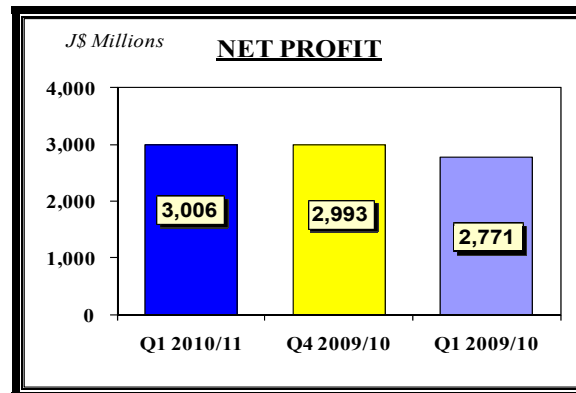


The Board of Directors is pleased to release the following unaudited results for National Commercial Bank Jamaica Limited (NCBJ) and its subsidiaries for the three months ended 31 December 2010.

PERFORMANCE HIGHLIGHTS

Quarter ended December 2010 compared with Quarter ended September 2010

- Net Profit of \$3.01 billion, increased by 0.4% or \$13 million.
- Earnings per Stock Unit of \$1.22 increased by 0.4%.
- Operating Revenue increased by \$0.99 billion or 13.0%.
- Operating Expenses increased by \$737 million or 18.1%.
- Total Assets of \$341.44 billion, increased by 1.9% or \$6.47 billion.
- Net Loans of \$88.56 billion, increased by 3.0% or \$2.56 billion.
- Investment Securities of \$204.59 billion, increased by 2.2% or \$4.46 billion.
- Customer Deposits of \$142.32 billion, decreased by 1.4% or \$1.97 billion.
- Cost to Income Ratio increased to 52.8% from 49.2%.
- Return on Average Equity decreased to 23.98% from 25.16%.
- Return on Average Assets declined to 3.55% from 3.64%.
- Risk-Based Capital Adequacy Ratio decreased to 15.5% from 16.5%.



Quarter Ended December 2010 compared with Quarter Ended December 2009

- Net Profit of \$3.01 billion, an increase of \$235 million or 8.5%.
- Earnings per Stock Unit of \$1.22 grew by \$0.09 or 8.5%.
- Operating Revenue of \$8.6 billion, increased by 13.7% or \$1.04 billion.
- Cost to Income Ratio increased to 52.8% from 50.8%.
- Risk-Based Capital Adequacy Ratio improved to 15.5% from 15.3%.
- Return on Average Equity declined to 23.98% from 26.69%.
- Return on Average Assets increased to 3.55% from 3.53%.

PERFORMANCE HIGHLIGHTS (continued)

- The increase in Operating Revenue over the September quarter is mainly as a result of
 - increased insurance premium income of J\$735 million resulting from annuities written in the period,
 - increased net interest income of J\$301 million resulting from growth in our investment portfolio coupled with lower cost of funding,
 - increased fee and commission income in the areas of pension management, credit related and card related activities.
- Operating Expenses increased by \$737 million or 18.1% over the September quarter, and this was primarily due to increased benefits and changes in actuarial reserves mainly caused by the significant amount of annuity business written in the period.

SEGMENT PERFORMANCE

Banking

The Retail, Corporate and Treasury units of the banking segment reported combined operating results of \$2.41 billion for the three months ended 31 December 2010; this represents an increase of \$91 million over the prior year.

Loans and advances, which totalled \$88.6 billion (net of provision for credit losses) as at 31 December 2010, grew by \$652 million compared to the loan portfolio as at 31 December 2009. This increase is due to loan growth for the Retail Banking Unit. Non-performing loans totalled \$3.4 billion as at December 2010 (\$2.7 billion as at December 2009) and represented 3.8% of the gross loans compared to 3.0% as at 31 December 2009. Our provision coverage as at December 2010 was 131.8% compared to 142.2% at December 2009.

NCBJ remains the largest commercial bank when measured by profit, assets, branch network and capital base.

Wealth Management

Our wealth and asset management segment contributed operating profits of \$1.07 billion for the quarter ended 31 December 2010; the result for this segment reflects a 19% increase over the prior December 2009 period. The growth over the prior year's results is due mainly to increase in net interest income.

Insurance

Our insurance segment reported operating profits of \$592 million for the three months ended 31 December 2010, representing growth of \$52 million over the prior year's results.

CAPITAL

The Group's Stockholders' Equity of \$51.5 billion increased by \$9.4 billion or 22.4% when compared to 31 December 2009.

- The Risk-Based Capital Ratio for NCBJ was 15.5% which exceeds the minimum requirement of 10% stipulated by the Bank of Jamaica (31 December 2009 – 15.3%).
- The Capital to Risk Weighted Assets Ratio for NCBCM was 76.8% which exceeds the minimum requirement of 10% stipulated by the Financial Services Commission (31 December 2009 – 62.8%).
- The Solvency Ratio for NCBIC was 28.3% which exceeds the minimum requirement of 10% stipulated by the Financial Services Commission (31 December 2009 – 25.5%).

DIVIDENDS

On 27 January 2011, the Board declared an interim dividend of \$0.45 per ordinary stock unit. The dividend is payable on 24 February 2011 for stockholders on record as at 11 February 2011.

AWARDS

At the Jamaica Stock Exchange (JSE) Best Practices Awards ceremony held in December 2010, we earned the top award in five of seven coveted award categories. We were the proud recipient of the prestigious **Governor General's Award for Overall Excellence**, which is bestowed on the best overall company for the year. We also received the:

- **Best Practices Annual Report Award.** This award is presented to publicly listed companies which produce comprehensive, more reader-friendly annual reports that provide greater insight into the company's financial affairs, governance practices and business activities.
- **JSE Best Practice Corporate Disclosure and Investor Relations Award.** This award serves to recognise companies that make timely and accurate reports and announcements to the JSE. The award also encourages the maintenance of good investor relations with the wider investing public, and we were joint winners of this award.
- **PSOJ/JSE Corporate Governance Award.** This award recognises companies that demonstrate and practise outstanding corporate governance.
- **Best Practices Website (Stockbrokerages) Award.** This award serves to encourage stockbrokerages to raise the quality and efficiency of the dissemination of information to the investing public via their websites, and was won by NCB Capital Markets Limited.

COMMUNITY RELATIONS

NCB remains committed to delivering on its promise of Building a Better Jamaica by not only doing well, but also doing good in the communities in which we serve. For the first quarter, through the NCB Foundation, we contributed \$15 million in the areas of Education (including school infrastructure and equipment), Community Development, Youth Leadership and Entrepreneurship.

Education

The main activity for the quarter was the payment of CXC/CSEC fee for Principles of Accounts (POA) and Principles of Business (POB) for 4,516 students who will sit the June 2011 examinations. We also donated computers and other equipment to a number of primary, tertiary and community based educational institutions. Our funding for education during the quarter was \$11 million.

Community Development

Each year, NCB provides scholarships for approximately 200 new and continuing students, and one of our strategies for increasing community awareness and involvement is to encourage our scholarship recipients to “give back” by assisting in community development initiatives. In December 2010, some of our scholarship recipients led a painting project at the St. Anne’s Primary School, located in West Kingston. The project, themed ‘Scholars Give Back’, involved the painting of the grades four and five classrooms and giving the school’s only recreational area a facelift. The school serves the communities of Hannah Town, Denham Town and Tivoli Gardens.

Our staff members are also heavily involved in our community development activities and we wish to express our deep appreciation to them for their enthusiastic support of these activities, as well as their continued contribution to our organisation’s success.

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

Consolidated Income Statement

Quarter ended 31 December 2010

(expressed in Jamaican dollars unless otherwise indicated)

	CURRENT YEAR			PRIOR YEAR		
	Quarter Ended			Quarter Ended		
	31 December			30 September		
	2010			2009		
	\$'000			\$'000		
Operating Income						
Interest income	7,816,133	7,795,886	9,357,477			
Interest expense	(2,410,473)	(2,691,019)	(3,933,103)			
Net interest income	5,405,660	5,104,867	5,424,374			
Fee and commission income	1,834,958	1,746,180	1,646,353			
Fee and commission expense	(237,431)	(219,385)	(236,930)			
Net fee and commission income	1,597,527	1,526,795	1,409,423			
Gain on foreign currency and investment activities	732,181	722,364	543,693			
Dividend income	5,778	13,326	45,571			
Insurance premium income	839,462	104,720	123,214			
Other operating income	20,386	138,738	17,139			
	1,597,807	979,148	729,617			
	8,600,994	7,610,810	7,563,414			
Operating Expenses						
Staff costs	2,279,998	2,114,876	2,400,781			
Provision for credit losses	260,523	289,196	238,485			
Depreciation and amortisation	138,959	128,983	141,002			
Impairment losses on securities	-	27,520	-			
Other operating expenses	2,122,059	1,504,080	1,299,770			
	4,801,539	4,064,655	4,080,038			
Operating Profit	3,799,455	3,546,155	3,483,376			
Share of profits of associate	58,284	65,261	14,681			
Profit before Taxation	3,857,739	3,611,416	3,498,057			
Taxation	(851,992)	(618,545)	(726,978)			
NET PROFIT	3,005,747	2,992,871	2,771,079			
Earnings per stock unit (expressed in \$ per share)	\$ 1.22	\$ 1.22	\$ 1.13			

National Commercial Bank Jamaica Limited

Consolidated Statement of Comprehensive Income

Quarter ended 31 December 2010

(expressed in Jamaican dollars unless otherwise indicated)

	Quarter Ended 31 December 2010 \$'000	Quarter Ended 30 September 2010 \$'000	Quarter Ended 31 December 2009 \$'000
Net Profit	3,005,747	2,992,871	2,771,079
Other Comprehensive Income, net of taxes			
Currency translation (losses)/gains	(67,114)	9,578	2,815
Unrealised gains on available-for-sale investments	1,245,814	530,822	546,269
Realised fair value gains on sale and maturity of investments	(425,276)	(115,821)	(101,130)
	753,424	424,579	447,954
TOTAL COMPREHENSIVE INCOME	3,759,171	3,417,450	3,219,033

National Commercial Bank Jamaica Limited


Consolidated Statement of Financial Position

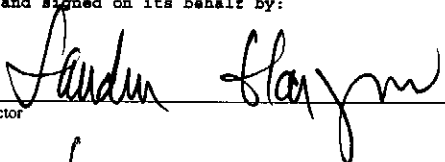
31 December 2010


(expressed in Jamaican dollars unless otherwise indicated)

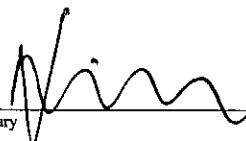
	31 December 2010 S'000	30 September 2010 S'000	31 December 2009 S'000
ASSETS			
Cash in hand and balances at Bank of Jamaica	19,095,389	19,472,761	22,443,652
Due from other banks	17,390,783	17,048,849	17,631,558
Derivative financial instruments	24,585	12,864	13,297
Investment securities at fair value through profit or loss	856,594	698,711	710,848
Reverse repurchase agreements	1,068,793	1,143,581	8,361,080
Loans and advances, net of provision for credit losses	88,558,435	85,995,102	87,906,164
Investment securities	203,734,374	199,434,273	164,329,505
Investments in associate	2,379,007	2,320,723	2,148,674
Investment property	12,000	12,000	13,000
Intangible asset - computer software	403,114	359,980	231,092
Property, plant and equipment	4,112,233	4,114,155	3,991,420
Retirement benefit asset	-	-	11,632
Deferred income tax assets	26,729	119,794	513,471
Income tax recoverable	1,527,457	1,855,938	1,885,544
Customers' liability - letters of credit and undertaking	212,641	291,106	495,557
Other assets	2,040,237	2,090,174	2,713,580
Total Assets	341,442,371	334,970,011	313,400,074
LIABILITIES			
Due to other banks	7,160,055	3,708,232	5,650,997
Customer deposits	142,318,047	144,283,158	132,392,548
Promissory notes and certificates of participation	227,182	223,154	204,052
Repurchase agreements	88,676,545	85,292,763	74,671,704
Obligations under securitisation arrangements	18,864,966	20,456,162	25,812,930
Derivative financial instruments	14,849	25,930	210,416
Other borrowed funds	5,925,424	6,575,623	7,509,983
Income tax payable	5,340	3,095	5,777
Deferred income tax liabilities	907,933	104,332	215,976
Policyholders' liabilities	21,306,838	20,405,624	19,759,494
Provision for litigation	13,000	13,300	9,000
Retirement benefit obligations	456,177	445,873	440,154
Liability - letters of credit and undertaking	212,641	291,106	495,557
Other liabilities	3,893,838	4,333,726	3,977,030
Total Liabilities	289,982,835	286,162,078	271,355,618
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 other reserves	3,288,670	1,457,864	512,231
Loan loss reserve	1,629,876	1,135,012	992,419
Banking reserve fund	5,425,166	5,200,206	4,581,558
Retained earnings reserve	8,875,761	8,875,761	8,875,761
Retained earnings	25,777,720	25,676,747	20,620,144
Total Stockholders' Equity	51,459,536	48,807,933	42,044,456
Total Equity and Liabilities	341,442,371	334,970,011	313,400,074

Approved for issue by the Board of Directors on 27 January 2011 and signed on its behalf by:


Director


Director


Director


Secretary

National Commercial Bank Jamaica Limited

Consolidated Statement of Changes in Stockholders' Equity

Quarter ended 31 December 2010

(expressed in Jamaican dollars unless otherwise indicated)

	Share Capital	Shares Held by Share Scheme	Fair Value and Other Reserves	Loan Loss Reserve	Banking Reserve Fund	Retained Earnings Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 October 2009	6,465,731	(3,388)	64,277	744,159	4,362,102	8,875,761	20,507,304	41,015,946
Total comprehensive income	-	-	447,954	-	-	-	2,771,079	3,219,033
Dividends paid	-	-	-	-	-	-	(2,190,523)	(2,190,523)
Transfer to Loan Loss Reserve	-	-	-	248,260	-	-	(248,260)	-
Transfer to Banking Reserve Fund	-	-	-	-	219,456	-	(219,456)	-
Balance at 31 December 2009	6,465,731	(3,388)	512,231	992,419	4,581,558	8,875,761	20,620,144	42,044,456
Balance as at 1 October 2010	6,465,731	(3,388)	1,457,864	1,135,012	5,200,206	8,875,761	25,676,747	48,807,933
Total comprehensive income	-	-	753,424	-	-	-	3,005,747	3,759,171
Dividends paid	-	-	-	-	-	-	(1,107,568)	(1,107,568)
Transfer to Loan Loss Reserve	-	-	-	494,864	-	-	(494,864)	-
Redemption of Preference Shares	-	-	1,077,382	-	-	-	(1,077,382)	-
Transfer to Banking Reserve Fund	-	-	-	-	224,960	-	(224,960)	-
Balance at 31 December 2010	6,465,731	(3,388)	3,288,670	1,629,876	5,425,166	8,875,761	25,777,720	51,459,536

National Commercial Bank Jamaica Limited

Consolidated Statement of Cash Flows

Quarter ended 31 December 2010

(expressed in Jamaican dollars unless otherwise indicated)

	Quarter Ended 31 December 2010 \$'000	Quarter Ended 31 December 2009 \$'000
Cash Flows from Operating Activities		
Net profit	3,005,747	2,771,079
Changes in operating assets and liabilities	(881,035)	(977,345)
Other adjustments to reconcile net profit	101,604	(402,815)
Net cash provided by operating activities	<u>2,226,316</u>	<u>1,390,919</u>
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(116,361)	(106,827)
Acquisition of intangible asset - computer software	(74,911)	(7,833)
Proceeds from disposal of property, plant and equipment	9,539	6,915
Purchases of investment securities	(85,107,316)	(15,325,254)
Sales/maturities of investment securities	77,345,785	21,916,838
Net cash (used in)/provided by investing activities	<u>(7,943,264)</u>	<u>6,483,839</u>
Cash Flows from Financing Activities		
Repayments under securitisation arrangements	(1,497,932)	(1,493,343)
Proceeds from other borrowed funds	96,821	246,288
Repayments of other borrowed funds	(703,546)	(196,274)
Dividends paid	(1,107,568)	(2,190,523)
Net cash used in financing activities	<u>(3,212,225)</u>	<u>(3,633,852)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(214,202)</u>	<u>209,821</u>
Net (decrease)/increase in cash and cash equivalents	(9,143,375)	4,450,727
Cash and cash equivalents at beginning of period	40,727,035	18,594,234
Cash and cash equivalents at end of period	<u>31,583,660</u>	<u>23,044,961</u>
Comprising:		
Cash in hand and balances at Bank of Jamaica (excluding Statutory Reserves)	3,984,350	6,428,138
Due from other banks	17,390,783	17,631,558
Investment securities with an original maturity of less than 90 days	17,368,582	4,636,262
Due to other banks	(7,160,055)	(5,650,997)
	<u>31,583,660</u>	<u>23,044,961</u>

National Commercial Bank Jamaica Limited

Segment Report

Quarter ended 31 December 2010

	Banking			Wealth			Eliminations \$'000	Consolidated \$'000
	Retail \$'000	Corporate \$'000	Treasury \$'000	Management \$'000	Insurance \$'000	Other \$'000		
External operating revenue	3,536,939	1,200,690	2,493,306	2,204,825	1,786,944	26,194	-	11,248,898
Operating revenue from other segments	998,392	256	243,518	142,030	7,534	47,737	(1,439,467)	-
Operating revenue	4,535,331	1,200,946	2,736,824	2,346,855	1,794,478	73,931	(1,439,467)	11,248,898
Segment result	639,258	644,109	1,131,431	1,066,363	591,817	42,587	(25,281)	4,090,284
Unallocated corporate expenses								(290,829)
Operating profit								3,799,455
Share of profits in associate								58,284
Profit before tax								3,857,739
Taxation expense								(851,992)
Net profit								3,005,747
Segment assets	124,107,881	46,494,893	133,599,295	96,309,297	27,357,565	923,935	(92,706,129)	336,086,737
Associates								2,379,007
Unallocated assets								2,976,627
Total assets								341,442,371
Segment liabilities	114,315,500	36,152,184	123,822,287	83,414,800	21,582,209	168,365	(90,456,264)	288,999,081
Unallocated liabilities								983,754
Total liabilities								289,982,835
Net interest income	2,419,007	724,075	847,720	1,031,160	375,590	8,108	-	5,405,660
Capital expenditure	135,085	2,281	33,089	6,082	13,173	1,562	-	191,272
Depreciation and amortisation	103,371	3,581	3,059	6,775	20,698	1,475	-	138,959

National Commercial Bank Jamaica Limited

Segment Report

Quarter ended 31 December 2009

	Banking			Wealth			Eliminations \$'000	Consolidated \$'000
	Retail \$'000	Corporate \$'000	Treasury \$'000	Management \$'000	Insurance \$'000	Other \$'000		
External operating revenue	3,280,341	1,403,304	2,961,497	2,746,123	1,313,482	28,700	-	11,733,447
Operating revenue from other segment:	1,834,081	480	374,455	111,295	46,806	31,731	(2,398,848)	-
Operating revenue	5,114,422	1,403,784	3,335,952	2,857,418	1,360,288	60,431	(2,398,848)	11,733,447
Segment result	776,304	746,793	801,161	894,637	540,169	32,024	(11,920)	3,779,168
Unallocated corporate expenses								(295,792)
Operating profit								3,483,376
Share of profits in associate								14,681
Profit before tax								3,498,057
Taxation expense								(726,978)
Net profit								2,771,079
Segment assets	116,793,572	51,858,458	130,584,048	84,056,909	24,005,107	865,538	(100,577,515)	307,586,117
Associates								2,148,674
Unallocated assets								3,665,283
Total assets								313,400,074
Segment liabilities	104,933,752	44,705,202	125,395,167	74,334,304	19,843,333	115,771	(98,568,849)	270,758,680
Unallocated liabilities								596,938
Total liabilities								271,355,618
Net interest income	2,525,119	818,204	600,326	963,414	502,012	15,299	-	5,424,374
Capital expenditure	71,363	8,387	7,347	9,834	13,285	4,444	-	114,660
Depreciation and amortisation	112,586	3,732	2,219	8,209	13,146	1,110	-	141,002

National Commercial Bank Jamaica Limited

Notes to the Financial Statements

31 December 2010

(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 53.02% 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, 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 consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale investment securities, investment securities at fair value through profit or loss, derivative contracts and investment property.

There have been no changes in accounting policies since the most recent audited accounts as at 30 September 2010.

Where necessary, comparative figures for 31 December 2009 have been reclassified to conform with changes in presentation in the current period.