



BANK OF JAMAICA

News Release

15 July 2001

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, 1995
31-Dec-00

Overall Structure	COMMERCIAL BANKS			FIA LICENSEES			BUILDING SOCIETIES			SYSTEM TOTAL (CONSOLIDATION OF ALL 3 SECTORS)		
	Dec-00	Dec-99 *	Dec-98	Dec-00 **	Dec-99 *	Dec-98	Dec-00	Dec-99 *	Dec-98	Dec-00	Dec-99 *	Dec-98
Number of Institutions in Operation	6	6	9	11	14	18	5	5	8	22	25	35
J\$MN												
¹ Total Assets (incl. contingent liabilities)	222,104	194,957	172,871	9,194	12,008	13,559	43,122	39,838	44,315	274,420	246,803	230,745
² Total Assets (excl. contingent liabilities)	216,457	188,278	165,040	8,326	10,803	11,823	43,122	39,838	44,315	267,905	238,919	221,178
Total Deposits	149,667	126,814	114,091	3,966	4,938	5,759	35,196	32,577	34,546	188,829	164,329	154,396
Total Loans (gross)	40,574	36,719	43,084	2,650	2,909	3,066	15,571	14,677	15,758	58,795	54,305	61,908
Total Loans (net of prov.)	35,319	32,192	35,119	2,491	2,545	2,292	14,422	14,072	15,001	52,232	48,809	52,412
Past Due Loans [PDL] (3 Mths &-)	3,849	5,131	11,056	198	577	1,140	1,572	1,232	1,967	5,619	6,940	14,163
Provision For Loan Losses	5,255	4,527	7,965	158	364	774	1,150	605	758	6,563	5,496	9,497
Investments [incl. Secs.Purchased] (net of prov.)	110,280	89,357	67,354	2,991	3,100	4,708	21,373	18,586	17,327	134,644	111,043	89,389
³ Capital Base	18,183	14,742	5,219	2,014	3,620	2,384	4,136	3,300	1,493	24,333	21,662	9,096
Contingent Liabilities												
[Acceptances.LC's & Guarantees]	5,647	6,679	7,831	868	1,205	1,736	0	0	0	6,515	7,884	9,567
Funds Under Management	50	50	n.a.	23,361	18,505	17,973	0	0	0	23,411	18,555	17,973
Repos on behalf of or for on-trading to clients	693	446	n.a.	40,904	34,391	25,156	0	0	0	41,597	34,837	25,156
%												
² Rate of Asset Growth	15.0%	14.1%	15.9%	-22.9%	-8.6%	-25.7%	8.2%	-10.1%	17.6%	12.1%	8.0%	12.8%
Rate of Deposit Growth	18.0%	11.2%	4.4%	-19.7%	-14.3%	-16.1%	8.0%	-5.7%	11.7%	14.9%	6.4%	4.9%
Rate of Loan Growth (gross)	10.5%	-14.8%	-27.4%	-8.9%	-5.1%	-44.5%	6.1%	-6.9%	-2.5%	8.3%	-12.3%	-23.6%
Rate of Capital Base Growth	23.3%	182.5%	93.9%	-44.4%	51.8%	206.8%	25.3%	121.0%	-0.6%	12.3%	138.1%	83.0%
Rate of PDL (3 Mths &-) Growth	-25.0%	-53.6%	-35.5%	-65.7%	-49.4%	-57.7%	27.6%	-37.4%	-9.8%	-19.0%	-51.0%	-35.6%
Investments :Total Assets ²	50.9%	47.5%	40.8%	35.9%	28.7%	39.8%	49.6%	46.7%	39.1%	50.3%	46.5%	40.4%
Fixed Assets :Total Assets ²	2.2%	2.5%	3.0%	3.2%	2.7%	3.2%	2.8%	3.0%	2.8%	2.3%	2.6%	2.9%
Loans (net of prov.):Total Assets ²	16.3%	17.1%	21.3%	29.9%	23.6%	19.4%	33.4%	35.3%	33.9%	19.5%	20.4%	23.7%
Loans (gross) : Deposits	27.1%	29.0%	37.8%	66.8%	58.9%	53.2%	44.2%	45.1%	45.6%	31.1%	33.0%	40.1%
Liquidity												
Average Domestic Currency Cash Reserve :												
Average Prescribed Liabilities ⁴	13.0%	15.8%	21.0%	13.0%	16.5%	18.3%	1.0%	1.0%	4.1%	10.3%	12.6%	16.7%
Average Domestic Currency Liquid Assets :												
Average Prescribed Liabilities ⁴	45.6%	48.3%	55.8%	84.3%	58.9%	50.1%	23.9%	19.2%	21.8%	41.2%	42.1%	47.1%
Asset Quality												
Prov. For Loan Losses :Total Loans (gross)	13.0%	12.3%	18.5%	6.0%	12.5%	25.2%	7.4%	4.1%	4.8%	11.2%	10.1%	15.3%
Prov. For Loan Losses :PDL (3 Mths &-)	136.5%	88.2%	72.0%	79.8%	63.1%	67.9%	73.2%	49.1%	38.5%	116.8%	79.2%	67.1%
PDL (3 Mths &-):Total Loans (gross)	9.5%	14.0%	25.7%	7.5%	19.8%	37.2%	10.1%	8.4%	12.5%	9.6%	12.8%	22.9%
PDL (3 Mths &-): (Total Assets ²												
+ Provision For Loan Losses)	1.7%	2.7%	6.4%	2.3%	5.2%	9.0%	3.6%	3.0%	4.4%	2.0%	2.8%	6.1%
Capital Adequacy												
Deposits+Borrowings.:Capital Base (:1)	10.1	11.0	28.5	2.4	1.6	3.3	9.0	10.5	27.6	9.3	9.3	21.8
Capital Base:Total Assets ²	8.4%	7.8%	3.2%	24.2%	33.5%	20.2%	9.6%	8.3%	3.4%	9.1%	9.1%	4.1%
⁵ Risk Asset Ratio [RAR] (estimated)	21.9%	18.5%	5.2%	37.9%	49.8%	17.3%	16.7%	13.4%	3.6%	21.7%	19.8%	5.8%
PDL (3 Mths &-):(Capital Base												
+ Provision For Loan Losses)	16.4%	26.6%	83.9%	9.1%	14.5%	36.1%	29.7%	31.5%	87.4%	18.2%	25.6%	76.2%
Profitability												
⁶ Pre-Tax Profit Margin (for the calendar year.)	15.5%	7.4%	-2.8%	30.2%	24.2%	3.3%	13.5%	12.0%	-0.3%	16.1%	9.7%	-1.7%
Return on Average Assets (for the calendar year.)	2.6%	1.3%	-0.5%	10.6%	8.6%	1.1%	2.4%	2.2%	-0.1%	2.8%	1.8%	-0.3%
⁷ Income Assets/Expense Liabilities (as at 31 Dec.)	97.4%	89.1%	80.7%	137.5%	128.2%	91.5%	100.4%	101.1%	90.7%	98.8%	92.2%	83.2%

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Notes:

- Based on unaudited data submitted to BOJ by supervised institutions up to 16 May 2001.
- Aggregated system balances reflect the domestic operations of supervised institutions and do not include balances in respect of overseas branch operations.
- n.a. - Data re Funds Under Management and Repurchase Agreements (Repos) on behalf of or for on-trading to clients is not available prior to June 1999 in respect of commercial banks.
- The 2000 System Indicators have been revised to incorporate amendments submitted subsequent to the publication of the Indicators reflected in the Bank of Jamaica 2000 Annual Report.
- * - Reduction in loans and past due loans in 1999 resulted largely from the purchase of non performing loans by FINSAC. Additionally, the significant increase in statutory capital base in that year was due to the merger of selected FINSAC intervened entities resulting in the transfer of only selected assets and liabilities of specific institutions. Consequently, the capital impairment amassed by these particular FINSAC intervened entities up to April 1999 is excluded from statutory capital base.
- ** - 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.

- ¹ Total Assets include Contingent Liabilities and net of Provisions for Losses.
- ² Total 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 Capital Base used in the estimated Risk Asset Ratio (RAR) computation excludes investments in subsidiaries.
 Risk based capital ratio: Qualifying Capital in relation to risk weighted assets.
- ⁶ Data includes extraordinary income/expenditure and adjustments for prior period.
- ⁷ Income Assets comprise FC Cash Reserves, Placements, Investments, Repo Assets and Loans less Past Due Loans (3 months & over).
 Expense Liabilities comprise Deposits and Borrowings including Repo Liabilities (from BOJ, Banks, OFI etc).

Statutory reserve requirements :

	COMMERCIAL BANKS			FIA LICENSEES			BUILDING SOCIETIES****		
	Dec-00	Dec-99	Dec-98	Dec-00	Dec-99	Dec-98	Dec-00	Dec-99	Dec-98
Required Cash Reserve ratio	13.0%	16.0%	21.0%	13.0%	16.0%	17.0%	1% / 13%	1% / 16%	1% / 13%
Required Liquid Assets ratio (incl Cash Reserve)	31.0%	34.0%	43.0%	31.0%	34.0%	35.0%	5% / 31%	5% / 34%	5% / 20%

**** 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 lower reserve requirements.