

RELEASE

July 23, 2015 – 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 nine months ended June 30, 2015.

Performance highlights

We reported net profit of **\$8,554 million** (pro forma \$9,014 million) for the nine months ended June 30, 2015, compared to restated net profit of \$8,971 million (pro forma \$8,772 million) for the prior year. These nine month results for the 2014/2015 financial year reflect another commendable performance in a challenging environment as we see the resilience of our diversified business model.

The results continue to be impacted by the Group's adoption of International Financial Reporting Interpretation Committee (IFRIC) 21 – *Levies*. In keeping with IFRIC 21, asset tax is no longer eligible to be accounted for on a periodic accrual basis, but must be recorded in full when triggered. In the quarter ended December 31, 2014, the full liability of the asset tax expense imposed by the Government of Jamaica was recorded on October 1, 2014 for all entities with the exception of our insurance companies (NCB Insurance Company Limited and Advantage General Insurance Company Limited), whose full liability for asset tax was expensed on January 1, 2015. We have restated the prior periods to reflect the effect of this accounting change.

The table below shows a comparison of our financial results for the nine months ended June 30, 2015 under International Financial Reporting Standards (IFRS) with the pro forma results if asset tax was accrued throughout the year.

	As reported in Financial Statements at June 30, 2015	Effect of implementation of IFRIC 21	Pro forma at June 30, 2015	Year to Date Results as previously reported in Financial Statements at June 30, 2014 (nine months October 2013 to June 2014)
Net profit (\$'000)	8,553,908	460,240	9,014,148	8,772,498
Operating expenses (\$'000)	24,076,653	(460,240)	23,616,413	21,753,641
Earnings per stock unit (\$)	\$3.48	\$0.18	\$3.66	\$3.56
Cost to income ratio (%)	63.9%	(1.3%)	62.6%	64.4%
Return on average assets (%)	2.3%	0.1%	2.4%	2.5%
Return on average equity (%)	13.5%	0.7%	14.2%	15.6%

The pro forma normalised net profit for the three months ended June 30, 2015 was **\$2,895 million**, 13% or \$445 million lower than the pro forma normalised net profit for the three months ended March 31, 2015 of \$3,341 million, and 1% or \$29 million below the previously reported net profit for the three months ended June 30, 2014 of \$2,924 million.

Performance highlights (continued)

The subsequent discussion and analysis on the financial performance in this document is based on the IFRS results and financial position.

Nine months ended June 30, 2015 compared with the nine months ended June 30, 2014 (restated)

- Net profit of \$8.6 billion, a decrease of 5%, or \$417 million.
- Earnings per stock unit of \$3.48, decreased by 5%.
- Cost to income ratio increased slightly to 63.9%, from 63.7%.
- Total assets of \$508.7 billion, grew by 0.5%, or \$2.6 billion.
- Return on average total assets decreased to 2.3%, from 2.5%.
- Total stockholders' equity of \$87.4 billion, increased by 11%, or \$8.3 billion.
- Return on average equity of 13.5%, decreased from 15.8%.
- Net loans of \$162.3 billion, grew by \$10.2 billion, or 7%.

- Customer deposits of \$217.0 billion, increased by \$12.1 billion, or 6%.

Three months ended June 30, 2015 compared with the three months ended March 31, 2015

- Net profit of \$3.2 billion, a decrease of 4%, or \$115 million.
- Cost to income ratio decreased to 59.8%, from 60.4%.
- Return on average total assets of 2.5%, down from 2.6%.

Three months ended June 30, 2015 compared with the three months ended June 30, 2014 (restated)

- Net profit of \$3.2 billion, a decrease of 8%, or \$265 million.
- Cost to income ratio increased marginally to 59.8%, from 59.4%.
- Return on average total assets of 2.5%, down from 2.8%.

Financial performance

Operating income

For the nine months ended June 30, 2015, operating income increased by 11%, or \$3.4 billion, when compared with the nine months ended June 30, 2014, mainly as a result of:

- Gain on foreign currency and investment activities, up by \$1.2 billion. This was due to higher levels of gains from the sale of debt securities and foreign exchange income compared to the prior year.
- Net fee and commission income, growing by \$955 million or 15%, mainly due to Payment Services fees related to card usage and transaction volumes, credit related fees from the growth in loans and greater unit trust and corporate fees booked in the current period stemming from an increase in the number of transactions.
- Net interest income, increasing by 5%, or \$834 million, primarily due to growth in the net loan portfolio.

Operating expenses

Operating expenses increased by 12%, or \$2.5 billion, over the nine months ended June 30, 2014, mainly as a result of:

- Other operating expenses, which grew by 28%, or \$2.0 billion, primarily due to asset tax charges and irrecoverable taxes; marketing and advertising costs arising from additional media, marketing and sponsorship campaigns; technical, consultancy, and professional service fees incurred in achieving our strategic initiatives; and property maintenance expenses.

Financial performance (continued)

Loans and advances

Loans and advances, which totalled \$162.3 billion (net of provision for credit losses) as at June 30, 2015, grew by 7%, or \$10.2 billion, compared to the loan portfolio as at June 30, 2014. Non-performing loans totalled \$8.5 billion as at June 30, 2015 (\$7.9 billion as at June 30, 2014) and represented 5.10% of the gross loans compared to 5.08% as at June 30, 2014. Our activities to manage delinquency are on-going and remain proactive and robust, with the implementation of an automated dialler and Collections Management System. We continue to monitor the environment and respond to changes that impact us and our customers. The regulatory provision coverage at June 30, 2015 was 118.6% of non-performing loans compared to 119.3% at June 30, 2014.

Deposits

Customer deposits were \$217.0 billion, up 6% or \$12.1 billion over the prior year. This was driven by growth in our savings and current accounts portfolios, which increased by 13% and 8% respectively, over the prior year.

Capital

The Group's stockholders' equity was \$87.4 billion as at June 30, 2015, up 11% over the prior year. Our capital position remains strong and our individual companies continued to meet their respective regulatory capital requirements.

Regulatory Capital Requirements

Company	Regulatory capital ratios	June 30, 2015	June 30, 2014
National Commercial Bank Jamaica Limited	Regulatory capital to risk weighted assets ratio [Minimum requirement – 12.5%]	12.7%	12.6%
NCB Capital Markets Limited	Regulatory capital to risk weighted assets ratio [Minimum requirement – 10.0%]	39.5%	26.5%
NCB Insurance Company Limited	Stockholders' equity to total liabilities (Solvency ratio) [Minimum requirement – 10.0%]	46.0%	39.9%
Advantage General Insurance Company Limited	Available assets to required assets (Minimum capital test) [Minimum requirement – 250.0%]	340.0%	316.4%



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Segment performance for the nine months ended June 30, 2015

Commercial banking activities, comprising the Retail & SME, Payments Services, Corporate Banking, and Treasury & Correspondent Banking segments, produced combined operating profits of \$7.0 billion for the nine months ended June 30, 2015, an increase of 21%, or \$1.2 billion, when compared to the nine months ended June 30, 2014.

Retail & SME

Operating profit of \$1.3 billion improved by 13%, or \$147 million. Allocated expenses to this segment were \$249 million or 7% below the prior period and operating income was 2% and \$172 million above the prior year due to growth in the loan portfolio which resulted in higher levels of interest income from loans.

Payment Services

Operating profit of \$1.1 billion decreased by 21%, or \$289 million. Operating expenses increased by \$497 million or 24% due to costs incurred related to direct credit card marketing campaigns and higher loan loss provision expenses and allocated expenses to this segment, which increased by \$264 million or 51%. Operating income grew by \$472 million, driven by increased fee and commission income due to higher transaction volumes.

Corporate Banking

Operating profit of \$952 million grew by 79%, or \$420 million, mainly due to increased operating income of \$598 million as a result of higher interest income from loans and net fee and commission income. This was partially offset by allocated expenses, which grew by \$151 million or 56%.

Treasury & Correspondent Banking

Operating profit of \$3.7 billion increased by 35%, or \$943 million, primarily due to higher gains on foreign currency and investment activities and interest income from investment securities due to growth in the interest earning asset portfolio.

Wealth, Asset Management and Investment Banking

Operating profit of \$2.5 billion decreased by 10%, or \$274 million. Operating expenses grew by \$461 million or 48% resulting from higher staff costs, impairment provisions made, marketing and professional services. Operating income increased by \$187 million due to growth in unit trust and corporate finance fees and gains from investment activities.

Insurance and Pension Fund Management

Operating profit of \$2.4 billion increased by 16%, or \$330 million. Operating income increased by \$652 million, driven by premium income. Operating expenses grew by \$322 million due to higher staff costs, asset tax expenses and marketing and advertising costs; this was offset by lower policyholder' and annuitants' benefits and reserves resulting from changes in the actuarial assumptions related to tax policy changes.

General Insurance

Operating profit of \$1.0 billion increased by \$8 million or 1%. Operating income grew by \$114 million or 3% as a result of premium income and net fee and commission income. Operating expenses increased by \$106 million or 3%, mainly due to increased expenses associated with policyholders and annuitants benefits and reserves.

Dividends

The Board of Directors, at its meeting on July 23, 2015, declared an interim dividend of \$0.45 per ordinary stock unit. The dividend is payable on August 21, 2015 for stockholders on record as at August 10, 2015.

Business highlights

- During the quarter, NCB Insurance Company Limited (NCBIC) was awarded “*Pension Fund Manager of the Year, Caribbean*”, by World Finance, a leading financial magazine. The World Finance award recognises pension scheme managers who show the highest level of service to members.
- NCB hosted its Financial Fitness Days in May; the focus was to provide our customers with a complete package of financial solutions and the requisite tools to enable their financial well-being.
- We hosted our 2nd SME Conference, themed – *Growth through Transformation* in June. The aim was to facilitate economic growth by strengthening the capacity of SMEs to access financing from various sources, including but not limited to commercial banks, private equity and venture capital funds. The conference included hands-on workshops and interactive sessions to help attendees seize global opportunities, access financing and increase productivity and sales through technology and e-commerce and many other topics.

Corporate Social Responsibility

We believe that it is important to build the communities we serve and this is the mission of the N.C.B. Foundation. During the nine months ended June 30, 2015, we donated over \$43 million in support of various initiatives, the focus of which were education, community (including sports), youth leadership and entrepreneurship.

To close the quarter, we celebrated the significant milestone of having donated over \$1 billion in ten years to nation building efforts. Under the distinguished patronage of the Prime Minister of Jamaica, Hon. Portia Simpson Miller, and Michael Lee-Chin, NCB Group Chairman, we celebrated this achievement which has directly impacted over 160,000 Jamaicans.

Education

NCB took great pride in calling interested applicants as the annual Scholarships and Grants programme was opened to the general public on April 16, 2015 and closed on June 4, 2015. Accessible via www.ncbfoundation.org, the applicants were from the primary to the tertiary level, with special grants to teachers; this year an unprecedented 7,902 applications were received representing 708 from students pursuing studies in teaching, 5,874 from other tertiary applicants and 1,320 from students at the primary and secondary levels. This represents a significant increase of over 3,000 applications over last year.

Education continues to be the primary area of focus with commitments in infrastructural development as well as support for activities for Child’s month and Education week. During this quarter, NCB’s Adopt a School programme was used as a medium through which staff members supported their 31 adopted schools on Teachers’ Day and Read across Jamaica Day by way of treats, well needed equipment and time with the students and staff. The International University College also received a donation towards the refurbishing of its newly acquired building in the parish of Manchester.

Corporate Social Responsibility (continued)

Education (continued)

The Foundation forged a first time partnership with One on One Educational Services, a learning institution which provides personalised educational services and e-learning solutions to secondary school students. Its CSEC Principles of Accounts and Principles of Business question and answer series were specifically sponsored based on NCB's payment of fees for these subjects and were featured in the Daily Gleaner over an eight week period in time for the students to use as revision material in their examination preparations.

Community Development

NCB Foundation led the annual Labour Day activities for the NCB Group with over 20 projects. Four major projects were undertaken in keeping with the national focus on children and led to the painting of the Pediatric and Accident and Emergency wards at the Spanish Town Hospital; ceiling and electrical repairs at the Victoria Jubilee Hospital's Labour Ward; painting and detailed cleaning of the Elletson and Mizpah Primary Schools. More than 600 volunteers were represented across all projects including staff, scholars, family, friends and members of surrounding communities.

We also continued our partnership with Food for the Poor Jamaica with its first annual 5K race to raise funds to build more homes for needy Jamaicans across the island. A major objective of the charity was to build at least three homes ahead of the race through corporate sponsorship and NCB along with NCB Insurance Company Limited donated \$800,000 to the cause, with members of the NCB Volunteer Corp helping to build two of the three homes in St. James and St. Catherine. In addition our team of over 150 members were out for the 5K race and some acted as race marshals along the course.

Youth Leadership & Entrepreneurship

We will again support the 2015 Schools' Environment Programme that aims to expose students across the island to best practices in environmental issues as well as allow them the opportunity to develop and present projects of this nature. The University of Technology, Jamaica Career and Placement Centre hosted a Career Day and we assisted thirteen young men with outfits for their interviews and presentations.

National Commercial Bank continues to build the communities it serves through the work of the NCB Foundation, its branches and its staff and we are forever grateful for the support of our customers and shareholders who make it possible for us to continue to do well as an organisation and do good for our nation.

To our customers, we say thank you for your continued loyalty, confidence and support; ***Put Your Best Life Forward.***



ON BEHALF OF THE BOARD

National Commercial Bank Jamaica Limited

Unaudited Consolidated Income Statement

Nine months ended June 30, 2015

(expressed in Jamaican dollars unless otherwise indicated)

Note	CURRENT YEAR			PRIOR YEAR	
	Quarter ended	Quarter ended	Year to date	Restated	
	June 30	March 31	June 30	Quarter ended	Year to date
	2015	2015	2015	June 30	June 30
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating income					
Interest income	9,170,943	9,277,176	28,137,042	9,338,586	27,298,334
Interest expense	(2,746,476)	(2,878,258)	(8,808,137)	(3,206,852)	(8,803,785)
Net interest income	6,424,467	6,398,918	19,328,905	6,131,734	18,494,549
Fee and commission income	2,941,457	2,820,293	8,858,734	2,584,991	7,706,457
Fee and commission expense	(547,758)	(561,638)	(1,620,069)	(493,881)	(1,422,296)
Net fee and commission income	2,393,699	2,258,655	7,238,665	2,091,110	6,284,161
Gain on foreign currency and investment activities	827,134	1,075,895	2,820,981	1,129,674	1,637,579
Premium income	1,993,611	1,871,286	5,701,407	1,666,150	5,206,054
Dividend income	21,444	26,068	85,258	38,925	123,127
Other operating income	20,751	42,991	140,874	41,589	129,236
	2,862,940	3,016,240	8,748,520	2,876,338	7,095,996
	11,681,106	11,673,813	35,316,090	11,099,182	31,874,706
Operating expenses					
Staff costs	2,706,751	3,300,282	9,026,878	2,862,038	8,925,994
Provision for credit losses	472,270	352,666	1,412,131	356,804	1,239,113
Policyholders' and annuitants' benefits and reserves	1,318,696	695,582	3,234,854	1,121,508	3,320,611
Depreciation and amortisation	391,772	397,168	1,139,330	289,125	924,876
Impairment losses on securities	-	-	88,554	-	-
Other operating expenses	2,567,101	2,656,835	9,174,906	2,318,955	7,144,999
	7,456,590	7,402,533	24,076,653	6,948,430	21,555,593
Operating profit	4,224,516	4,271,280	11,239,437	4,150,752	10,319,113
Negative goodwill on acquisition of subsidiary		-	-	-	301,441
Share of profit of associates	6,008	150,582	311,391	205,986	722,633
Profit before taxation	4,230,524	4,421,862	11,550,828	4,356,738	11,343,187
Taxation	(1,077,714)	(1,153,835)	(2,996,920)	(939,002)	(2,372,641)
NET PROFIT	3,152,810	3,268,027	8,553,908	3,417,736	8,970,546
Earnings per stock unit (expressed in \$ per share) Basic and diluted	1.29	1.32	3.48	1.38	3.64

National Commercial Bank Jamaica Limited

Unaudited Consolidated Statement of Comprehensive Income

Nine months ended June 30, 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Quarter ended June 30 2015 \$'000	Quarter ended March 31 2015 \$'000	Year to date June 30 2015 \$'000	<i>Restated</i>	
				Quarter ended June 30 2014 \$'000	Year to date June 30 2014 \$'000
Net Profit	3,152,810	3,268,027	8,553,908	3,417,736	8,970,546
Other comprehensive income, net of tax-					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	(12,700)	(48,611)	(78,486)	(16,586)	(43,510)
	3,140,110	3,219,416	8,475,422	3,401,150	8,927,036
Items that may be subsequently reclassified to profit or loss					
Currency translation gains	100,841	4,049	172,194	122,532	342,915
Unrealised gains/(losses) on available-for-sale investments	1,417,771	416,567	2,370,235	424,062	(304,320)
Realised fair value gains on sale and maturity of available-for-sale investments	(162,075)	(387,235)	(894,683)	(324,746)	(396,645)
	1,356,537	33,381	1,647,746	221,848	(358,050)
Total other comprehensive income	1,356,537	33,381	1,647,746	221,848	(358,050)
TOTAL COMPREHENSIVE INCOME	4,496,647	3,252,797	10,123,168	3,622,998	8,568,986

National Commercial Bank Jamaica Limited

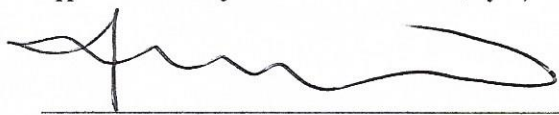
Unaudited Consolidated Statement of Financial Position

June 30, 2015


(expressed in Jamaican dollars unless otherwise indicated)

	Note	<i>Restated</i>		
		June 30 2015 \$'000	September 30 2014 \$'000	June 30 2014 \$'000
ASSETS				
Cash in hand and balances at Central Banks		27,192,501	29,795,115	28,755,908
Due from other banks		34,396,963	20,393,555	32,696,991
Derivative financial instruments		441,208	581,668	466,248
Investment securities at fair value through profit or loss		675,421	523,393	461,488
Reverse repurchase agreements		2,096,633	1,621,798	1,293,965
Loans and advances, net of provision for credit losses		162,261,944	157,630,000	152,101,291
Investment securities classified as available-for-sale and loans and receivables		147,546,417	105,557,761	108,152,057
Pledged assets		109,092,018	159,488,612	155,340,538
Investment in associates		6,316,607	5,913,804	8,486,101
Investment properties		475,500	484,500	484,500
Intangible assets		2,626,793	2,463,849	2,365,747
Property, plant and equipment		7,814,260	7,313,869	7,361,203
Deferred income tax assets		22,144	23,390	133,052
Income tax recoverable		1,046,856	1,184,083	1,290,409
Customers' liability - letters of credit and undertaking		1,550,447	1,270,160	2,260,886
Other assets		5,102,814	5,099,535	4,412,057
Total assets		508,658,526	499,345,092	506,062,441
LIABILITIES				
Due to other banks		8,595,846	6,336,574	8,638,906
Customer deposits		217,047,388	202,162,392	204,937,032
Repurchase agreements		93,247,946	134,690,626	143,241,030
Obligations under securitisation arrangements	3	43,326,185	13,885,577	13,769,924
Derivative financial instruments		-	52,660	-
Other borrowed funds		8,568,123	11,992,819	7,852,007
Income tax payable		322,668	92,408	273,581
Deferred income tax liabilities		2,336,300	2,455,791	2,531,133
Liabilities under annuity and insurance contracts		35,138,522	34,230,910	34,346,929
Provision for litigation		1,500	3,053	3,053
Post-employment benefit obligations		2,469,235	2,185,311	1,978,144
Liability - letters of credit and undertaking		1,550,447	1,270,160	2,260,886
Other liabilities	2	8,664,440	8,140,426	7,157,551
Total liabilities		421,268,600	417,498,707	426,990,176
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		4,055,013	2,407,267	2,132,510
Loan loss reserve		5,580,060	5,375,901	5,327,255
Banking reserve fund		6,512,634	6,512,634	6,512,634
Retained earnings reserve		20,310,000	19,430,000	19,025,000
Retained earnings	2	44,469,876	41,658,240	39,612,523
Total stockholders' equity		87,389,926	81,846,385	79,072,265
Total stockholders' equity and liabilities		508,658,526	499,345,092	506,062,441

Approved for issue by the Board of Directors on July 23, 2015 and signed on its behalf by:



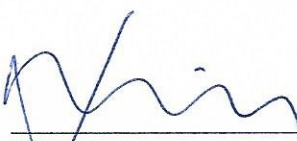
Director



Director



Director



Secretary

National Commercial Bank Jamaica Limited

Unaudited Consolidated Statement of Changes in Stockholders' Equity

Nine months ended June 30, 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Share capital	Shares held by NCB Employee 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 at October 1, 2013, as previously reported	6,465,731	(3,388)	2,490,560	5,141,357	6,512,634	18,050,657	33,341,794	71,999,345
Restatement based on adoption of IFRIC 21	-	-	-	-	-	-	547,585	547,585
Balance at October 1 2013, as restated	6,465,731	(3,388)	2,490,560	5,141,357	6,512,634	18,050,657	33,889,379	72,546,930
Total comprehensive income	-	-	(358,050)	-	-	-	8,927,036	8,568,986
Dividends paid	-	-	-	-	-	-	(2,043,651)	(2,043,651)
Transfer to Loan loss reserve	-	-	-	185,898	-	-	(185,898)	-
Transfer to Retained earnings reserve	-	-	-	-	-	974,343	(974,343)	-
Balance at June 30 2014, as restated	6,465,731	(3,388)	2,132,510	5,327,255	6,512,634	19,025,000	39,612,523	79,072,265
Balance at September 30, 2014, as previously reported	6,465,731	(3,388)	2,407,267	5,375,901	6,512,634	19,430,000	40,425,607	80,613,752
Restatement based on adoption of IFRIC 21	-	-	-	-	-	-	1,232,633	1,232,633
Balance at September 30, 2014, as restated	6,465,731	(3,388)	2,407,267	5,375,901	6,512,634	19,430,000	41,658,240	81,846,385
Total comprehensive income	-	-	1,647,746	-	-	-	8,475,422	10,123,168
Dividends paid	-	-	-	-	-	-	(4,579,627)	(4,579,627)
Transfer to Loan loss reserve	-	-	-	204,159	-	-	(204,159)	-
Transfer to Retained earnings reserve	-	-	-	-	-	880,000	(880,000)	-
Balance at June 30, 2015	6,465,731	(3,388)	4,055,013	5,580,060	6,512,634	20,310,000	44,469,876	87,389,926

National Commercial Bank Jamaica Limited

Unaudited Consolidated Statement of Cash Flows

Nine months ended June 30, 2015

(expressed in Jamaican dollars unless otherwise indicated)

	June 30	Restated
	2015	June 30
	\$'000	2014
	\$'000	\$'000
Cash Flows from Operating Activities		
Net profit	8,553,908	8,970,546
Adjustments to reconcile net profit to net cash provided by operating activities	(28,212,483)	41,558,599
Net cash (used in)/provided by operating activities	(19,658,575)	50,529,145
Cash Flows from Investing Activities		
Acquisition of subsidiary and capital injection, net of cash acquired	-	(307,063)
Acquisition of property, plant and equipment	(1,284,131)	(1,638,590)
Acquisition of intangible asset - computer software	(553,864)	(730,849)
Proceeds from disposal of property, plant and equipment	98,081	40,014
Dividends received from associates	142,589	183,486
Purchases of investment securities	(87,867,366)	(91,245,695)
Sales/maturities of investment securities	93,986,206	54,506,498
Net cash provided by/(used in) investing activities	4,521,515	(39,192,199)
Cash Flows from Financing Activities		
Proceeds from securitisation arrangements	28,748,011	2,647,893
Proceeds from other borrowed funds	956,976	3,720,356
Repayments of other borrowed funds	(4,532,464)	(959,099)
Due to other banks	499,186	(5,038,504)
Dividends paid	(4,579,627)	(2,043,651)
Net cash provided by/(used) in financing activities	21,092,082	(1,673,005)
Effect of exchange rate changes on cash and cash equivalents	1,619,950	2,696,469
Net increase in cash and cash equivalents	7,574,972	12,360,410
Cash and cash equivalents at beginning of period	28,246,559	28,561,967
Cash and cash equivalents at end of period	35,821,531	40,922,377
Comprising:		
Cash in hand and balances at Central Banks	3,871,350	7,174,461
Due from other banks	33,633,351	31,628,914
Reverse repurchase agreements	1,231,605	1,070,203
Investment securities	1,481,117	3,106,427
Due to other banks	(4,395,892)	(2,057,628)
	35,821,531	40,922,377

National Commercial Bank Jamaica Limited

Unaudited Segment Report

Nine months ended June 30, 2015

	Consumer & SME									Consolidated
	Retail & SME	Payment Services	Corporate Banking	Treasury & Correspondent Banking	Wealth, Asset Management & Investment Banking	Life Insurance & Pension Fund Management	General Insurance	Other	Eliminations	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
External revenue	10,908,938	7,124,322	4,283,786	7,284,899	6,351,530	5,147,486	4,552,580	90,755	-	45,744,296
Revenue from other segments	1,926,077	-	37,465	3,005,103	621,130	84,576	176,792	45,335	(5,896,478)	-
Total revenue	12,835,015	7,124,322	4,321,251	10,290,002	6,972,660	5,232,062	4,729,372	136,090	(5,896,478)	45,744,296
Interest income	10,191,776	2,723,283	3,857,429	8,516,300	5,510,690	2,225,308	543,683	19,780	(5,453,653)	28,134,596
Interest expense	(1,529,207)	(1,069,008)	(2,361,202)	(5,567,014)	(3,036,822)	(680,590)	-	(163)	5,453,653	(8,790,353)
Net interest income	8,662,569	1,654,275	1,496,227	2,949,286	2,473,868	1,544,718	543,683	19,617	-	19,344,243
Net fee and commission income	2,419,450	2,736,714	420,379	211,490	354,855	861,294	149,361	7,560	(21,243)	7,139,860
Gain on foreign currency and investment activities	118,123	13,865	29,317	1,399,877	1,045,666	147,774	50,373	61,616	(49,972)	2,816,639
Premium income	-	-	-	-	-	1,963,872	3,950,777	-	(213,242)	5,701,407
Other income	8,372	2,470	529	154,995	59,181	33,814	35,178	47,135	(214,234)	127,440
Total operating income	11,208,514	4,407,324	1,946,452	4,715,648	3,933,570	4,551,472	4,729,372	135,928	(498,691)	35,129,589
Staff costs	3,847,962	352,660	117,756	117,089	517,814	532,752	595,848	56,414	(21,663)	6,116,632
Provision for credit losses	661,601	719,044	8,991	-	-	-	-	-	-	1,389,636
Depreciation and amortisation	142,800	153,538	5,644	30,752	26,779	34,098	54,725	966	53,732	503,034
Impairment losses on securities	-	-	-	-	47,108	41,446	-	-	-	88,554
Policyholders' and annuitants' benefits and reserves	-	-	-	-	-	816,169	2,418,685	-	-	3,234,854
Other operating expenses	2,088,869	1,326,601	440,330	709,860	834,776	718,801	642,324	14,771	(275,912)	6,500,420
Total operating expense	6,741,232	2,551,843	572,721	857,701	1,426,477	2,143,266	3,711,582	72,151	(243,843)	17,833,130
Operating profit before allocated costs	4,467,282	1,855,481	1,373,731	3,857,947	2,507,093	2,408,206	1,017,790	63,777	(254,848)	17,296,459
Allocated costs	(3,178,062)	(783,586)	(421,455)	(204,412)	-	-	-	-	-	(4,587,515)
Operating profit	1,289,220	1,071,895	952,276	3,653,535	2,507,093	2,408,206	1,017,790	63,777	(254,848)	12,708,944
Unallocated corporate expenses										(1,469,507)
Share of profit of associates										311,391
Profit before taxation										11,550,828
Taxation										(2,996,920)
Net Profit										8,553,908
Segment assets	174,746,442	15,327,119	68,766,649	176,005,719	121,050,393	39,652,734	12,990,263	1,011,293	(109,042,698)	500,507,914
Associates										6,316,607
Unallocated assets										1,834,005
Total assets										508,658,526
Segment liabilities	160,223,580	10,032,498	55,400,146	158,646,511	99,056,618	27,574,752	8,494,034	144,750	(101,353,516)	418,219,373
Unallocated liabilities										3,049,227
Total liabilities										421,268,600
Capital expenditure	1,019,315	469,421	66,074	17,718	80,053	98,820	69,739	16,855	-	1,837,995

National Commercial Bank Jamaica Limited

Unaudited Segment Report

Nine months ended June 30, 2014

	Consumer & SME									Consolidated
	Retail & SME	Payment Services	Corporate Banking	Treasury & Correspondent Banking	Wealth, Asset Management & Investment Banking	Life Insurance & Pension Fund Management	General Insurance	Other	Eliminations	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
External revenue	10,706,828	6,209,877	3,386,304	6,041,242	6,692,960	4,510,298	4,524,292	28,986	-	42,100,787
Revenue from other segments	1,846,758	-	20,537	2,275,428	557,031	96,892	90,655	77,976	(4,965,277)	-
Total revenue	12,553,586	6,209,877	3,406,841	8,316,670	7,249,991	4,607,190	4,614,947	106,962	(4,965,277)	42,100,787
Interest income	9,927,274	2,373,175	3,097,097	7,506,578	6,121,845	2,223,014	536,452	22,568	(4,510,090)	27,297,913
Interest expense	(1,407,672)	(834,383)	(2,048,340)	(4,793,976)	(3,503,011)	(707,600)	-	(112)	4,510,090	(8,785,004)
Net interest income	8,519,602	1,538,792	1,048,757	2,712,602	2,618,834	1,515,414	536,452	22,456	-	18,512,909
Net fee and commission income	2,347,406	2,378,212	261,086	173,364	123,545	800,155	117,991	40,579	(63,928)	6,178,410
Gain on foreign currency and investment activities	130,980	11,772	34,840	408,978	941,016	103,784	23,059	2,261	(22,170)	1,634,520
Premium income	-	-	-	-	-	1,452,190	3,906,769	-	(152,905)	5,206,054
Other income	38,450	6,698	3,292	221,641	63,097	28,047	30,676	41,554	(253,654)	179,801
Total operating income	11,036,438	3,935,474	1,347,975	3,516,585	3,746,492	3,899,590	4,614,947	106,850	(492,657)	31,711,694
Staff costs	4,031,541	269,492	157,622	107,426	423,233	396,275	642,744	58,591	(26,259)	6,060,665
Provision for credit losses	665,167	559,732	16,978	-	(2,846)	-	-	-	-	1,239,031
Depreciation and amortisation	115,393	86,838	5,544	49,547	12,401	4,613	49,616	1,050	53,732	378,734
Policyholders' and annuitants' benefits and reserves	-	-	-	-	-	1,070,212	2,250,399	-	-	3,320,611
Other operating expenses	1,655,159	1,138,857	365,369	475,590	532,447	350,664	662,503	15,187	(257,532)	4,938,244
Total operating expense	6,467,260	2,054,919	545,513	632,563	965,235	1,821,764	3,605,262	74,828	(230,059)	15,937,285
Operating profit before allocated costs	4,569,178	1,880,555	802,462	2,884,022	2,781,257	2,077,826	1,009,685	32,022	(262,598)	15,774,409
Allocated costs	(3,427,412)	(519,360)	(269,981)	(173,895)	-	-	-	-	-	(4,390,648)
Operating profit	1,141,766	1,361,195	532,481	2,710,127	2,781,257	2,077,826	1,009,685	32,022	(262,598)	11,383,761
Unallocated corporate expenses										(1,064,648)
Negative goodwill on acquisition of subsidiary										301,441
Share of profit of associates										722,633
Profit before taxation										11,343,187
Taxation										(2,372,641)
Net Profit										8,970,546
Segment assets	159,109,982	14,314,251	61,848,068	171,978,123	143,438,268	37,369,536	11,655,408	998,405	(108,430,920)	492,281,121
Associates										8,486,101
Unallocated assets										5,295,219
Total assets										506,062,441
Segment liabilities	149,191,742	8,647,832	53,143,014	154,201,712	124,005,942	27,108,524	7,681,775	185,830	(100,498,549)	423,667,822
Unallocated liabilities										3,322,354
Total liabilities										426,990,176
Capital expenditure	1,514,351	316,217	41,057	44,034	74,358	246,878	118,057	14,487	-	2,369,439

National Commercial Bank Jamaica Limited

Notes to the Unaudited Financial Statements

June 30, 2015

(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 48.09% (June 30, 2014 – 46.82%) held by AIC (Barbados) Limited. The ultimate parent company is Portland Holdings Inc., incorporated in Canada. Portland Holdings Inc. is controlled by Hon. Michael A. Lee-Chin, OJ, Chairman of the Bank.

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, which together with the Bank are referred to as “the Group”.

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

2. Basis of preparation

The condensed consolidated interim financial statements for the nine months ended June 30, 2015 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, 2014 which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Boards (IASB).

The 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.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

There have been no changes in accounting policies since the most recent audited accounts as at September 30, 2014 except for the adoption of new and amended standards as described below.

Standards, interpretations and amendments to existing standards effective during the current year

Effects of Adoption of IFRIC 21, Levies

On October 1, 2014, the Group adopted IFRIC 21, 'Levies', (effective for annual periods beginning on or after January 1, 2014). IFRIC 21 addresses the accounting for a liability to pay a levy recognised in accordance with IAS 37, 'Provisions', and the liability to pay a levy whose timing and amount is certain. It excludes income taxes within the scope of IAS 12, 'Income taxes'. IFRIC 21 indicates that the obligating event that gives rise to a liability to pay a levy is the event identified by the legislation that triggers the obligation to pay the levy. It concludes that the fact that an entity is economically compelled to continue operating in a future period, or prepares its financial statements under the going concern principle, does not create an obligation to pay a levy that will arise from operating in the future. Accordingly, a liability to pay a levy is recognised when the obligating event occurs. This might arise at a point in time or progressively over time. The interpretation also requires that an obligation to pay a levy triggered by a minimum threshold is recognised when the threshold is reached. October 1, 2014 has been determined to be the trigger date under the Assets Tax (Specified Bodies) Act in Jamaica. The adoption of IFRIC 21 has resulted in Group companies with an assessment date of September 30, 2014 recognising the liability in full as at October 1, 2014 for asset-based taxes which were progressively recognised during the year ended September 30, 2014 for amounts due and paid in March 2015. Group companies with an assessment date of December 31, 2014 recognised the liability as at January 1, 2015. The financial impact of the adoption for the nine months ended June 30, 2015 is a charge of \$1,233 million on the consolidated income statement. The retrospective effect of the changes on the financial position and results of operations for the period ended June 30, 2014 and the financial position as at September 30, 2014 are as follows:

Effect on the consolidated statement of financial position as at September 30, 2014

	As previously stated	Effect of restatement on non-insurance companies	Effect of restatement on insurance companies	As restated
	\$'000	\$'000	\$'000	\$'000
Total Assets	499,345,092	-	-	499,345,092
Total Liabilities	418,731,340	(992,474)	(240,159)	417,498,707
Other equity	40,188,145			40,188,145
Retained earnings	40,425,607	992,474	240,159	41,658,240
Total Stockholders' Equity	80,613,752	992,474	240,159	81,846,385
Total Stockholders' Equity and Liabilities	499,345,092	-	-	499,345,092

National Commercial Bank Jamaica Limited

Notes to the Unaudited Financial Statements

June 30, 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Basis of preparation (continued)

Standards, interpretations and amendments to existing standards effective during the current year (continued)

Effect on the consolidated statement of financial position as at June 30, 2014

	As previously stated	Effect of restatement on non-insurance companies	Effect of restatement on insurance companies	As restated
	\$'000	\$'000	\$'000	\$'000
Total Assets	506,062,441	-	-	506,062,441
Total Liabilities	427,735,809	(617,715)	(127,918)	426,990,176
Other equity	39,459,742			39,459,742
Retained earnings	38,866,890	617,715	127,918	39,612,523
Total Stockholders' Equity	78,326,632	617,715	127,918	79,072,265
Total Stockholders' Equity and Liabilities	506,062,441	-	-	506,062,441

Effect on the consolidated income statement for the quarter ended June 30, 2014

	As previously stated	Effect of restatement on non-insurance companies	Effect of restatement on insurance companies	As restated
	\$'000	\$'000	\$'000	\$'000
Operating income	11,099,182	-	-	11,099,182
Operating expenses	7,441,679	(375,569)	(117,680)	6,948,430
Operating profit	3,657,503	375,569	117,680	4,150,752
Share of profit of associates	205,986	-	-	205,986
Profit before taxation	3,863,489	375,569	117,680	4,356,738
Taxation	(939,002)	-	-	(939,002)
Net profit	2,924,487	375,569	117,680	3,417,736

Effect on the consolidated income statement for the nine months ended June 30, 2014

	As previously stated	Effect of restatement on non-insurance companies	Effect of restatement on insurance companies	As restated
	\$'000	\$'000	\$'000	\$'000
Operating income	31,874,706	-	-	31,874,706
Operating expenses	21,753,641	(119,308)	(78,740)	21,555,593
Operating profit	10,121,065	119,308	78,740	10,319,113
Negative goodwill on acquisition of subsidiary	301,441	-	-	301,441
Share of profit of associates	722,633	-	-	722,633
Profit before taxation	11,145,139	119,308	78,740	11,343,187
Taxation	(2,372,641)	-	-	(2,372,641)
Net profit	8,772,498	119,308	78,740	8,970,546

3. Obligations under Securitisation Arrangements

Diversified Payments Rights (DPR)

On April 27, 2015, the holders of the Series 2013-1 Notes exercised their option to extend the maturity of the Notes by 12 months, adjusting the principal amortisation to commence on September 15, 2016 and final maturity to March 16, 2020.

Merchant Voucher Receivables

The Bank has entered into a structured financing transaction involving securitisation of its Merchant Voucher Receivables. This arrangement involves the sale of future flows due from Visa International Service Association (Visa) and MasterCard International Incorporated (MasterCard) related to international merchant vouchers acquired by the Bank in Jamaica.

Arising from this arrangement, the Bank transferred its rights to all future receivables under a true sale to an off shore special purpose company (SPC), Jamaica Merchant Voucher Receivables Limited which then issues notes which are secured by the Merchant Voucher Receivables flows. The cash flows generated by the Merchant Voucher Receivables are used by Jamaica Merchant Voucher Receivables Limited to make scheduled principal and interest payments to the note holders and any excess cash is transferred to the Bank, provided no early amortisation event or default has occurred under the terms of the notes.

On May 18, 2015, the Bank raised US\$250,000,000 through the Merchant Voucher Receivables Securitisation transaction. The transaction was structured on a mortgage-style amortisation basis with an interest-only period of twenty eight months and thereafter quarterly principal amortisation, beginning October 6, 2017 to final maturity on July 8, 2022. Interest is due and payable on a quarterly basis calculated at a rate of 5.875% beginning July 7, 2015.

National Commercial Bank Jamaica Limited

Notes to the Unaudited Financial Statements

June 30, 2015

(expressed in Jamaican dollars unless otherwise indicated)

4. 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, asset management and investment banking - This incorporates stock brokerage, securities trading, investment management and other financial services provided by overseas subsidiaries.
- Life Insurance & pension fund management - This incorporates life insurance, pension and investment management services.
- General insurance - This incorporates property and casualty insurance services.
- The Group's insurance brokerage services, trustee services, registrar and transfer agent services are classified as Other for segment reporting.

The Group's operations are located mainly in Jamaica. The operations of subsidiaries located overseas account for less than 10% of the Group's external operating revenue, assets and capital expenditure.

Unallocated assets and liabilities

Unallocated assets and liabilities comprise current income tax payable and recoverable, deferred income tax assets and liabilities and assets and liabilities of support units of the Bank that are not allocated to the banking segments.

Direct allocated costs and unallocated corporate expenses

Costs incurred by the support units of the Bank are allocated to the business segments based on certain criteria determined by management. These criteria include staff complement, square footage and time spent providing the service to the business segment. The expenses that are allocated are mainly staff costs, depreciation and amortisation and other operating expenses and are treated as direct allocated costs.

Costs allocated to the banking segments are reported directly by those segments to the Group Managing Director and Board of Directors. Costs allocated to the non-banking segments are not included in the individual internal reports presented by those segments and are treated as unallocated corporate expenses.

Eliminations

Eliminations comprise inter-company and inter-segment transactions.

**Interest/Ownership of Securities by Directors and Senior Managers in National Commercial Bank Jamaica Limited
as at June 30, 2015**

Directors	Total	Direct	Connected Parties
Robert Almeida	158,442	158,442	0
Wayne Chen	1,225,335,749	14,044	1,225,321,705
Dennis Cohen *	73,039,457	86,480	72,952,977
Sandra Glasgow *	73,025,026	75,049	72,949,977
Sanya Goffe	4,340	4,340	0
Hon. Noel Hylton, OJ, CD	354,074	14,044	340,030
Patrick Hylton, CD	930,902	930,902	0
Hon. Michael Lee-Chin, OJ	1,617,971,638	2,192,250	1,615,779,388
Thalia Lyn, OD *	73,118,509	153,412	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
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
Lennox Channer	354	0	354
Dennis Cohen *	73,039,457	86,480	72,952,977
Euton Cummings	0	0	0
Damian Duncan	0	0	0
Loren Edwards	7,100	7,100	0
Dave Garcia	11,210	11,210	0
Steven Gooden	4,293	4,293	0
Howard Gordon	0	0	0
Peter Higgins	0	0	0
Andre Ho Lung	0	0	0
Patrick Hylton, CD	930,902	930,902	0
Vernon James	0	0	0
Winston Lawson	82,518	82,518	0
Ramon Lewis	30,000	30,000	0
Alison Lynn	36,075	36,075	0
Nadeen Matthews	10,000	10,000	0
Anne McMorris Cover	940	940	0
Marva Peynado	52,338	52,338	0
Janelle Prevost	0	0	0
Norman Reid	15,934	15,934	0
Stuart Reid	89,630	89,630	0
Marcia Reid-Grant	1,250	1,250	0
Claudette Rodriguez	42,147	42,147	0
Malcolm Sadler	0	0	0
Andrew Simpson	0	0	0
Mark Thompson	0	0	0
Audrey Tugwell Henry	17,540	16,640	900
Tanya Watson Francis	0	0	0
Mukisa Wilson Ricketts	0	0	0
Allison Wynter *	73,050,766	100,789	72,949,977
Angus Young	0	0	0

* Connected parties for Dennis Cohen, Sandra Glasgow, Thalia Lyn and Allison Wynter include shares of 72,949,977 held by trustees of the N.C.B. Staff Pension Fund.

10 Largest Shareholders of National Commercial Bank Jamaica Limited as at June 30, 2015

Name of Shareholder	Units	Percentage Ownership
AIC (Barbados) Limited	1,186,304,844	48.09%
Harprop Limited	314,372,000	12.74%
Sagicor PIF Equity Fund	69,636,704	2.82%
NCB Insurance Co. Ltd WT 109	62,989,156	2.55%
Ideal Portfolio Services Company Limited	55,400,975	2.25%
AIC Global Holdings Inc.	49,565,238	2.01%
Portland (Barbados) Limited	38,178,106	1.55%
SJIML A/C 3119	26,474,981	1.07%
Beta SPV Limited	21,000,000	0.85%
Capil's & Company Limited	19,144,961	0.78%

Shareholder Profile of National Commercial Bank Jamaica Limited as at June 30, 2015

Number of Shareholders	Ownership of Each Shareholder	Percentage Ownership	Number of Units
(1) shareholder with 4 accounts	48.09%	48.09%	1,186,304,844
1	10 - 15%	12.74%	314,372,000
6	1 - 4%	12.25%	302,245,160
35,143	Less than 1%	26.92%	663,840,824
35,151		100.00%	2,466,762,828