credit impairment (losses)/reversals	(1,338)	(1,036)	(224)	24	191	(507)	48	77	(2,765)
Other operating income and dividend income	112	1	0	(2)	518	1,991	153	99	2,871
Total operating income	16,873	7,863	5,178	8,352	5,314	21,671	7,520	(7,999)	64,772
Total operating expense	9,812	3,381	1,172	1,493	4,139	6,195	4,332	(398)	30,127
Operating profit before allocated cost	7,061	4,482	4,007	6,859	1,174	15,476	3,188	(7,602)	34,645
Allocated costs	(6,403)	(3,088)	(922)	(550)	-	-	-	-	(10,963)
Operating (loss)/profit	658	1,394	3,084	6,309	1,174	15,476	3,188	(7,602)	23,682
Unallocated corporate expenses									(6,350)
Share of profit of associates									230
Profit before taxation									17,562
Taxation									(3,870)
Net Profit									13,692
Segment assets	551,804	70,919	200,142	413,106	438,847	657,732	102,766	(213,004)	2,222,311
Associates									6,920
Unallocated assets									30,079
Total assets									2,259,310
Segment liabilities	478,904	36,437	167,938	447,858	395,689	541,454	59,995	(75,534)	2,052,741
Unallocated liabilities									7,442
Total liabilities									2,060,183
Capital expenditure	1,844	1,001	70	100	161	524	54	533	4,288

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	18,307	9,330	7,505	10,582	10,663	44,437	28,664	4,360	133,848
Revenue from other segments	2,359	11	1,836	5,260	2,697	414	93	(12,672)	-
Total Revenue	20,666	9,341	9,341	15,843	13,360	44,852	28,757	(8,312)	133,848
Net interest income	14,409	3,608	4,808	1,957	3,046	12,761	645	(6,857)	34,378
Net fee and commission income	2,540	4,766	476	305	1,629	1,918	3,168	(1,684)	13,117
Gain/(loss) on foreign currency and investment activities	20	200	(1)	4,306	1,445	977	(61)	(1,956)	4,930
Insurance service result	-	-	-	-	-	3,940	4,496	45	8,480
Insurance finance expenses	-	-	-	-	-	(7,122)	(255)	-	(7,377)
Credit impairment (losses)/reversals	(1,847)	(596)	43	(11)	57	(245)	123	87	(2,389)
Other operating income and dividend income	87	0	(4)	0	918	493	152	2,770	4,414
Total operating income	15,208	7,978	5,323	6,556	7,095	12,721	8,267	(7,596)	55,553
Total operating expense	9,493	4,596	1,180	1,571	3,596	6,961	3,924	2,260	33,581
Operating profit before allocated cost	5,715	3,382	4,143	4,985	3,499	5,760	4,343	(9,855)	21,971
Allocated costs	(6,255)	(3,015)	(988)	(537)	-	-	-	-	(10,795)
Operating (loss)/profit	(540)	367	3,155	4,448	3,499	5,760	4,343	(9,855)	11,177
Unallocated corporate expenses									(1,151)
Share of profit of associates									213
Profit before taxation									10,238
Taxation									(3,326)
Net Profit									6,912
Segment assets	499,306	51,188	181,288	316,368	440,006	634,840	114,420	(154,238)	2,083,179
Associates									6,729
Unallocated assets									22,171
Total assets									2,112,079
Segment liabilities	463,977	8,737	51,523	408,848	390,466	554,156	73,483	(13,919)	1,937,272
Unallocated liabilities									7,783
Total liabilities									1,945,056
Capital expenditure	1,978	1,018	103	159	309	403	178	219	4,367

1. Identification and Principal Activities

NCB Financial Group Limited (“the Company”) is a financial holding company, incorporated and domiciled in Jamaica. The Company is 48.70% (March 31, 2023 - 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 six months ended March 31, 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	
	March 2024 \$'M	March 2023 \$'M	March 2024 \$'M	March 2023 \$'M
Authorised – unlimited				
Issued and fully paid up –				
2,545,325,512 (2023: 2,466,762,828) ordinary stock				
units of no par value	158,757	153,827	158,757	153,827
Treasury shares	(25,675)	(26,653)	(11,232)	(11,232)
	<u>133,082</u>	<u>127,175</u>	<u>147,525</u>	<u>142,595</u>

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

The weighted average number of ordinary stock units in issue for the six months ended March 31, 2024 was 2,353,345,701 (March 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 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 March 2024, December 2023, September 2023 and March 2023 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.

The initial application of IFRS 17 resulted in a reduction of total equity of \$60 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	(971)	255,692
Investment securities	968,349	(1,695)	966,655
Loans and advances, net of credit impairment losses	580,988	(924)	580,063
Property, plant, equipment & software	83,768	(3,147)	80,621
Reinsurance assets	30,313	(7,754)	22,559
Insurance assets	-	5,389	5,389
Deferred & income taxes	28,029	-	28,029
Other assets	130,077	(24,127)	105,950
Total assets	2,078,186	(33,229)	2,044,957
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	44,238	485,701
Reinsurance contract liabilities	-	17,966	17,966
Other liabilities	327,288	(35,450)	291,838
Total liabilities	1,884,977	27,143	1,912,120
Share capital & other equity	60,557	-	60,557
Fair value and other reserves	(26,945)	(6,662)	(33,607)
Insurance service reserves	-	12,369	12,369
Retained earnings	112,486	(43,432)	69,054
Equity attributable to stockholders' of the parent	146,098	(37,725)	108,374
Non-controlling interest	47,111	(22,647)	24,463
Total stockholders' equity	193,209	(60,372)	132,837
Total stockholders' equity and liability	2,078,186	(33,229)	2,044,957

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.

Interest/Ownership of Stock Units by Directors of NCB Financial Group Limited as at March 31, 2024

Directors ^{1.}	Total	Direct	Connected Parties
Robert Almeida	66,775,164	1,056,684	65,718,480
Sanya Goffe	65,790,480	72,000	65,718,480
Hon. Michael Lee-Chin, OJ	1,445,299,340	146,698	1,445,152,642
Thalia Lyn, OD ^{2.}	130,975,212	429,449	130,545,763
Bruce Bowen	65,915,330	196,850	65,718,480
Gary Brown	65,718,480	0	65,718,480
Howard Shearer	65,718,480	0	65,718,480

Interest/Ownership of Stock Units by Executives/Senior Managers of NCB Financial Group Limited as at March 31, 2024

Executives	Total	Direct	Connected Parties
Robert Almeida ^{1.}	66,775,164	1,056,684	65,718,480
Dave Garcia (Corporate Secretary)	175,027	175,027	0
Malcolm Sadler ^{2.}	64,734,820	28,774	64,706,046
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 March 31, 2024

Executives	Total	Direct	Connected Parties
Bruce Bowen ^{1.}	65,915,330	196,850	65,718,480
Danielle Cameron Duncan	92,854	92,854	0
Hopelin Hines	10,571	10,571	0
Ian Chinapoo	0	0	0
Jacqueline De Lisser	30,146	30,146	0
Raymond Donaldson ^{3.}	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 65,718,480 held by subsidiaries of Guardian Holdings Limited.

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.

3. Resigned in April 2024.

10 Largest Shareholders of NCB Financial Group Limited as at March 31, 2024

Name of Shareholder	Units	Percentage Ownership
AIC (Barbados) Limited	1,239,642,254	48.70%
MF&G Asset Management Limited - NCB Share Scheme	101,406,205	3.98%
Sagicor PIF Equity Fund	66,136,956	2.60%
Patrick Hylton	60,838,988	2.39%
National Insurance Fund	58,139,232	2.28%
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%
Ideal Portfolio Services Company Limited	32,531,588	1.28%
SJIML A/C 3119	30,659,032	1.20%

Shareholder Profile of NCB Financial Group Limited as at March 31, 2024

Number of Shareholders	Ownership of Each Shareholder	Percentage Ownership	Number of Units
One shareholder with five accounts	48.70%	48.70%	1,239,642,254
12	1 - 5%	22.80%	580,424,205
44,863	Less than 1%	28.50%	725,259,053
44,876		100.00%	2,545,325,512



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