

FOURTH QUARTER 2015 EARNINGS RELEASE

November 12, 2015 – The Board of Directors is pleased to release the following financial results for National Commercial Bank Jamaica Limited (NCBJ) and its subsidiaries for the financial year ended September 30, 2015.

Financial Results Highlights

For the financial year ended September 30, 2015, NCB reported net profit of **\$12.3 billion** or **\$5.00** per stock unit. Within the context of our challenging operating environment, these results demonstrate the resilience of our business model and the benefits accruing from the on-going execution of our strategic initiatives.

	Financial Year ended September 30, 2015	Financial Year ended September 30, 2014 (Restated)	Financial Year ended September 30, 2013 (Restated)
Net profit (\$'000)	12,301,790	12,327,120	8,578,858
Earnings per stock unit (\$)	\$5.00	\$5.01	\$3.49
Cost to income ratio (%)	62.3%	62.2%	67.5%
Return on average total assets (%)	2.4%	2.6%	2.1%
Return on average stockholders' equity (%)	14.5%	16.0%	12.4%

Financial year ended September 30, 2015 compared with the financial year ended September 30, 2014 (restated)

- Net profit of \$12.3 billion, a decrease of \$25 million.
- Earnings per stock unit of \$5.00, decreased by 0.2%.
- Cost to income ratio increased slightly to 62.3%, from 62.2%.
- Total assets of \$523.8 billion, grew by 4.9%, or \$24.5 billion.
- Return on average total assets decreased to 2.4%, from 2.6%.
- Total stockholders' equity of \$88.4 billion, increased by 8.0%, or \$6.5 billion.
- Return on average stockholders' equity of 14.5%, decreased from 16.0%.
- Net loans of \$165.4 billion, grew by \$7.8 billion, or 4.9%.
- Customer deposits of \$227.9 billion, increased by \$25.7 billion, or 12.7%.

Three months ended September 30, 2015 compared with the three months ended June 30, 2015

- Net profit of \$3.7 billion, an increase of 18.9%, or \$595 million.
- Cost to income ratio decreased to 57.7%, from 59.8%.
- Return on average total assets of 2.9%, up from 2.5%.
- Return on average stockholders' equity of 17.1%, up from 14.7%.

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

- Net profit of \$3.7 billion, an increase of 11.7%, or \$391 million.
- Cost to income ratio down to 57.7%, from 57.9%.
- Return on average total assets of 2.9%, up from 2.7%.
- Return on average stockholders' equity of 17.1%, up from 16.7%.

Financial performance

Operating income

For the financial year ended September 30, 2015, operating income increased by 9.8%, or \$4.2 billion, when compared with the restated financial year ended September 30, 2014, mainly as a result of:

- Net interest income increasing by 5.3%, or \$1.3 billion. This growth in net interest income is primarily due to growth in the net loan portfolio.
- 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 \$1.1 billion or 12.9%, mainly due to increased transaction volumes in our Payment Services business related to card usage and merchant acquiring at Point of Sale machines. There was also increased earnings from growth in our loan book, Unit Trust portfolios and corporate financing activities.

Operating expenses

Operating expenses increased by 7.3%, or \$2.1 billion, over the prior financial year ended September 30, 2014. This was mainly as a result of other operating expenses, which grew by 25.4%, or \$2.5 billion, primarily due to asset tax charges and irrecoverable taxes; marketing & advertising costs arising from increased marketing and sponsorship campaigns; technical, consultancy, and professional service fees incurred in implementing our strategic initiatives. This increase was partially offset by policyholders' and annuitants' benefits and reserves, which decreased by \$522 million or 11.9%, resulting primarily from changes in the actuarial assumptions related to interest rate levels and modifications in the tax regime for life insurance contracts.

Loans and advances

Loans and advances, which totalled \$165.4 billion (net of provision for credit losses) as at September 30, 2015, grew by 4.9%, or \$7.8 billion, compared to the loan portfolio as at September 30, 2014. Non-performing loans totalled \$8.5 billion as at September 30, 2015 (\$8.7 billion as at September 30, 2014) and represented 5.0% of the gross loans compared to 5.4% as at September 30, 2014. The regulatory provision coverage at September 30, 2015 was 118.7% of non-performing loans compared to 118.3% at September 30, 2014.

Deposits

Customer deposits were \$227.9 billion, up 12.7% or \$25.7 billion over the prior year. This was driven by growth in our savings, current accounts and fixed deposit portfolios, which increased by 15.9%, 11.1% and 8.9% respectively, over the prior year.

Capital

The Group's stockholders' equity was \$88.4 billion as at September 30, 2015, up 8.0% over the prior year. Our capital position remains strong and our individual companies continued to meet their respective regulatory capital requirements.

<u>Company</u>	<u>Regulatory capital ratios</u>	September 30, 2015	September 30, 2014
National Commercial Bank Jamaica Limited	Regulatory capital to risk weighted assets ratio [Minimum requirement – 12.5%]	12.7%	12.9%
NCB Capital Markets Limited	Regulatory capital to risk weighted assets ratio [Minimum requirement – 10.0%]	35.3%	28.6%
NCB Insurance Company Limited	Stockholders' equity to total liabilities (Solvency ratio) [Minimum requirement – 10.0%]	47.5%	42.9%
Advantage General Insurance Company Limited	Available assets to required assets (Minimum capital test) [Minimum requirement – 250.0%]	341.0%	330.5%

Segment performance for the financial year ended September 30, 2015

Corporate Banking, Treasury and Correspondent Banking, Life Insurance & Pension Fund Management and General Insurance business segments had year over year increases in operating profits of 15% or greater. The Payment Services segment experienced a 21% year over year decline, primarily due to increased operating expenses to enhance the issuing and acquiring business.

<u>Segment</u>	<u>Operating Profit for financial year ended September 30, 2015</u>	<u>Operating Profit for financial year ended September 30, 2014 (Restated)</u>	<u>Comments</u>
Retail & SME	1,893	1,661	<ul style="list-style-type: none"> • 14% increase over prior year • 10% contribution to segment operating profit for the 2015 financial year • Operating income was 2% and \$335 million above the prior year due to growth in the loan portfolio which resulted in higher levels of interest income from loans.
Payment Services	1,358	1,727	<ul style="list-style-type: none"> • 21% decline from prior year • 8% contribution to segment operating profit for the 2015 financial year • Operating expenses increased by \$537 million or 18% due to costs incurred related to credit card marketing campaigns and higher loan loss provision expenses.
Corporate Banking	1,442	570	<ul style="list-style-type: none"> • 153% increase over prior year • 8% contribution to segment operating profit for the 2015 financial year • Increased operating income of \$712 million as a result of higher interest income from loans and net fee and commission income.
Treasury & Correspondent Banking	4,892	3,892	<ul style="list-style-type: none"> • 26% increase over prior year • 27% contribution to segment operating profit for the 2015 financial year • Operating income increased by 27% primarily due to higher gains on foreign currency and investment activities.
Wealth, Asset Management & Investment Banking	3,667	3,740	<ul style="list-style-type: none"> • 2% decline from prior year • 20% contribution to segment operating profit for the 2015 financial year • Operating expenses grew by \$274 million or 18% resulting from higher staff costs, marketing and professional services. Operating income increased by \$201 million due to growth in unit trust and corporate finance fees.
Life Insurance & Pension Fund Management	3,537	3,081	<ul style="list-style-type: none"> • 15% increase over prior year • 20% contribution to segment operating profit for the 2015 financial year • Operating income grew by \$677 million due to increased premium income from growth in sales of individual and group life products.
General Insurance	1,534	1,284	<ul style="list-style-type: none"> • 19% increase over prior year • 8% contribution to segment operating profit for the 2015 financial year • Operating income grew by \$225 million or 4% as a result of increased premium income and net fee and commission income.

Dividends

The Board of Directors, at its meeting on November 12, 2015, declared an interim dividend of **\$0.85** per ordinary stock unit. The dividend is payable on December 11, 2015 for stockholders on record as at November 27, 2015.

Business highlights

- NCB Capital Markets (Barbados) Limited, a subsidiary of NCB Capital Markets Limited (NCBCM), was incorporated on May 27, 2015 and received a securities dealer license from the Barbados Financial Services Commission on September 22, 2015. Located along one of Barbados' major thoroughfares in Worthing, Christ Church, the company is our investment banking hub for the eastern Caribbean. This is consistent with our strategy to diversify and grow revenues through regional expansion.
- We have launched the Ascend Programme with a view to providing a tailored financial service to our affluent customers. The programme replaces the First Class product, and it will serve as a new premium in-branch service making Group-wide products accessible to our qualifying customers.
- During the quarter we opened our Banking and Financial Services Centre on Constant Spring Road. This new location will serve as a one stop centre, providing customers with access to the full suite of our Group's products and services, including private and branch banking, investment and insurance services.

Corporate Social Responsibility

During the financial year, the N.C.B. Foundation focused primarily on education, community development, sports, youth leadership and entrepreneurship. The Foundation donated over \$76 million in support of various initiatives and projects, which were funded from the Jamaican Education Initiative (JEI), which is financed by 0.25% of prior year personal Keycard sales, as well as 0.50% of the Bank's prior year profits.

Education

During the quarter, we committed \$25 million for NCB's flagship annual scholarships and grants programme that assisted over 350 students from the primary to the tertiary level. Of the more than 350 students who benefitted, 14 parish champions were selected and awarded scholarships of \$250,000 annually for the duration of their undergraduate degree. The 14 parish champions further vied for the two titles of National Champion, and an opportunity to double their scholarship award. Patrenia Williams of St. Elizabeth and Kevon Stewart of Kingston were named National Champions and awarded scholarships valued at \$500,000. Under the programme approximately 40 returning tertiary students were also awarded annual scholarships.

The Foundation has partnered with The Susan Show Foundation over the years to assist with its annual back to school initiative. This back to school project assists students with books, lunch, transportation and educational supplies. The organisation also insists on the involvement of parents in the academic lives of their children and periodic checks are done with schools to ensure that the sponsored students are performing well. For the quarter, our donation directly assisted 120 students with needed supplies for the school year.

NCB Branches and units across the island continued their community work focusing primarily on the Adopt a School Programme geared towards the development of 31 primary schools. The top two GSAT students from each adopted school were awarded cash prizes to assist with their back-to-school preparations.

Corporate Social Responsibility (continued)

Sports and Community Development

In the area of sports development two large partnerships were renewed - MVP/ Digicel Grassroots Programme that focuses on training both athletes and coaches at the secondary level across the island as well as the Lucas Cricket Club's annual camp. The cricket camp had 50 students participating (80% returning) and benefiting from technical and developmental sessions through cricket as a discipline.


Community development activities for this quarter included assistance provided to the Linstead Hospital's rebuilding project intended to upgrade the hospital's ranking. NCB, through its Customer Care Unit, has had a long-standing relationship with the Wortley Home which housed nineteen girls at its St Andrew facility. It was gutted by fire earlier this year and NCB gave additional support to the Home. Through the NCB Foundation's Volunteer Corps over twelve persons comprising of staff members and scholars, partnered with Running Events in the Wortley Home Run. The NCB Volunteer Corps provided marshalling duties at the event; in addition, a donation was made to the Home's recovery fund.

Youth Leadership & Entrepreneurship

The Sickle Cell Unit hosted its annual teen summer camp at the University of the West Indies (UWI). The camp was for children managing sickle cell disease and focused on increasing their knowledge of and ability to cope with this chronic disease. The camp exposed the participants to fun activities and personal development sessions. The Foundation assisted with the provision of bags, bottles, and meals for the campers.

NCB continues to build the communities it serves through the work of the N.C.B. Foundation, its branches and its staff. We are forever grateful for the support of our customers and shareholders who make it possible for our organisation to do well and thereby able to 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

Consolidated Income Statement

Year ended September 30, 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	CURRENT YEAR			PRIOR YEAR	
		Quarter ended	Quarter ended	Year ended	Quarter ended	Year ended
		September 30	June 30	September 30	September 30	September 30
		2015	2015	2015	2014	2014
		\$'000	\$'000	\$'000	\$'000	\$'000
Operating income						
Interest income		9,348,842	9,170,943	37,485,884	9,601,293	36,899,627
Interest expense		(2,713,717)	(2,746,476)	(11,521,854)	(3,435,175)	(12,238,960)
Net interest income		6,635,125	6,424,467	25,964,030	6,166,118	24,660,667
Fee and commission income		3,117,783	2,941,457	11,976,517	2,890,939	10,597,396
Fee and commission expense		(569,055)	(547,758)	(2,189,124)	(507,929)	(1,930,225)
Net fee and commission income		2,548,728	2,393,699	9,787,393	2,383,010	8,667,171
Gain on foreign currency and investment activities		932,056	827,134	3,753,037	955,066	2,592,645
Premium income		1,940,214	1,993,611	7,641,621	1,791,907	6,997,961
Dividend income		40,837	21,444	126,095	37,459	160,586
Other operating income		59,865	20,751	200,739	45,383	174,619
		2,972,972	2,862,940	11,721,492	2,829,815	9,925,811
		12,156,825	11,681,106	47,472,915	11,378,943	43,253,649
Operating expenses						
Staff costs		2,915,604	2,706,751	11,942,482	2,597,936	11,523,930
Provision for credit losses		387,027	472,270	1,799,158	987,836	2,226,949
Policyholders' and annuitants' benefits and reserves		640,465	1,318,696	3,875,319	1,077,071	4,397,682
Depreciation and amortisation		424,221	391,772	1,563,551	322,527	1,247,403
Impairment losses on securities		(8,789)	-	79,765	200,085	200,085
Other operating expenses	2	3,036,553	2,567,101	12,211,459	2,595,894	9,740,893
		7,395,081	7,456,590	31,471,734	7,781,349	29,336,942
Operating profit		4,761,744	4,224,516	16,001,181	3,597,594	13,916,707
Negative goodwill on acquisition of subsidiary		-	-	-	-	301,441
(Loss)/gain on dilution/disposal of investment in associate		(50,748)	-	(50,748)	349,042	349,042
Share of profit of associates		122,275	6,008	433,666	180,063	902,696
Profit before taxation		4,833,271	4,230,524	16,384,099	4,126,699	15,469,886
Taxation		(1,085,389)	(1,077,714)	(4,082,309)	(770,125)	(3,142,766)
NET PROFIT		3,747,882	3,152,810	12,301,790	3,356,574	12,327,120
Earnings per stock unit (expressed in \$ per share)	2	1.52	1.29	5.00	1.36	5.01
Basic and diluted						

National Commercial Bank Jamaica Limited

Consolidated Statement of Comprehensive Income

Year ended September 30, 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Quarter ended September 30 2015 \$'000	Quarter ended June 30 2015 \$'000	Year ended September 30 2015 \$'000	<i>Restated</i>	
				Quarter ended September 30 2014 \$'000	Year ended September 30 2014 \$'000
Net Profit	3,747,882	3,152,810	12,301,790	3,356,574	12,327,120
Other comprehensive income, net of tax-					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	(180,122)	(12,700)	(258,608)	34,778	(172,470)
	3,567,760	3,140,110	12,043,182	3,391,352	12,154,650
Items that may be subsequently reclassified to profit or loss					
Currency translation gains	87,889	100,841	260,083	7,809	350,724
Unrealised gains on available-for-sale investments	2,980,787	1,417,771	610,552	360,598	220,016
Realised fair value (gains)/losses on sale and maturity of available-for-sale investments	218,365	(162,075)	(676,318)	215,286	(181,359)
Realised gains on disposal of investment in associates	-	-	-	(308,936)	(308,936)
	3,287,041	1,356,537	194,317	274,757	80,445
Total other comprehensive income	3,106,919	1,343,837	(64,291)	309,535	(92,025)
TOTAL COMPREHENSIVE INCOME	6,854,801	4,496,647	12,237,499	3,666,109	12,235,095

National Commercial Bank Jamaica Limited

Consolidated Statement of Financial Position

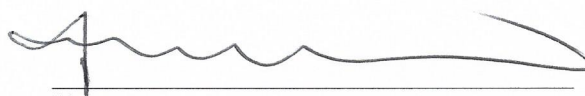
September 30, 2015


(expressed in Jamaican dollars unless otherwise indicated)

	Note	September 30 2015 \$'000	Restated September 30 2014 \$'000	Restated September 30 2013 \$'000
ASSETS				
Cash in hand and balances at Central Banks		28,875,090	29,795,115	24,388,683
Due from other banks		24,064,233	20,393,555	19,328,412
Derivative financial instruments		486,783	581,668	387,304
Investment securities at fair value through profit or loss		943,184	523,393	380,755
Reverse repurchase agreements		2,148,117	1,621,798	328,105
Loans and advances, net of provision for credit losses		165,404,606	157,630,000	141,150,312
Investment securities classified as available-for-sale and loans and receivables		166,019,274	105,557,761	100,856,119
Pledged assets		110,659,584	159,488,612	134,530,695
Investment in associates		6,307,220	5,913,804	8,512,251
Investment properties		475,500	484,500	462,500
Intangible assets		2,812,563	2,463,849	1,837,974
Property, plant and equipment		8,030,877	7,313,869	6,438,707
Deferred income tax assets		70,242	23,390	31,710
Income tax recoverable		902,435	1,184,083	2,173,835
Customers' liability - letters of credit and undertaking		1,775,088	1,270,160	1,479,108
Other assets		4,840,365	5,099,535	4,288,585
Total assets		523,815,161	499,345,092	446,575,055
LIABILITIES				
Due to other banks		6,146,366	6,336,574	17,410,200
Customer deposits		227,850,985	202,162,392	178,411,021
Repurchase agreements		100,004,008	134,690,626	117,377,395
Obligations under securitisation arrangements		44,292,064	13,885,577	10,101,032
Derivative financial instruments		52,794	52,660	1,437
Other borrowed funds		8,595,313	11,992,819	4,900,592
Income tax payable		181,084	92,408	14,299
Deferred income tax liabilities		1,793,557	2,455,791	2,413,121
Liabilities under annuity and insurance contracts		34,689,274	34,230,910	33,914,506
Provision for litigation		1,500	3,053	11,500
Post-employment benefit obligations		2,940,888	2,185,311	1,793,616
Liability - letters of credit and undertaking		1,775,088	1,270,160	1,479,108
Other liabilities	2	7,098,029	8,140,428	6,230,508
Total liabilities		435,420,950	417,498,709	374,058,335
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		2,765,321	2,571,005	2,490,560
Loan loss reserve		5,706,122	5,375,901	5,141,357
Banking reserve fund		6,518,648	6,512,634	6,512,634
Retained earnings reserve		20,810,000	19,430,000	18,050,657
Retained earnings	2	46,131,777	41,494,500	33,859,169
Total stockholders' equity		88,394,211	81,846,383	72,516,720
Total stockholders' equity and liabilities		523,815,161	499,345,092	446,575,055

Approved for issue by the Board of Directors on November 12, 2015 and signed on its behalf by:


Director


Director


Director


Secretary

National Commercial Bank Jamaica Limited

Consolidated Statement of Changes in Stockholders' Equity

Year ended September 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	33,311,585	71,969,136
Restatement based on adoption of IFRIC 21	-	-	-	-	-	-	547,584	547,584
Balance at October 1, 2013, as restated	6,465,731	(3,388)	2,490,560	5,141,357	6,512,634	18,050,657	33,859,169	72,516,720
Total comprehensive income	-	-	80,445	-	-	-	12,154,650	12,235,095
Dividends paid	-	-	-	-	-	-	(2,905,432)	(2,905,432)
Transfer to Loan loss reserve	-	-	-	234,544	-	-	(234,544)	-
Transfer to Retained earnings reserve	-	-	-	-	-	1,379,343	(1,379,343)	-
Balance at October 1, 2014, as restated	6,465,731	(3,388)	2,571,005	5,375,901	6,512,634	19,430,000	41,494,500	81,846,383
Total comprehensive income	-	-	194,317	-	-	-	12,043,182	12,237,499
Dividends paid	-	-	-	-	-	-	(5,689,670)	(5,689,670)
Transfer to Loan loss reserve	-	-	-	330,221	-	-	(330,221)	-
Transfer to Banking Reserve Fund	-	-	-	-	6,014	-	(6,014)	-
Transfer to Retained earnings reserve	-	-	-	-	-	1,380,000	(1,380,000)	-
Balance at September 30, 2015	6,465,731	(3,388)	2,765,322	5,706,122	6,518,648	20,810,000	46,131,777	88,394,212

National Commercial Bank Jamaica Limited

Consolidated Statement of Cash Flows

Year ended September 30, 2015

(expressed in Jamaican dollars unless otherwise indicated)

	September 30 2015 \$'000	Restated September 30 2014 \$'000
Cash Flows from Operating Activities		
Net profit	12,301,790	12,327,120
Adjustments to reconcile net profit to net cash provided by operating activities	(12,652,165)	24,003,855
Net cash (used in)/provided by operating activities	<u>(350,375)</u>	<u>36,330,975</u>
Cash Flows from Investing Activities		
Acquisition of subsidiary, net of cash acquired	-	569,044
Deferred consideration paid	-	(262,939)
Acquisition of property, plant and equipment	(1,754,575)	(1,737,437)
Acquisition of intangible asset - computer software	(913,066)	(1,032,921)
Proceeds from disposal of property, plant and equipment	104,347	79,395
Proceeds from disposal of investment in associate	-	2,933,386
Dividends received from associates	142,931	230,127
Purchases of investment securities	(108,208,499)	(116,014,129)
Sales/maturities of investment securities	94,042,504	76,889,730
Net cash used in investing activities	<u>(16,586,358)</u>	<u>(38,345,744)</u>
Cash Flows from Financing Activities		
Proceeds from securitisation arrangements	28,394,178	2,647,893
Proceeds from other borrowed funds	1,517,844	7,904,901
Repayments of other borrowed funds	(8,078,556)	(1,020,281)
Due to other banks	(448,369)	(7,919,014)
Dividends paid	(5,689,670)	(2,905,432)
Net cash provided by/(used in) financing activities	<u>15,695,427</u>	<u>(1,291,933)</u>
Effect of exchange rate changes on cash and cash equivalents	1,874,467	2,991,294
Net increase/(decrease) in cash and cash equivalents	633,161	(315,408)
Cash and cash equivalents at beginning of year	28,246,559	28,561,967
Cash and cash equivalents at end of year	<u>28,879,720</u>	<u>28,246,559</u>
Comprising:		
Cash in hand and balances at Central Banks	5,627,242	6,961,360
Due from other banks	23,423,198	20,147,323
Reverse repurchase agreements	1,698,845	1,008,500
Investment securities	1,024,402	2,765,182
Due to other banks	(2,893,967)	(2,635,806)
	<u>28,879,720</u>	<u>28,246,559</u>

National Commercial Bank Jamaica Limited

Segment Report

Year ended September 30, 2015

	Consumer & SME									Consolidated
	Retail & SME	Payment Services	Corporate Banking	Treasury & Correspondent Banking	Wealth, Asset Management and Investment Banking	Life Insurance & Pension Fund Management	General Insurance	Other	Eliminations	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	14,665,200	9,496,483	5,774,109	9,558,547	8,629,700	6,747,868	6,211,680	100,306	-	61,183,893
Revenue from other segments	2,490,566	-	49,985	3,944,406	742,663	116,678	187,082	59,146	(7,590,526)	-
Total revenue	17,155,766	9,496,483	5,824,094	13,502,953	9,372,363	6,864,546	6,398,762	159,452	(7,590,526)	61,183,893
Interest income	13,583,980	3,625,573	5,160,030	11,257,827	7,250,593	2,976,973	730,558	26,297	(7,112,294)	37,499,537
Interest expense	(1,966,938)	(1,410,852)	(3,107,205)	(7,290,983)	(3,936,088)	(904,874)	-	(263)	7,112,294	(11,504,909)
Net interest income	11,617,042	2,214,721	2,052,825	3,966,844	3,314,505	2,072,099	730,558	26,034	-	25,994,628
Net fee and commission income	3,277,190	3,623,318	606,616	292,293	569,936	1,129,933	187,643	18,388	(45,748)	9,659,569
Gain on foreign currency and investment activities	163,522	18,672	39,976	1,785,626	1,469,833	188,220	67,668	54,034	(46,216)	3,741,335
Premium income	-	-	-	-	-	2,495,771	5,367,961	-	(222,111)	7,641,621
Other income	10,858	5,353	699	158,153	79,733	73,649	44,932	60,735	(233,409)	200,703
Total operating income	15,068,612	5,862,064	2,700,116	6,202,916	5,434,007	5,959,672	6,398,762	159,191	(547,484)	47,237,856
Staff costs	5,128,981	465,143	154,839	148,561	629,457	711,055	832,581	73,821	(34,468)	8,109,970
Provision for credit losses	861,777	902,937	7,203	-	3,520	-	-	-	-	1,775,437
Depreciation and amortisation	196,012	208,167	7,611	41,493	32,942	54,837	73,711	1,096	71,642	687,511
Impairment losses on securities	-	-	-	-	38,319	41,446	-	-	-	79,765
Policyholders' and annuitants' benefits and reserves	-	-	-	-	-	733,280	3,142,039	-	-	3,875,319
Other operating expenses	2,785,072	1,902,475	529,186	849,737	1,062,752	882,138	816,778	33,784	(315,325)	8,546,597
Total operating expense	8,971,842	3,478,722	698,839	1,039,791	1,766,990	2,422,756	4,865,109	108,701	(278,151)	23,074,599
Operating profit before allocated costs	6,096,770	2,383,342	2,001,277	5,163,125	3,667,017	3,536,916	1,533,653	50,490	(269,333)	24,163,257
Allocated costs	(4,203,436)	(1,025,031)	(558,988)	(270,689)	-	-	-	-	-	(6,058,144)
Operating profit	1,893,334	1,358,311	1,442,289	4,892,436	3,667,017	3,536,916	1,533,653	50,490	(269,333)	18,105,113
Unallocated corporate expenses										(2,103,932)
Loss on dilution of investment in associate										(50,748)
Share of profit of associates										433,666
Profit before taxation										16,384,099
Taxation										(4,082,309)
Net Profit										12,301,790
Segment assets	187,552,392	15,934,230	68,618,715	169,490,979	142,934,629	40,550,379	13,275,472	1,002,285	(124,477,454)	514,881,627
Associates										6,307,220
Unallocated assets										2,626,314
Total assets										523,815,161
Segment liabilities	167,379,411	9,179,603	56,457,970	159,502,976	120,704,477	27,828,069	8,455,060	153,526	(116,553,648)	433,107,444
Unallocated liabilities										2,313,506
Total liabilities										435,420,950
Capital expenditure	1,361,916	747,434	100,422	35,192	156,803	163,060	88,894	13,919	-	2,667,641

National Commercial Bank Jamaica Limited

Segment Report (Restated)

Year ended September 30, 2014

	Consumer & SME									Consolidated
	Retail & SME	Payment Services	Corporate Banking	Treasury & Correspondent Banking	Wealth, Asset Management and Investment Banking	Life Insurance & Pension Fund Management	General Insurance	Other	Eliminations	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
External revenue	14,368,876	8,525,518	4,746,805	8,494,666	9,026,591	6,089,227	6,128,268	42,883	-	57,422,834
Revenue from other segments	2,452,092	-	49,121	3,063,267	1,026,398	136,468	45,405	97,135	(6,869,886)	-
Total revenue	16,820,968	8,525,518	4,795,926	11,557,933	10,052,989	6,225,695	6,173,673	140,018	(6,869,886)	57,422,834
Interest income	13,295,698	3,271,276	4,299,358	10,192,930	8,242,586	3,002,781	712,291	30,181	(6,148,016)	36,899,085
Interest expense	(1,954,760)	(1,201,088)	(2,794,574)	(6,650,298)	(4,817,974)	(942,619)	-	(157)	6,148,016	(12,213,454)
Net interest income	11,340,938	2,070,188	1,504,784	3,542,632	3,424,612	2,060,162	712,291	30,024	-	24,685,631
Net fee and commission income	3,182,190	3,279,796	434,265	238,324	214,623	1,063,821	157,679	50,974	(83,409)	8,538,263
Gain/(loss) on foreign currency and investment activities	169,349	15,456	46,020	854,405	1,492,984	114,549	46,920	2,083	(151,396)	2,590,370
Premium income	-	-	-	-	-	1,995,203	5,210,953	-	(208,195)	6,997,961
Other income	40,664	7,220	3,490	264,848	101,031	49,341	45,830	56,780	(322,645)	246,559
Total operating income	14,733,141	5,372,660	1,988,559	4,900,209	5,233,250	5,283,076	6,173,673	139,861	(765,645)	43,058,784
Staff costs	5,225,703	396,999	207,585	134,651	567,013	516,288	788,465	86,362	(36,954)	7,886,112
Provision for credit losses	959,678	863,136	396,467	-	(3,457)	-	-	-	-	2,215,824
Depreciation and amortisation	162,472	124,858	7,522	59,669	18,796	6,347	66,604	1,400	71,642	519,310
Impairment losses on securities	-	-	-	-	200,085	-	-	-	-	200,085
Policyholders' and annuitants' benefits and reserves	-	-	-	-	-	1,233,069	3,164,613	-	-	4,397,682
Other operating expenses	2,164,663	1,556,318	452,153	582,143	710,962	446,830	870,147	23,624	(342,372)	6,464,468
Total operating expense	8,512,516	2,941,311	1,063,727	776,463	1,493,399	2,202,534	4,889,829	111,386	(307,684)	21,683,481
Operating profit before allocated costs	6,220,625	2,431,349	924,832	4,123,746	3,739,851	3,080,542	1,283,844	28,475	(457,961)	21,375,303
Allocated costs	(4,559,800)	(704,251)	(354,610)	(231,510)	-	-	-	-	-	(5,850,171)
Operating profit	1,660,825	1,727,098	570,222	3,892,236	3,739,851	3,080,542	1,283,844	28,475	(457,961)	15,525,132
Unallocated corporate expenses										(1,608,425)
Negative goodwill on acquisition of subsidiary										301,441
Share of profit of associates										902,696
Gain on disposal of investment in associate										349,042
Profit before taxation										15,469,886
Taxation										(3,142,766)
Net Profit										12,327,120
Segment assets	159,277,187	16,081,788	65,364,477	169,365,676	132,482,665	37,999,615	11,640,907	973,409	(105,008,911)	488,176,813
Associates										5,913,804
Unallocated assets										5,254,475
Total assets										499,345,092
Segment liabilities	148,263,789	10,866,897	57,183,083	148,713,326	112,162,313	26,908,434	7,746,516	164,315	(97,886,479)	414,122,194
Unallocated liabilities										3,376,515
Total liabilities										417,498,709
Capital expenditure	1,626,139	448,531	61,754	53,583	106,386	300,183	153,880	19,902	-	2,770,358

National Commercial Bank Jamaica Limited

Notes to the Financial Statements

September 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 a 51.82% (2014 - 46.82%) subsidiary of 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” are as follows:

	Principal Activities	Percentage Ownership by The Group	
		2015	2014
Data-Cap Processing Limited	Security Services	100	100
Mutual Security Insurance Brokers Limited	Dormant	100	100
NCB Capital Markets Limited	Securities Dealer and Stock Brokerage Services	100	100
Advantage General Insurance Company Limited	General Insurance	100	100
NCB Capital Markets (Cayman) Limited	Securities Dealing	100	100
NCB Global Finance Limited (formerly AIC Finance Limited)	Merchant Banking	100	100
NCB Capital Markets (Barbados) Limited	Brokerage Services	100	Nil
NCB (Cayman) Limited	Commercial Banking	100	100
NCB Trust Company (Cayman) Limited (formerly NCB Investments (Cayman) Limited)	Dormant	100	100
NCB Insurance Company Limited	Life Insurance, Investment and Pension Fund Management Services	100	100
N.C.B. (Investments) Limited	Dormant	100	100
N.C.B. Jamaica (Nominees) Limited	Dormant	100	100
NCB Remittance Services (Jamaica) Limited	Dormant	100	100
NCB Remittance Services (UK) Limited	Money Remittance Services	100	100
West Indies Trust Company Limited	Trust and Estate Management Services	100	100
NCB Employee Share Scheme	Dormant	100	100

All subsidiaries are incorporated in Jamaica with the exception of NCB (Cayman) Limited, NCB Trust Company (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), which is incorporated in Barbados.

Incorporation of NCB Capital Markets (Barbados) Limited

NCB Capital Markets (Barbados) Limited was incorporated on May 27, 2015 and obtained a securities dealer license from the Barbados Financial Services Commission in September 2015.

The Group’s associates, which are all incorporated in Jamaica, are as follows:

	Principal Activities	Percentage Ownership by The Group	
		2015	2014
Dyoll Group Limited	In Liquidation	44.47	44.47
Elite Diagnostics Imaging Services Limited	Medical Imaging Services	29.61	29.61
Jamaica Money Market Brokers Limited	Securities Dealer and Stock Brokerage Services	26.30	26.30
Kingston Properties Limited	Ownership of real estate properties	-	25.17

In July 2015, Kingston Properties Limited increased its ordinary share capital by way of a rights issue which resulted in a dilution of the Group’s interest from 25.17% to 10.76%. The Group’s holdings have therefore been reclassified from investment in associates to investment securities.

National Commercial Bank Jamaica Limited

Notes to the Financial Statements

September 30, 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Basis of preparation

The condensed consolidated financial statements for the quarter ended September 30, 2015 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed consolidated 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

Effective October 1, 2014, the Group adopted IFRIC 21 retrospectively in accordance with the transitional provisions set out in the standard.

The effect of adoption on the consolidated statement of financial position as at September 2013 and 2014, and the income statement and statement of comprehensive income for the year ended September 30, 2014 are shown in the tables below. There was no effect on the statement of cash flows.

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

	As previously stated	Effect of IFRIC 21	Effect of reserve reclassification	As restated
	\$'000	\$'000		\$'000
Other liabilities	9,373,059	(1,232,631)	-	8,140,428
Total liabilities	418,731,340	(1,232,631)	-	417,498,709
Fair value and capital reserves	2,407,267	-	163,738	2,571,005
Retained earnings	40,425,607	1,232,631	(163,738)	41,494,500
Total Sstockholders' equity and liabilities	499,345,092	-	-	499,345,092

Effect on the consolidated income statement and statement of comprehensive income for the year ended September 30, 2014:

	As previously stated	Effect of IFRIC 21	As restated
Operating income	43,253,649	-	43,253,649
Other operating expenses	10,425,940	(685,047)	9,740,893
Operating expenses	30,021,989	(685,047)	29,336,942
Operating profit	13,231,660	685,047	13,916,707
Negative goodwill on acquisition of subsidiary	301,441	-	301,441
Share of profit of associates	902,696	-	902,696
Gain on disposal of investment in associate	349,042	-	349,042
Profit before taxation	14,784,839	685,047	15,469,886
Taxation	(3,142,766)	-	(3,142,766)
Net profit	11,642,073	685,047	12,327,120
Other comprehensive income	(92,025)	-	(92,025)
Total comprehensive income	11,550,048	685,047	12,235,095
Earnings per stock unit (\$)	4.73	0.28	5.01

Effect on the consolidated statement of financial position as at September 30, 2013:

	As previously stated	Effect of IFRIC 21	As restated
	\$'000	\$'000	\$'000
Other liabilities	6,778,092	(547,584)	6,230,508
Total liabilities	374,605,919	(547,584)	374,058,335
Retained earnings	33,311,585	547,584	33,859,169
Total stockholders' equity and liabilities	446,575,055	-	446,575,055

National Commercial Bank Jamaica Limited

Notes to the Financial Statements

September 30, 2015

(expressed in Jamaican dollars unless otherwise indicated)

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, 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 September 30, 2015**

Directors	Total	Direct	Connected Parties
Robert Almeida	158,442	158,442	0
Wayne Chen	1,317,335,749	14,044	1,317,321,705
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
Oliver Mitchell, Jr.	0	0	0
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
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 September 30, 2015

Name of Shareholder	Units	Percentage Ownership
AIC (Barbados) Limited	1,278,304,844	51.82%
Harprop Limited	222,372,000	9.01%
Sagicor PIF Equity Fund	69,867,484	2.83%
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 September 30, 2015

Number of Shareholders	Ownership of Each Shareholder	Percentage Ownership	Number of Units
(1) shareholder with 4 accounts	51.82%	51.82%	1,278,304,844
1	6 - 10%	9.01%	222,372,000
6	1 - 4%	12.26%	302,275,940
35,021	Less than 1%	26.91%	663,810,044
35,029		100.00%	2,466,762,828