

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

The Board of Directors is pleased to release the audited results for the Group for the financial year ended 30 September 2007.

	AUDITED	AUDITED	UNAUDITED	UNAUDITED
	YEAR	YEAR	QUARTER	QUARTER
	ENDED	ENDED	ENDED	ENDED
	30 09 2007	30 09 2006	30 09 2007	30 09 2006
	\$'000	\$'000	\$'000	\$'000
REVENUE	33,752,955	30,004,702	8,756,762	8,145,427
EXPENSES	(25,329,677)	(23,192,133)	(6,567,453)	(6,281,882)
Operating Profit	8,423,278	6,812,569	2,189,309	1,863,545
Share of profit of associates	170,566	117,985	33,563	37,723
Profit before Taxation	8,593,844	6,930,554	2,222,872	1,901,268
Taxation	(1,992,418)	(1,443,929)	(503,357)	(323,019)
Net Profit	6,601,426	5,486,625	1,719,515	1,578,249
Earnings per Stock Unit	\$2.68	\$2.23	\$0.70	\$0.64

The Group recorded a net profit of \$6.6 billion for the financial year ended 30 September 2007, compared to \$5.5 billion for the previous financial year; an increase of \$1.1 billion or 20%. The improved result is driven mainly by the continued focus on our core business, which has resulted in higher earnings from our major income streams.

Earnings per stock unit for the year ended 30 September 2007 increased to \$2.68, compared to \$2.23 for the same period last year.

Return on average stockholders' equity for the year was 24.84%, up from 23.96% for the comparative prior year.

OPERATING REVENUE

Total revenue for the year was \$33.7 billion, representing an increase of \$3.7 billion or 12%, when compared to \$30 billion for the corresponding period of 2006. The two largest segments, Banking and Wealth Management, contributed 70% and 23% respectively to the overall Group revenue.

OPERATING REVENUE (Continued)

The major revenue highlights for the year were as follows:

- Net interest income increased by \$1 billion or 9% due mainly to the continued growth in the loan and investment portfolios.
- Net fee and commission income increased by \$581 million or 18% which was mainly attributable to fees generated from card and other retail banking related products.
- Net trading income, which is comprised of foreign exchange, fixed income and equity trading gains, increased by \$845 million or 36%.
- Premium income from the insurance segment increased by \$134 million or 34% over the prior year due mainly to annuity premiums earned since the introduction of this product in September 2006.

OPERATING EXPENSES

Operating expenses (excluding interest and fee and commission expense) for the year totalled \$12.1 billion, \$964 million or 9% higher than the comparative prior year period. Staff costs increased by \$1 billion or 17% mainly due to negotiated salary and allowances for the current financial year and increase in staff profit sharing. Provision for credit losses increased by \$122 million or 78%. Impairment losses and depreciation decreased by \$164 million and \$139 million or 67% and 13% respectively.

PERFORMANCE AT A GLANCE

Key Ratios

	Year Ended September 2007	Year Ended September 2006
Return on Average Equity	24.84%	23.96%
Return on Average Total Assets	2.77%	2.65%
Growth in Revenue	12.5%	9.3%
Cost/Income Ratio	57.3%	59.9%
Net Asset Value per Share	\$11.60	\$9.99

ASSET BASE

The total assets of the Group increased by \$31.1 billion or 14%, up from \$223.1 billion as at 30 September 2006, to \$254.2 billion as at 30 September 2007. Investment securities grew by \$19.3 billion or 16% while loans and advances increased by \$14.3 billion or 34%. Reverse repurchase agreements declined by \$11.5 billion or 50%.

FUNDING

The increase in the asset base was mainly funded as follows:

	INCREASE	
	\$B	%
Customer Deposits	19.5	20
Securitisation Arrangements	5.0	23
Policyholders' Liability	2.5	21
Stockholders' Equity	3.9	16

Securitisation Arrangements

On 20 July 2007 the Bank raised an additional US\$50 million in financing backed by the securitisation of its Diversified Payment Rights.

LOAN PORTFOLIO

The banking segment continues to grow loans and advances which totalled \$56.5 billion (net of provision for credit losses) as at 30 September 2007 compared to \$42.2 billion as at 30 September 2006. The aggregate amount of non-performing loans was \$1.5 billion and represented 2.6% of the gross loans compared to 3.7% as at 30 September 2006.

As at 30 September 2007 the accumulated provision for credit losses determined under Bank of Jamaica regulatory requirements of \$2.2 billion represented an overall coverage of 151% 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 September 2007 the balance in the Loan Loss Reserve was \$231.2 million. The Bank's provisioning policy is in compliance with Bank of Jamaica regulations.

CAPITAL

The Group's total stockholders' equity as at 30 September 2007 was \$28.5 billion, an increase of \$4 billion or 16% when compared to 30 September 2006, and this increase can be mainly attributed to the continued increase in the Group's profitability. As at 30 September 2007, the Risk-Based Capital Ratio was 14.5% which exceeds the minimum requirement of 10% by the Bank of Jamaica.

DIVIDENDS

On 12 November 2007, the Board declared a final interim dividend in respect of 2007 of \$0.17 per ordinary stock unit. The dividend is payable on 12 December 2007 for stockholders on record as at 27 November 2007. The financial statements for the year ended 30 September 2007 do not reflect this resolution, which will be accounted for in stockholders' equity as an appropriation of retained profits in the year ending 30 September 2008.

BASIS OF PREPARATION

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

BASIS OF PREPARATION (Continued)

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

In keeping with its long-term vision of building a better Jamaica, NCB worked assiduously throughout the 2006/7 financial year, undertaking initiatives to enrich and improve the quality of life for many Jamaicans, thereby fulfilling its corporate and social responsibilities as a consistent and good corporate citizen.

EDUCATION

The N.C.B. Foundation contributed over \$24 million to various initiatives throughout the year. The Foundation resumed its CXC sponsorship programme with revised requirements, under Phase II of the Jamaican Education Initiative (JEI). This will enable secondary students throughout the island to once again benefit from financial assistance with their examination fees for two business subjects; Principles of Business and Principles of Accounts. The Foundation also focused on assisting children with learning disabilities with the Jamaica Association for the Deaf benefiting from funding of \$2.9 million. NCB thanks all Keycard holders whose purchases continue to allow us to fund the JEI.

HEALTH

NCB paid close attention to the needs of the health sector throughout the year by contributing approximately \$12 million to a number of health projects, touching hundreds of Jamaicans island-wide. The Bank's donation of \$8.75 million towards the Heart Foundation of Jamaica's initiative to construct an Education and Emergency Cardiac Training Centre for the treatment of cardiovascular disease was one such activity.

SPORTS

As part of NCB's consistent drive to promote and sustain the development of sports throughout the country, NCB lent financial support to numerous sporting clubs, leagues, federations and associations in the areas of football, tennis, netball and basketball and in some instances adopting players or allowing young aspiring athletes to attend overseas training camps that provided them with invaluable exposure. In addition, NCB has made a significant contribution to the Jamaica Football Federation.

COMMUNITY DEVELOPMENT

NCB remains focused on supporting strategic initiatives that help to strengthen our communities and transform them into more encouraging areas to live, work and conduct business. Over three hundred members of the island's police force based at the St. Catherine North Police Station in Spanish Town benefited from improved facilities following the N.C.B. Foundation's donation towards renovation efforts to their station, which enhanced their working environment and bolstered the existing benefits for the police officers.

As a proactive corporate leader, NCB embraces its responsibility to invest in the communities in which its businesses operate. At the end of yet another robust financial year, we reflect proudly on our commitment to not only do well, but to do good. We thank our employees for their enthusiasm and customers for their fervent support and loyalty, as together we strive to build a better Jamaica for us all.



ON BEHALF OF THE BOARD

National Commercial Bank Jamaica Limited

Consolidated Profit and Loss Account
Year ended 30 September 2007

	Quarter Ended 30 Sep 2007 \$'000	Year Ended 30 Sep 2007 \$'000	Quarter Ended 30 Sep 2006 \$'000	Year Ended 30 Sep 2006 \$'000
Operating Income				
Interest income from loans	2,206,038	8,135,324	1,885,353	7,345,494
Interest income from securities	4,349,955	16,898,046	4,041,309	15,669,297
Total interest income	6,555,993	25,033,370	5,926,662	23,014,791
Interest expense	(3,250,119)	(12,236,593)	(3,023,051)	(11,236,655)
Net interest income	3,305,874	12,796,777	2,903,611	11,778,136
Fee and commission income	1,311,862	4,720,843	1,078,268	3,965,699
Fee and commission expense	(328,621)	(964,783)	(272,502)	(791,094)
Net fee and commission income	983,241	3,756,060	805,766	3,174,605
Net trading income	788,602	3,201,336	658,774	2,356,046
Dividend income	5,491	88,032	6,297	98,768
Insurance premium income	64,295	523,200	247,259	389,678
Other operating income	30,519	186,174	228,167	179,720
	888,907	3,998,742	1,140,497	3,024,212
	5,178,022	20,551,579	4,849,874	17,976,953
Operating Expenses				
Staff costs	1,827,961	6,987,550	1,448,487	5,955,835
Provision for credit losses	126,226	277,603	30,082	155,786
Depreciation and amortisation	207,159	889,246	261,853	1,028,085
Impairment losses	49,960	80,340	45,126	244,257
Other operating expenses	777,407	3,893,562	1,200,781	3,780,421
	2,988,713	12,128,301	2,986,329	11,164,384
Operating Profit	2,189,309	8,423,278	1,863,545	6,812,569
Share of profit of associates	33,563	170,566	37,723	117,985
Profit before Taxation	2,222,872	8,593,844	1,901,268	6,930,554
Taxation	(503,357)	(1,992,418)	(323,019)	(1,443,929)
NET PROFIT	1,719,515	6,601,426	1,578,249	5,486,625

NATIONAL COMMERCIAL BANK JAMAICA LIMITED
CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2007

	2007	2006
	\$'000	\$'000
ASSETS		
Cash and balances at Bank of Jamaica	15,307,128	12,039,998
Due from other banks	18,977,969	13,851,703
Investment securities at fair value through profit and loss	1,025,768	1,151,266
Reverse repurchase agreements	11,425,030	22,963,218
Loans and advances, net of provision for credit losses	56,525,564	42,219,840
Investment securities – available-for-sale	141,929,771	122,614,171
Investments in associates	2,034,921	1,992,771
Investment properties	13,000	13,000
Intangible asset – computer software	290,786	458,505
Property, plant and equipment	3,778,092	3,754,324
Retirement benefit asset	11,627	10,118
Deferred income tax assets	289,975	133,047
Income tax recoverable	877,584	483,171
Other assets	1,260,943	1,156,084
Customers' liability - letters of credit and undertaking	435,196	297,588
Total Assets	<u>254,183,354</u>	<u>223,138,804</u>


NATIONAL COMMERCIAL BANK JAMAICA LIMITED

CONSOLIDATED BALANCE SHEET


AS AT SEPTEMBER 30, 2007

	2007	2006
	\$'000	\$'000
LIABILITIES		
Due to other banks	4,777,587	7,056,889
Customer deposits	118,518,051	99,026,503
Derivative financial instruments	77,169	68,965
Promissory notes and certificates of participation	319,993	2,290,799
Repurchase agreements	51,305,167	50,344,707
Obligations under securitisation arrangements	26,409,833	21,398,964
Other borrowed funds	4,983,835	2,523,569
Income tax payable	1,260	3,482
Deferred income tax liabilities	261,309	606,247
Policyholders' liabilities	14,487,602	12,010,182
Provision for litigation	36,000	33,907
Retirement benefit obligations	290,549	252,313
Other liabilities	3,725,777	2,634,702
Liability- letters of credit and undertaking	435,196	297,588
Total liabilities	<u>225,629,328</u>	<u>198,548,817</u>
STOCKHOLDERS' EQUITY		
Share capital	6,465,731	6,465,731
Shares held by NCB Employee Share Scheme	(3,867)	(3,867)
Fair value and other reserves	1,595,550	2,436,611
Loan loss reserve	231,235	252,985
Banking reserve fund	2,607,000	1,963,000
Retained earnings reserve	4,519,761	4,519,761
Retained earnings	13,138,616	8,955,766
Total stockholders' equity	<u>28,554,026</u>	<u>24,589,987</u>
Total equity and liabilities	<u>254,183,354</u>	<u>223,138,804</u>

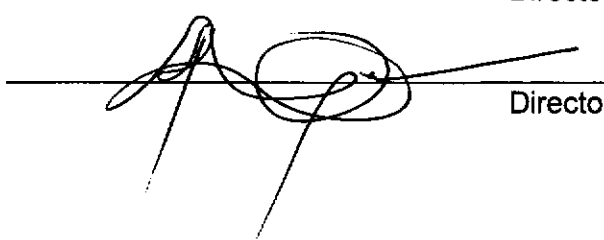
Approved for issue by the Board of Directors on 12 November 2007 and signed on its behalf by:



 Group Managing Director



 Director



 Director



 Secretary

NATIONAL COMMERCIAL BANK JAMAICA LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 SEPTEMBER 2007

	Share Capital	Shares Held by Share Scheme	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	\$'000
Balance as at 1 October 2005	2,466,763	(3,867)	4,453,752	2,343,004	211,590	1,609,000	3,119,761	7,013,460	21,213,463
Currency translation differences	-	-	-	34,290	-	-	-	-	34,290
Unrealised gains on available-for-sale investments, net of taxes	-	-	-	433,240	-	-	-	-	433,240
Realised fair value gains transferred to Consolidated Profit and Loss Account	-	-	-	(1,178,458)	-	-	-	-	(1,178,458)
Share of equity movement in associates	-	-	-	349,751	-	-	-	-	349,751
Net losses not recognised in Consolidated Profit and Loss Account	-	-	-	(361,177)	-	-	-	-	(361,177)
Net profit	-	-	-	-	-	-	-	5,486,625	5,486,625
Dividends paid	-	-	-	-	-	-	-	(1,748,924)	(1,748,924)
Transfer of share premium	3,998,968	-	(4,453,752)	454,784	-	-	-	-	-
Transfer to Loan Loss Reserve	-	-	-	-	41,395	-	-	(41,395)	-
Transfer to Retained Earnings Reserve	-	-	-	-	-	-	1,400,000	(1,400,000)	-
Transfer to Banking Reserve Fund	-	-	-	-	-	354,000	-	(354,000)	-
Balance at 30 September 2006	6,465,731	(3,867)	-	2,436,611	252,985	1,963,000	4,519,761	8,955,766	24,589,987
Currency translation differences	-	-	-	64,626	-	-	-	-	64,626
Unrealised losses on available-for-sale investments, net of taxes	-	-	-	(351,208)	-	-	-	-	(351,208)
Realised fair value gains transferred to Consolidated Profit and Loss Account	-	-	-	(513,310)	-	-	-	-	(513,310)
Share of equity movement in associates	-	-	-	(41,169)	-	-	-	-	(41,169)
Net losses not recognised in Consolidated Profit and Loss Account	-	-	-	(841,061)	-	-	-	-	(841,061)
Net profit	-	-	-	-	-	-	-	6,601,426	6,601,426
Dividends paid	-	-	-	-	-	-	-	(1,796,326)	(1,796,326)
Transfer from Loan Loss Reserve	-	-	-	-	(21,750)	-	-	21,750	-
Transfer to Banking Reserve Fund	-	-	-	-	-	644,000	-	(644,000)	-
Balance at 30 September 2007	6,465,731	(3,867)	-	1,595,550	231,235	2,607,000	4,519,761	13,138,616	28,554,026

NATIONAL COMMERCIAL BANK JAMAICA LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2007

	2007	2006
	\$'000	\$'000
Cash Flows from Operating Activities		
Net cash provided by operating activities	24,708,833	21,045,300
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(630,055)	(841,130)
Acquisition of intangible asset – computer software	(165,283)	(86,729)
Proceeds from disposal of property, plant and equipment	55,905	51,942
Dividends received from associates	37,287	37,287
Investment securities, net	(28,104,768)	(14,718,451)
Net cash used in investing activities	(28,806,914)	(15,557,081)
Cash Flows from Financing Activities		
Drawdowns under securitisation arrangements	3,327,211	12,255,011
Repayments under securitisation arrangements		(2,480,447)
Other borrowed funds	2,448,746	1,374,123
Dividends paid	(1,796,326)	(1,748,924)
Net cash provided by financing activities	3,979,631	9,399,763
Effect of exchange rate changes on cash and cash equivalents	1,795,637	964,198
Net increase in cash and cash equivalents	1,677,187	15,852,180
Cash and cash equivalents at beginning of year	25,836,501	9,984,321
Cash and Cash Equivalents at End of Year	27,513,688	25,836,501
Comprising:		
Cash and balances at Bank of Jamaica	4,992,675	3,021,217
Due from other banks	18,977,969	13,851,703
Investment securities – available-for sale	8,320,631	16,020,470
Due to other banks	(4,777,587)	(7,056,889)
	27,513,688	25,836,501

NATIONAL COMMERCIAL BANK JAMAICA LIMITED
SEGMENT REPORTING

Year ended	Banking			Wealth Management \$'000	Insurance \$'000	Other \$'000	Eliminations \$'000	Consolidated \$'000
	Retail \$'000	Corporate \$'000	Treasury \$'000					
30 September 2007								
External operating revenue	9,024,365	3,534,399	10,998,233	7,632,071	2,533,016	30,871	-	33,752,955
Operating revenue from other segments	6,127,406	(29,248)	1,191,404	67,850	107,289	65,431	(7,530,132)	-
Operating revenue	15,151,771	3,505,151	12,189,637	7,699,921	2,640,305	96,302	(7,530,132)	33,752,955
Segment result	1,921,838	1,478,624	3,210,660	2,109,056	553,964	42,384	(7,301)	9,309,225
Unallocated corporate expenses								(885,947)
Operating profit								8,423,278
Share of profits of associates								170,566
Profit before tax								8,593,844
Taxation expense								(1,992,418)
Net profit								6,601,426
Segment assets	114,152,923	30,706,151	119,789,192	57,372,425	16,374,979	440,726	(91,472,701)	247,363,695
Associates								2,034,921
Unallocated assets								4,784,738
Total assets								254,183,354
Segment liabilities	103,193,906	24,742,581	117,160,384	49,042,264	14,606,135	170,506	(88,324,515)	220,591,261
Unallocated liabilities								5,038,067
Total liabilities								225,629,328
Impairment loss	-	-	71,633	30,380	-	-	(21,673)	80,340
Capital expenditure	592,329	63,349	49,272	20,594	66,679	3,115	-	795,338
Depreciation and amortisation	696,233	74,524	57,963	29,743	29,753	1,030	-	889,246

Segment Reporting (Continued)

Year ended	Banking							Consolidated \$'000
	Retail \$'000	Corporate \$'000	Treasury \$'000	Wealth Management \$'000	Insurance \$'000	Other \$'000	Eliminations \$'000	
30 September 2006								
External operating revenue	6,566,124	4,399,887	9,276,336	7,635,171	2,102,637	24,547	-	30,004,702
Operating revenue from other segments	5,674,663	90,074	1,354,777	100,385	78,031	47,664	(7,345,594)	-
Operating revenue	12,240,787	4,489,961	10,631,113	7,735,556	2,180,668	72,211	(7,345,594)	30,004,702
Segment result	935,448	1,690,579	2,606,419	1,586,329	622,032	13,045	67,444	7,521,296
Unallocated corporate expenses								(708,727)
Operating profit								6,812,569
Share of profits of associates								117,985
Profit before tax								6,930,554
Taxation expense								(1,443,929)
Net profit								5,486,625
Segment assets	92,400,472	25,121,692	101,425,342	60,773,507	13,683,889	470,400	(75,749,252)	218,126,050
Associates								1,992,771
Unallocated assets								3,019,983
Total assets								223,138,804
Segment liabilities	83,923,758	20,500,918	99,010,789	53,463,272	12,091,749	234,366	(72,751,851)	196,473,001
Unallocated liabilities								2,075,816
Total liabilities								198,548,817
Impairment loss	-	-	-	244,257	-	-	-	244,257
Capital expenditure	733,479	78,472	61,034	28,834	23,463	2,577	-	927,859
Depreciation and amortisation	818,687	87,649	68,171	38,057	12,576	2,945	-	1,028,085