



1985 - 2016

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CELEBRATING 31 YEARS

Featured Stock: NCBFG

NCB Financial Group Limited (NCBFG);
Opening price — \$99.60 Price to book — 2.12 times;
P/E — 12.86 times

This week's stock pick is NCB Financial Group Limited (NCBFG), one of Jamaica's premier financial institutions and largest and most well-established bank. Across the NCBFG group, the organization provides banking, investment and insurance services.

For the year ended September 31, 2017, NCBFG continued to report increases year on year. Net Interest Income increased by 6% to \$29.76 billion, relative to the prior year total of \$28.12 billion. Share of profit of associates for the year surged by 242% to total \$2.85 billion compared to \$832.48 million in 2016. According to NCBFG, "our 29.99% shareholding in Guardian Holdings Limited was the main contributor to the \$2.0 billion increase in share of profit of associates." Net profit attributable to shareholders for the year totalled \$19.11 billion, an increase of 32% relative to \$14.45 billion in 2016.

According to NCB Group Managing Director, Patrick Hylton, noted, "the close of the financial year ended September 30, 2017, really marks the first year in the execution of our new strategy which we have dubbed NCB 2.0, Faster, Simpler, Stronger. The performance validates that fact that the strategy is appropriate in the context of the circumstances." Additionally, on December 08, 2017, NCB Financial Group announced its launch of a take-over bid to acquire majority stake in Guardian Holdings Limited (GHL). The offer is to acquire up to 74,230,750 ordinary shares in GHL (the 'GHL Shares') for US\$2.35 per GHL Share. The Offer, if successful, would result in NCBFG acquiring a controlling interest in GHL. President and Group CEO of NCBFG, Patrick Hylton noted, "We believe that this partnership will not only support our strategy to expand regionally, but will provide numerous growth opportunities for both NCB and GHL. The successful completion of this Offer will be a significant milestone for our business and we anticipate the great potential that this presents."

Additionally, NCBFG (as at Friday January 19, 2018) was trading at 2.12 times its book value with a P/E of 12.86 times.

Our weekly pick features a stock currently held in the Mayberry Managed Equity Portfolio (MMEP). For more information on the MMEP, please contact your investment advisor today.

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