

RATING RELEASE

September 28, 2023

**CariCRIS reaffirms “high” creditworthiness ratings of NCB Financial Group
Limited**

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| <i>CariA+</i> | (Regional Scale Local Currency) |
| <i>CariA</i> | (Regional Scale Foreign Currency) |
| <i>jmAAA</i> | (National Scale Local Currency) |
| <i>jmAA+</i> | (National Scale Foreign Currency) |

Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed the regional scale issuer ratings assigned to NCB Financial Group Limited (NCBFG or the Group) to *CariA+* (Local Currency) and *CariA* (Foreign Currency) and *jmAAA* (Local Currency) and *jmAA+* (Foreign Currency) on the Jamaica national scale. The regional scale ratings indicate that the level of creditworthiness of this issuer, adjudged in relation to other issuers in the Caribbean is **good**. The local currency national scale ratings indicate that the level of creditworthiness of this issuer, adjudged in relation to other issuers in Jamaica is the **highest**.

CariCRIS also maintained a **stable** outlook on the ratings. The stable outlook is based on our expectations that NCBFG’s financial performance will continue to be creditable over the next 12 to 15 months given the improving economic conditions in its primary operating territories. Additionally, the Group’s subsidiaries are expected to remain well capitalized over the next 12 to 15 months.

NCBFG’s ratings reflect its standing as a dominant regional financial services player, with a strong presence in the Jamaican banking and securities industries and regional insurance industry. The Group’s ratings also reflect its comfortable capitalization levels and good financial performance, notwithstanding a 47% decline in PAT for the 9 months ended June 2023. Furthermore, the ratings also reflect the Group’s good asset quality, underpinned by growing assets and its healthy resource base. Moreover, the Group’s risk infrastructure remains robust, with an increased focus on technology that supports strategic planning. These ratings strengths are tempered by the prevailing economic conditions in operating territories that could constrain growth.

Rating Sensitivity Factors:

Factors that could, individually or collectively, lead to an improvement in the ratings and/or outlook include:

- Improvement in the credit ratings of the Government of Jamaica (GoJ) and/or the Government of the Republic of Trinidad and Tobago (GoRTT) leading to an improved sovereign risk profile

Factors that could, individually or collectively, lead to a lowering of the ratings and/or outlook include:

- Deterioration of any of the subsidiaries' CAR below the country-specific regulatory requirements
- Deterioration in the credit ratings of the Government of Jamaica (GoJ) and/or the Government of the Republic of Trinidad and Tobago (GoRTT) leading to a worsened sovereign risk profile
- Deterioration in cost to income ratio of 90% or above

About the company

NCB Financial Group Limited (NCBFG or the Group), was incorporated in April 2016 and is a non-operating financial holding company for National Commercial Bank Jamaica Limited (NCBJ or the Bank) which supports the Group's regional expansion initiatives. NCBFG currently comprises NCBJ, TFOB (2021) Limited and NCB Global Holdings Limited (NCBGH) as three wholly owned subsidiaries, as well as Clarien Group, a Bermuda-based banking, investment, and trust services financial group. NCBFG acquired 50.1% of Clarien in December 2017¹ and its subsidiaries, and NCBFG acquired the majority shareholding (61.77%) of Guardian Holdings Limited (GHL or the Guardian Group) and its subsidiaries.

NCBFG is listed on the Jamaica and Trinidad and Tobago stock exchanges, and its top 3 shareholders as at June 2023 are AIC (Barbados) Limited (51.15%), MF&G Asset Management (4.11%) and Sagicor PIF Equity Fund (2.99%). The remaining 41.75% shares are distributed amongst other individual and institutional shareholders. NCBJ, the main operating subsidiary, currently has 8 active subsidiaries that operate in the commercial banking and securities industries. The Bank offers an extensive range of products and

¹ The other shareholders of Clarien include Edmund Gibbons Limited and Portland Private Equity Limited (PPE)

CariCRIS ID: 06600000000



Caribbean Information &
Credit Rating Services Limited

services including commercial banking, stock brokerage, wealth and asset management, and pension fund management and administration.

For more information on the ratings of NCB Financial Group Limited, please visit www.caricris.com or contact:

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