

REPORT FROM THE MANAGING DIRECTOR

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The National Export-Import Bank has long been recognized as playing a critical role in facilitating the growth and development of the export and productive sectors. With a solid foundation built on excellent service and competitive financial offerings, for over 24 years, the organization is poised to have even greater impact.

At the start of the financial year 2011, it was evident that it would not be 'business as usual'. With the advent of the Jamaica Debt Exchange (JDX) which signalled the lowering of interest rates coupled with the charge of the Government to grow the economy and facilitate the development of a strong cadre of SME's who could compete both locally and internationally, the Bank took on the challenge of repositioning itself despite the challenges in the economic environment.

Under the mantle of new leadership the Bank revisited its Vision and Mission Statements, bringing into more direct focus, its mandate "to facilitate growth through increased exports and sustained job creation by providing competitively-priced trade financing solutions to the productive sectors of the economy". Underpinned by the solid foundation laid by previous Managing Directors, the Bank formulated its Strategic Initiatives for a new three-year period 2011 - 2013 with expanded vision, innovation and commitment to respond to the needs of its target market.

These strategic initiatives centered around the prime objective of facilitating improved national export performance and addressed, inter alia, growth in loan utilization; leadership development; the enhancement of customer relations and sales through a comprehensive and sustained marketing and advertising campaign; the implementation of a new Information Technology strategy to support the organization's goals; the review and implementation of internal processes to generate greater levels of productivity; prudent governance, compliance and risk management and the promotion of the Bank as a customer focused, strong and profitable financial institution.

These have borne good dividends, as the year 2011 was characterized by the Bank's achievement of its key performance indicators viz: the sustained viability of the organization, strong shareholder value, increased loan utilization and value of exports from our customers while maintaining a bad debt portfolio of under 2%, and a cadre of knowledgeable, professional staff to ensure continued good customer service delivery.

FINANCIAL HIGHLIGHTS

The Bank achieved loan utilization of J\$6 billion at financial year end 2011 which reflected an increase of approximately 9% over the J\$5.5 billion achieved the previous year 2010 while many leading financial institutions reported reduced loan demand.

Interest income from loans reported at J\$444.8 million represented approximately 85% of the Bank's revenue recorded at J\$524.8 million. Net interest income from loans amounted to J\$192.3 million and contributed 64.6% to operating profit of J\$297.6 million. Due to the relative stability of the US dollar, operating profit was not buoyed, as in the previous year 2010, by foreign exchange gains. This coupled with increases in administrative expenses and extraordinary adjustments required under International Accounting Standards resulted in a modest profit of J\$7.5 million at year end 2011. Shareholder's Equity remained strong, and was reported at J\$1.9 billion.

