

The Board of Directors is pleased to release the following unaudited financial results for National Commercial Bank Jamaica Limited (NCBJ) and its subsidiaries for the quarter ended December 31, 2012.

Performance highlights

Three months ended December 31, 2012 compared with the three months ended December 31, 2011

- Net profit of \$2.8 billion, an increase of 0.6%, or \$17 million.
- Earnings per stock unit of \$1.13, increased by 0.6%, from \$1.12.
- Cost to income ratio decreased to 55.55%, from 56.20%.
- Total assets of \$397.2 billion, grew by 10.2%, or \$36.7 billion.
- Return on average total assets was 2.87%, compared to 3.08%.
- Net loans of \$116.6 billion, grew by 15.2%, or \$15.4 billion.
- Customer deposits of \$177.4 billion, increased by 14.2%, or \$22.1 billion.
- Total stockholders' equity of \$67.2 billion, increased by 7.2%, or \$4.5 billion.
- Return on average stockholders' equity was 16.70%, compared to 17.78%.

Three months ended December 31, 2012 compared with the three months ended September 30, 2012

- Net profit of \$2.8 billion, increased by 3.8%, or \$101 million.
- Earnings per stock unit of \$1.13, increased by 3.8%, or \$0.03.
- Cost to income ratio increased to 55.55%, from 52.50%.
- Return on average total assets increased to 2.87%, from 2.83%.
- Return on average stockholders' equity increased to 16.70%, from 16.46%.

Our results for the first quarter ended December 31, 2012 exemplify the progress we are making towards our long term vision of sustainable and continuously improving financial performance. Despite the uncertainties and challenges within the Jamaican economic environment, we continue to grow our core business, specifically our loan and customer deposits portfolios. We believe that the initiatives which we have implemented over the past year have resulted in increased performance in a number of key areas across the group.

For the 2013 financial year we will continue to strengthen our sales team and improve our infrastructure. We will also focus on making our service delivery more effective and efficient for our customers, while utilising innovation and lean principles to ensure that we are improving shareholder returns over time.

Financial performance

For the quarter ended December 31, 2013, operating income grew by 8.2%, or \$697 million, when compared with the quarter ended December 31, 2011, mainly as a result of:

- Interest income, which increased by 8.5%, or \$645 million, primarily due to growth in loans and investments.
- Net fee and commission income, which increased by 15.6%, or \$279 million, due primarily to increased card transaction volumes in the Payment Services segment, as well as increased fees earned from new loans, primarily in the Retail & SME segment.

These increases were partially offset by a \$210 million reduction in gain on foreign currency and investment activities mainly due to reduced spreads and trading volumes, and an \$85 million increase in interest expenses mainly as a result of growth in the funding portfolio.

Operating expenses increased \$583 million in the three months ended December 31, 2012, over the three months ended December 31, 2011, mainly as a result of:

- Provision for credit losses, which increased by \$251 million, due largely to increased loan losses.
- Other operating expenses, which increased by \$161 million, primarily due to increased asset tax.

Loans and advances, which totalled \$116.6 billion (net of provision for credit losses) as at December 31, 2012, grew by 15.2%, or \$15.4 billion, compared to the loan portfolio as at December 31, 2011. Non-performing loans totalled \$8.8 billion as at December 31, 2012 (\$7.4 billion as at December 31, 2011) and represented 7.2% of the gross loans compared to 7.2% as at December 31, 2011. Our activities to ensure that our delinquency management processes remain robust and proactive are ongoing and we continue to make the necessary adjustments to respond to changes in the environment. The regulatory provision coverage at December 31, 2012 was 113.8% of non-performing loans compared to 115.8% at December 31, 2011.

Customer deposits grew by 14.2%, or \$22.1 billion, to \$177.4 billion at December 31, 2012, compared to the deposit portfolio at December 31, 2011.

As reported by the Bank of Jamaica, at September 30, 2012, NCBJ held the largest market share in loans (38.1%) and deposits (37.9%) in the commercial banking industry, and remains the largest commercial bank in Jamaica when measured by assets, branch network and capital base.

Segment performance December 31, 2012 compared to December 31, 2011

The Commercial Bank activities, comprising, the Retail & SME, Payments Services, Corporate Banking, and Treasury & Correspondent Banking segments produced combined operating profits of \$2.0 billion, a decrease of 7.3%, or \$156 million.

Retail & SME

Operating profits of \$171 million, increased by 180.5%, or \$110 million, primarily due to increased interest income and fee and commission income driven by the growth in the loan portfolio, despite increased provisions for credit losses.

Payment Services

Operating profits of \$517 million, an increase of 11.0%, or \$51 million, driven mainly by increased net interest income and net fee and commission income, due to continued growth in the credit card portfolio and acquiring business in the quarter.

Segment performance December 31, 2012 compared to December 31, 2011 (continued)

Corporate Banking

Operating profits of \$389 million, represented a decline of 27.2%, or \$145 million, mainly attributed to reduced net interest income and higher operating expenses primarily due to costs incurred in maintaining and operating properties held in relation to impaired loans.

Treasury & Correspondent Banking

Operating profits of \$915 million, represented a decline of 15.8%, or \$172 million, and was mostly due to lower gains on foreign currency and investment activities due to reduced transaction volumes.

Wealth Management

Operating profits of \$1.2 billion, increased by 3.1%, or \$37 million, primarily due to increased net interest income and increased dividends received.

Insurance and Pension Fund Management

Operating profits of \$702 million, increased by 33.0% or \$174 million, mainly as a result of increased gains on foreign currency and investment activities, dividend income, and lower staff costs.

Capital management

The Group's stockholders' equity of \$67.2 billion as at December 31, 2012, grew by 7.2%, or \$4.5 billion, when compared to December 31, 2011.

- The risk-based capital adequacy ratio (risk assessed assets as a percentage of qualifying capital) for NCBJ was 12.9% (December 31, 2011 – 15.1%).
- The capital to risk weighted assets ratio (risk assessed assets as a percentage of qualifying capital) for NCB Capital Markets Limited (NCBCM) was 26.5% (December 31, 2011 – 36.6%).
- The solvency ratio (stockholders' equity as a percentage of total liabilities) for NCB Insurance Company Limited (NCBIC) was 35.2% (December 31, 2011 – 35.3%).

Dividends

The Board of Directors, at its meeting on February 14, 2013, declared an interim dividend of \$0.23 per ordinary stock unit. The dividend is payable on March 14, 2013 for stockholders on record as at March 1, 2013.

Awards

For the fifth consecutive year, NCBJ was awarded the **“Bank of the Year in Jamaica”** by the Financial Times Banker Magazine. The award is to reward and promote industry wide excellence in the global banking community. Also, for the third consecutive year, the Human Resource Management Association of Jamaica awarded us the prestigious **Golden Leader Award for innovation**; which recognises the creative and innovative initiatives and unique approaches that companies employ to provide HR solutions that improve organisational performance and profitability.

Awards (continued)

At the Jamaica Stock Exchange (JSE) Best Practices Awards ceremony held in December 2012, NCBJ won four of the eleven categories, namely, the **Governor General's Award for Excellence**, in recognition of being the best overall company for the year; **Corporate Disclosure & Investor Relations**; **The Private Sector Organisation of Jamaica/JSE Corporate Governance Award**, for the third consecutive year, and **Best Annual Report**. NCBCM was also awarded first runner-up in the category of Revenue Generation and Market Activity, for the second consecutive year.

Community Relations

In pursuit of building the communities that we serve, we contributed over \$20 million to a number of initiatives during the quarter. The main areas of focus were Education & School Infrastructure, Community Development and Sports, Youth Leadership and Entrepreneurship.

Education & School Infrastructure

We paid examination fees for 4,374 students across the island sitting CXC/CSEC Principles of Accounts and Principles of Business subjects through our CXC/CSEC Fee Sponsorship programme. In addition, the Bank donated trophies to top teachers across Jamaica in partnership with the Jamaica Teaching Council on World Teachers' Day held in October 2012. Several schools also received assistance under the Foundation's Academic Infrastructure & Equipment Programme.

Community Development & Sports

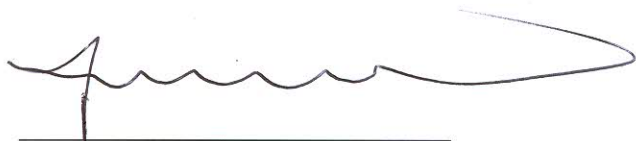
During the period, we assisted schools, governmental agencies as well as community based organisations with their Christmas Treats. In addition, charitable organisations such as Missionaries of the Poor and the Franciscan Sisters of Allegany received support for their various outreach programmes. We continued our commitment to sports development by supporting a number of programmes which included donations to the Jamaica Cricket Association with their under 17 programme.

Youth Leadership & Entrepreneurship

We continued to support The Private Sector Organisation of Jamaica's YUTE programme. In addition, we supported PALS Jamaica Limited, the Association of Principals and Vice Principals which awarded top students and educators at the CXC/CSEC level, and the National Youth Service, which mainly caters to unattached youths.

We are extremely grateful to our customers, shareholders, employees and other key stakeholders whose support has allowed us to fulfil our mantra of Building a Better Jamaica.

To our customers, we say thank you for your continued loyalty, confidence and support; together, *We Make It Happen*.



ON BEHALF OF THE BOARD

National Commercial Bank Jamaica Limited

Unaudited Consolidated income statement

Quarter ended December 31, 2012

(expressed in Jamaican dollars unless otherwise indicated)

	<i>CURRENT YEAR</i>		<i>PRIOR YEAR</i>	
	Quarter ended	Quarter Ended	Quarter Ended	Quarter Ended
	December 31	September 30	December 31	December 31
	2012	2012	2011	
	\$'000	\$'000	\$'000	
Operating income				
Interest income	8,192,303	7,682,548	7,547,198	
Interest expense	(2,292,387)	(2,235,321)	(2,207,598)	
Net interest income	5,899,916	5,447,227	5,339,600	
Fee and commission income	2,417,482	2,130,526	2,036,567	
Fee and commission expense	(346,185)	(325,206)	(244,304)	
Net fee and commission income	2,071,297	1,805,320	1,792,263	
Gain on foreign currency and investment activities	796,273	590,657	1,006,619	
Dividend income	113,415	50,708	30,668	
Premium income	262,170	257,117	281,545	
Other operating income	19,993	30,154	15,275	
	1,191,851	928,636	1,334,107	
	9,163,064	8,181,183	8,465,970	
Operating expenses				
Staff costs	2,800,496	1,813,969	2,714,104	
Provision for credit losses	563,014	662,045	312,507	
Depreciation and amortization	256,175	232,325	170,714	
Impairment losses on securities	-	153,778	-	
Other operating expenses	2,033,283	2,249,058	1,872,704	
	5,652,968	5,111,175	5,070,029	
Operating profit	3,510,096	3,070,008	3,395,941	
Share of profit of associates	165,662	465,885	145,421	
Dilution of share in associate	1,050	55,670	-	
Profit before taxation	3,676,808	3,591,563	3,541,362	
Taxation	(890,448)	(906,065)	(772,410)	
NET PROFIT	2,786,360	2,685,498	2,768,952	
Earnings per share (expressed in \$ per share)				
Basic and diluted	1.13	1.10	1.12	

National Commercial Bank Jamaica Limited

Unaudited Consolidated statement of comprehensive income

Quarter ended December 31, 2012

(expressed in Jamaican dollars unless otherwise indicated)

	Quarter ended December 31 2012 \$'000	Quarter ended September 30 2012 \$'000	Quarter ended December 31 2011 \$'000
Net profit	2,786,360	2,685,498	2,768,952
Other comprehensive income, net of tax			
Currency translation gains/(losses)	74,074	(29,796)	5,335
Unrealized (losses)/gains on available-for-sale investments	(75,956)	(1,136,567)	475,622
Realized fair value (gains)/losses on sale and maturity of available-for-sale investments	(379,753)	251,127	(899,827)
	(381,635)	(915,236)	(418,870)
TOTAL COMPREHENSIVE INCOME	2,404,725	1,770,262	2,350,082

National Commercial Bank Jamaica Limited

Unaudited Consolidated statement of financial position

December 31, 2012

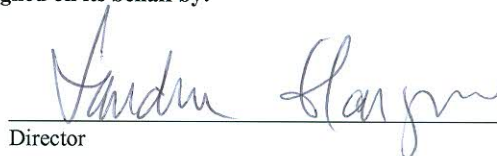
(expressed in Jamaican dollars unless otherwise indicated)

	December 31 2012 \$'000	September 30 2012 \$'000	December 31 2011 \$'000
ASSETS			
Cash in hand and balances at Bank of Jamaica	30,029,277	24,102,812	25,003,776
Due from other banks	20,243,172	14,927,069	15,205,419
Derivative financial instruments	6,845	4,978	-
Investment securities at fair value through profit or loss	380,187	720,406	1,185,926
Reverse repurchase agreements	864,040	408,294	1,171,926
Loans and advances, net of provision for credit losses	116,572,047	111,904,854	101,209,023
Investment securities classified as available-for-sale and loans and receivables	210,769,666	209,933,151	201,677,020
Investment in associates	7,189,400	7,149,680	5,795,587
Investment property	12,500	12,500	12,000
Intangible asset - computer software	1,091,152	1,135,599	934,035
Property, plant and equipment	5,266,888	5,231,798	4,454,251
Deferred income tax assets	68,712	19,483	26,667
Income tax recoverable	869,729	887,577	885,282
Customers' liability - letters of credit and undertaking	489,160	530,719	323,286
Other assets	3,338,925	2,466,599	2,627,387
Total assets	397,191,700	379,435,519	360,511,585
LIABILITIES			
Due to other banks	10,446,777	9,324,897	7,129,638
Customer deposits	177,395,487	162,930,350	155,283,946
Repurchase agreements	101,744,888	101,890,449	86,871,588
Obligations under securitisation arrangements	2,055,032	2,593,201	12,893,423
Derivative financial instruments	-	5,312	-
Other borrowed funds	3,953,102	3,620,012	4,623,278
Income tax payable	118,622	11,191	1,401
Deferred income tax liabilities	1,734,968	1,398,092	2,298,864
Liabilities under annuity and insurance contracts	25,573,134	25,194,324	23,809,459
Provision for litigation	17,007	17,300	18,477
Post-employment benefit obligations	870,276	810,276	614,066
Liability - letters of credit and undertaking	489,160	530,719	323,286
Other liabilities	5,620,705	4,766,075	4,004,513
Total liabilities	330,019,158	313,092,198	297,871,939
STOCKHOLDERS' EQUITY			
Share capital	6,465,731	6,465,731	6,465,731
Shares held by NCB Employee Share Scheme	(3,388)	(3,388)	(3,388)
Fair value and capital reserves	1,812,544	2,194,179	4,747,724
Loan loss reserve	4,715,329	4,662,842	5,618,209
Banking reserve fund	6,512,634	6,512,634	6,219,473
Retained earnings reserve	14,774,657	14,013,657	14,013,657
Retained earnings	32,895,035	32,497,666	25,578,240
Total stockholders' equity	67,172,542	66,343,321	62,639,646
Total equity and liabilities	397,191,700	379,435,519	360,511,585

Approved for issue by the Board of Directors on February 14, 2013 and signed on its behalf by:



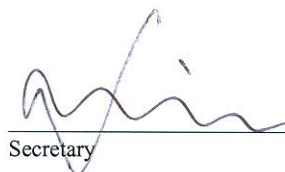
Director



Director



Director



Secretary

National Commercial Bank Jamaica Limited

Unaudited Consolidated statement of changes in stockholders' equity

Quarter ended December 31, 2012

(expressed in Jamaican dollars unless otherwise indicated)

	Share Capital	Shares Held by Share Scheme	Fair Value and Capital Reserves	Loan Loss Reserve	Banking Reserve Fund	Retained Earnings Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at October 1, 2011	6,465,731	(3,388)	5,166,594	4,922,610	6,039,667	11,375,761	27,159,417	61,126,392
Total comprehensive income	-	-	(418,870)	-	-	-	2,768,952	2,350,082
Dividends paid	-	-	-	-	-	-	(836,828)	(836,828)
Transfer to Loan loss reserve	-	-	-	695,599	-	-	(695,599)	-
Transfer to Banking reserve fund	-	-	-	-	179,806	-	(179,806)	-
Transfer to Retained earnings reserve	-	-	-	-	-	2,637,896	(2,637,896)	-
Balance at December 31, 2011	6,465,731	(3,388)	4,747,724	5,618,209	6,219,473	14,013,657	25,578,240	62,639,646
Balance as at October 1, 2012	6,465,731	(3,388)	2,194,179	4,662,842	6,512,634	14,013,657	32,497,666	66,343,321
Total comprehensive income	-	-	(381,635)	-	-	-	2,786,360	2,404,725
Dividends paid	-	-	-	-	-	-	(1,575,504)	(1,575,504)
Transfer to Retained earnings reserve	-	-	-	-	-	761,000	(761,000)	-
Transfer to Loan loss reserve	-	-	-	52,487	-	-	(52,487)	-
Balance at December 31, 2012	6,465,731	(3,388)	1,812,544	4,715,329	6,512,634	14,774,657	32,895,035	67,172,542

National Commercial Bank Jamaica Limited

Unaudited Consolidated statement of cash flows

Quarter ended December 31, 2012

(expressed in Jamaican dollars unless otherwise indicated)

	December 31	December 31
	2012	2011
	\$'000	\$'000
Cash Flows from Operating Activities		
Net profit	2,786,360	2,768,952
Adjustments to reconcile net profit to net cash provided by operating activities	8,443,763	(8,136,862)
Net cash provided by/(used in) operating activities	<u>11,230,123</u>	<u>(5,367,910)</u>
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(200,710)	(251,990)
Acquisition of intangible asset - computer software	(49,404)	(88,225)
Proceeds from disposal of property, plant and equipment	666	1,715
Purchases of investment securities	(68,533,398)	(70,003,173)
Sales/maturities of investment securities	64,505,437	68,213,435
Dividends received from associates	101,674	84,374
Net cash used in investing activities	<u>(4,175,735)</u>	<u>(2,043,864)</u>
Cash Flows from Financing Activities		
Repayments under securitisation arrangements	(438,301)	(1,573,145)
Proceeds from other borrowed funds	759,959	547,988
Repayments of other borrowed funds	(437,999)	(1,359,756)
Dividends paid	(1,575,504)	(836,828)
Net cash used in financing activities	<u>(1,691,845)</u>	<u>(3,221,741)</u>
Effect of exchange rate changes on cash and cash equivalents	928,749	154,239
Net increase/(decrease) in cash and cash equivalents	6,291,292	(10,479,276)
Cash and cash equivalents at beginning of period	16,717,197	38,609,519
Cash and cash equivalents at end of period	<u>23,008,489</u>	<u>28,130,243</u>
Comprising:		
Cash in hand and balances at Bank of Jamaica	11,454,227	8,786,322
Due from other banks	20,243,172	15,205,419
Reverse repurchase agreements	852,628	590,188
Investment securities	905,239	10,677,952
Due to other banks	(10,446,777)	(7,129,638)
	<u>23,008,489</u>	<u>28,130,243</u>

National Commercial Bank Jamaica Limited

Unaudited Segment report

Quarter ended December 31, 2012

	Consumer & SME		Corporate Banking	Treasury & Correspondent Banking	Wealth Management	Insurance & Pension Fund Management	Other	Eliminations	Consolidated
	Retail & SME	Payment Services							
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	3,291,290	1,662,332	1,087,885	1,995,467	2,350,433	1,398,269	15,960	-	11,801,636
Revenue from other segments	768,337	-	454	399,565	167,494	12,911	52,499	(1,401,260)	-
Total revenue	4,059,627	1,662,332	1,088,339	2,395,032	2,517,927	1,411,180	68,459	(1,401,260)	11,801,636
Interest income	3,115,390	615,831	851,359	2,031,320	2,062,462	727,757	8,994	(1,221,063)	8,192,050
Interest expense	(392,017)	(168,946)	(434,943)	(1,235,012)	(1,011,779)	(266,431)	(98)	1,221,063	(2,288,163)
Net interest income	2,723,373	446,885	416,416	796,308	1,050,683	461,326	8,896	-	5,903,887
Net fee and commission income	792,799	692,650	228,927	47,595	33,497	249,146	16,636	(30,776)	2,030,474
Gain on foreign currency and investment activities	35,895	2,064	4,449	198,721	352,924	134,211	16,121	(21,407)	722,978
Premium income	-	-	-	-	-	269,085	-	(6,915)	262,170
Other income	17,448	1,164	968	115,865	69,044	30,981	13,428	(116,181)	132,717
Total operating income	3,569,515	1,142,763	650,760	1,158,489	1,506,148	1,144,749	55,081	(175,279)	9,052,226
Staff costs	1,389,611	70,553	64,382	33,266	115,162	115,710	10,453	(7,359)	1,791,778
Provision for credit losses	388,656	180,714	(6,345)	-	-	-	-	-	563,025
Depreciation and amortisation	38,137	20,082	1,479	25,767	1,951	9,039	371	-	96,826
Other operating expenses	487,599	189,279	114,443	134,961	162,429	318,386	5,680	(42,471)	1,370,306
Total operating expense	2,304,003	460,628	173,959	193,994	279,542	443,135	16,504	(49,830)	3,821,935
Operating profit before allocated costs	1,265,512	682,135	476,801	964,495	1,226,606	701,614	38,577	(125,449)	5,230,291
Allocated costs	(1,094,413)	(165,233)	(88,223)	(49,855)	-	-	-	-	(1,397,724)
Operating profit	171,099	516,902	388,578	914,640	1,226,606	701,614	38,577	(125,449)	3,832,567
Unallocated corporate expenses									(322,471)
Share of profit of associates									165,662
Dilution of share in associate									1,050
Profit before taxation									3,676,808
Taxation									(890,448)
Net profit									2,786,360
Segment assets	142,384,517	10,565,715	55,886,678	133,102,721	111,700,861	34,597,203	995,563	(100,166,204)	389,067,054
Associates									7,189,400
Unallocated assets									935,246
Total assets									397,191,700
Segment liabilities	132,114,090	7,286,265	43,327,826	118,707,018	95,432,825	25,759,639	177,701	(94,857,758)	327,947,604
Unallocated liabilities									2,071,554
Total liabilities									330,019,158
Capital expenditure	173,095	30,828	6,179	7,675	10,160	18,967	3,210	-	250,114

National Commercial Bank Jamaica Limited

Unaudited Segment report

Quarter ended December 31, 2011

	Consumer & SME		Corporate Banking	Treasury & Correspondent Banking	Wealth Management	Insurance & Pension Fund Management	Other	Eliminations	Consolidated
	Retail & SME	Payment Services							
	\$'000	\$'000							
External revenue	2,735,061	1,334,653	973,993	2,307,909	2,264,556	1,280,128	21,572	-	10,917,872
Revenue from other segments	788,353	-	468	250,255	129,339	14,844	49,570	(1,232,829)	-
Total revenue	3,523,414	1,334,653	974,461	2,558,164	2,393,895	1,294,972	71,142	(1,232,829)	10,917,872
Interest income	2,801,540	500,164	784,432	1,836,973	1,998,521	701,609	8,760	(1,085,069)	7,546,930
Interest expense	(413,376)	(136,554)	(249,908)	(1,234,538)	(979,355)	(271,264)	(894)	1,085,069	(2,200,820)
Net interest income	2,388,164	363,610	534,524	602,435	1,019,166	430,345	7,866	-	5,346,110
Net fee and commission income	720,419	581,475	182,317	49,654	30,378	214,728	21,870	(40,397)	1,760,444
Gain on foreign currency and investment activities	32,433	1,786	5,758	561,171	360,792	87,509	(614)	(46,708)	1,002,127
Premium income	-	-	-	-	-	289,764	-	(8,219)	281,545
Other operating income	15,383	1,808	1,074	109,743	3,513	1,390	10,622	(106,307)	37,226
Total operating income	3,156,399	948,679	723,673	1,323,003	1,413,849	1,023,736	39,744	(201,631)	8,427,452
Staff costs	1,195,728	42,640	60,832	54,351	115,856	145,195	26,053	(7,021)	1,633,634
Provision for credit losses	207,845	113,695	(8,944)	-	-	-	-	-	312,596
Depreciation and amortisation	34,116	14,193	1,242	8,686	1,512	9,044	237	-	69,030
Other operating expenses	591,488	160,598	39,654	97,358	107,275	342,083	6,607	(63,527)	1,281,536
Total operating expenses	2,029,177	331,126	92,784	160,395	224,643	496,322	32,897	(70,548)	3,296,796
Operating profit before allocated cost	1,127,222	617,553	630,889	1,162,608	1,189,206	527,414	6,847	(131,083)	5,130,656
Allocated costs	(1,066,223)	(151,907)	(97,240)	(75,896)	-	-	-	-	(1,391,266)
Operating profit	60,999	465,646	533,649	1,086,712	1,189,206	527,414	6,847	(131,083)	3,739,390
Unallocated corporate expenses									(343,449)
Share of profit of associates									145,421
Profit before taxation									3,541,362
Taxation									(772,410)
Net profit									2,768,952
Segment assets	136,217,524	7,332,832	46,457,248	121,168,292	101,222,116	32,809,544	1,012,143	(93,816,962)	352,402,737
Associates									5,795,587
Unallocated assets									2,313,261
Total assets									360,511,585
Segment liabilities	123,079,180	6,782,176	34,224,839	114,176,961	84,941,981	23,916,980	224,634	(92,200,468)	295,146,283
Unallocated liabilities									2,725,656
Total liabilities									297,871,939
Capital expenditure	161,932	51,644	10,045	91,645	9,422	9,341	6,186	-	340,215

National Commercial Bank Jamaica Limited

Notes to the Unaudited Financial Statements

December 31, 2012

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities

National Commercial Bank Jamaica Limited ("the Bank") is incorporated in Jamaica and licensed under the Banking Act, 1992. The Bank is a 49.97% (December 31, 2011 - 53.36%) subsidiary of AIC (Barbados) Limited. The ultimate parent company is Portland Holdings Inc., incorporated in Canada. Portland Holdings Inc. is controlled by Hon. Michael Lee-Chin, OJ.

The Bank's registered office is located at 32 Trafalgar Road, Kingston 10, Jamaica.

The Bank is listed on the Jamaica Stock Exchange and the Trinidad and Tobago Stock Exchange.

The Bank's subsidiaries and other consolidated entities, together with the Bank, are referred to as "the Group".

All subsidiaries are incorporated in Jamaica with the exception of NCB (Cayman) Limited, NCB Remittance Services (Cayman) Limited and NCB Capital Markets (Cayman) Limited, which are incorporated in the Cayman Islands, and NCB Remittance Services (UK) Limited, which is incorporated in the United Kingdom.

2. Basis of preparation

The condensed consolidated interim financial statements for the quarter ended December 31, 2012 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended September 30, 2012 which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Boards (IASB).

There have been no changes in accounting policies since the most recent audited accounts as at September 30, 2012.

3. Segment reporting

The Group is organised into the following business segments:

- Retail & SME – This incorporates the provision of banking services to individual and small and medium business clients and money remittance services.
- Payment services – This incorporates the provision of card related services.
- Corporate banking – This incorporates the provision of banking services to large corporate clients.
- Treasury & correspondent banking – This incorporates the Bank's liquidity and investment management function, management of correspondent bank relationships, and relationships with other financial institutions as well as foreign currency dealing activities.
- Wealth management – This incorporates stock brokerage, securities trading, investment management and other financial services provided by overseas subsidiaries.
- Insurance & pension fund management – This incorporates life insurance, pension and investment management services.
- The Group's insurance brokerage services, trustee services, registrar and transfer agent services are classified as Other for segment reporting.

4. Proposed acquisition

NCB Capital Markets Limited, a wholly owned subsidiary of National Commercial Bank Jamaica Limited, has announced its intention to acquire AIC Finance Limited, a licensed financial institution in Trinidad and Tobago. The transaction is pending regulatory approval in both Trinidad and Tobago and Jamaica. AIC Finance Limited is an indirect subsidiary of AIC (Barbados) Limited, which is controlled by the chairman of the Bank.

5. Subsequent events

Acquisition of Advantage General Insurance Company Limited

NCB Capital Markets Limited acquired 96.24% of the issued share capital of Advantage General Insurance Company Limited (AGI) on February 11, 2013. The shares were acquired from AIC (Barbados) Limited and ACF Holdings Insureco Limited. Both AIC (Barbados) Limited and ACF Holdings Insureco Limited are controlled by the chairman of the Bank.

National Debt Exchange Offer ("NDX")

On February 12, 2013, the Government of Jamaica (GOJ) launched a liability management programme in which domestic holders of certain local bonds issued by GOJ have been invited to exchange those bonds for new bonds with lower coupons and longer maturities.

**INTEREST/OWNERSHIP OF SECURITIES BY DIRECTORS AND SENIOR MANAGERS IN NATIONAL
COMMERCIAL BANK JAMAICA LIMITED
AS AT DECEMBER 31, 2012**

DIRECTORS	Total	Direct	Connected Parties
Robert Almeida	61,152,522	141,589	61,010,933
Wayne Chen	1,271,485,468	14,044	1,271,471,424
Dennis Cohen	73,039,457	86,480	72,952,977
Sandra Glasgow	73,015,026	65,049	72,949,977
Sanya Goffe	4,340	4,340	0
Hon. Noel Hylton, OJ, CD	354,074	14,044	340,030
Patrick Hylton, CD	425,072	425,072	0
Hon. Michael Lee-Chin, OJ	1,575,284,385	1,909,583	1,573,374,802
Thalia Lyn	73,117,935	152,838	72,965,097
Prof. Alvin Wint	88,144	88,144	0
Dave Garcia (Company Secretary)	11,210	11,210	0
SENIOR MANAGERS	Total	Direct	Connected Parties
Rickert Allen	113,696	113,696	0
Bernadette Barrow	0	0	0
Septimus Blake	10,050	10,050	0
Brian Boothe	0	0	0
Robert Brooks	6,209	6,209	0
Nicole Brown	58,294	58,294	0
Ffrench Campbell	57,660	57,660	0
Nichole Case	0	0	0
Lennox Channer	354	0	354
Yvonne Clarke	67,871	67,871	0
Dennis Cohen	73,039,457	86,480	72,952,977
Euton Cummings	0	0	0
Raymond Donaldson	0	0	0
Loren Edwards	7,100	7,100	0
Dave Garcia	11,210	11,210	0
Howard Gordon	0	0	0
Leroy Harding	490	40	450
Peter Higgins	0	0	0
Barbara Hume	69,900	43,320	26,580
Patrick Hylton, CD	425,072	425,072	0
Vernon James	300,000	300,000	0
Ramon Lewis	0	0	0
Alison Lynn	36,075	36,075	0
Sheree Martin	12,436	12,436	0
Nadeen Matthews	10,000	10,000	0
Lincoln McIntyre	134,307	133,067	1,240
Anne McMorris-Cover	940	940	0
Nadienne Neita	38,914	23,502	15,412
Marva Peynado	52,338	52,338	0
Norman Reid	65,287	65,287	0
Stuart Reid	89,630	89,630	0
Marcia Reid-Grant	1,250	1,250	0
Claudette Rodriquez	42,147	42,147	0
Deryck Russell	229,517	108,089	121,428
Malcolm Sadler	0	0	0
Majorie Seeberan	76,339	76,339	0
Audrey Tugwell Henry	0	0	0
Tanya Watson Francis	600	600	0
Mukisa Wilson Ricketts	0	0	0
Allison Wynter	73,050,766	100,789	72,949,977

**NATIONAL COMMERCIAL BANK JAMAICA LIMITED
10 LARGEST SHAREHOLDERS AS AT DECEMBER 31, 2012**

Name of Shareholder	Units	Percentage Ownership
AIC (Barbados) Limited	1,232,587,437	49.97%
Harprop Limited	214,372,000	8.69%
Sagicor PIF Equity Fund	114,046,550	4.62%
AIC Global Holdings Inc	49,565,238	2.01%
NCB Insurance Co. Ltd WT 109	45,874,302	1.86%
Ideal Portfolio Services Company Limited	45,035,886	1.83%
Portland (Barbados) Limited	38,045,232	1.54%
Beta SPV Limited	21,000,000	0.85%
SJIML A/C 3119	19,574,981	0.79%
T & T Unit Trust Corporation - FUS	18,250,000	0.74%

**NATIONAL COMMERCIAL BANK JAMAICA LIMITED
SHAREHOLDER PROFILE AS AT DECEMBER 31, 2012**

Number of Shareholders	Ownership of Each Shareholder	Total Percentage Ownership	Number of Units
(1) shareholder with 6 accounts	49.97%	49.97%	1,232,587,437
1	6-9%	8.69%	214,372,000
5	1-4%	11.86%	292,567,208
36,248	Less than 1%	29.48%	727,236,183
36,255		100.00%	2,466,762,828