

NATIONAL COMMERCIAL BANK JAMAICA LTD.

QUARTER ENDED MARCH 31, 2003

	QUARTER ENDED 31/03/2003 \$'000	6 MONTHS ENDED 31/03/2003 \$'000	QUARTER ENDED 31/03/2002 \$'000	6 MONTHS ENDED 31/03/2002 \$'000
REVENUE	4,731,613	8,644,465	3,595,827	7,014,897
EXPENSES	(4,251,419)	(7,905,820)	(3,357,491)	(6,580,362)
Operating Profit	480,194	738,845	238,336	434,535
Exceptional Items	562,925	756,268	-	-
Profit Before Tax	1,043,119	1,494,913	238,336	434,535
Taxation	(12,581)	(25,141)	(11,241)	(22,911)
Profit after Taxation	1,030,538	1,469,772	227,095	411,624
Minority interest in results of subsidiaries	-	-	(9,940)	(26,472)
NET PROFIT	1,030,538	1,469,772	217,155	385,152
EARNINGS PER STOCK UNIT	\$0.42	\$0.60	\$0.09	\$0.16

Net Profit of the Banking Group for the six-month period ended March 31 2003 was J\$1.47 Billion compared to J\$385 Million for the same period in the previous year. This performance was significantly affected by gain on sale of Investments and unrealised foreign exchange gains.

Highlights are as follows:

- Return on average equity was 25.7 compared to 8.35% for the six Months ended March 2002

- The ratio of non-interest expenses to operating income was 83% compared to 85.7% for the same period In the previous year.
- Dividend per share was 39 cents compared to 5 cents In the previous year.

REVENUES

The Group's total revenue, increased from approximately J\$7.0 Billion as at March 31 2002 to approximately J\$8.6 Billion as at March 31 2003, an increase of 22.3% due mainly to:

- Growth in income from loans of 53.3%
- Growth In Income from foreign exchange trading and unrealised foreign exchange gains of 225%
- Growth in fee and commissions of 17.5%

Operating income (net interest income and non interest income) was approximately J\$4.35 Billion compared to J\$3 Billion for the corresponding period in the previous year ,an increase of 43.3%.

NET INTEREST INCOME

Net Interest income of J\$2.4 Billion increased by 21 % due to a 53% increase In loan income and a 6% Increase in investment income.

LOAN PORTFOLIO

Loan volume increased by J\$8.9 Billion or 82% compared to the corresponding period in the previous year while the non-performing portfolio decreased from J\$1.7 Billion to J\$1.5 Billion ,a reduction of J\$153 Million or 9%. Non-performing loans represent 7% of gross loans compared to 12.6% for the same period In the previous year.

As at March 31 2003 total loan loss provision was J\$2 Billion or 132% of non-performing loans. The Bank's provisioning policy is in compliance with the Bank of Jamaica's

regulations.

BALANCE SHEET

Since March 2002 the Group's assets increased by J\$16.7 Billion or 14.9% to J\$128 Billion. This increase is mainly attributable to growth in:

- Loans and Advances
- Government of Jamaica securities and repo obligations.

The growth in assets was mainly funded by increases in customers' deposits.