

Financial Results for Q/E December 31, 2002

The Committee appointed by the Board of Directors of the Bank has today released the following Unaudited Results of the Group for the quarter ended December 31 2002.

	QUARTER ENDED 31.12.02 J\$'000	QUARTER ENDED 31.12.01 J\$'000
REVENUE	3,939,781	3,418,866
EXPENSES	(3,641,406)	(3,222,667)
Operating Profit	298,375	196,199
Exceptional Item	153,419	-
Profit Before Tax	451,794	196,199
Taxation	(12,560)	(11,670)
Profit after Taxation	439,234	184,529
Minority interest in results of subsidiaries	-	(16,532)
NET PROFIT	439,234	167,997
EARNINGS PER STOCK UNIT	\$0.18	\$0.07

Net Profit of the Group for the quarter ended December 31 2002 amounted to J\$439.2 million compared to J\$168 million for the same period in the previous year. This improved performance was due mainly to an increase in net interest income of J\$390 million and gain on sale of investments of J\$153.4 million.

Highlights are as follows:

- Return on average equity was 16.7% compared to 7.4% for the same period in the previous year.
- Operating income (net interest income and non-interest income) was J\$1.9 billion compared to J\$1.5 billion in the previous year, an increase of 29.3%.

- The ratio of non-interest expenses to operating income was 84% compared to 86.5% for the corresponding period in the previous year.

During the quarter the Group's total revenue increased from J\$3.4 billion to J\$3.9 billion, an increase of J\$520.9 million or 15.2% due mainly to:

- Growth in income from loans of J\$214.9 million or 60%
- Growth in income from securities of J\$271.1 million or 11%
- Growth in fees and commissions of J\$32.5 million or 9.9%

As at December 31, 2002 total loan loss provision was J\$2.1 billion or 133% of non-performing loans.

During the quarter loan volume increased by J\$2.2 billion or 13% while the non-performing loan portfolio decreased from J\$1.554 billion to J\$1.536 billion, a reduction of J\$17.4 million (1.2%).

Non-performing loans represent 7.9% of gross loans compared to 9.0% as at September 2002 and 13.5% as at December 2001.