

Financial Results

For The Financial Year Ended
September 30, 2020

KEY RESULTS

					
\$19.1B	\$1.8T	\$156.1B	\$8.01	1.58%	12.57%
Net Profit	Total Assets	Equity	EPS	Return on Assets	Return on Equity

Fourth Quarter 2020 Report to Shareholders

November 12, 2020 – The Board of Directors hereby releases the following consolidated financial results for NCB Financial Group Limited (NCBFG) and its subsidiaries (the Group) for the year ended September 30, 2020.

NCBFG reports a net profit of \$26.9 billion for the year ended September 30, 2020, a 14% decline from the restated prior year. Net profit attributable to stockholders of the parent was \$19.1 billion, a 36% or \$10.8 billion decrease from the prior year. The prior year's results included a number of one-off gains totalling \$8.2 billion, comprising \$3.3 billion from the disposal of an associate, \$2.3 billion from the revaluation of our interest in Guardian Holdings Limited (GHL) and \$2.6 billion from the disposal of a subsidiary. Excluding these gains, the

profit would have declined by \$2.5 billion or 12% from the prior year. It should also be noted the 2020 financial performance includes a full year of GHL's results as opposed to only five months in the prior year.

The decline in economic activity from the effects of COVID-19 contributed to the decline in profitability of the Group. The weakened economic conditions resulted in:

- reduced securities trading activity, a decline in the equity markets and depreciation of the Jamaican currency resulting in reduced gains on foreign currency and investment activities; and
- increased credit impairment provisions.

In spite of the weakened economic conditions, the Group is committed to relentlessly pursuing our aspiration of becoming the region's leading financial ecosystem. We continue to focus on enhancing customer experience, improving operational efficiency and developing our digital capabilities, while safeguarding the health, well-being and economic interests of our stakeholders.

For more
information,
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INVESTOR RELATIONS

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Financial Results

For The Financial Year Ended September 30, 2020

Net Profit of \$19.1 billion (attributable to stockholders of the parent)

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Group Performance

Within the context of the pandemic's devastating impact on the global and regional economies, the Group recorded a commendable performance for the financial year. Our business segments began experiencing the impact in March 2020 as market conditions worsened resulting in reduced security prices and trading volumes and a reduction in consumer and business activities exacerbated by government imposed restrictions to limit the spread of the virus. We responded by accelerating our digital strategies, which included migrating certain transactions to digital channels. To further encourage migration and protect both our staff and customers we also promoted the use of these channels by waiving or reducing certain user fees. This strategic focus enabled the Group to earn operating profit of \$27.3 billion, an increase of 3% or \$817 million over the prior year.

Banking and Investment Activities

The net result from banking and investment activities of \$76.4 billion was relatively flat with the prior year's performance of \$76.7 billion. Improvements in net interest and fee & commission income stemming from the consolidation of a full year of GHL's results and growth in the loans and investments portfolios offset the decline in gains from foreign exchange and investment activities and the increase in credit provisions.

Insurance Activities

The net result from insurance activities totalled \$32.5 billion, an increase of \$18.0 billion or 125% due to the consolidation of a full year of GHL's results compared to five months in the prior period. GHL recorded a strong performance despite the challenges arising due to COVID. Underwriting performance was mainly due to improvements in GHL's Life, Health and Pension business. The Property and Casualty segment also recorded increased net income having been spared from major catastrophic events coupled with the growth in business experienced in the Dutch Caribbean markets.

The Jamaican insurance business was streamlined at the end of the financial year, resulting in NCB Insurance Company Limited ("NCBIC") transferring 100% of its portfolio of insurance and annuities business to Guardian Life Limited ("GLL"). NCBIC also completed its registration as an insurance agent under the Insurance Act under a new company name - NCB Insurance Agency and Fund Managers Limited ("NCBIAFM"). Consequent on the change in the company's registration, effective October 1, 2020 NCBIAFM (formerly known as NCBIC) no longer operates as an insurance underwriter but sells insurance products as an exclusive agent of GLL in addition to continuing to operate its business as a pension fund administrator and investment manager.

Operating Expenses

Operating expenses totalled \$81.6 billion, an increase of \$16.8 billion or 26%, primarily due to the consolidation of GHL. The cost to income ratio was 68.48%, up from 67.43% in the prior year.

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For The Financial Year Ended September 30, 2020

Net Profit of \$19.1 billion (attributable to stockholders of the parent)

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Consolidated Statement of Financial Position

Total assets of \$1.8 trillion, represented an increase of \$173.2 billion or 11% over the prior year. Our main earning asset portfolios - investment securities and net loans, and amounts due from banks accounted for 91% of the growth. This was funded primarily by growth in deposits, repurchase agreements and securitisation arrangements.

Investment Securities and Reverse Repurchase Agreements

Investment securities, including pledged assets and reverse repurchase agreements, totalled \$867.4 billion, an increase of 12% or \$94.4 billion over the prior year. This continues to be the Group's largest earning asset portfolio.

Loans and Advances

The Group's loans and advances, net of credit impairment losses, totalled \$453.0 billion, an increase of \$29.9 billion or 7% over the prior year. We continue to closely monitor the Group's non-performing loans, which totalled \$24.7 billion as at September 30, 2020, an increase of \$1.9 billion or 8% over the prior year. This represented 5.3% of the gross loans which remained unchanged from the prior year.

Deposits

Deposits, our largest source of funding, totalled \$559.6 billion, an increase of \$54.9 billion or 11% over the prior year. The strong growth demonstrates our customers' confidence in the Group.

Policyholders' Liabilities

Liabilities under annuity and insurance contracts increased to \$405.0 billion at September 30, 2020, up \$10.4 billion or 3% over the prior year.

Capital and Liquidity

Equity attributable to stockholders of the parent increased by 6% or \$8.5 billion to \$156.1 billion as at September 30, 2020. The growth in equity was mainly attributable to increased retained earnings.

All our regulated entities have met the applicable capital and liquidity regulatory requirements.

Dividends

The Board of Directors, at its meeting on November 12, 2020, did not declare an interim dividend.

Awards

- Global Finance Magazine has named NCB Financial Group in the category of ***Distinguished Crisis Leadership*** in its Outstanding Crisis Leadership 2020 Awards. The programme recognises banks and companies that went above and beyond in responding to the global pandemic crisis, assisting customers, protecting employees and providing critical support to the society at large.

Corporate Social Responsibility (CSR)

Our CSR policy focuses on six main areas: inspired people; doing good business; creating delighted, lifelong customers; data security; community development and environmental sustainability. The Group is committed to engaging in activities that support long-term success while providing appropriate benefits for various stakeholders and ensuring compliance with all applicable rules and regulations through responsible and ethical business practices in the respective territories.

Nation Building

- In October 2020, NCBFG pledged \$50 million to the Jamaican Ministry of Education, Youth and Information's "A Device for Every Child Initiative". This donation will cover the cost of approximately 1,400 of the 100,000 devices that the initiative seeks to acquire.
- In keeping with our support for democracy and a fair and transparent electoral process, NCBFG contributed equally to each of the two major Jamaican political parties.
- Our Foundations - N.C.B. Foundation, Guardian Group Foundation and Clarien Foundation - continued voluntary and outreach work in areas such as health, education and community development, reaching a wide cross-section of persons across the region. Our Foundations also supported and partnered with various groups across the region to provide COVID relief packages, hospital equipment and other donations to help those most impacted, front-line workers and others assisting with the fight against the virus.

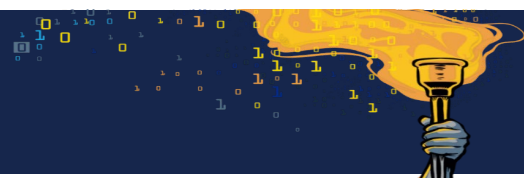
We continue to urge everyone to practise the recommended safety measures and we continue to protect our employees and customers by minimising face-to-face interactions by offering suitable alternative channels. We are grateful to the persons at the front line of this crisis and thank them for their continued service.

NCBFG remains committed to building the communities we serve through the work of our foundations, our subsidiaries and staff. We are grateful for the support of our valued stakeholders. Thank you for your continued loyalty, confidence and support; **Put Your Best Life Forward.**



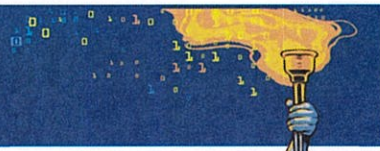
ON BEHALF OF THE BOARD

Patrick Hylton, OJ, CD, President and Group Chief Executive Officer



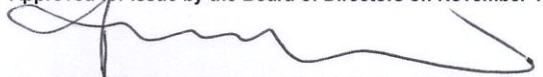
	CURRENT YEAR			PRIOR YEAR - RESTATED	
	Quarter ended September 30 2020 \$'000	Quarter ended June 30 2020 \$'000	Year ended September 30 2020 \$'000	Quarter ended September 30 2019 \$'000	Year ended September 30 2019 \$'000
Operating income					
Banking and investment activities					
Interest income	18,763,436	18,184,354	74,421,878	20,495,879	65,068,228
Interest expense	(3,917,521)	(5,994,689)	(21,932,169)	(6,154,615)	(20,473,144)
Net interest income	14,845,915	12,189,665	52,489,709	14,341,264	44,595,084
Fee and commission income	6,249,568	5,760,920	25,925,325	6,963,900	24,172,608
Fee and commission expense	(1,249,640)	(817,631)	(4,555,918)	(1,168,918)	(4,992,775)
Net fee and commission income	4,999,928	4,943,289	21,369,407	5,794,982	19,179,833
Gain on foreign currency and investment activities	2,338,727	2,781,362	8,793,286	3,734,262	15,412,082
Credit impairment losses	(4,634,212)	(2,434,604)	(10,284,994)	(351,973)	(4,824,734)
Dividend income	193,897	317,560	1,901,300	484,046	1,274,735
Other operating income	235,048	526,125	2,102,190	616,113	1,112,460
	(1,866,540)	1,190,443	2,511,782	4,482,448	12,974,543
Net result from banking and investment activities	17,979,303	18,323,397	76,370,898	24,618,694	76,749,460
Insurance activities					
Premium income	35,565,945	32,434,298	135,202,001	33,545,529	60,618,692
Insurance premium ceded to insurers	(12,075,517)	(10,560,867)	(42,003,606)	(9,351,444)	(16,057,907)
Reinsurance commission income	2,130,508	2,399,703	8,470,579	1,749,788	3,594,053
Net underwriting income	25,620,936	24,273,134	101,668,974	25,943,873	48,154,838
Policyholders' and annuitants' benefits and reserves	(16,392,747)	(12,560,308)	(63,223,937)	(22,621,206)	(35,682,380)
Reinsurance on policyholders' and annuitants' benefits and reserves	3,396,744	997,854	7,016,737	7,429,599	8,376,399
Commission and other selling expenses	(3,518,994)	(4,129,079)	(13,005,783)	(3,414,310)	(6,417,342)
Net result from insurance activities	9,105,939	8,581,601	32,455,991	7,337,956	14,431,515
Net operating income	27,085,242	26,904,998	108,826,889	31,956,650	91,180,975
Operating expenses					
Staff costs	10,598,151	9,014,126	40,526,668	10,459,920	32,120,544
Depreciation and amortisation	2,076,976	1,962,240	8,529,471	2,584,990	6,941,434
Finance cost	933,371	392,891	1,411,727	-	-
Other operating expenses	8,174,867	6,716,857	31,097,938	9,565,664	25,674,925
	21,783,365	18,086,114	81,565,804	22,610,574	64,736,903
Operating profit	5,301,877	8,818,884	27,261,085	9,346,076	26,444,072
Share of profit of associates	173,762	125,408	312,391	241,758	2,897,176
Gain on disposal of associate	-	-	-	-	3,291,544
Gain on disposal of subsidiary	-	-	-	2,626,425	2,626,425
Gain on revaluation of associate	-	-	-	-	2,329,179
Profit before taxation	5,475,639	8,944,292	27,573,476	12,214,259	37,588,396
Taxation	1,104,975	(1,998,897)	(690,064)	(2,357,971)	(6,423,458)
NET PROFIT	6,580,614	6,945,395	26,883,412	9,856,288	31,164,938
Attributable to:					
Stockholders of parent	4,312,061	5,205,811	19,090,378	9,120,671	29,869,398
Non-controlling interest	2,268,553	1,739,584	7,793,034	735,617	1,295,540
	6,580,614	6,945,395	26,883,412	9,856,288	31,164,938
Earnings per stock unit	1.82	2.19	8.01	3.81	12.30
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
	2020	2020	2020	2019	2019
	\$'000	\$'000	\$'000	\$'000	\$'000
Net Profit	6,580,614	6,945,395	26,883,412	9,856,288	31,164,938
Other comprehensive income, net of tax-					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	289,511	(9,649)	418,946	(344,235)	(487,254)
Share of other comprehensive income of associate companies	-	-	-	236,872	10,198
	289,511	(9,649)	418,946	(107,363)	(477,056)
Items that may be subsequently reclassified to profit or loss					
Currency translation gains/(losses)	1,637,005	4,016,537	5,409,780	419,829	(21,059)
Share of other comprehensive income of associate companies	-	-	-	-	(169,019)
Expected credit (losses)/reversals on debt instruments at fair value through other comprehensive income (FVOCI)	(181,426)	458,615	(38,349)	(591,781)	(350,671)
Unrealised gains/(losses) on securities designated as FVOCI	11,060,603	11,641,502	(4,510,060)	6,326,542	14,150,375
Realised fair value gains on securities designated as FVOCI	(105,318)	(255,768)	(1,803,657)	(2,205,423)	(4,012,903)
Realised currency translation and other gains, of a former associated company	-	-	-	-	(1,426,598)
	12,410,864	15,860,886	(942,286)	3,949,167	8,170,125
Total other comprehensive income	12,700,375	15,851,237	(523,340)	3,841,804	7,693,069
TOTAL COMPREHENSIVE INCOME	19,280,989	22,796,632	26,360,072	13,698,092	38,858,007
Total comprehensive income attributable to:					
Stockholders of the parent	13,889,808	19,794,112	18,550,266	13,558,243	37,101,679
Non-controlling interest	5,391,181	3,002,520	7,809,806	139,849	1,756,328
	19,280,989	22,796,632	26,360,072	13,698,092	38,858,007



	September 30 2020 \$'000	RESTATED September 30 2019 \$'000
ASSETS		
Cash in hand and balances at Central Banks	74,039,589	62,535,389
Due from banks	165,237,499	141,357,186
Derivative financial instruments	653,735	239,279
Reverse repurchase agreements	9,518,854	7,837,898
Loans and advances, net of credit impairment losses	452,954,936	423,102,600
Investment securities	456,083,540	386,185,620
Pledged assets	401,771,621	378,988,276
Investment in associates	6,955,109	5,545,451
Investment properties	33,751,227	31,385,216
Intangible assets	54,968,362	49,557,677
Property, plant and equipment	27,516,163	26,166,973
Right-of-use assets	4,543,678	-
Properties for development and sale	2,759,044	2,368,042
Deferred income tax assets	14,634,857	8,141,066
Income tax recoverable	5,978,273	5,174,472
Reinsurance assets	26,532,008	33,779,448
Letters of credit and undertaking	3,618,540	2,051,519
Other assets	48,018,455	51,883,490
Total assets	1,789,535,490	1,616,299,602
LIABILITIES		
Due to banks	30,134,601	22,776,255
Customer deposits	559,588,968	504,678,536
Repurchase agreements	211,436,379	174,619,976
Obligations under securitisation arrangements	71,083,957	48,305,823
Derivative financial instruments	-	239,279
Other borrowed funds	125,066,336	124,953,101
Deferred income tax liabilities	14,900,057	18,265,560
Third party interests in mutual funds	27,572,914	22,138,490
Liabilities under annuity and insurance contracts	405,014,541	394,615,307
Segregated fund liabilities	14,255,178	16,549,531
Investment contract liabilities	41,682,306	39,257,656
Post-employment benefit obligations	9,731,059	9,400,738
Letters of credit and undertaking	3,618,540	2,051,519
Lease liabilities	4,597,994	-
Other liabilities	70,647,737	54,577,213
Total liabilities	1,589,330,567	1,432,428,984
STOCKHOLDERS' EQUITY		
Share capital	153,827,330	153,827,330
Treasury shares	(15,150,201)	(10,756,253)
Reserve from the scheme of arrangement	(147,034,858)	(147,034,858)
Fair value and capital reserves	12,216,660	13,158,946
Loan loss reserve	-	2,947,624
Statutory reserve fund	6,735,063	6,625,209
Retained earnings reserve	58,580,000	43,820,000
Retained earnings	86,940,684	85,002,181
Equity attributable to stockholders of the parent	156,114,678	147,590,179
Non-controlling interest	44,090,245	36,280,439
Total stockholders' equity	200,204,923	183,870,618
Total stockholders' equity and liabilities	1,789,535,490	1,616,299,602

Approved for issue by the Board of Directors on November 12, 2020 and signed on its behalf by:



Patrick Hylton, OJ, CD

President and Group
Chief Executive Officer



Dennis Cohen

Group Chief Financial Officer and
Deputy Chief Executive Officer



Professor Alvin Wint

Lead Independent Director

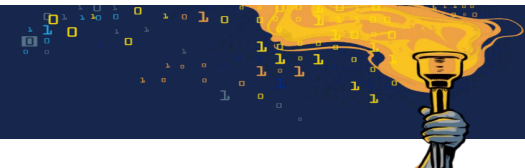


Dave Garcia

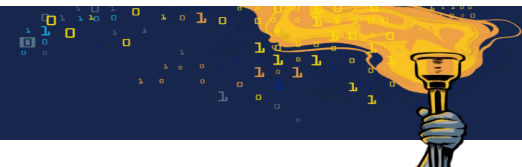
Corporate Secretary

	Share capital	Treasury shares	Reserve from the Scheme of Arrangement	Fair value and capital reserves	Loan loss reserve	Statutory reserve fund	Retained earnings reserve	Retained earnings	Non-controlling interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at September 30, 2018	153,827,330	(1,050,785)	(147,034,858)	3,535,115	3,470,490	6,598,442	39,250,000	71,444,834	9,543,760	139,584,328
Initial impact of IFRS 9 adoption	-	-	-	1,914,494	(245,692)	-	-	(3,457,496)	(37,556)	(1,826,250)
Balance as at October 1, 2018	153,827,330	(1,050,785)	(147,034,858)	5,449,609	3,224,798	6,598,442	39,250,000	67,987,338	9,506,204	137,758,078
Total comprehensive income	-	-	-	7,709,337	-	-	-	29,099,367	1,576,390	38,385,094
Transfer from loan loss reserve	-	-	-	-	(277,174)	-	-	277,174	-	-
Transfer to statutory reserve	-	-	-	-	-	26,767	-	(26,767)	-	-
Transfer to retained earnings reserve	-	-	-	-	-	-	4,570,000	(4,570,000)	-	-
Disposal of treasury shares	-	1,591,840	-	-	-	-	-	239,246	-	1,831,086
Purchase of treasury shares	-	(956,788)	-	-	-	-	-	-	-	(956,788)
Non-controlling interest on acquisition of subsidiary	-	-	-	-	-	-	-	-	29,069,702	29,069,702
Recognition of treasury shares on acquisition of subsidiary	-	(10,340,520)	-	-	-	-	-	-	-	(10,340,520)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	(415,704)	(415,704)
Transaction with owners of the Company -										
Dividends paid	-	-	-	-	-	-	-	(8,297,152)	-	(8,297,152)
Balance at September 30, 2019	153,827,330	(10,756,253)	(147,034,858)	13,158,946	2,947,624	6,625,209	43,820,000	84,709,206	39,736,592	187,033,796
Impact of revised Purchase Price Allocation on acquisition of majority stake in Guardian Holdings Limited	-	-	-	-	-	-	-	292,975	(3,456,153)	(3,163,178)
Balance as at October 1, 2019	153,827,330	(10,756,253)	(147,034,858)	13,158,946	2,947,624	6,625,209	43,820,000	85,002,181	36,280,439	183,870,618
Total comprehensive income	-	-	-	(942,286)	-	-	-	19,492,552	7,809,806	26,360,072
Transfer from loan loss reserve	-	-	-	-	(2,947,624)	-	-	2,947,624	-	-
Transfer to statutory reserve	-	-	-	-	-	109,854	-	(109,854)	-	-
Transfer to retained earnings reserve	-	-	-	-	-	-	14,760,000	(14,760,000)	-	-
Purchase of treasury shares	-	(4,443,775)	-	-	-	-	-	-	-	(4,443,775)
Disposal of treasury shares	-	49,827	-	-	-	-	-	(49,827)	-	-
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	(166,953)	-	(166,953)
Transaction with owners of the Company -										
Dividends paid	-	-	-	-	-	-	-	(5,415,039)	-	(5,415,039)
Balance at September 30, 2020	153,827,330	(15,150,201)	(147,034,858)	12,216,660	-	6,735,063	58,580,000	86,940,684	44,090,245	200,204,923

	September 30	RESTATED September 30
	2020	2019
	\$'000	\$'000
Cash Flows from Operating Activities		
Net profit	26,883,412	31,164,938
Adjustments to reconcile net profit to net cash provided by/(used in) operating activities	130,241,765	(20,428,353)
Net cash provided by operating activities	157,125,177	10,736,585
Cash Flows from Investing Activities		
Net cash acquired on purchase of subsidiary	-	16,645,363
Acquisition of property, plant and equipment	(4,531,453)	(4,170,072)
Acquisition of intangible asset - computer software	(11,329,948)	(4,789,731)
Proceeds from disposal of property, plant and equipment	82,671	217,403
Purchase of investment property	(4,150,516)	(1,197,161)
Proceeds from disposal of investment property	1,118,391	-
Proceeds from the disposal of subsidiary	-	6,465,579
Dividend received from associates	-	731,336
Purchases of investment securities	(704,575,965)	(302,853,958)
Sales/maturities of investment securities	581,889,676	370,971,091
Net cash (used in)/provided by investing activities	(141,497,144)	82,019,850
Cash Flows from Financing Activities		
Proceeds from securitisation arrangements	35,392,925	-
Repayments under securitisation arrangements	(12,077,688)	(8,798,148)
Proceeds from other borrowed funds	31,457,954	47,136,182
Repayments of other borrowed funds	(34,653,311)	(40,093,210)
Purchase of treasury shares	(4,443,775)	(956,788)
Proceeds from disposal of treasury shares	49,827	1,831,086
Due to banks	4,055,319	(5,629,837)
Dividends paid	(5,415,039)	(8,297,152)
Net cash provided by/(used in) financing activities	14,366,212	(14,807,867)
Effect of exchange rate changes on cash and cash equivalents	651,908	3,739,331
Net increase in cash and cash equivalents	30,646,153	81,687,899
Cash and cash equivalents at beginning of period	156,858,541	75,170,642
Cash and cash equivalents at end of period	187,504,694	156,858,541
Comprising:		
Cash in hand and balances at Central Banks	38,487,461	25,218,426
Due from banks	161,428,683	133,792,014
Reverse repurchase agreements	5,814,046	2,198,982
Investment securities	230,004	10,806,108
Due to banks	(18,455,500)	(15,156,989)
	187,504,694	156,858,541



Year ended September 30, 2020	Banking and Investment Activities					Insurance Activities				
	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	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	29,361,427	17,343,238	11,952,596	13,461,902	14,393,206	103,675,982	65,505,763	1,122,445	-	256,816,559
Revenue from other segments	2,454,279	2,141	201,970	4,136,991	3,959,457	531,614	455,967	20,671,821	(32,414,240)	-
Total Revenue	31,815,706	17,345,379	12,154,566	17,598,893	18,352,663	104,207,596	65,961,730	21,794,266	(32,414,240)	256,816,559
Net interest income	23,164,265	6,313,275	7,257,443	3,200,585	5,667,085	14,530,207	894,235	(3,104,573)	(5,297,607)	52,624,915
Net fee and commission income	4,218,382	5,326,452	1,191,418	436,650	4,022,325	2,482,394	1,424,104	2,071,857	(1,389,785)	19,783,797
Gain/(loss) on foreign currency and investment activities	191,362	(1,836)	166,153	5,592,506	714,036	4,665,539	(156,101)	(615,219)	(1,764,124)	8,792,316
Net result from insurance activities	-	-	-	-	-	17,606,502	12,794,953	36,494	2,018,042	32,455,991
Credit impairment (losses)/reversals	(5,074,667)	(2,296,979)	(1,893,194)	(275,011)	312,423	(1,339,741)	(93,775)	375,837	-	(10,285,107)
Other operating income and dividend income	200,217	2,401	646	12,975	463,065	1,274,517	75,134	2,259,390	(3,642,058)	646,287
Total operating income	22,699,559	9,343,313	6,722,466	8,967,705	11,178,934	39,219,418	14,938,550	1,023,786	(10,075,532)	104,018,199
Staff costs	9,584,149	923,085	243,588	188,694	2,401,393	8,150,773	4,939,174	2,491,215	3,747,374	32,669,445
Depreciation and amortisation	2,278,513	526,722	9,818	10,610	159,547	752,516	458,166	2,205,150	-	6,401,042
Finance costs	679,434	-	-	-	42,623	686,552	-	3,117	-	1,411,726
Other operating expense	5,309,676	3,259,728	1,113,647	1,343,291	2,443,195	5,911,356	3,323,105	4,325,346	(6,629,005)	20,400,339
Total operating expense	17,851,772	4,709,535	1,367,053	1,542,595	5,046,758	15,501,197	8,720,445	9,024,828	(2,881,631)	60,882,552
Operating profit before allocated cost	4,847,787	4,633,778	5,355,413	7,425,110	6,132,176	23,718,221	6,218,105	(8,001,042)	(7,193,901)	43,135,647
Allocated costs	(5,902,616)	(2,193,446)	(2,643,040)	(533,262)	-	-	-	-	-	(11,272,364)
Operating (loss)/profit	(1,054,829)	2,440,332	2,712,373	6,891,848	6,132,176	23,718,221	6,218,105	(8,001,042)	(7,193,901)	31,863,283
Unallocated corporate expenses										(4,602,198)
Share of profit of associates										312,391
Profit before taxation										27,573,476
Taxation										(690,064)
Net Profit										26,883,412
Segment assets	439,335,132	27,251,600	156,880,584	366,204,287	346,603,496	563,591,085	99,683,481	70,681,171	(307,863,585)	1,762,367,251
Associates										6,955,109
Unallocated assets										20,213,130
Total assets										1,789,535,490
Segment liabilities	382,908,884	8,274,345	126,645,928	388,005,295	299,625,401	431,194,623	66,227,885	105,439,443	(233,891,294)	1,574,430,510
Unallocated liabilities										14,900,057
Total liabilities										1,589,330,567
Capital expenditure	3,860,713	896,208	333,221	123,260	688,512	8,547,631	182,065	1,229,791	-	15,861,401



Year ended September 30, 2019 - Restated	Banking and Investment Activities					Insurance Activities				
	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	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	30,269,607	16,731,518	10,575,574	15,592,674	15,709,862	52,778,722	27,402,192	2,192,709	-	171,252,858
Revenue from other segments	2,036,630	-	317,584	5,445,625	11,311,914	72,303	250,242	17,672,530	(37,106,828)	-
Total Revenue	32,306,237	16,731,518	10,893,158	21,038,299	27,021,776	52,851,025	27,652,434	19,865,239	(37,106,828)	171,252,858
Net interest income	23,102,162	5,418,956	5,595,928	4,194,553	4,784,874	8,302,089	816,623	(2,334,507)	(3,048,955)	46,831,723
Net fee and commission income	4,860,085	5,754,119	961,680	402,971	3,901,888	2,457,320	1,322,139	1,796,946	(5,287,038)	16,170,110
Gain/(loss) on foreign currency and investment activities	241,041	(1,533)	208,791	6,584,043	4,598,896	4,438,842	405,013	(125,853)	(3,049,096)	13,300,144
Net result from insurance activities	-	-	-	-	-	9,597,806	5,239,425	-	(405,716)	14,431,515
Credit impairment (losses)/reversals	(4,173,251)	(977,370)	(59,362)	538,456	329,664	(357,014)	(85,656)	(41,033)	814	(4,824,752)
Other operating income and dividend income	238,420	3,550	1,161	89,320	463,937	1,438,500	100,640	3,158,495	(3,266,052)	2,227,971
Total operating income	24,268,457	10,197,722	6,708,198	11,809,343	14,079,259	25,877,543	7,798,184	2,454,048	(15,056,043)	88,136,711
Staff costs	9,777,214	1,042,758	349,166	268,586	2,028,194	3,308,616	2,645,522	1,136,439	3,340,185	23,896,680
Depreciation and amortisation	1,137,272	551,667	9,003	13,379	135,306	435,464	405,385	2,057,839	(137,248)	4,608,067
Other operating expense	4,749,504	2,852,730	495,276	1,106,209	2,022,364	3,393,890	2,413,878	1,086,924	(5,769,632)	12,351,143
Total operating expense	15,663,990	4,447,155	853,445	1,388,174	4,185,864	7,137,970	5,464,785	4,281,202	(2,566,695)	40,855,890
Operating profit before allocated cost	8,604,467	5,750,567	5,854,753	10,421,169	9,893,395	18,739,573	2,333,399	(1,827,154)	(12,489,348)	47,280,821
Allocated costs	(9,018,055)	(2,113,845)	(644,550)	(523,680)	-	-	-	-	-	(12,300,130)
Operating (loss)/profit	(413,588)	3,636,722	5,210,203	9,897,489	9,893,395	18,739,573	2,333,399	(1,827,154)	(12,489,348)	34,980,691
Unallocated corporate expenses										(8,536,619)
Share of profit of associates										2,897,176
Gain on disposal of associate										3,291,544
Gain on disposal of subsidiary										2,626,425
Gain on revaluation of associate										2,329,179
Profit before taxation										37,588,396
Taxation										(6,423,458)
Net Profit										31,164,938
Segment assets	420,800,189	28,996,202	126,194,622	329,569,352	269,046,779	450,901,821	104,247,538	54,561,377	(186,879,267)	1,597,438,613
Associates										5,545,451
Unallocated assets										13,315,538
Total assets										1,616,299,602
Segment liabilities	369,547,583	17,462,507	92,741,678	327,937,875	223,599,296	344,878,799	75,253,247	83,248,946	(120,363,743)	1,414,306,188
Unallocated liabilities										18,122,796
Total liabilities										1,432,428,984
Capital expenditure	3,640,303	987,573	333,064	142,982	1,121,849	1,411,388	914,695	407,949	-	8,959,803

1. Identification and Principal Activities

NCB Financial Group Limited ("the Company") is a financial holding company, incorporated and domiciled in Jamaica. The Company is 52.10% (September 30, 2019 - 53.08%) owned by AIC (Barbados) Limited. The ultimate parent company is Portland Holdings Inc., incorporated in Canada. Portland Holdings Inc. is controlled by Hon. Michael A. Lee-Chin, O.J., Chairman of the Company.

The Company's registered office is located at 32 Trafalgar Road, Kingston 10, Jamaica.

The Company's ordinary stock units are listed on the Jamaica Stock Exchange and the Trinidad and Tobago Stock Exchange.

2. Basis of preparation

The condensed consolidated interim financial statements (interim financial statements) for the quarter and year ended September 30, 2020 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, 2019 which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

IFRS 16, 'Leasing'

Effective October 1, 2019, the Group adopted IFRS 16 'Leasing' which replaces IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease (on statement of financial position) and an operating lease (off statement of financial position). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees.

For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. The Group has concluded that the adoption did not have a significant impact on the financial statements of the Group.

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 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.

The Group's trustee services, property development and the outstanding transactions and balances of certain inactive subsidiaries are classified as Other for segment reporting.

4. Impact of COVID-19

In March 2020, the World Health Organisation declared COVID-19 a global pandemic as the virus had rapidly spread worldwide. The impact on the global markets has been significant with amplified concerns about the escalating economic costs of the outbreak. Regionally, the stock exchange indices have declined. The Jamaica Stock Exchange index decline since the beginning of 2020 was initially sparked by investors liquidating their portfolios to prepare for large equity transactions and further exacerbated by fears among investors regarding the impact of the virus on the regional economies and the ensuing effect on publicly listed companies.

The impact of COVID-19 has been far reaching as it has caused significant impact on the regional economies, which are highly reliant on imports for growth and development, and on exports for income. The dislocation in sectors of the economy, such as the tourism, manufacturing, transport and logistics and other areas is expected to have a negative impact on the Group's various business segments which are exposed to the potential economic effects.

The economic downturn is having an impact on foreign currency and investment activities, credit impairment losses, fee and commission income and the carrying values of investment securities. The economic downturn is still evolving and we continue to monitor and assess the overall impact on the Group.

5. Transfer of Insurance and Annuities Business of NCB Insurance Company Limited to Guardian Life Limited

NCB Financial Group Limited ("NCBFG") streamlined the insurance business offered by its competing subsidiaries - NCB Insurance Company Limited ("NCBIC") and Guardian Life Limited ("GLL"). NCBIC's applications to the Financial Services Commission were approved for the following:

A - The transfer of 100% of its portfolio of insurance and annuities business to GLL which took effect on September 30, 2020;

B - Licensing of NCBIC as a dealer under the Securities Act; and

C - Registration of NCBIC as an insurance agent under the Insurance Act under a new company name - NCB Insurance Agency and Fund Managers Limited ("NCBIAFM").

Consequent on the change in the company's registration, effective October 1, 2020 NCBIAFM (formerly known as NCBIC) no longer operates as an insurance underwriter but sells insurance products as an exclusive agent of GLL in addition to continuing to operate its business as a pension fund administrator and investment manager. Insurance policies for existing policyholders will not be impacted, as GLL will honour the contracts being transferred on their current terms. NCBIC's carrying value of liabilities under annuity and insurance contracts totalled \$33.5 billion prior to the transfer at September 30, 2020.

6. Restatements and reclassifications

In 2019, the Group acquired controlling interest in GHL and as allowed under IFRS 3, the Purchase Price Allocation (PPA) was provisionally determined. The PPA has been finalised during the current year and resulted in changes in the fair values of certain assets and liabilities which resulted in the following restatement:

	CONSOLIDATED INCOME STATEMENT		
	As previously reported	Restatement/ Reclassifications	Restated
	\$'000	\$'000	\$'000
Net interest income	44,595,084	-	44,595,084
Net fee and commission income	19,179,833	-	19,179,833
Gain on foreign currency and investment activities	14,796,405	615,677	15,412,082
Net result from insurance activities	14,431,515	-	14,431,515
Credit impairment losses	(4,824,734)	-	(4,824,734)
Other income	2,387,195	-	2,387,195
Net operating income	90,565,298	615,677	91,180,975
Operating expenses	64,736,903	-	64,736,903
Operating profit	25,828,395	615,677	26,444,072
Share of profit of associates	2,897,176	-	2,897,176
Gain on disposal of associate	3,291,544	-	3,291,544
Gain on disposal of subsidiary	2,626,425	-	2,626,425
Gain on revaluation of associate	2,329,179	-	2,329,179
Profit before taxation	36,972,719	615,677	37,588,396
Taxation	(6,280,694)	(142,764)	(6,423,458)
NET PROFIT	30,692,025	472,913	31,164,938
Attributable to:			
Stockholders of the parent	29,576,423	292,975	29,869,398
Non-controlling interest	1,115,602	179,938	1,295,540
	30,692,025	472,913	31,164,938

6. Restatements and reclassifications (continued)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
	As previously reported \$'000	Restatement/ Reclassifications \$'000	Restated \$'000
ASSETS			
Cash in hand and balances at Central Banks	62,535,389	-	62,535,389
Due from banks	141,357,186	-	141,357,186
Derivative financial instruments	239,279	-	239,279
Reverse repurchase agreements	7,837,898	-	7,837,898
Loans and advances, net of credit impairment losses	423,102,600	-	423,102,600
Investment securities	386,185,620	-	386,185,620
Pledged assets	384,904,688	(5,916,412)	378,988,276
Investment in associates	5,271,465	273,986	5,545,451
Investment properties	28,155,110	3,230,106	31,385,216
Intangible assets	43,632,659	5,925,018	49,557,677
Property, plant and equipment	23,480,667	2,686,306	26,166,973
Properties for development and sale	2,368,042	-	2,368,042
Deferred income tax assets	8,141,066	-	8,141,066
Income tax recoverable	5,174,472	-	5,174,472
Reinsurance assets	33,779,448	-	33,779,448
Letters of credit and undertaking	2,051,519	-	2,051,519
Other assets	51,883,490	-	51,883,490
	1,610,100,598	6,199,004	1,616,299,602
LIABILITIES			
Due to banks	22,776,255	-	22,776,255
Customer deposits	504,678,536	-	504,678,536
Repurchase agreements	174,619,976	-	174,619,976
Obligations under securitisation arrangements	48,305,823	-	48,305,823
Derivative financial instruments	239,279	-	239,279
Other borrowed funds	124,953,101	-	124,953,101
Deferred income tax liabilities	18,122,796	142,764	18,265,560
Third party interests in mutual funds	22,138,490	-	22,138,490
Liabilities under annuity and insurance contracts	385,395,889	9,219,418	394,615,307
Segregated fund liabilities	16,549,531	-	16,549,531
Investment contract liabilities	39,257,656	-	39,257,656
Post-employment benefit obligations	9,400,738	-	9,400,738
Letters of credit and undertaking	2,051,519	-	2,051,519
Other liabilities	54,577,213	-	54,577,213
	1,423,066,802	9,362,182	1,432,428,984
STOCKHOLDERS' EQUITY			
Share capital	153,827,330	-	153,827,330
Treasury shares	(10,756,253)	-	(10,756,253)
Reserve from the scheme of arrangement	(147,034,858)	-	(147,034,858)
Fair value and capital reserves	13,158,946	-	13,158,946
Loan loss reserve	2,947,624	-	2,947,624
Statutory reserve fund	6,625,209	-	6,625,209
Retained earnings reserve	43,820,000	-	43,820,000
Retained earnings	84,709,206	292,975	85,002,181
Equity attributable to shareholders of the parent	147,297,204	292,975	147,590,179
Non-controlling interest	39,736,592	(3,456,153)	36,280,439
Total stockholders' equity	187,033,796	(3,163,178)	183,870,618
Total stockholders' equity and liabilities	1,610,100,598	6,199,004	1,616,299,602

Interest/Ownership of Stock Units by Directors of NCB Financial Group Limited as at September 30, 2020

Directors ^{1.}	Total	Direct	Connected Parties
Robert Almeida	66,045,231	171,750	65,873,481
Dennis Cohen ^{2.}	175,377,207	36,550,749	138,826,458
Sandra Glasgow ^{2.}	139,351,258	326,150	139,025,108
Sanya Goffe	65,945,481	72,000	65,873,481
Patrick Hylton, OJ, CD	133,954,036	68,080,555	65,873,481
Adrian Lee-Chin	65,873,481	0	65,873,481
Hon. Michael Lee-Chin, OJ	1,490,930,331	35,000	1,490,895,331
Thalia Lyn, OD ^{2.}	139,243,304	398,084	138,845,220
Prof. Alvin Wint, CD	65,961,625	88,144	65,873,481
Dave Garcia (Corporate Secretary)	175,027	175,027	0

Interest/Ownership of Stock Units by Executives/Senior Managers of NCB Financial Group Limited as at September 30, 2020

Executives/Senior Managers	Total	Direct	Connected Parties
Dennis Cohen ^{1. 2.}	175,377,207	36,550,749	138,826,458
Dave Garcia	175,027	175,027	0
Patrick Hylton, OJ, CD ^{1.}	133,954,036	68,080,555	65,873,481
Misheca Seymour-Senior	7,195	7,195	0
Mukisa Wilson Ricketts	87,552	87,552	0
Allison Wynter ^{2.}	73,281,214	191,237	73,089,977

Interest/Ownership of Stock Units by Executives/Senior Managers of subsidiaries of NCB Financial Group Limited as at September 30, 2020

Executives/Senior Managers	Total	Direct	Connected Parties
Gabrielle Banbury-Kelly	95,508	95,508	0
Septimus Blake	211,144	211,144	0
Brian Boothe	242,000	102,000	140,000
Danielle Cameron Duncan	92,854	92,854	0
Euton Cummings	10	10	0
Raymond Donaldson	0	0	0
Steven Gooden	124,420	124,420	0
Howard Gordon	105,051	105,051	0
Vernon James	0	0	0
Sheree Martin	6,713	6,713	0
Nadeen Matthews Blair	92,305	92,305	0
Anne McMorris Cover	8,735	8,735	0
Claudette Rodriguez	99,355	99,355	0
Malcolm Sadler	58,827	28,774	30,053
Ravi Tewari	0	0	0
Ian Truran	0	0	0
Simona Watkis	4,900	4,900	0
Tanya Watson Francis	156,323	156,323	0
Angus Young	93,000	93,000	0

1. Connected parties for all directors include shares of 65,873,481 held by subsidiaries of Guardian Holdings Limited (GHL).

2. Connected parties for Dennis Cohen, Sandra Glasgow, Thalia Lyn and Allison Wynter include shares of 72,949,977 held as trustees of the N.C.B. Staff Pension Fund.

10 Largest Shareholders of NCB Financial Group Limited as at September 30, 2020

Name of Shareholder	Units	Percentage Ownership
AIC (Barbados) Limited	1,285,072,836	52.10%
Sagicor PIF Equity Fund	79,833,444	3.24%
Patrick Hylton, OJ, CD	68,080,555	2.76%
NCB Insurance Co. Ltd WT 109	62,989,156	2.55%
Harprop Limited	46,434,102	1.88%
AIC Global Holdings Inc.	45,449,690	1.84%
Dennis Cohen	36,550,749	1.48%
SJIML A/C 3119	35,498,981	1.44%
Ideal Portfolio Services Company Limited	33,339,577	1.35%
Guardian Life of the Caribbean	30,206,368	1.22%

Shareholder Profile of NCB Financial Group Limited as at September 30, 2020

Number of Shareholders	Ownership of Each Shareholder	Percentage Ownership	Number of Units
One shareholder with five accounts	52.10%	52.10%	1,285,072,836
10	1 - 5%	18.83%	464,512,589
44,197	Less than 1%	29.07%	717,177,403
44,208		100.00%	2,466,762,828