



BANK OF JAMAICA

News Release

16 December 1998

QUARTERLY ASSETS AND LIABILITIES OF
 LICENSEES UNDER THE FINANCIAL INSTITUTIONS ACT
 PUBLISHED PURSUANT TO SECTION 16 (6)
 AS AT 30 SEPTEMBER 1998
 J\$'000

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These balances are taken from prudential returns submitted by the following licensees 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 licensees at the reporting date.

	NCB TR&MER	PAN-CARIB	SCOTIA TRU	WI CO MB	TOTAL
ASSETS					
Cash and Bank Balances:					
Notes and Coins	100	488	4	0	5,097
Due From Bank of Jamaica	196,545	17,480	64,569	1,938	1,286,727
Due From Commercial Banks in Ja.	59,412	651	100,397	188	605,435
Due From Other Deposit Taking Fin. Insts. in Ja.	0	0	0	0	139,784
Due From Overseas Banks & Fin. Insts.	0	10,908	0	0	378,455
Investments:					
Jamaica Government Securities					0
Domestic Currency	779,071	45,226	187,132	54,457	1,967,254
Foreign Currency	0	73,320	0	0	224,036
Other Public Sector Securities	0	0	0	0	3,663,070
Other Local Securities (net of prov)	5,718	2,975	0	0	1,442,701
Foreign Securities	0	0	0	0	274,707
Securities Purchased with a view to Resale	0	0	0	0	462,036
Loans, Advances & Discounts (net of prov)	371,184	94,148	330,540	0	2,649,975
Accounts Receivable (net of prov)	141,993	12,536	31,059	743	1,996,854
Fixed Assets (net of Depreciation)	4,164	23,289	34,598	1,354	380,938
Other Assets	4,745	19,863	24,248	2,441	82,287
Customers Liabs. for Accepts., Guarantees. & L/Cs	65,358	30,127	0	0	1,428,704
TOTAL ASSETS	1,628,290	331,011	772,547	61,121	16,988,060
LIABILITIES					
Deposits	1,194,890	85,745	314,293	11,006	6,127,109
Due To Bank of Jamaica	0	0	0	0	0
Borrowings:					
Due To Commercial Banks in Ja.	35,400	73,320	0	0	2,885,503
Due To Specialised Institutions	44,535	43,701	228	0	2,513,933
Due To Other Fin. Insts. in Ja.	0	0	0	0	125,499
Due To Overseas Banks & Financial Insts.	0	11,578	0	0	303,629
Securities Sold Under Repurchase Agreement	0	0	0	0	125,594
Sundry Current Liabilities:					
Accounts Payable	18,586	1,812	9,374	1	774,780
Other	61,186	8,494	124,767	1,543	2,192,529
Accepts., Guarantees & L/Cs as per contra	65,358	30,127	0	0	1,428,704
Other Liabilities	430	0	18,652	0	98,917
TOTAL LIABILITIES	1,420,385	254,777	467,314	12,550	16,576,197
Excess / (Shortfall) of Assets over Liabilities	207,905	76,234	305,233	48,571	411,863
REPRESENTED BY:					
Paid Up Capital	25,148	40,000	20,000	20,000	1,560,356
Share Premium	148,029	0	0	0	407,239
Reserves:					
Statutory Reserve Fund	25,148	8,056	40,000	10,626	302,935
Retained Earnings Reserve Fund	111,835	10,929	165,000	12,000	645,474
Other Reserves	0	0	24,639	0	110,659
Prior Years' Earnings/(Deficits)	-127,735	0	3,248	1,344	-2,662,783
Unappropriated Profits/(Losses)	25,480	17,249	52,346	4,601	47,983
TOTAL CAPITAL	207,905	76,234	305,233	48,571	411,863
MEMORANDUM					
Foreign Currency Loans	41,168	34,421	6,035	0	650,609
Funding by Specialised Institutions	41,168	10,920	0	0	99,383
Other Funding Sources	0	23,501	6,035	0	551,226
Foreign Currency Deposits	7,320	26,004	8,066	0	1,412,044
Repos on behalf of or for on-trading to clients	0	3,004,201	6,715,006	0	28,564,422
Managed Funds	1,739,761	1,055,588	5,727,333	0	13,927,403
Investments in Connected Parties	5,178	0	0	0	1,151,425
Credits To Connected Parties	0	8,216	0	0	378,101
Other Bals. Due From Connected Parties	43,751	0	100,397	188	631,037
Deposits Due To Connected Parties	157,320	0	0	0	1,454,484
Other Bals. Due To Connected Parties	65,046	40,000	20,000	20,000	1,162,733
Provision For Loan Losses	109,758	15,896	23,960	0	1,069,511
Provision For Other Losses	12,156	0	0	0	192,543

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[Key to Institutions](#)

BILLY CRAIG	-	Billy Craig Finance & Merchant Bank Ltd.
CAP & CR.	-	Capital & Credit Merchant Bank Ltd.
CITZ. MER.	-	Citizens Merchant Bank Ltd.
CIBC MER.	-	CIBC Trust & Merchant Bank Ja. Ltd.
CITIFIN	-	Citifinance Ltd.
CITIMER	-	Citimerchant Bank Ltd.
CORP. MER.	-	Corporate Merchant Bank Ltd.
EAGLE MER.	-	Eagle Merchant Bank of Ja. Ltd.
GRGE & BDY	-	George & Branday Limited
HORIZON	-	Horizon Merchant Bank Ltd.
INTERCON	-	Intercontinental Merchant Bank Ltd.
INT'L TRUST	-	International Trust & Merchant Bank Ltd.
ISL LIFE	-	Island Life Merchant Bank Ltd.
ISSA TRUST	-	Issa Trust & Merchant Bank Ltd.
KNUTS MER.	-	Knutsford Capital Merchant Bank Ltd.
MANF. MER.	-	Manufacturers Merchant Bank Ltd.
MF&G TRUST	-	MF&G Trust & Finance Ltd.
NCB TR& MER	-	NCB Trust & Merchant Bank Ltd.
PAN-CARIB	-	Pan Caribbean Merchant Bank Ltd.
SCOTIA TRST	-	Scotiabank Jamaica Trust & Merchant Bank Ltd.
WI CO MB	-	The West India Company of Merchant Bankers Ltd.

[Notes:](#)

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 'Memoranda Items.'

'Credit Facilities to Connected Parties' include loans, advances, comfort letters, standby & commercial letters of credit, guarantees etc.

Other Balances due from Connected Parties' include interest and other receivables, placements, guarantees, L/Cs, etc.

Assets of Eagle Merchant Bank of Jamaica Ltd. include balances to the extent of J\$312.2mn in respect of its Cayman Branch.

On 25 September 1998, the Minister of Finance announced a decision to merge specific FINSAC controlled financial entities. This merger will involve the undermentioned licensees under the Financial Institutions Act, along with four (4) commercial banks and four (4) building societies:

- Citizens Merchant Bank Ltd.
- Corporate Merchant Bank Ltd.
- Eagle Merchant Bank Ja. Ltd.
- Horizon Merchant Bank Ltd.
- Island Life Merchant Bank Ltd.

It is the intention that the rehabilitated 'Union Bank' will be subsequently divested to private interests.

[LICENCES SURRENDERED/REVOKED UP TO SEPTEMBER 1998 \(Data no longer included in system totals\)](#)

Deposits of [Fidelity Finance Merchant Bank \(FFMB\)](#) were transferred to the Citizens Bank during March 1998 under an arrangement facilitated by FINSAC. FFMB's operations are in the process of being wound down, and its licence has been surrendered by the shareholders.

Deposits of [Partner Merchant Bank](#) were transferred to National Commercial Bank on 15 April 1998 under an arrangement facilitated by Financial Institutions Services Ltd. Its licence was surrendered by the shareholders.

The licence of [Barclays Finance Corporation \(BFC\)](#) was revoked on 22 June 1998.

During September 1998, deposit liabilities of [Buck Securities Merchant](#) and [Caribbean Trust Merchant Bank](#) were transferred to National Commercial Bank under an arrangement facilitated by FINSAC and their deposit taking licences were surrendered 4 September 1998 and 1 September 1998 respectively.

[OTHER NOTABLE DEVELOPMENTS UP TO SEPTEMBER 1998](#)

On 20 February 1998, the Minister of Finance assumed temporary management of [Caldon Finance Merchant Bank Limited](#) pursuant to Section 25 (6) of the Financial Institutions Act. A provisional liquidator was appointed during June 1998 and subsequently during September 1998, the Court appointed a liquidator and a winding up order was made. (Data is not included in system totals)

On 23 February 1998, the Minister of Finance assumed temporary management of [Corporate Merchant Bank Limited](#) pursuant to Section 25 (6) of the Financial Institutions Act. Subsequently,

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on 28 July 1998, the Minister of Finance made an Order under Section 25B (1) of the Financial Institutions Act vesting the shares and subordinated debt of Corporate Merchant Bank in himself.

On 5 March 1998, it was announced that the assets and liabilities of [Horizon Merchant Bank](#) would be assumed by the Citizens Entities under an arrangement facilitated by FINSAC.

On 18 June 1998, Island Life Insurance Company Limited executed an agreement to sell its shareholdings in [Island Life Merchant Bank Limited](#) to FINSAC Limited. This entity is to be merged with Citizens Bank.

[Billy Craig Finance & Merchant Bank](#) was acquired by Dehring Bunting and Golding Limited (DB&G) and FINSAC under a joint venture agreement signed 22 June 1998. Under the terms of the agreement, capital will be injected by both parties sufficient to meet statutory and prudential requirements.

SUBSEQUENT EVENTS

THE WEST INDIA COMPANY OF MERCHANT BANKERS

On 27 October 1998, West India Company of Merchant Bankers Ltd (WI CO MB) transferred its deposit liabilities to Scotiabank Jamaica Trust and Merchant and surrendered its deposit taking licence.

INTERCONTINENTAL MERCHANT BANK

Deposits of Intercontinental Merchant Bank (IMB) were transferred to the Citizens Bank Limited during November 1998 under an arrangement facilitated by FINSAC. Its licence is to be surrendered.