

## I. Overview

The National Commercial Bank (NCB) Financial Group Limited (NCBFG) is one of the largest financial conglomerates in the Caribbean, with assets of US\$12.40 billion as of 2021 (NCBFG, 2021). It owns NCB Jamaica Limited, Clarien Group Limited, and NCB Holdings Limited, which jointly operate 57 companies across 21 territories in the Caribbean. Michael Lee-Chin, the Jamaican Canadian businessman and investor, formed NCB in 2016 through a series of Mergers and Acquisitions (M&A) and has aggressively expanded using the same means. Over the last decade, the company has had many multi-million dollar acquisitions, including Guardian Holdings and AIC Finance Limited (JMMB, 2021).



Figure 1 - Modified Porter's Value Chain

NCBFG embeds M&A in its strategy, stating that it searches for “inorganic growth opportunities” to accelerate regional expansion (NCB, 2022). Such a strategy enables it to grow outside the small, stagnating Caribbean economies while bypassing strict entry laws. Its extensive infrastructure gives it access to capital and creates economies of scale that, alongside cost management and innovation, generate savings (Figure 1).<sup>1</sup> NCBFG also specialises in technology and recently formed an entity to upgrade payment facilities and manage analytics to the benefit of internal systems across its subsidiaries (Medley, 2021).<sup>2</sup> The company has an advantage in Human Resources (HR) as well. It maintains a healthy culture, recruits key talent, and offers staff good benefits (Glassdoor, 2022).<sup>3</sup> Nevertheless, despite its competitive advantages, NCBFG has no operations in Guyana, the Caribbean country that overnight discovered it held one of the largest oil reserves globally, and whose anticipated economic growth stands at 47% and 35% in 2023 and 2024, respectively (IMF, 2022).

<sup>1</sup> NCBFG recently proactively engaged in a restructuring process in Jamaica that reduced costs by directing persons to online systems where the company already has a competitive advantage.

<sup>2</sup> NCBFG has a competitive advantage with technology. Its app for instance has a 4.6-star rating and over 500,000 downloads. It recently established entity called “The Future of Business” (TFOB), assists the company in building its technological capacity, benefitting its compliance, analytics, and online banking systems.

<sup>3</sup> The company is extremely well reviewed by those who work there, scoring 4.4 stars on Glassdoor, with 99% of former employees saying they’d recommend working there.

## II. Strategic Rationale

Guyana's oil discovery can benefit the banking sector due to increases in foreign currency, income, savings, and investment (International Trade Administration, 2021). However, the regulations, Central Bank, and corrupt officials restrict entry.<sup>4</sup> M&A is one of the few ways to bypass these and is a strategy NCBFG can use given its regional experience. For NCBFG, Guyana can provide growth and wealthier customers whilst creating further opportunities for regional financial dominance (Figure 2).

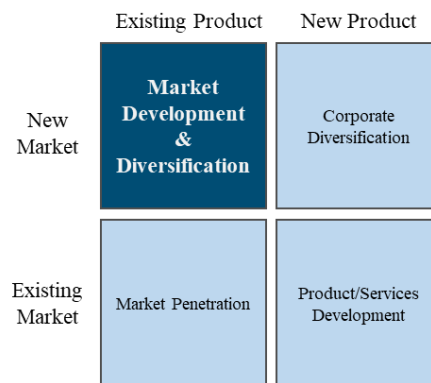


Figure 2 - Ansoff Matrix

A PESTEL<sup>5</sup> analysis reveals strategic reasons for NCBFG to enter the banking environment in Guyana (Figure 3). Entering the market gives NCBFG access to a country with much healthier *economic* growth prospects than the ones it operates in. *Socially*, the company can tap into a customer base consisting of expats and foreign nationals, who are wealthier and have better networks than its average customer.<sup>6</sup> Companies in the country also stand to benefit from Guyana's *political* importance, as it is an asset to the United States and China.<sup>7</sup> This has increased investment, some of which is driving improvements in *technology*, which can further NCBFG's competitive advantage (Government of Guyana, 2019). Guyana also has a lower AML/CFT risk than the current countries NCBFG operates in (FATF, 2022). These *legal* regulations have forced the exit of many foreign banks in the region (de-risking), creating a fragmented banking *environment* (Marczak & Mowla, 2021).<sup>8</sup> NCBFG can capitalise on this through a roll-up strategy, consolidating all these small, inefficient operations into one entity.

<sup>4</sup> The Central Bank has not approved a license in over two decades, and this largely due to the limited independence of the Central Bank allowing politicians to preserve the interests of prevailing banks (Davis, 2021). Guyana also has the highest corruption in the English-speaking Caribbean (Transparency International, 2021).

<sup>5</sup> PESTEL - Political, Economic, Social, Technological, Environmental, and Legal.

<sup>6</sup> Many of the expats entering Guyana are well connected, given that majority are associated with ExxonMobil, the company overseeing Guyana's oil extraction. ExxonMobil also has strong links to the US government.

<sup>7</sup> The US and China are both heavily investing and interested in Guyana given its untapped natural resources – oil, gold, precious metals, forests, and otherwise (Ellis, et al., 2021).

<sup>8</sup> In this case, I take a liberal definition of the second “E” – Environment – in the PESTEL analysis, considering the regional banking environment and not a physical environment as a central reason as a strategic rationale.

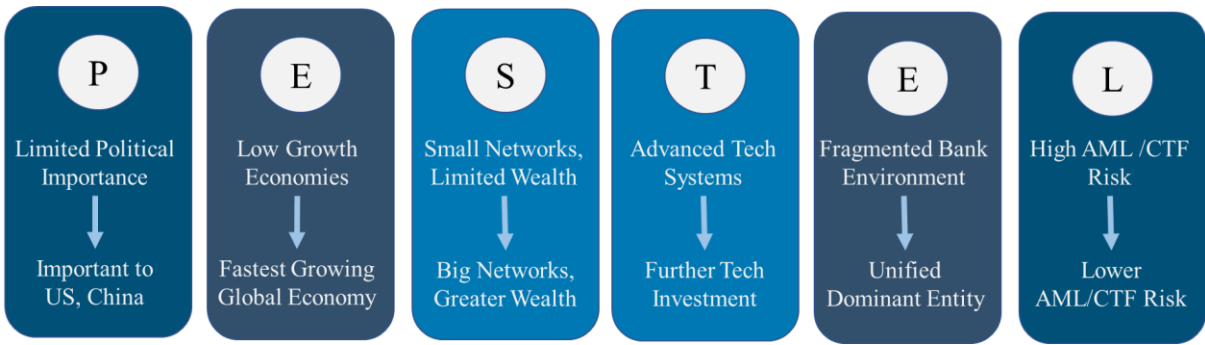


Figure 3 - PESTEL Analysis<sup>9</sup>

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<sup>9</sup> This and most of the models and theories underpinning this document come from two main sources, “The Complete Guide to Mergers and Acquisitions” and “Winning at the Acquisition Game”.

### III. The Target: Scotiabank Guyana

Given Guyana's growth potential, there is only one bank for sale, Scotiabank Guyana (SBG) (Figure 4).<sup>10</sup> Scotiabank has tried to sell SBG as part of a move away from the Caribbean.<sup>11</sup> However, the regulator has blocked two takeovers as the Banks were from Trinidad and Tobago, a country with a history of financial crises and tensions with Guyana.<sup>12</sup> Scotiabank is still selling, and the regulator will likely approve NCBFG as it is Jamaican and not Trinidadian.<sup>13</sup>

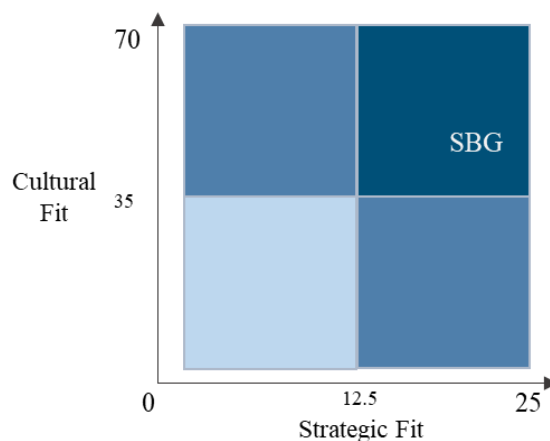


Figure 4 - Best Fit Analysis

#### Strategic Fit

SBG has a high strategic fit (Figure 5). NCBFG benefits from Guyana's rising political importance, increased technological investments, economic growth, a richer customer base, and lower AML/CFT risks. It can also use the acquisition as part of a roll-up strategy. Scotiabank's consolidation focus means that it currently is neither revenue-effective nor cost-effective. The company can increase revenues by expanding locally to new and existing markets and products while benefitting from NCBFG's technology, innovation, and scale. NCBFG's regional network can also help SBG access a wider range of investments, while SBG's local network and knowledge enhance the speed of doing business in Guyana.

<sup>10</sup> Though there are possibly more banks for sale, I limit this paper to Scotiabank to make the analysis as practical as possible, without assuming possibilities for sale without confirmation. However, best practices for NCBFG should include a regional and local scan of multiple potential acquisitions.

<sup>11</sup> This is due to stricter Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) regulations. Foreign Banks no longer view the countries as strategically important but rather only for short-term profit. The closure of other branches has caused diseconomies of scale that have further reduced profitability.

<sup>12</sup> Trinidad and Tobago has had a few financial crises, most recently CLICO in 2009. Culturally, Trinidadians have been accused of looking down on Guyanese, but now want to benefit from Guyana's oil, which many Guyanese have called out (Chaitram, 2022). The takeovers also failed as Republic Bank would monopolise the sector and First Citizens' premature announcement angered regulators (Reuters, 2019) (Christopher, 2022).

<sup>13</sup> A non-market strategy can still be useful here, and I lay out one using an (IA)<sup>3</sup> framework in Appendix 1.

Strategic Factor	Relative Position		Rationale	Scotiabank Rating
	NCBFG	SBG		
Company Size	+	→ -	SBG's smaller operations can benefit from NCBFG growing and expanding them.	4
Presence in Guyana	-	← +	SBG has a history of operating in Guyana, a growth market, where it has local knowledge and a large network.	5
Cost Effectiveness	+	→ -	SBG is not cost-effective and can benefit from NCBFG's innovation, technology, and scale.	4
Customer Base	-	← +	Part of SBG's customer base is foreign, wealthy, and becoming richer, and this benefits NCBFG.	3
Network	+	→ -	SBG's smaller regional network can benefit from NCBFG's regional connections and capital market access.	4
				<b>20</b>

Figure 5 - Strategic Fit Analysis

### Cultural Fit

A cultural analysis of 14 measures reveals that though Scotiabank Guyana is a good fit, it has areas that NCBFG must align (Figure 6) (Appendix 2).<sup>14</sup> There is a slight mismatch between *Ideals* because company goals are different - NCBFG wants to have a large regional impact while SBG wants to consolidate. *Overarching* considerations indicate hierarchical structures that concentrate decision-making at the top, with leaders who behave differently due to conflicting goals (expansion versus consolidation).<sup>15</sup> *Workflow* analysis shows both have regular events, quality physical environments, and standard success measures, though SBG communicates far less than NCBFG. *Human Resources (HR)* have similar training and rewards for workers, though SBG has opaque staffing and selection, and possibly low morale.<sup>16</sup>

	Culture	Rating	Due Diligence
Ideals	Organisational Values	3	Limited
	Goals	1	Limited
Overarching	Leadership Behaviour	2	Extensive
	Policies	4	Extensive
	Structure & Decision-making	5	Moderate
Workflow, Environment	Ceremonies and Events	4	Limited
	Communication and Marketing	2	Moderate
	Customs and Norms	3	Extensive
	Measures	4	Extensive
	Physical Environment	5	Moderate
Human Resources	Morale	2	Moderate
	Rewards and Recognition	3	Extensive
	Staffing and Selection	2	Extensive
	Training	4	Moderate
		<b>44</b>	

Figure 6 - Organisational Fit Analysis

<sup>14</sup> This cultural analysis, which liberally grouped 14 variables (measures and goals were split individually, and organisational values were included) into four sections, was limited as it was based on public information. Many of these factors, such as Cultures and Norms, require extensive exploration beyond just public information, as indicated by the due diligence column. I go into more detail in Section 6.

<sup>15</sup> Another overarching consideration is of the cultural similarities between the two countries of operation. Fortunately, Guyana and Jamaica speak English, are in the regional economic union, have similar environments (business, regulatory, and institutional), and are relatively underdeveloped.

<sup>16</sup> The company has no online recruiting. Staff may have low morale given the uncertainty with their futures, following the failed takeovers.

#### IV. Potential Synergies

Scotiabank consolidating in Guyana and the Caribbean meant the revenue underperformed and created diseconomies of scale that raised average customer costs. NCBFG can benefit from these inefficiencies given its scale, capital access, and systems (Figure 7) (Appendix 3).

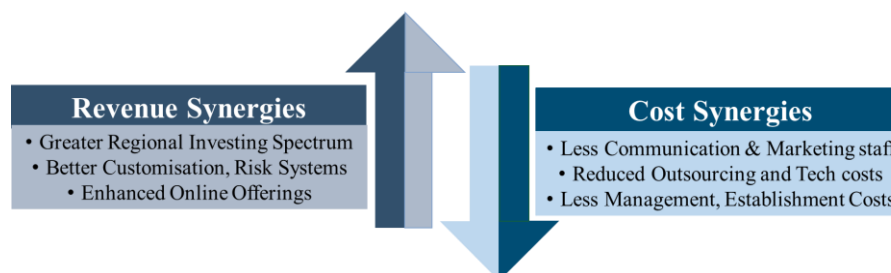


Figure 7 - Potential Synergies

##### *Costs*

The cost synergies come from removing overlapping NCBFG and SBG functions. SBG can lean on the skilled and diverse NCBFG staff for solving problems beyond its internal capacity. This reduces outsourcing, which in 2021 comprised 20% of SBG's non-interest expenses. SBG's Communication and Marketing also needs revising – the company spent nearly US\$500,000 on it last year yet the social media pages remain inactive.<sup>17</sup> NCBFG should remove the Communication and Marketing staff, and responsibility should pass to a centralised unit. NCBFG can also furlough two upper-level managers - the Country Manager's function should pass to the Head of Operations, and the Support and Projects Manager goes to Head Office. SBG can decrease costs by implementing the technology already utilised by NCBFG, especially those for AML/CFT and analytics.<sup>18</sup> Meanwhile, SBG can help reduce NCBFG's costs by streamlining establishment with its local knowledge and networks.

##### *Revenue*

SBG can benefit from using the NCBFG's common technological systems. NCBFG's focus on online banking can help improve SBG's limited offerings in this segment. The analytics systems employed by NCBFG can help to customise revenue offerings and better assess risks so that profitability increases. The improved AML/CFT system can further help reach unbanked segments of the population. NCBFG's takeover also gives SBG access to a wider array of investment opportunities through its expansive regional operations.

<sup>17</sup> The last Facebook post was made in November, and only 6 Facebook posts have been made in the last year. The company's Twitter has been inactive since 2019 and it does not have an Instagram page.

<sup>18</sup> The difference in AML/CFT regulations between Canada and Guyana meant their systems for overseeing customers are different. However, the similarities between these regulations for Jamaica and Guyana mean that the overlap is much larger, and that the company can reduce costs on the basis of using similar systems

## V. Valuation

The baseline valuation of SBG using the Net Present Value (NPV) of a Discounted Cash Flow (DCF) places the value between US\$110 million and US\$140 million.<sup>19</sup> This baseline valuation assumes constant revenue growth for five years of 5% - a conservative estimate given that Scotiabank has tried to consolidate, and Guyana's GDP growth projections are 47% and 35% for 2023 and 2024 respectively (IMF, 2022). It also assumes a terminal growth rate of 3%. The upper limit incorporates the synergies from the previous section, with costs increasing proportionally after year 1, whereas the bottom limit has no synergies.<sup>20</sup> The WACC of NCB (10%) plus a risk premium for Guyana (2%) is the discount factor (12%) (Gurufocus, 2022).<sup>21</sup>

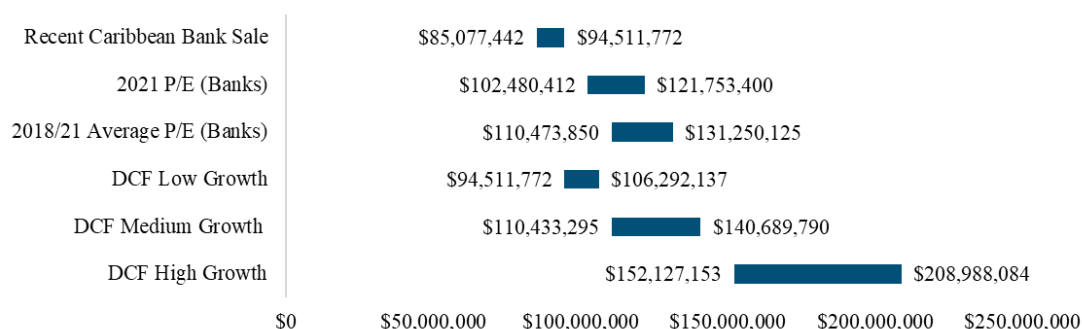


Figure 8 - Football Field Valuation

A football field analysis adds a wider perspective, valuing SBG between US\$85 million to US\$209 million (Figure 8).<sup>22</sup> The other DCFs test sensitivity to the underlying revenue growth assumptions.<sup>23</sup> The high growth DCF values SBG between US\$152 million and US\$208 million, while the low growth DCF estimates it between US\$94 million to US\$106 million.<sup>24</sup> A DCF conducted on assumptions central to the valuation of the last regional bank that tried to sell, CIBC FirstCaribbean in 2021, yields an estimate of US\$85 million to US\$94 million.<sup>25</sup> However, these assumptions are not transferrable given that the Bank operated in islands which had an extremely low growth environment by comparison. Using the Price to Earnings (P/E) from other major regional banks yields estimates of US\$102 million to US\$121 million based on the 2021 earnings, and US\$110 to US\$131 million for the average 2018-2021 earnings.

<sup>19</sup> This is the enterprise and equity value as banks do not have working capital and SBG does not have debt.

<sup>20</sup> The difference in synergies is due to the assumptions of proportional costs and the difference in growth rates.

<sup>21</sup> Where WACC stands for the Weighted Average Cost of Capital.

<sup>22</sup> NCBFG must not let the M&A wave translate into optimistic projections. Secondly, it must examine management interests. They might be optimistic given that they can have larger budgets and show the deal as successful. Thirdly, NCBFG must consider that Scotiabank wants to sell and will likely accept a lowball offer.

<sup>23</sup> All the DCFs include a terminal valuation taken in the sixth year, after five years of projecting cash flows.

<sup>24</sup> In the five years following a takeover, revenue growth for high growth is 25%, 20%, 15%, 10%, and 5%, plus a terminal 3%. The low growth scenario assumes growth of 2% for the five years and no terminal growth.

<sup>25</sup> Its valuation was 10 times earnings, or a 12% discount factor with 1% growth (Scuffham & Tilak, 2018).

## VI. Due Diligence and Integration

NCBFG should choose a team for this acquisition, which must manage it as a rapid results and iterative project. Guyana is expecting major growth within two years.<sup>26</sup> Many businesses and customers are establishing themselves now and will stay with the bank they join initially.

Segment	Importance
Human Capital	4.5
Finance	4.33
Culture	3.75
Customer Base	3.75
Regulatory	3.75

Figure 9 - Due Diligence Segments

### *Due Diligence*

Analysis of twelve segments reveals 40 metrics NCBFG should explore (Appendix 4). Ranking metrics by importance and averaging for segments shows key diligence areas – Human Capital, Finance, Culture, Customer Base, and Regulatory Environment (Figure 9).<sup>27</sup> Five metrics are also paramount, namely, gauging investment/loan quality, identifying key talent, examining Know Your Customer (KYC) information securely, exploring the Bank’s policies (internal and external), and determining points of regulatory/political influence (Figure 10).<sup>28</sup> This level of diligence requires the team to identify clear responsibilities, establish a secure method of transferring data (including an NDA), build rapport with SBG staff, especially the executive team, and collate diligence on NCBFG to gauge compatibility.

Segment	Task	Importance
Finance	Investments (Returns, Risk)	5
Customer Base	KYC Information	5
Human Capital	Key Talent	5
Operations	Policies	5
Regulatory	Political Influence Points	5

Figure 10 - Five Key Due Diligence Initiatives

<sup>26</sup> The team should consist of a Head Office representative, a Guyanese representative, and an Operations Specialist, to ensure that diligence and integration are quick and enable NCBFG to capture immediate growth.

<sup>27</sup> One of the best ways of figuring out culture involves picking the brains of key operations and HR staff.

<sup>28</sup> These metrics show three things: the key people (workers, customers, and policymakers); the quality of assets (customers, tangible, and intangible); and the extent of operation compatibility (policies, culture, and technology).



Segment	Average
Restructuring	4.33
Analytics, Tech, and AML/CTF	4.17
Staff	3.83
Revenue	3.80
Communication & Marketing	3.67
Culture	3.67
Operations	3.50
Redefine Strategy and Goals	3.50
Visuals	3.00

Figure 11 – Integration Segments

### Integration

The goal is to partially integrate SBG into NCBFG (Appendix 5), by establishing a holding company, National Commercial Bank Limited (NCBL) that maintains the overlapping functions, technological systems, and centralised management team.<sup>29</sup> The integration process should focus on the value drivers, outlined in Section IV. Analysis using nine categories gives 40 initiatives for NCBFG and prioritises Restructuring, Technology, Staff, Revenue, Communication, and Culture (Figure 11) (Appendix 6). The priority initiatives include linking qualified NCBFG staff with the outsourced needs, modifying the strategy and goals of SBG so that it seeks to expand, synchronising technological systems (analytics and AML/CFT), and combining the Communications and Marketing department into one unit (Figure 12).<sup>30</sup> Further, it should seek to widen revenue (investment and online), institute a common management team, synthesise cultural values, and offer benefits to talent to increase morale.

Segment	Integration Task
Staff	Link NCBFG Staff who Meet Outsourcing Needs
Strategy, Goals	Change from Consolidation to Expansion
Restructure	Establish NCBL with One Management Team
Analytics, Tech, AML/CTF	Switch to Common AML/CTF System
Analytics, Tech, AML/CTF	Switch to Centralised Analytics System
Communication & Marketing	Centralise Communication to NCBL
Revenue	Widen Investment Possibilities
Culture	Synthesise Values
Staff	Offer Benefits to Retained Talent
Revenue	Institute Online System

Figure 12 – Ten Key Integration Tasks

<sup>29</sup> Before integration even begins there are a few things NCBFG needs to do, including developing a good relationship with the regulators and politicians, who are central to the process given corruption (Appendix 7).

<sup>30</sup> NCBFG need to sort out “me” issues immediately by informing staff early that they will retain most of them.

## VII. Key Success Measures

NCBFG should use a balanced scorecard to assess the acquisition by checking metrics regularly, ordering them by importance, and with indicators for risk (Figure 13) (Appendix 8).<sup>31</sup>

Integration	Financial	Operational	Cultural	National
Tasks Accomplished	Revenue & Cost Synergies	Customer Satisfaction	Values Synergising	GDP Growth
Priority Tasks:	Total Sales	Customers (Retention, Acquisition)	Behaviours and Norms	Social Change (Expats)
Link Staff, Outsource Less	Gross & Net Profit	Communication & Marketing	Employee Retention (Especially Key)	AML/CFT Regulations
Change to Expansion	Market Share (Loans, Deposits)	Policy Changes Impact	Employee Acquisition	Political Review
Switch Tech Systems	Return on Investment	Technological & Online Systems	Employee Satisfaction, Engagement	Investment, Savings Growth

Figure 13 – Main Metrics

### *Integration & Financial*

Tracking the accomplished integration initiatives should occur weekly. NCBFG should focus on priority tasks, including linking staff to reduce outsourcing, changing goals to expansion, and centralising technological systems and communication.<sup>32</sup> The financial measures, which are medium and long-term, should then examine integration synergies to see if they match predicted values.<sup>33</sup> These measures should also cover whether the strategic expansion increases revenue and profit, if market share is growing, and the overall returns from investing in SBG.

### *Operational, Cultural, & Guyana*

NCBFG should follow customer satisfaction weekly alongside retention and acquisition monthly. It should also track employee performance to ensure consolidated staff are not overburdened.<sup>34</sup> The impact of technological change, including changes to AML/CFT and analytics, should be checked weekly to verify that it is functioning properly. These measures are long-term ones that NCBFG should check frequently as they can signal potential problems.

<sup>31</sup> A fifth measurement area, Guyana, was included given the importance of national development to deal value.

<sup>32</sup> These are short-term metrics as Guyana's immediate growth necessitates that integration finishes quickly.

<sup>33</sup> These include the cost synergies from communication and marketing, technological systems, and management and the revenue synergies from the online platform, a wider customer base, and broader investments.

<sup>34</sup> This should focus on the Communications and Executive teams.

Cultural measures should supplement operational ones, as they examine the adoption of values and whether the attempts to improve culture facilitate lasting change to the organisational behaviour and norms. Employee satisfaction and engagement are essential metrics that NCBFG should track with the goal of facilitating employee retention, especially of key personnel. The company should also check whether cultural change helps it attract talent. NCBFG should track these cultural measures monthly through surveys and observation.

As a high proportion of the value of this deal lies in national change, the company should also track quarterly metrics of Guyana, including political importance, GDP growth, expat growth, AML/CFT regulations, and savings and investment (including technological) rates.<sup>35</sup>

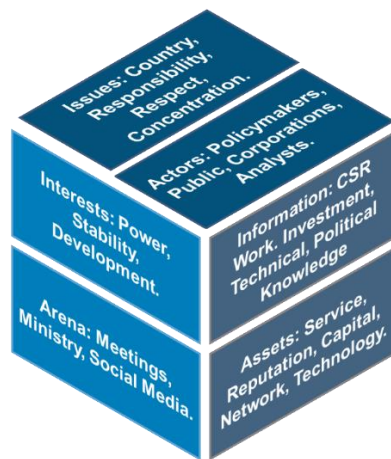
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<sup>35</sup> This would give more perspective for relative performance of the acquisition attempt as even the synergies realised depend highly on the extent to which the country grows and develops as anticipated.

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## Appendix 1



## Appendix 2

Culture	Rating	Due Diligence	Rationale
Goals	1	Limited	SBG has consolidated its operations as much as it can while NCBFG has grown in the region as much as it can.
Organisational Values (Stated)	3	Limited	No overlapping values but no contradictory ones neither.
Regulatory	4	No	Corrupt local institutions, including governments and the Central Bank. Banking sector is quite regulated, with the Central Banks controlling all players. Guyana does benefit from less strict AML/CFT regulations.
Physical Environment	4	Moderate	Both companies have buildings in decent physical shape with no major issues based on the images and reviews available on google, and news reports.
Policies	4	Extensive	Both use international financial reporting standards but other internal policies are relatively opaque and require further investigation.
Communication and Marketing	2	Moderate	External communication is poor for SBG as the second acquisition failed because the company announced the deal prematurely and upset the regulators. Also really inactive social media accounts point to further potential issues with communications. NCBFG's Communication and Marketing is superior.
Structure & Decision-making	5	Moderate	Both organisations are hierarchal with top-down decisions and closed, non-agile decision making.
Morale	2	Moderate	SBG's is probably quite low as the bank has tried and failed to close down operations many times. This has left many employees unhappy as their jobs are constantly under threat. On the contrary, NCBFG's seems high based on reviews from job websites such as Glassdoor which rates them 4.4 stars.
Training	4	Moderate	Both companies seem to have limited training but it is hard to gauge given the lack of insight into the companies' inner workings.
Rewards and Recognition	4	Extensive	Both have reasonable benefits including bonuses, NIS contributions, annual leave, and non-monetary benefits such as medical care and loans; post-employment benefits such as pensions; and other long-term employee benefits such as termination benefits. Not clear how much is spent on each.
Leadership Behaviour	2	Extensive	SBG leadership has mainly seen a consolidation of operations, whereas NCBFG's has aggressively expanded the organisation. Hard to gauge other facets of behaviour without being on the inside.
Measures	4	Extensive	Both use broadly profit-based metrics for external performance. Best practice metrics for assessing the healthiness of financial institutions.
Staffing and Selection	2	Extensive	SBG has no tangible online recruitment and a general lack of clarity with hirings. NCBFG has many structured initiatives including internships.
Ceremonies and Events	2	Limited	Both have fairly regular ceremonies and events.
Customs and Norms	3	Extensive	Uncertain what these look like within the organisation. Due diligence needed.

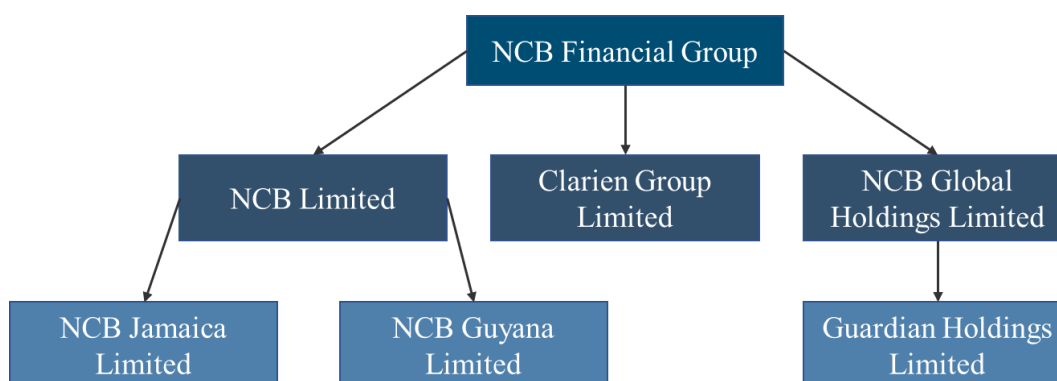
### Appendix 3

Synergy	Initial Value	DCF Medium Growth	Assumption
Outsourcing Reduction	\$875,351	\$10,017,906	Cutting outsourcing by 30%.
Analytics, Tech, and AML/CTF	\$573,501	\$6,563,400	Reduces technology and premises costs 15%.
Establishment Costs Saved	\$363,143	\$4,155,970	Conservative banking license estimate.
Broader Investment Spectrum	\$321,865	\$3,683,566	Raises interest income 1.5%.
Communication & Marketing Reduction	\$225,940	\$2,585,758	Reducing current costs by just under half.
Enhanced Online Offering	\$173,971	\$1,991,001	Raises other income 1.5%.
Upper-Management Removal	\$110,000	\$1,258,889	Two salaries (\$60,000 and \$50,000).
		<b>\$30,256,495</b>	

### Appendix 4

Area	Specific	Importance	Area	Specific	Importance
Communications	Communications Staff	3	Human Resources	Worker Contract	3
Communications	Internal Communication	3	Human Resources	Staffing Selection Policies	2
Culture	Norms	4	Human Resources	Training	2
Culture	Values	4	Information Systems	AML/CFT Systems	4
Culture	Leadership Behaviour	4	Information Systems	Data Security	4
Culture	Events	3	Information Systems	KYC Management	3
Customer Base	KYC Information	5	Legal/Environmental	Fixed Asset Quality	4
Customer Base	Key Customers	4	Legal/Environmental	Potential Liabilities	4
Customer Base	Number of Customers	4	Legal/Environmental	Client Contracts	3
Customer Base	Customer Demographics	4	Operations	Policies	5
Customer Base	Number of Corporations	3	Operations	Decision-Making	3
Customer Base	Number of Foreign Nationals	3	Operations	Measures	3
Finance	Investments (Returns, Risk)	5	Operations	Structure	2
Finance	Cost Structure	4	Regulatory	Political Influence Points	5
Finance	Off-Balance Sheet Items	4	Regulatory	Allies, Threats	4
Human Capital	Key Talent	5	Regulatory	Financial Laws	3
Human Capital	Talent Mismatches	4	Regulatory	Key Stakeholders	3
Human Resources	Morale	4	Technology/R&D	Internal Banking Software	4
Human Resources	Rewards	3	Technology/R&D	Analytics	3
Human Resources	Union Power	3	Technology/R&D	Online Banking Capacity	3

### Appendix 5



### Appendix 6

Segment	Integration Task	Score	Average
Analytics, Tech, and AML/CTF	Align Daily Driver Software Between Both Companies	3	4.17
	Ensure Common Data Protection	4	
	<b>Switch to Centralised Analytics System</b>	5	
	<b>Switch to Common AML/CTF System</b>	5	
	Transition Customer Information to Central NCB System	4	
	Transition Customer Information to NCBFG System	4	
Communication & Marketing	Provide Constant Updates to Staff to Address "Me" Issues	4	3.73
	<b>Revise Communication Strategy Entirely</b>	5	
	Utilise Multiple Formats for Integration - Email, Speeches	2	
Culture	Match Event Frequency	2	3.67
	Publicly Reward Value Embodiment to Shape Norms	4	
	<b>Synthesise Values</b>	5	
Operations	Align Measures (Financial, Cost Management)	3	3.50
	Align Processes (Internal, External)	4	
Strategy and Goals	<b>Change from Consolidation to Expansion</b>	5	3.50
	Focus on Customer Service Improvements	2	
Restructure	<b>Establish NCBL with One Management Team</b>	5	4.33
	Identify Overlapping Departments, Staffing Synergies	4	
	Facilitate Partial Integration	4	
Revenue	Communicate with Key Customers	3	3.80
	Identify Geographical Areas for Possible Expansion	4	
	Identify Products and Services for Possible Expansion	2	
	<b>Institute Online System</b>	5	
	<b>Widen Investment Possibilities</b>	5	
Staff	Engage Workers in Change Process through Surveys	3	3.83
	Examine Individual Qualifications and Performance	4	
	Handover Communication and Marketing Mostly to NCBFG	4	
	<b>Identify Key NCBFG Staff who Meet Outsourcing Needs</b>	5	
	Install Leader Responsible for Guyana	4	
	Institute Better Staffing and Recruiting Practices	3	
	Institute Better Incentives for Rewarding Performance	4	
	<b>Offer Benefits to Retained Talent</b>	5	
	Offer Packages for Furloughed Workers	2	
	Redefine Executive Roles	4	
	Reduce Upper-level Management	4	
Retrain Staff Where Possible	4		
Visuals	Upgrade/Improve Building Facilities	3	3.00
	Branded Promotional Products	2	
	Change Buildings Designs	2	
	Change Customer Interfaces with NCB Material	4	
	Change Staff Uniforms	4	

### Appendix 7

Pre-Initiatives
Create Task Force for Acquisition
Identify Initiative Leader
Identify Other Key People
Contact Scotiabank
Leverage Lee-Chin's Contacts to Speak with Scotiabank Head
Speak with Raymond Smith, Head of Scotiabank Guyana
Meet with Both Parties, Possibly Over Dinner
Finalise Transaction Details
KYC Information and All Other Data
Determine Healthy Level of Working Capital
Establish Relationship with Regulator, Minister of Finance
Offer Government and Officials Incentives
Speak About Desire to Acquire Company
Figure Out What Regulator & Government Want
Time Announcement After Key Stakeholders Satisfied

### Appendix 8

Segment	Measures	Frequency
Integration	Percentage Integration Task List Accomplished	Weekly
	Examine Priority Task Accomplishment	Weekly
	Link NCBFG Staff who Meet Outsourcing Needs	Weekly
	Change from Consolidation to Expansion	Weekly
	Switch to Common AML/CTF System	Weekly
	Switch to Centralised Analytics System	Weekly
	Centralise Communication to NCBFG	Weekly
Financial	Gross & Net Profit	Monthly
	Real Profitability, Profit Margins	Monthly
	Return on Investment	Quarterly
	Total Sales	Monthly
	Diversification of Investments	Monthly
	Outsourcing Costs	Monthly
	Staffing (Senior Management) Costs	Monthly
	Analytics and Information Systems Costs	Monthly
	Communications and Marketing Costs	Monthly
	Earnings Per Customer	Monthly
	Market Share (Loans, Deposits)	Quarterly
	Earnings Per Share	Monthly
Share Price Change	Monthly	
Operational	Key Staff Retention Rate	Monthly
	Foreign Customers (Expats, Companies)	Monthly
	Customer Acquisition Rate	Monthly
	Customer Retention Rate (especially key ones)	Monthly
	Customer Satisfaction	Monthly
	Use of Online Facilities	Quarterly
Cultural	Employee Engagement & Satisfaction	Monthly
	Management Team Satisfaction	Monthly
	Values Synergising	Monthly
	Behaviours and Norms	Monthly
	Regularity of Ceremonies, Events	Monthly
National	GDP Growth	Quarterly
	Per Capita Income Growth	Quarterly
	AML/CFT Regulations	Weekly
	Political Review	Quarterly
	Investment, Savings Growth	Quarterly
	Technological Investments	Quarterly