

Economic Alert iQ



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Local

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NCBJ purchases 29.9% in GHL

- The 29.9% purchase of Guardian Holdings Limited (GHL) shareholdings by National Commercial Bank Jamaica Limited (NCBJ) was announced yesterday 30 November in a joint press conference.
- NCBJ just avoided triggering the mandatory GHL takeover bid threshold of 30%.
- The purchase price will be disclosed when it becomes a regulatory requirement according to NCBJ's Chairman, Michael Lee Chin.
- This acquisition is keeping in line with NCBJ's inorganic strategic focus of local and regional expansion.
- On the Trinidad and Tobago Stock Exchange, NCBJ's share price closed at TTD1.85 with offers at TTD1.89 and bids at TTD1.80.
- Today NCBJ's current bids are TTD1.95 and offers are TTD2.00.
- NCBJ's intrinsic value as at November 2015 is TTD2.38 making it an undervalued stock ,conversely GHL's stock price is considered to be overvalued with a current market price of TTD12.91 and an intrinsic value of TTD11.47.

GHL's top ten shareholders :

TOP TEN SHAREHOLDERS

Shareholder Name	December 31, 2014		February 13, 2015	
	Ordinary Shares	%	Ordinary Shares	%
1 Tenetic Limited	35,841,859	15.46%	35,841,859	15.46%
2 RBC Royal Bank (Trinidad & Tobago) Limited (formerly RBC Insurance Holdings Limited)	22,334,254	9.63%	22,334,254	9.63%
3 International Finance Corp.	22,271,485	9.60%	22,271,485	9.60%
4 Arthur Lok Jack	14,590,771	6.29%	14,590,771	6.29%
5 RBC Trust (Trinidad & Tobago) Limited	11,490,554	4.99%	11,575,283	4.99%
6 IFC ALAC GHL Holding Co. Ltd.	7,423,828	3.20%	7,423,828	3.20%
7 Trinidad and Tobago Unit Trust Corporation	7,137,044	3.07%	7,137,044	3.07%
8 Republic Bank Limited	7,667,719	3.30%	7,667,719	3.30%
9 RBC Nominee Services (Caribbean) Limited	5,783,053	2.54%	5,783,053	2.54%
10 First Citizens Trust and Asset Management Ltd.	5,201,452	2.24%	5,201,452	2.24%

Source: Guardian Group Annual Report 2014

National Commercial Bank Jamaica Ltd (NCBJ) Summary				
In Millions of TTD except Per Share	Q4 2015	Q3 2015	Q2 2015	Q1 2015
3 Months Ending	09/30/2015	06/30/2015	03/31/2015	12/31/2014
Net Interest Income	363.8	355.1	354.8	368.6
Non Interest Income	329.7	318.6	320.8	333.9
Net Revenue	642.7	628.1	616.2	650.8
Net Revenue, Excluding Commissions Paid	--	643.5	644.6	673.7
Prov doubt. debts	21.1	26.0	19.5	33.1
Compensation/Salary Expense	158.9	149.1	182.2	170.1
Non Interest Expense	413.4	414.9	420.3	509.9
Net Income to Common	204.2	173.7	180.4	120.1
Basic EPS	0.08	0.07	0.07	0.05
Net Loans	8,839.6	8,931.6	8,770.2	8,806.0
Earning Assets	19,099.9	10,218.0	8,267.4	8,168.9
Total Assets	27,993.8	27,998.8	27,138.0	28,024.8
Customer Deposits	12,176.8	11,947.2	11,660.6	11,500.9
Total Debt	8,170.8	7,989.3	7,490.1	8,614.8
Total Liabilities	23,364.7	23,273.8	22,553.7	23,511.1
Total Equity	4,724.0	4,810.3	4,665.3	4,588.0
Cash From Operations	1,052.1	-567.8	-579.9	64.8
Cash From Investing	-1,150.2	-296.5	299.1	252.7
Cash From Financing	-280.2	1,523.9	-256.0	-17.7
Net Changes in Cash	-378.3	659.6	-536.7	299.8
Book Value/Share	1.92	1.95	1.88	1.87
Net Interest Margin %	8.12	15.56	18.29	18.34
Efficiency Ratio %	57.72	59.79	60.39	71.41
Return on Assets %	2.40	2.35	2.49	2.47
Return on Equity %	14.45	14.31	15.19	15.42

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