



BANK OF JAMAICA

News Release

20 September 2002

**UNAUDITED ASSETS AND LIABILITIES OF BUILDING SOCIETIES
PUBLISHED PURSUANT TO REGULATION (49)
OF THE BANK OF JAMAICA (BUILDING SOCIETIES) REGULATION, 1995
AS AT 30 JUNE 2002
J\$'000**

These balances are taken from unaudited prudential returns submitted by the following societies to the Bank of Jamaica and have been attested to by the respective managements as reflecting a true and fair representation of the affairs and condition of the societies at the reporting date.

The Bank of Jamaica does not in any way certify the accuracy or otherwise of the balances reported by the respective societies.

	CIBC	J.N.B.S.	SCOTIA	V.M.B.S	TOTAL
ASSETS					
Cash and Bank Balances:					
Notes and Coins	1	116,110	407	80,715	197,233
Due From Bank of Jamaica	8,859	191,607	327,612	527,263	1,055,341
Due From Commercial Banks in Ja.	1,520	567,787	94,517	205,954	869,778
Due From Other Deposit Taking Fin. Insts. in Ja.	0	0	0	0	0
Due From Overseas Banks & Fin. Insts.	0	1,122,320	19,969	2,319,985	3,462,274
Investments:					
Jamaica Government Securities					
Domestic Currency	168,749	3,338,890	440,034	2,880,647	6,828,320
Foreign Currency	0	1,572,581	0	1,563,769	3,136,350
Other Public Sector Securities	0	525,333	493,000	137,600	1,155,933
Other Local Securities (net of prov)	0	829,827	0	150,171	979,998
Foreign Securities	0	158,696	0	134,069	292,765
Securities Purchased with a View to Resale	429,699	6,651,481	2,305,000	4,334,661	13,720,841
Loans, Advances & Discounts (net of prov)	465,411	7,787,831	2,053,715	7,187,952	17,494,909
Accounts Receivable (net of prov)	30,704	580,439	214,826	920,966	1,746,935
Fixed Assets (net of depreciation)	6,719	726,735	28,129	613,764	1,375,347
Other Assets	607	594,876	6,674	136,564	738,721
Customers Liabs. for Accepts., Guarantees. & L/Cs	0	47,300	0	0	47,300
TOTAL ASSETS	1,112,269	24,811,813	5,983,883	21,194,080	53,102,045
LIABILITIES					
Savings Fund	871,807	19,143,052	4,466,612	17,365,914	41,847,385
Due To Bank of Jamaica	0	0	0	0	0
Borrowings:					
Due To Commercial Banks in Ja.	0	0	170,333	0	170,333
Due To Specialised Institutions	38,004	733,908	107,678	515,026	1,394,616
Due To Other Fin. Insts. in Ja.	0	0	0	0	0
Due To Overseas Banks & Financial Insts	0	0	0	462,700	462,700
Securities Sold Under Repurchase Agreement	0	131,740	30,000	0	161,740
Sundry Current Liabilities:					
Interest payable on Savings Fund/Borrowings	13,484	379,716	67,550	472,042	932,792
Accounts Payable	7,014	307,739	12,062	252,225	579,040
Other	1,067	840,526	17,047	143,410	1,002,050
Customers Liabs. for Accepts., Guarantees & L/Cs	0	47,300	0	0	47,300
TOTAL LIABILITIES	931,376	21,583,981	4,871,282	19,211,317	46,597,956
Excess / (Shortfall) of Assets over Liabi	180,893	3,227,832	1,112,601	1,982,763	6,504,089
REPRESENTED BY:					
Permanent Capital Fund	0	975,871	0	642,028	1,617,899
Deferred Shares	0	9,953	0	565,417	575,370
Capital Shares	35,000	0	70,000	0	105,000
Reserves:					
Statutory Reserve Fund	35,000	1,239,682	229,250	93,581	1,597,513
Retained Earnings Reserve Fund	41,496	0	400,750	580,837	1,023,083
Other Reserves	45,522	14,223	0	9,999	69,744
Accumulated Surplus/ (Deficits)	7,279	861,137	268,482	0	1,136,898
Undistributed Surplus/ (Deficits)	16,596	126,966	144,119	90,901	378,582
TOTAL CAPITAL	180,893	3,227,832	1,112,601	1,982,763	6,504,089
MEMORANDUM					
Foreign Currency Loans	0	23,715	0	607,190	630,905
Mortgage Loans:					
Residential Loans	434,581	7,874,621	2,081,749	6,293,600	16,684,551
Commercial Loans	43,689	109,651	30,388	505,285	689,013
Foreign Currency Deposits	0	2,936,962	56,470	4,319,566	7,312,998
Repos on behalf of or for on-trading to clients	0	0	0	0	0
Funds Under Management	0	0	0	0	0
Investments In Connected Parties	0	532,921	0	232,556	765,477
Credits To Connected Parties	2,715	313,309	0	102,714	418,738
Other Bals. Due From Connected Parties	1,520	29,271	2,305,000	3,391,381	5,727,172
Deposits Due To Connected Parties	0	120,998	0	367,973	488,971
Other Bals. Due To Connected Parties	39,389	21,441	100,000	1,439	162,269
Provision For Loan Losses	12,900	858,920	58,422	218,904	1,149,146
Provisions for Other Losses	0	23,321	0	22,085	45,406

**NOTES TO THE STATEMENT OF UNAUDITED ASSETS AND LIABILITIES OF BUILDING SOCIETIES
PUBLISHED PURSUANT TO REGULATION (49) OF THE BANK OF JAMAICA (BUILDING SOCIETIES) REGULATIONS, 1995
AS AT 30 JUNE 2002**

KEY TO BUILDING SOCIETIES

FINANCIAL YEAR END

CIBC	-	CIBC Building Society	31 October
J.N.B.S.	-	Jamaica National Building Society	31 March
SCOTIA	-	The Scotia Jamaica Building Society	31 October
V.M.B.S	-	Victoria Mutual Building Society	31 December

NOTES

1. Balance Sheets exclude Securities Purchased With a View to Resale (Repo assets) on behalf of clients or for the purposes of on-trading, where relevant. Outstanding balances in respect of these transactions are included under 'Memorandum Items'
2. Credit Facilities to Connected Parties ' include loans, advances, comfort letters, standby & commercial letters of credit, guarantees, etc.
3. 'Other Balances due from Connected Parties' include interest and other receivables, placements, guarantees, L/Cs, etc.

PRUDENTIAL INDICATORS OF COMMERCIAL BANKS,
LICENSEES UNDER THE FINANCIAL INSTITUTIONS ACT (FIA) AND BUILDING SOCIETIES
PUBLISHED PURSUANT TO SECTION 16(6) OF THE BANKING ACT & FIA
AND REGULATION (49) OF THE BANK OF JAMAICA (BUILDING SOCIETIES) REGULATIONS
30-Jun-02

	COMMERCIAL BANKS			F I A LICENSEES			BUILDING SOCIETIES			SYSTEM TOTAL (CONSOLIDATION OF ALL 3 SECTORS)		
	Jun-02 6	Jun-01 6	Jun-00 6	Jun-02 11	Jun-01 11	Jun-00 ^a 11	Jun-02 4	Jun-01 ^b 4	Jun-00 ^c 5	Jun-02 21	Jun-01 21	Jun-00 22
Number of institutions in operation												
J\$MN												
¹ Total Assets (incl. contingent liabilities)	257,635	220,467	206,946	27,602	12,363	8,742	53,102	44,792	41,669	338,339	277,622	257,357
² Total Assets (excl. contingent liabilities)	247,368	215,041	200,495	25,349	11,399	7,896	53,055	44,748	41,669	325,772	271,188	250,060
Total Deposits	169,908	150,950	137,631	8,309	5,991	4,095	41,847	36,158	33,701	220,064	193,099	175,427
Borrowings (incl. repos)	39,248	28,782	31,534	11,503	1,655	445	2,189	1,586	1,610	52,940	32,023	33,589
Total Loans (gross)	58,101	41,883	38,755	3,875	2,749	2,502	18,644	16,184	15,307	80,620	60,816	56,564
Total Loans (net of prov.)	53,652	36,919	33,049	3,719	2,594	2,357	17,495	15,014	14,408	74,866	54,527	49,814
Past Due Loans [PDL] (3 mths & >)	2,762	3,564	4,951	146	193	288	1,315	1,603	1,401	4,223	5,360	6,640
Provision for Loan Losses	4,449	4,964	5,706	156	155	145	1,149	1,170	899	5,754	6,289	6,750
Investments [incl. Securities Purch.] (net of prov.)	105,060	108,317	93,796	15,822	5,492	2,654	26,114	22,240	20,437	146,996	136,049	116,887
³ Capital Base	20,971	18,983	15,662	2,972	2,256	1,814	4,919	4,256	3,601	28,862	25,495	21,077
Contingent Liabilities [Accept.LC's & Guarantees]	10,267	5,426	6,451	2,253	964	846	47	44	0	12,567	6,434	7,297
Funds Under Management	850	49	50	42,463	28,702	20,519	0	0	0	43,313	28,751	20,569
Repos on behalf of or for on-trading to clients	1,425	759	394	57,865	44,797	38,130	0	0	0	59,290	45,556	38,524
%												
Rate of Asset ² Growth	15.0%	7.3%	12.5%	122.4%	44.4%	-18.4%	18.6%	7.4%	1.5%	20.1%	8.4%	9.2%
Rate of Deposit Growth	12.6%	9.7%	11.9%	38.7%	46.3%	-1.9%	15.7%	7.3%	0.8%	14.0%	10.1%	9.2%
Rate of Loans Growth (gross)	38.7%	8.1%	1.4%	41.0%	9.9%	6.8%	15.2%	5.7%	-1.8%	32.6%	7.5%	0.8%
Rate of Capital Base Growth	10.5%	21.2%	4.9%	31.7%	24.4%	-45.5%	15.6%	18.2%	189.7%	13.2%	21.0%	8.1%
Rate of PDL (3 Mths & >) Growth	-22.5%	-28.0%	-5.8%	-24.4%	-33.0%	-54.4%	-18.0%	14.4%	-5.3%	-21.2%	-19.3%	-9.9%
Investments :Total Assets ²	42.5%	50.4%	46.8%	62.4%	48.2%	33.6%	49.2%	49.7%	49.0%	45.1%	50.2%	46.7%
Fixed Assets:Total Assets ²	2.1%	2.1%	2.3%	0.7%	2.2%	3.3%	2.6%	2.7%	2.9%	2.1%	2.2%	2.5%
Loans (net of prov.):Total Assets ²	21.7%	17.2%	16.5%	14.7%	22.8%	29.9%	33.0%	33.6%	34.6%	23.0%	20.1%	19.9%
Loans (gross) : Deposits	34.2%	27.7%	28.2%	46.6%	45.9%	61.1%	44.6%	44.8%	45.4%	36.6%	31.5%	32.2%
Liquidity												
Average Domestic Currency Cash												
Reserve: Average Prescribed Liabilities ⁴	9.0%	11.0%	14.0%	9.0%	11.0%	14.0%	1.0%	1.0%	1.0%	7.2%	8.9%	11.6%
Average Domestic Currency Liquid												
Assets : Average Prescribed Liabilities ⁴	41.6%	44.9%	49.9%	103.3%	126.2%	124.8%	31.4%	25.4%	21.1%	40.6%	42.1%	44.0%
Asset Quality												
Prov. for loan losses:Total Loans (gross)	7.7%	11.9%	14.7%	4.0%	5.6%	5.8%	6.2%	7.2%	5.9%	7.1%	10.3%	11.9%
Prov. For Loan Losses:PDL(3 Mths & >)	161.1%	139.3%	115.2%	106.8%	80.3%	50.3%	87.4%	73.0%	64.2%	136.3%	117.3%	101.7%
PDL (3 Mths & >):Total Loans (gross)	4.8%	8.5%	12.8%	3.8%	7.0%	11.5%	7.1%	9.9%	9.2%	5.2%	8.8%	11.7%
PDL (3 Mths & >): (Total Assets ² + Provision for loan losses)	1.1%	1.6%	2.4%	0.6%	1.7%	3.6%	2.4%	3.5%	3.3%	1.3%	1.9%	2.6%
Capital Adequacy												
⁵ Deposits + Borrowings: Capital (:1)	10.1	9.6	10.9	6.7	3.4	2.5	9.1	9.1	10.0	9.6	8.9	10.0
Capital Base:Total Assets ²	8.5%	8.8%	7.8%	11.7%	19.8%	23.0%	9.3%	9.5%	8.6%	8.9%	9.4%	8.4%
⁶ Risk Asset Ratio [RAR] (estimated)	17.4%	20.9%	20.8%	18.0%	37.5%	34.0%	15.8%	16.1%	13.9%	17.2%	20.8%	20.1%
PDL(3 mths & >) :Capital Base+Prov for loan losses	10.9%	14.9%	23.2%	4.7%	8.0%	14.7%	21.7%	29.5%	31.1%	12.2%	16.9%	23.9%
Profitability												
⁷ Pre - tax Profit Margin (for the Calendar Quarter)	18.5%	15.8%	19.8%	46.7%	44.5%	39.9%	16.2%	10.1%	15.0%	21.2%	17.0%	20.1%
Return on Average Assets (for the Calendar Quarter)	0.6%	0.6%	0.8%	2.6%	3.3%	3.1%	0.6%	0.4%	0.7%	0.8%	0.7%	0.9%
⁸ Income Assets/Expense Liabilities (as at 30 June)	101.6%	99.7%	96.1%	112.0%	122.1%	131.9%	107.3%	105.3%	105.0%	103.3%	101.4%	98.4%

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Notes:

- Based on unaudited data submitted to BOJ by supervised institutions up to 2 September 2002. Prior years indicators may have minor revisions arising from post publication amendments.
- Aggregated system balances reflect the domestic operations of supervised institutions and do not include balances in respect of overseas branch operations.
- ^a - Negative growth trends reported in respect of licensees under the Financial Institutions Act (FIA) (for the review period 1999/2000) were due to Eagle Merchant Bank and NCB Trust and Merchant Bank exiting the FIA sub-system in January 2000.
- ^b - Effective 12 June 2001, Jamaica Savings & Loans Building Society (JSLB) merged its operation with Jamaica National Building Society (JNBS), thereby reducing the total number of societies in operation to four (4).
- ^c - Significant improvement in the statutory capital base of building societies reflected in 2000 data was influenced by the exclusion of the capital impairment amassed by the FINSAC intervened societies (Eagle Permanent Building Society, Capital Assurance Building Society and Citizens Building Society) which merged into one at the end of April 1999 and ceased operations at the end of September 1999.

¹Total Assets include Contingent Liabilities but are net of Provisions for Losses.

²Total Assets net of Contingent Liabilities and Provisions for Losses.

³ Capital Base = (Paid - up Capital + Reserve Fund + Retained Earnings Reserve Fund + Share Premium) minus impairment by net losses of individual institutions (Banks/ FIAs).
 = (Permanent Capital Fund + Deferred Shares + Capital Shares + Reserve Fund + Retained Earnings Reserved Fund) minus impairment by net losses of individual societies (Building Societies).

⁴ Prescribed Liabilities include:

(1) deposit liabilities, (2) reservable borrowings and interest accrued and payable on (1) & (2).

⁵ Data includes interest accrued and payable on deposits and borrowings.

⁶ Capital Base used in the estimated Risk Asset Ratio (RAR) computation excludes investments in subsidiaries.

⁷ Data includes extraordinary income/expenditure and adjustments for prior period.

⁸ Income Assets comprise FC Cash Reserves, Placements, Investments, Repo Assets and Loans less Past Due Loans (3 months & over).

Statutory reserve requirements :

	COMMERCIAL BANKS			FIA LICENSEES			BUILDING SOCIETIES*		
	Jun-02	Jun-01	Jun-00	Jun-02	Jun-01	Jun-00	Jun-02	Jun-01	Jun-00
Required Cash Reserve ratio	9.0%	12.0%	15.0%	9.0%	12.0%	15.0%	1% / 9%	1% / 12%	1% / 15%
Required Liquid Assets ratio (incl Cash Reserve)	27.0%	30.0%	33.0%	27.0%	30.0%	33.0%	5% / 27%	5% / 30%	5% / 33%

* The requirements are differentially applied to societies not meeting the prescribed threshold of residential mortgage lending in relation to savings funds.

Societies that meet the prescribed 'qualifying assets' threshold attract the lower reserve requirements indicated above. Societies which do not, are requested to meet the requirements which apply to banks and FIA licensees.

SUBSEQUENT EVENT

Effective 1 August 2002, the liquid assets ratio was reduced to 23%. However, the cash reserve ratio remains at 9.0%.