



**BANK OF JAMAICA**

**News Release**

**01 October 2000**

**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 AND THE FIA  
AND REGULATION 49 OF THE BANK OF JAMAICA (BUILDING SOCIETIES) REGULATIONS, 1995**

31-Mar-00

Overall Structure	COMMERCIAL BANKS			FIA LICENSEES			BUILDING SOCIETIES			SYSTEM TOTAL (CONSOLIDATION OF ALL 3 SECTORS)		
	Mar-00 *	Mar-99 *	Mar-98	Mar-00 *	Mar-99 *	Mar-98	Mar-00	Mar-99	Mar-98	Mar-00 *	Mar-99 *	Mar-98
Number of Institutions in Operation	6	9	9	12	18	26	5	8	10	23	35	45
<b>J\$MN</b>												
<sup>1</sup> Total Assets (incl. contingent liabilities)	209,089	184,335	156,608	8,724	12,265	18,087	40,760	40,326	41,039	258,573	236,926	215,734
<sup>2</sup> Total Assets (excl. contingent liabilities)	202,763	177,002	146,166	7,750	10,776	15,991	40,760	40,326	41,039	251,273	228,104	203,196
Total Deposits	139,766	122,463	108,812	4,028	5,385	6,374	33,193	33,103	31,911	176,987	160,951	147,097
Total Loans (gross)	38,261	44,625	50,779	2,367	2,632	5,479	15,067	15,477	16,432	55,695	62,734	72,690
Total Loans (net of prov.)	32,837	36,326	44,763	2,184	2,239	4,300	14,188	15,026	15,995	49,209	53,591	65,058
Past Due Loans [PDL] (3 Mths &gt;)	5,155	11,675	13,276	203	722	2,647	1,458	1,525	1,942	6,816	13,922	17,865
Provision For Loan Losses	5,424	8,299	6,015	183	393	1,178	880	451	437	6,487	9,143	7,630
Investments [incl. Secs.Purchased] (net of prov.)	90,871	70,078	42,706	2,621	4,405	6,173	19,753	15,056	12,835	113,245	89,539	61,714
Capital Base	14,577	4,613	3,687	1,684	2,522	603	3,590	1,242	1,479	19,851	8,377	5,769
Contingent Liabilities												
[Acceptances, LC's & Guarantees]	6,326	7,333	10,442	974	1,489	2,096	0	0	0	7,300	8,822	12,538
Funds Under Management	50	d.n.a	d.n.a	17,985	16,453	10,617	0	0	0	18,035	16,453	10,617
Repos on behalf of or for on-trading to clients	376	d.n.a	d.n.a	37,190	31,864	25,574	0	0	0	37,566	31,864	25,574
<b>%</b>												
<sup>2</sup> Rate of Asset Growth	14.6%	21.1%	0.4%	-28.1%	-32.6%	-1.7%	1.1%	-1.7%	15.9%	10.2%	12.3%	3.0%
Rate of Deposit Growth	14.1%	12.5%	8.2%	-25.2%	-15.5%	-9.0%	0.3%	3.7%	12.6%	10.0%	9.4%	8.3%
Rate of Loan Growth (gross)	-14.3%	-12.1%	-20.8%	-10.1%	-52.0%	-6.2%	-2.6%	-5.8%	0.6%	-11.2%	-13.7%	-15.8%
Rate of Capital Base Growth	216.0%	25.1%	-36.5%	-33.2%	318.2%	-73.0%	189.0%	-16.0%	-29.6%	137.0%	45.2%	-43.1%
Rate of PDL (3 Mths &gt;) Growth	-55.8%	-12.1%	38.9%	-71.9%	-72.7%	15.2%	-4.4%	-21.5%	32.1%	-51.0%	-22.1%	34.1%
Investments:Total Assets <sup>2</sup>	44.8%	39.6%	29.2%	33.8%	40.9%	38.6%	48.5%	37.3%	31.3%	45.1%	39.3%	30.4%
Fixed Assets:Total Assets <sup>2</sup>	2.3%	2.7%	2.7%	3.4%	3.2%	2.2%	2.9%	3.1%	3.0%	2.5%	2.8%	2.7%
Loans (net of prov.):Total Assets <sup>2</sup>	16.2%	20.5%	30.6%	28.2%	20.8%	26.9%	34.8%	37.3%	39.0%	19.6%	23.5%	32.0%
Loans (gross) : Deposits	27.4%	36.4%	46.7%	58.8%	48.9%	86.0%	45.4%	46.8%	51.5%	31.5%	39.0%	49.4%
<b>Liquidity</b>												
Average Domestic Currency Cash Reserve:												
Average Prescribed Liabilities **	15.0%	19.0%	25.0%	15.2%	18.5%	17.3%	1.0%	4.3%	3.7%	11.9%	15.4%	19.4%
Average Domestic Currency Liquid Assets:												
Average Prescribed Liabilities **	50.6%	52.3%	48.5%	111.5%	48.0%	46.4%	18.2%	21.6%	20.9%	44.1%	44.6%	41.6%
<b>Asset Quality</b>												
Prov. For Loan Losses:Total Loans (gross)	14.2%	18.6%	11.8%	7.7%	14.9%	21.5%	5.8%	2.9%	2.7%	11.6%	14.6%	10.5%
Prov. For Loan Losses:PDL (3 Mths &gt;)	105.2%	71.1%	45.3%	90.1%	54.4%	44.5%	60.4%	29.6%	22.5%	95.2%	65.7%	42.7%
PDL (3 Mths &gt;):Total Loans (gross)	13.5%	26.2%	26.1%	8.6%	27.4%	48.3%	9.7%	9.9%	11.8%	12.2%	22.2%	24.6%
PDL (3 Mths &gt;): (Total Assets <sup>2</sup>												
+ Provision For Loan Losses)	2.5%	6.3%	8.7%	2.6%	6.5%	15.4%	3.5%	3.7%	4.7%	2.6%	5.9%	8.5%
<b>Capital Adequacy</b>												
Deposits+Borrowings.:Capital Base (:1)	11.8	34.7	36.4	2.8	2.8	23.2	9.9	30.2	25.9	10.7	24.4	32.3
Capital Base:Total Assets <sup>2</sup>	7.2%	2.6%	2.5%	21.7%	23.4%	3.8%	8.8%	3.1%	3.6%	7.9%	3.7%	2.8%
<sup>3</sup> Risk Asset Ratio [RAR] (estimated)	17.4%	4.3%	2.9%	33.7%	20.8%	-5.4%	14.4%	2.5%	2.4%	17.6%	5.1%	1.8%
PDL (3 Mths &gt;):(Capital Base												
+ Provision For Loan Losses)	25.8%	90.4%	136.8%	10.9%	24.8%	148.6%	32.6%	90.1%	101.4%	25.9%	79.5%	133.3%
<b>Profitability</b>												
<sup>4</sup> Pre-Tax Profit Margin (Quarter ended 31 March)	12.1%	6.0%	5.4%	16.1%	7.5%	-14.7%	13.6%	-3.1%	5.4%	12.7%	4.6%	3.3%
Return on Average Assets (Quarter ended 31 March)	0.5%	0.3%	0.2%	1.9%	0.7%	-1.2%	0.7%	-0.1%	0.3%	0.6%	0.2%	0.2%
Income Assets/Expense Liabilities (as at 31 March)	91.7%	81.7%	74.1%	128.4%	94.7%	65.4%	101.2%	91.0%	87.7%	94.1%	83.8%	76.2%

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**Notes:**

- Based on unaudited data submitted to BoJ by supervised institutions up to 28 August 2000.
- Aggregated system balances reflect the domestic operations of supervised institutions and do not include balances in respect of overseas branch operations.
- \* Reduction in loans and past due loans resulted largely from the purchase of non performing loans by FINSAC. Additionally, the significant increase in statutory capital base 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.
- 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).
- Capital Base = (Paid - up Capital + Reserve Fund + Retained Earnings Reserves + Share Premium) minus impairment by net losses of individual institutions.
- d.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.

<sup>1</sup>Total Assets inclusive of Contingent Liabilities and net of Provisions for Losses.

<sup>2</sup>Total Assets net of Contingent Liabilities and Provisions for Losses.

<sup>3</sup>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.

<sup>4</sup>Data includes extraordinary income/expenditure and adjustments for prior period.

**\*\* Prescribed Liabilities include:**

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

**Statutory reserve requirements :**

	COMMERCIAL BANKS			FIA LICENSEES			BUILDING SOCIETIES**		
	Mar-00	Mar-99	Mar-98	Mar-00	Mar-99	Mar-98	Mar-00	Mar-99	Mar-98
Required Cash Reserve ratio	15.0%	19.0%	25.0%	15.0%	17.0%	17.0%	1% / 15%	1% / 15%	1% / 11%
Required Liquid Assets ratio (incl Cash Reserve)	33.0%	41.0%	47.0%	33.0%	35.0%	35.0%	5% / 33%	5% / 30%	5% / 11%

\*\*\* 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.