

**NATIONAL COMMERCIAL BANK JAMAICA LIMITED “the Bank” AND ITS SUBSIDIARIES
“the Group”**

The Board of Directors has released the following unaudited results for the Group for the nine months ended 30 June 2006.

			RESTATED	RESTATED
	QUARTER	NINE MONTHS	QUARTER	NINE MONTHS
	ENDED	ENDED	ENDED	ENDED
	30 06 2006	30 06 2006	30 06 2005	30 06 2005
	\$'000	\$'000	\$'000	\$'000
REVENUE	7,659,845	21,392,974	6,437,841	19,530,183
EXPENSE	5,796,980	16,443,950	5,137,480	16,190,265
Operating Profit	1,862,865	4,949,024	1,300,361	3,339,918
Share of profit of associates	39,968	121,639	53,454	157,931
Profit before Taxation	1,902,833	5,070,663	1,353,815	3,497,849
Taxation	(351,844)	(1,162,287)	(490,496)	(1,084,280)
Net Profit	1,550,989	3,908,376	863,319	2,413,569
Earnings per Stock Unit	\$0.63	\$1.58	\$0.35	\$0.98

The Group is reporting record net profits of \$3.9 billion for the nine months ended 30 June 2006, an increase of \$1.5 billion or 62% compared to June 2005. The result is driven by higher operating revenue (revenue less interest expenses) of \$13.2 billion, reflecting an increase of \$1.5 billion or 13% and a reduction of operating expenses (excluding interest expenses) by \$98.1 million or 1%. The overall revenue growth was fueled by the continued focus on our core banking business which has resulted in higher loan income as well as fee and commission income. Net interest income (gross interest income less interest expense) for the nine months, was higher than the same period last year by \$1.2 billion or 16%, while fee and commission income were up by \$567 million or 32%.

Operating expenses (excluding interest expense) for the nine months of \$8.2 billion fell by 1% compared to the same period last year. A provision of \$199 million was made in the third quarter for impairment of the investment in Supreme Ventures Limited (SVL). These SVL shares were acquired in February 2006 by a subsidiary of the Bank under an underwriting commitment, due to the undersubscription of the public offer in January 2006. The results for the comparative prior year period, also includes an impairment loss on the investment in Dyoll Group Limited of \$535.8 million.

Staff costs for the nine months increased by \$425 million or 10%, however, the group was able to reduce other operating expenses by \$351 million or 12% compared to the corresponding prior period.

PERFORMANCE AT A GLANCE

Comparison of Key Ratios

	YTD June 2006	Restated YTD June 2005
Return on Average Equity	23.69%	17.47%
Return on Average Total Assets	2.53%	1.76%
Growth in Revenue	9.5%	2.1%
Cost/Income Ratio	59.2%	66.3%
Net Asset Value per Share	\$9.23	\$7.98

ASSET BASE

The total asset base of the Group increased by \$24.7 billion or 13%, up from \$193.8 billion as at 30 September 2005 to \$218.5 billion as at 30 June 2006. The major increases in the Group's asset base were accounted for by investment securities which grew by \$24 billion or 27% and loans and advances by \$5.8 billion or 8%. Reverse repurchase agreements fell by \$5.9 billion or 16%.

LOAN PORTFOLIO

The banking segment continues to grow loans and advances which totaled \$41.6 billion (net of provision for credit losses) as at 30 June 2006 compared to \$35.7 billion as at 30 September 2005. The aggregate amount of non-performing loans amounted to \$1.64 billion and represented 3.9% of the gross loans compared to 4.3% as at 30 September 2005 and 3.6% as at 30 June 2005.

As at 30 June 2006 the accumulated provision for credit losses of \$2.3 billion represented an overall coverage of 138% of non-performing loans. Provisions for credit losses that exceed the amounts required by International Financial Reporting Standards (IFRS) are credited to a non-distributable Loan Loss Reserve. As at 30 June 2006 the balance in the Loan Loss Reserve was \$235.3 million. The Bank's provisioning policy is in compliance with Bank of Jamaica regulations.

FUNDING

The increase in the asset base over the past nine months was mainly funded as follows:

	INCREASE	
	\$B	%
Customer deposits	7.8	9
Repurchase Agreements	6.5	13
Securitisation arrangements	5.1	48
Policyholders' Liability	2.1	23

On 22 March 2006 the Bank raised US\$100 million in structured financing backed by the securitization of existing and future U.S dollar Payment Advice and Payment Orders (MT 100 Series) and U.S dollar Remittance Diversified Payment Rights. Interest is due and payable on a quarterly basis at three month LIBOR plus 180 basis points beginning 15 June 2006. Principal repayments will commence 15 June 2008 on a quarterly basis until maturity 15 March 2013.

CAPITAL

The Group's total stockholders' equity as at 30 June 2006 was \$22.8 billion, an increase of \$1.5 billion or 7% when compared to 30 September 2005 mainly due to the continued increase in the Group's retained earnings. As at 30 June 2006, the Risk-based Capital Ratio was 15.2% which exceeds the minimum requirement of 10% by the Bank of Jamaica.

DIVIDENDS

At the Board of Directors' meeting held on 27 July 2006, an interim dividend of 14 cents per share (total payout J\$345,346,795.92) was approved. The dividend is payable on 29 August 2006 for shareholders on record as at 15 August 2006.

BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention as modified by the revaluation of available-for-sale investment securities, trading securities, derivative contracts and investment property.

As of 1 October 2005, the Group adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and are effective for accounting periods beginning on or after 1 October 2005. The adoption of these new accounting standards and interpretations has resulted in changes to the Group's accounting policies in the following areas and have affected the amounts reported for the current and prior periods:

IAS 39: Originated debt securities traded in an active market, which were previously carried at amortised cost, are now carried at fair value.

IFRS 3: Negative goodwill arising from the acquisition of an associate was derecognised as at 1 October 2004, by crediting retained earnings at that date. Under the previous accounting policy, negative goodwill would have been amortised over its expected economic life. Positive goodwill is no longer amortised but assessed annually for impairment.

IFRS 4: Certain policy contracts issued by the Bank's life insurance subsidiary in 2004 which were previously accounted for as insurance contracts did not meet the definition of insurance contracts under IFRS 4 (Insurance Contracts), as they transferred primarily financial risk and did not contain significant insurance risk. In 2004 these contracts were treated as financial instruments in accordance with IAS 39 (Financial Instruments: Recognition and Measurement). The contracts were revised during 2005 and are now treated as insurance contracts under IFRS 4.

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

All amounts are stated in Jamaican dollars unless otherwise indicated.

COMMUNITY RELATIONS

During the third quarter, NCB's corporate citizenship activities were varied as the Organization continued to demonstrate its commitment to the nation and all Jamaicans.

In its efforts to encourage the economic development of our customers and small and medium businesses throughout the nation, NCB contributed towards the staging of the JMA/JEA Expo. The Expo showcased products and services from Jamaica's manufacturing and productive sector to buyers from the Caribbean, China, United Kingdom, Australia, Japan and North America, as well as, thousands of Jamaicans.

NCB remained a strong supporter of Education in this quarter, as we gave donations to the Queen's School and Glenmuir High School in support of their efforts to provide the nation's children with an exceptional educational experience. The Hope Valley Experimental School also received a donation from NCB to support their 'Talks and Tours' programme, which allow their students to experience different cultures and visit historical landmarks.

The Organization also renewed its sponsorship of the High School Relays at the Jamaica International Invitational Meet which was held at the National Stadium in April. Our sponsorship provided exposure for young athletes and prepared them for the rigours of international competition. NCB also supported the Bike Ride Against Drug Abuse which seeks to promote positive lifestyle choices and bring awareness to the scourge of drug abuse.

The NCB Foundation has currently begun preparatory work for an initiative to restore the Holy Trinity Cathedral, one of Kingston's most enduring landmarks and mother church to the Catholic community, to its former glory. The Foundation also supported the arts by sponsoring Moses Encore, a stirring musical which is the major fund-raising activity of the Missionaries of the Poor. Thousands of Jamaicans were able to view this spectacular presentation, which promoted positive value and philanthropy.

A contribution was also made to the Hopie Fund, which provides health services to diabetics who may not have access to, or cannot afford medical supplies and services, to assure them of a more fulfilled life.

NCB's employees were also lauded by the Pan-America Health Organization for their consistent support of efforts to shore up supplies at the Blood Bank. NCB employees have also contributed their efforts to 'building a better Jamaica' by volunteering with community organizations and service clubs throughout the island.

National Commercial Bank Jamaica Limited

Consolidated Profit & Loss Account

Nine months ended 30 June 2006

	Quarter Ended	Year to Date	Restated Quarter Ended	Restated Year to Date
	30 June 2006	30 June 2006	30 June 2005	30 June 2005
	\$'000	\$'000	\$'000	\$'000
Operating Revenue				
Interest income from loans	1,859,856	5,460,141	1,562,141	4,526,714
Interest income from securities	3,921,367	11,448,437	3,570,243	10,860,551
Total interest income	5,781,223	16,908,578	5,132,384	15,387,265
Interest expense	(2,958,361)	(8,213,604)	(2,611,292)	(7,861,804)
Net interest income	2,822,862	8,694,974	2,521,092	7,525,461
Net fee and commission income	854,389	2,353,742	633,246	1,786,631
Net trading income	864,015	1,876,823	484,623	2,107,034
Dividend income	10,832	71,676	72,700	131,997
Other operating income	149,386	182,155	114,888	117,256
	<u>4,701,484</u>	<u>13,179,370</u>	<u>3,826,549</u>	<u>11,668,379</u>
Operating Expenses				
Staff costs	1,504,609	4,507,348	1,305,485	4,081,939
Provision for credit losses	96,818	225,332	(19,730)	60,864
Impairment loss on investment	199,131	199,131	-	535,761
Depreciation and amortisation	250,042	766,232	260,141	766,965
Other operating expenses	788,019	2,532,303	980,292	2,882,932
	<u>2,838,619</u>	<u>8,230,346</u>	<u>2,526,188</u>	<u>8,328,461</u>
Operating profit	1,862,865	4,949,024	1,300,361	3,339,918
Share of profits of associates	39,968	121,639	53,454	157,931
Profit before taxation	1,902,833	5,070,663	1,353,815	3,497,849
Taxation	(351,844)	(1,162,287)	(490,496)	(1,084,280)
NET PROFIT	1,550,989	3,908,376	863,319	2,413,569
EARNINGS PER STOCK UNIT	\$ 0.63	\$ 1.58	\$ 0.35	\$ 0.98

National Commercial Bank Jamaica Limited

Consolidated Balance Sheet

30 June 2006

	30 June 2006 \$'000	Restated 30 September 2005 \$'000
ASSETS		
Cash and balances at Bank of Jamaica	10,968,372	12,013,588
Due from other banks	14,369,231	11,112,575
Trading securities	1,256,096	2,185,753
Reverse repurchase agreements	20,773,411	26,692,189
Loans and advances, net of provision for credit losses	41,557,471	35,740,809
Investment securities	113,853,371	89,850,698
Investment in associates	1,971,994	1,562,322
Investment properties	12,000	12,000
Property, plant and equipment	3,695,807	3,629,271
Intangible asset - computer software	579,129	751,153
Retirement benefit asset	8,812	8,812
Other assets	5,630,993	7,169,146
Customers' liability on acceptances, guarantees, indemnities and letters of credit	<u>3,854,462</u>	<u>3,092,406</u>
Total Assets	<u>218,531,149</u>	<u>193,820,722</u>

National Commercial Bank Jamaica Limited

Consolidated Balance Sheet

30 June 2006

	30 June 2006 \$'000	Restated 30 September 2005 \$'000
LIABILITIES		
Due to other banks	8,714,243	5,945,194
Customer deposits	92,172,786	84,371,554
Derivative financial instruments	14,747	695
Promissory notes and certificates of participation	2,626,926	3,366,699
Repurchase agreements	55,147,291	48,609,281
Obligations under securitisation arrangements	15,793,801	10,677,302
Other borrowed funds	1,225,862	1,128,785
Income tax payable	745,353	1,118,334
Deferred tax liabilities	125,917	798,685
Policyholders' liabilities	11,137,419	9,068,442
Provision for litigation	79,600	67,573
Retirement benefit obligations	251,592	232,879
Other liabilities	3,868,338	4,117,456
Liability on acceptances, guarantees, indemnities and letters of credit	3,854,462	3,092,406
Total Liabilities	195,758,337	172,595,285
STOCKHOLDERS' EQUITY		
Share capital	2,466,763	2,466,763
Share premium	4,453,752	4,453,752
Fair value and other reserves	1,388,058	2,343,004
Loan loss reserve	235,337	211,590
Banking reserve fund	1,609,000	1,609,000
Retained earnings reserve	3,119,761	3,119,761
Retained earnings	9,500,141	7,021,567
Total Stockholders' Equity	22,772,812	21,225,437
Total Equity and Liabilities	218,531,149	193,820,722

Approved for issue by the Board of Directors on 27 July 2006 and signed on its behalf by:

Director

Director

Director

Secretary

National Commercial Bank Jamaica Limited

Consolidated Statement of Changes in Stockholders' Equity

Nine months ended 30 June 2006

	Share Capital	Share Premium	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 2004 (Restated)	2,466,763	4,453,752	1,563,208	111,650	1,327,000	3,119,761	4,117,019	17,159,153
Currency translation differences	-	-	(224)	-	-	-	-	(224)
Unrealised gains on available-for-sale investments, net of taxes	-	-	2,013,762	-	-	-	-	2,013,762
Realised fair value gains transferred to consolidated Profit & Loss Account	-	-	(1,016,416)	-	-	-	-	(1,016,416)
Share of equity movement in associates	-	-	3,626	-	-	-	-	3,626
Net income recognised directly in equity	-	-	1,000,748	-	-	-	-	1,000,748
Net Profit	-	-	-	-	-	-	2,413,569	2,413,569
Total recognised income for the period	-	-	1,000,748	-	-	-	2,413,569	3,414,317
Dividends paid	-	-	-	-	-	-	(888,035)	(888,035)
Transfer to Loan Loss Reserve	-	-	-	98,190	-	-	(98,190)	-
Balance as at 30 June 2005 (Restated)	2,466,763	4,453,752	2,563,956	209,840	1,327,000	3,119,761	5,544,363	19,685,435
Balance as at 1 October 2005 (Restated)	2,466,763	4,453,752	2,343,004	211,590	1,609,000	3,119,761	7,021,567	21,225,437
Currency translation differences	-	-	32,778	-	-	-	-	32,778
Unrealised losses on available-for-sale investments, net of taxes	-	-	(309,347)	-	-	-	-	(309,347)
Realised fair value gains transferred to consolidated Profit & Loss Account	-	-	(1,045,074)	-	-	-	-	(1,045,074)
Share of equity movement in associates	-	-	366,697	-	-	-	-	366,697
Net expense recognised directly in equity	-	-	(954,946)	-	-	-	-	(954,946)
Net profit	-	-	-	-	-	-	3,908,376	3,908,376
Total recognised (expense)/income for the period	-	-	(954,946)	-	-	-	3,908,376	2,953,430
Dividends paid	-	-	-	-	-	-	(1,406,055)	(1,406,055)
Transfer to Loan Loss Reserve	-	-	-	23,747	-	-	(23,747)	-
Balance as at 30 June 2006	2,466,763	4,453,752	1,388,058	235,337	1,609,000	3,119,761	9,500,141	22,772,812

National Commercial Bank Jamaica Limited

Consolidated Statement of Cash Flows

Nine months ended 30 June 2006

	30 June 2006 \$'000	30 June 2005 \$'000
Cash Flows from Operating Activities		
Net cash provided by/(used) operating activities	<u>21,672,181</u>	<u>(579,747)</u>
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(548,991)	(542,164)
Acquisition of intangible asset - computer software	(117,968)	(112,931)
Proceeds from disposal of property, plant and equipment	9,287	25,925
Investment Securities, net	(19,787,277)	(3,760,451)
Dividends received from associates	37,287	37,287
Proceeds from disposal of investment properties	<u>-</u>	<u>11,500</u>
Net cash used in investing activities	<u>(20,407,662)</u>	<u>(4,340,834)</u>
Cash Flows from Financing Activities		
Drawdowns under securitisation arrangements	6,302,904	2,778,155
Repayments under securitisation arrangements	(1,843,172)	(1,154,249)
Other borrowed funds	95,555	104,754
Dividends paid	<u>(1,406,055)</u>	<u>(888,035)</u>
Net cash provided by financing activities	<u>3,149,232</u>	<u>840,625</u>
Effect of exchange rate changes on cash and cash equivalents	<u>820,833</u>	<u>(50,411)</u>
Net increase/(decrease) in cash and cash equivalents	5,234,584	(4,130,367)
Cash and cash equivalents at beginning of period	<u>9,955,569</u>	<u>14,892,665</u>
Cash and cash equivalents at end of period	<u>15,190,153</u>	<u>10,762,298</u>
Comprising:		
Cash and balances at Bank of Jamaica	2,745,450	2,795,809
Due from other banks	14,369,231	8,269,015
Investment securities	6,789,715	5,845,790
Due to other banks	<u>(8,714,243)</u>	<u>(6,148,316)</u>
	<u>15,190,153</u>	<u>10,762,298</u>

National Commercial Bank Jamaica Limited

Segment Reporting
 Nine months ended
 30 June 2006

	Banking			Wealth			Eliminations \$'000	Consolidated \$'000
	Retail \$'000	Corporate \$'000	Treasury \$'000	Management \$'000	Insurance \$'000	Other \$'000		
External operating revenue	4,491,745	3,082,514	6,806,849	5,599,260	1,393,821	18,785	-	21,392,974
Operating revenues from other segments	4,109,233	58,803	1,248,267	75,530	34,833	34,368	(5,561,034)	-
Operating revenue	8,600,978	3,141,317	8,055,116	5,674,790	1,428,654	53,153	(5,561,034)	21,392,974
Segment result	313,110	1,222,352	1,977,727	804,891	550,160	11,391	69,393	4,949,024
Share of profit of associates								121,639
Profit before tax								5,070,663
Taxation expense								(1,162,287)
Net Profit								3,908,376
Segment assets	82,864,853	31,126,477	100,261,141	60,870,329	12,772,555	345,661	(71,961,341)	216,559,155
Associates								1,971,994
Total Assets								218,531,149
Segment liabilities	83,269,717	30,056,515	87,822,491	53,638,952	11,222,968	208,912	(71,332,488)	194,887,067
Unallocated liabilities								871,270
Total liabilities								195,758,337
Depreciation and Amortisation	620,067	66,337	51,596	18,244	8,783	1,206	-	766,232

National Commercial Bank Jamaica Limited

Notes to the Financial Statements

30 June 2006

3. Segment Reporting (Continued)

Restated

Nine months ended

30 June 2005

	Banking			Wealth	Insurance	Other	Eliminations	Consolidated
	Retail	Corporate	Treasury	Management				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External operating revenue	3,459,042	2,581,876	6,610,752	5,809,803	1,048,474	20,236	-	19,530,183
Operating revenues from other segments	4,453,142	65,061	1,457,941	127,167	85,078	28,320	(6,216,709)	-
Operating revenue	7,912,184	2,646,937	8,068,693	5,936,970	1,133,552	48,556	(6,216,709)	19,530,183
Segment result	64,509	944,533	1,537,949	1,150,326	91,930	9,971	(459,300)	3,339,918
Share of profits in associates								157,931
Profit before tax								3,497,849
Taxation expense								(1,084,280)
Net Profit								2,413,569
Segment assets	74,520,558	33,072,205	92,854,128	53,468,730	9,522,179	284,478	(75,618,058)	188,452,715
Associates								1,460,412
Unallocated Assets								5,420
Total Assets								189,918,547
Segment liabilities	77,252,015	32,514,464	77,202,141	47,182,603	9,076,146	295,622	(75,651,926)	167,871,065
Unallocated liabilities								2,362,048
Total liabilities								170,233,113
Depreciation and amortisation	619,643	66,292	51,561	20,376	7,657	1,436	-	766,965