

Jamaica National Building Society

In December 1970, history was created when four rural Building Societies merged to form the Jamaica National Building Society.

Today, JN is "The Leader in Savings and Home Loans" in Jamaica and the Caribbean, with 20,1952 savers and assets of \$235.8 million. When the proposed merger with the St. Mary Benefit Building Society is approved by the shareholders, Jamaica National will become the first islandwide Building Society with branches in all fourteen parishes.

The four founding societies were all "small town" concerns, cornerstones of their rural communities with leadership provided by prominent local citizens such as

the Clarke family, of Westmoreland Benefit Building Society; Custos Walter Fletcher, of the St. James Benefit Building Society; Solicitor George Barrett, of Brown's Town Benefit Building Society; and Dr. Lenworth Jacobs, of the St. Ann Benefit Building Society.

Of the four, Westmoreland, with assets of \$7 million, was the largest and the most senior, having been founded in 1874 by the Rev. Henry Clarke. St. James, with assets of \$4 million, and St. Ann, with assets of \$1 million, were also founded in 1874; and Brown's Town, with assets of \$2 million, was founded in 1896. Thus Jamaica National, as amalgamated, is the oldest surviving Building Society in Jamaica.

In the late 1960s, small building societies

were faced with the necessity of becoming more competitive. This meant modernization, increasing efficiency, and improving communications. The philosophy behind the merger was: "Unity is strength". The immediate concern of the new organization was to offer an updated and comprehensive service to its members and to attract new members. Under aggressive and conscientious leadership, this soon became a reality and JN was well on its way to becoming the prominent financial organization that it is today.

Initially an entirely rural organization with branches in Savanna-la-Mar, Montego Bay, Brown's Town, St. Ann's



LANNY REYNOLDS

Bay, May Pen, Mandeville, and Santa Cruz, Jamaica National opened its first branch in Kingston at 88 Harbour Street in 1971. By 1973 the head office had been moved from Savanna-la-Mar to the city, at newly-purchased premises on Grenada Crescent, in New Kingston.

STEADY GROWTH

Becoming a trend-setter, Jamaica National changed the old-fashioned image of Building Societies with a vigorous promotion campaign: graphic logos and advertisements in press and on billboard, catchy tunes on radio, and persuasive TV sequences, all encouraged the public to "Come to the Leaders". To facilitate communications, they installed a radio system linking all branches.

Four years of steady growth from 1973-1977 was followed by significant expansion from 1977 to 1981 when both the St. Thomas Benefit Building Society and the Jamaica Permanent Building Society merged with Jamaica National.

In May 1982 Jamaica National overtook Victoria Mutual Building Society to become the largest Building Society in the Caribbean. Shortly afterwards Victoria Mutual pulled ahead again, and it has been a neck-and-neck race ever since. As of March this year, JN was ahead with a lead of \$2.1 million.

The anticipated merger with the St. Mary Benefit Building Society, if approved by the shareholders, will strengthen this position by providing approximately \$10 million additional assets and some 10,000 additional savers.

Jamaica National now has a network of 12 branches islandwide in Montego Bay, Savanna-la-Mar, Santa Cruz, Mandeville, Brown's Town, St. Ann's Bay, May Pen, Morant Bay, Spanish Town, Linstead, and two in Kingston. The merger with the St. Mary Benefit Building Society will add two more locations, and complete the island circuit.

The Society currently employs 230 persons.

Senior executives include Mr. Lanny Reynolds, F.C.A., A.T.I.,

who is General Manager; Mr. Larkie Hall, who is also the present Chairman of the Building Societies Association of Jamaica; and Mr. Cleve Smith. The Board of Directors includes: Mr. Oliver Clarke (Chairman), Dr. Dhiru Tanna, Dr. Donovan Forte, Miss Sonia Jones, Mr. Ted Warmington, Mr. Anthony Clarke, Mr. Keith Francis, Mr. William Isaacs, and Mr. Ted Williams (Staff Director).

Jamaica National has a vibrant staff Sports Club. Frequent social contact between staff in the various branches — for instance, the annual Sports Day, and Family Day — as helped to foster cohesiveness and a strong company spirit. Staff members in each branch are involved in community projects, one of the most vibrant of these projects being with the Boys Brigade.

Many Jamaica National savers are Jamaicans resident overseas. In order to generate more hard-currency savings, JN teams have visited the U.K., Canada and the U.S. Specially-designed forms allow overseas savers to make lodgements to JN at any Barclays Bank in the U.K., with Barclays Bank in N.Y., and with the Bank of Nova Scotia in Toronto. These forms ensure that interest is earned from the date of the deposit.

Jamaica National offers a number of savings options, and all savers get home-loan priority. At present, there are loans totalling \$180 million.

Jamaica National is the first Building Society to diversify. It initiated M.C.S., a computer service bureau, situated in the Jamaica National Building at 32½ Duke Street, in downtown Kingston; and in 1981 it bought the First National Bank of Chicago and Illinois. Re-named the First Jamaica National, the bank will open a branch at 88 Harbour Street later this year.

Currently, the national economic situation, and the high cost of construction coupled with the constraints of the Building Societies Law, combine to

SUGAR MARKET

LONDON, June 16 (CANAL-Reuters): London Sugar Closing. (B/S Hi Lo Sales)
 Aug 174.50 175.25 179.00 178.50-742
 Oct 181.75 182.00 183.00 177.75-4455
 Dec 185.00 186.00 190.25 184.50-Sovon
 Mar 195.50 195.60 200.50 191.00-561
 May 198.00 199.00 200.25 194.00-390
 Sales: 6155
 Daily Sugar price (Sterling per tonne):
 Raw — June, July, August — 167.
 White — June, July, August — 196.00

present severe problems for Savings and Home Loan organizations. On May 25, the Building Societies Association had a meeting with the Prime Minister and Minister of Finance to discuss possible solutions to the current pressures. These solutions have not been announced as yet.

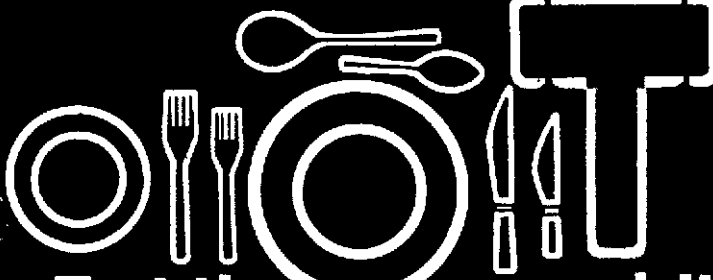
JN's General Manager, Mr. Reynolds, sees the major challenges facing Building Societies as 1) devising ways of effectively competing for the scarce savings dollar, 2) determining what influence, if any, Building Societies can have in correcting the high cost of construction, especially in respect of residential units.

Mr. Reynolds is of the view that there is an urgent need for a change in the Building Societies Law to allow the societies more flexibility in the investment of funds, and to allow increased flexibility of interest rates charged on mortgages.

The immediate future, according to Mr. Reynolds, "looks extremely bleak, but all problems are capable of solution", and he proposes several remedies: for instance, that Building Societies, when they can afford the necessary expertise, become involved in the actual development and construction of housing units; the introduction of long-term savings instruments to match the long-term loans given by the societies; and the creation of additional special incentives for their savers and borrowers.

Initiatives such as these will foster the continued growth of Building Societies and ensure the survival of these unique financial institutions which, by "borrowing short and lending long" have assisted countless Jamaicans to own a home of their own. —M.M.

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