

NATIONAL COMMERCIAL BANK JAMAICA LIMITED 2001

The Directors of the Bank have released the following Unaudited Results for the quarter ended 2000 December 31. These are the first results issued in respect of the Bank itself and its core subsidiaries, mainly NCB (Cayman) Limited, NCB (Investments) Limited, Omni Insurance Services Limited, Edward Gayle & Company Limited and West Indies Trust Company Limited comprising the New Banking Group, formed as a consequence of the Scheme of Arrangement which became effective on 2000 December 1.

These results are compared with those for the quarter ended 1999 December 31 restated, as if the New Banking Group had been in existence for that period.

	Quarter Ended 2000.12.31 \$'000	Quarter Ended 1999.12.31 \$'000
REVENUE	3,732,014	3,423,832
EXPENSES	<u>3,340,264</u>	<u>3,314,265</u>
Profit before Exceptional and Extraordinary Items	391,750	109,567
Exceptional item	<u>-</u>	<u>(8,519)</u>
Profit before Taxation and Extraordinary Item	391,750	101,048
Taxation	<u>(49,270)</u>	<u>(7,848)</u>
	34,480	93,200
Minority interest in results of subsidiaries	<u>(7,187)</u>	<u>(10,128)</u>
Profit after Taxation and before Extraordinary Item	335,293	83,072
Extraordinary item*	<u>(12,057)</u>	<u>-</u>
NET PROFIT	323,236	83,072

	=====	=====
NAV PER STOCK UNIT	\$4.52	\$3.76
EARNINGS PER STOCK UNIT	\$0.16	\$0.04
	=====	=====

*** *Realized loss on transfer of a subsidiary to NCB Group Limited pursuant to Scheme of Arrangement***

Net Profit of the New Banking Group for the quarter was \$323 Million, an increase of 289% over the results for the comparable period in the previous year as re-stated.

The Bank, which is also the Holding Company, and the main contributor to profitability, recorded a net profit for the period of \$251 Million compared to a figure of \$30 Million for the comparable period, an increase of 737%. All subsidiaries were profitable.

Annualized return on average equity before tax in respect of the New Banking Group and the Bank respectively was 17.8% and 13.8% compared to 5.47% and 1.6% in the previous year.

The results for the quarter reflect the continuation of the profitability trend which commenced in December 1998 and which has been maintained throughout,

Revenue increased by \$308 Million while expenses were held at a level comparable to the previous year. Staff numbers declined during the quarter from 2,806 at 2000, September 30 to 2,754 at December 31.

As referred to in Note 7 to the accounts of the Bank for the year ended 2000 September 30, and, as specifically mentioned in the Auditors' Report thereon, the income tax charge for the year ended 2000 September 30 was computed with the inclusion of interest income on Series 'A' and Series 'B' Financial Institutions Services Limited bonds. By an order dated 1998 July 28, the Minister of Finance remitted any income tax which might apply to or arise in respect of the "issue" or "trading" of these bonds. Clarification was sought

as to whether the remission of income tax under the order includes tax relating to interest income from these bonds. Full provision was made in the September 2000 accounts for the Income Tax liability pending receipt of this clarification. Clarification has now been received to the effect that the remission of income tax under the order includes tax relating to interest income. Accordingly, provision amounting to \$225 Million will be released to retained earnings and the tax charge for the year to 2000 September 30 will be restated. The taxation charge for the first quarter of the current financial year, amounting to \$40 Million, is computed on the basis that income tax relating to interest income on these bonds is remitted.

The Directors anticipate, after releasing the results for the quarter to 2001 March 31, that they will be able to announce the payment of an interim dividend to shareholders. This will be the first time a dividend will have been paid to shareholders since 1996.