



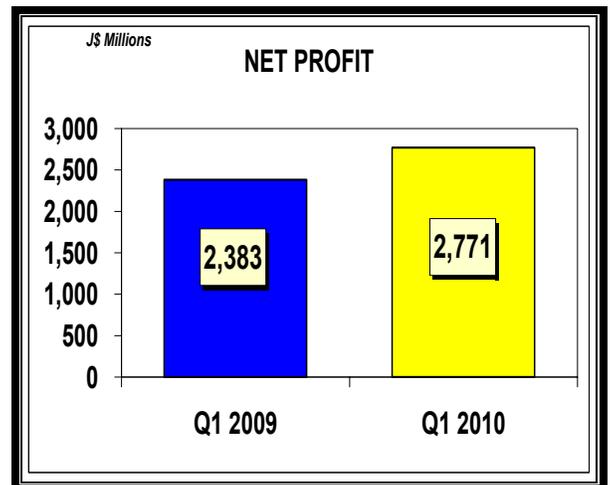
**NATIONAL COMMERCIAL BANK JAMAICA LIMITED
REPORTS UNAUDITED NET PROFIT OF \$2,771
MILLION FOR THE QUARTER ENDED 31 DECEMBER
2009.**

The Board of Directors is pleased to release the following unaudited results for National Commercial Bank Jamaica Limited (NCBJ) and its subsidiaries for the quarter ended 31 December 2009.

PERFORMANCE HIGHLIGHTS

Quarter Ended December 2009 compared with Quarter Ended December 2008

- Net Profit of \$2,771 million, grew by \$388 million or 16.3%.
- Earnings per Stock Unit of \$1.13 grew by \$0.16 or 16.3%.
- Operating Revenue of \$7,542 million, an increase of 19.6% or \$1,234 million.
- Cost to Income Ratio of 50.6% vs. 51.8%.
- Risk-Based Capital Ratio of 15.3% vs. 13.0%.
- Total Assets of \$313.4 billion, improved by 8.6% or J\$24.8 billion.
- Net Loans of \$87.9 billion, grew by 4.5% or J\$3.8 billion.
- Investment Securities of \$165.0 billion, up by \$12.7 billion or 8.3%.
- Customer Deposits of \$132.4 billion, increased by 3.4%.
- Return on Average Equity was 26.7% vs. 30.2%.
- Return on Average Assets was 3.5% vs. 3.3%.



Quarter ended December 2009 compared with Quarter ended September 2009

- Net Profit of \$2,771 million, declined by 4.7% or \$137 million.
- Earnings per Stock Unit of \$1.13 decreased by \$0.06 or 4.7%.
- Operating Revenue increased by \$208 million or 2.8%.
- Return on Average Equity was 26.7% vs. 29.6%.
- Return on Average Assets was 3.5% vs. 3.7%.



SEGMENT PERFORMANCE



Commercial Banking

The commercial banking's (Retail, Corporate and Treasury) operating results of \$2,324 million for the quarter ended 31 December 2009 represent a decrease of \$15 million from the December 2008 period. The results reflect growth in our investment securities portfolio which contributed to the 26.4% growth in interest income from securities and 12.1% growth in net fee and commission income.

Operating expenses for this segment increased by 7.9% which was primarily due to staff costs increasing by 16.2% due mainly to negotiated increases and loan loss provisions growing by 15.0%.

Loans and advances totalled \$87.5 billion (net of provision for credit losses) as at 31 December 2009 grew by \$3.8 billion over the loan portfolio as at 31 December 2008. Non-performing loans totalled \$2.7 billion as at December 2009 and represented 3.0% of the gross loans compared to 2.5% as at 31 December 2008. Our provision coverage as at December 2009 was 142.2% compared to 149.3% at December 2008.

NCBJ remains the largest commercial bank when measured by profit, assets and branch network, and we believe that these advantages provide significant opportunities for continued growth.

Wealth Management

Our wealth and asset management segment contributed operating profits of \$894.6 million for the quarter ended 31 December 2009 and the result for this segment reflects a \$547 million or 157.5% increase over the December 2008 quarter. NCB Capital Markets Limited (NCBCM) the main contributor to this segment provided 90.1% of the operating profits.

Insurance

Our insurance segment contributed operating profits of \$540.2 million for the quarter ended 31 December 2009, representing an increase of 39.8% or \$154 million over the prior year's first quarter results. NCB Insurance Company Limited (NCBIC), the major contributor to this segment achieved a net profit of \$472.8 million, increasing by \$158 million when compared to 31 December 2008.

Our pillars "Innovation, Expertise and Strength" continue to be the foundation on which we are building our financial fortress. Our organisation remains strong, both in profitability as well as prudential ratios.

We remain committed to and continue to pursue our strategic objectives and most importantly to keeping our organisation strong for all our stakeholders.

This strength is reflected in our capital position as follows:



CAPITAL

The Group's Stockholders' Equity of \$42.0 billion increased by \$10.2 billion or 32.0% when compared to 31 December 2008.

- The Risk-Based Capital Ratio for NCBJ was 15.3% which exceeds the minimum requirement of 10% stipulated by the Bank of Jamaica (31 December 2008 – 13.0%).
- The Capital to Risk Weighted Assets Ratio for NCBCM was 62.8% which exceeds the minimum requirement of 10% stipulated by the Financial Services Commission (31 December 2008 – 64.4%).
- The Solvency Ratio for NCBIC was 25.5% which exceeds the minimum requirement of 10% stipulated by the Financial Services Commission (31 December 2008 – 16.0%).

We remain committed to building the strength of our bank and after due consideration, the Board of Directors has not declared an interim dividend for the first quarter of the new financial year. We are of the opinion that, with the current uncertainties and challenges in the Jamaican economy consequent on the Jamaica Debt Exchange and the impending arrangements with the International Monetary Fund, the decision is in the best interest of the company. We will review our position and make the appropriate decision on dividends at the end of the next quarter by which time the full impact of the issues mentioned before will be better appreciated.

THE JAMAICA DEBT EXCHANGE (JDX)

As detailed in Note 5 of the accompanying notes to financial statements, NCBJ and its subsidiaries have accepted the Government of Jamaica's offer to voluntarily exchange its existing portfolio of locally issued Jamaican and United States dollars denominated Government of Jamaica Bonds.

While the reduction in the yields on local bond portfolio will impact the group's gross revenues, we have modeled the effect on our business based on the new bonds that we have selected and the bank and its subsidiaries are forecast to produce significant levels of profitability while capital and liquidity will remain robust. In addition, we will be taking a number of steps to enhance other areas of revenue and improve efficiency.



AWARDS

We are extremely pleased to report to you our stakeholders that for the second consecutive year, NCBJ was awarded the “**2009 Bank of the Year in Jamaica**” by the *Financial Times* Banker Magazine. The recognition of being named Bank of the Year by the *Financial Times*, the world’s longest running international banking publication is a testament to our strong management and prudent risk approach.

We were also named Jamaica’s **Employer of Choice** at the Jamaica Employers Federation (JEF) Annual Awards Ceremony where we placed first in the **Employer of Choice** (Large Company Category – 500+ employees) and **Highest Employee Satisfaction** award categories.

We also received several important awards at the 2009 Jamaica Stock Exchange Best Practice Awards in December 2009. NCBCM won the **Corporate Disclosure Award**. NCBJ placed second in the **Corporate Disclosure Award**. NCBCM also took home the **Best Website Award**. NCBJ placed second in the **PSOJ Corporate Governance Award**.

COMMUNITY RELATIONS

In pursuit of our objective of *Engaging in Nation Building*, we committed over \$8 million during the quarter in support of projects in the areas of Education, Sports Development, Youth Leadership and Entrepreneurship, with particular focus on community development. We supported numerous projects which included Christmas treats and community outreach programmes.

Education

We made donations towards the National Food & Nutrition Coordinating Committee Secondary School’s Competition. The competition was aimed at increasing nutrition awareness among secondary students. In addition, winners of the competition received book grants from the N.C.B. Foundation.

Community Development

With our continued focus on building communities in which we serve and the desire to strengthen our relationships within these communities, donations were made towards community development initiatives which included the Rural Family Support Organisation (RuFamSO). This organisation provides skills training to at-risk adolescent males residing in Clarendon.

In addition, we supported the Southside Christmas treats for surrounding communities of Downtown Kingston, Ward 5 of Bustamante Children’s Hospital and the Maxfield Park Children’s Home in partnership with the UWI Rotaract Club.

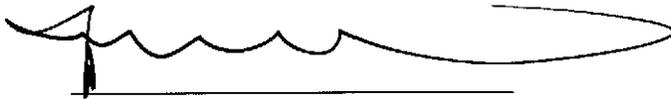


COMMUNITY RELATIONS (continued)

Youth Leadership & Entrepreneurism

We continued our 'Be the Change' campaign and five charities benefited, namely the Usain Bolt Foundation, Embrace Jamaica, Father's Incorporated, Baraage Scholarship and the Shaggy Foundation. This campaign is aimed at inspiring our youth to make positive changes not only in their communities but in their daily lives.

We wish to express our deep appreciation to our staff members for their commitment and dedication to excellence in their work and for their enthusiastic involvement in the Group's philanthropic pursuits. We also wish to express our sincere gratitude to our customers for their loyalty, confidence and continued support and remind them that "We Make It Happen".



ON BEHALF OF THE BOARD

National Commercial Bank Jamaica Limited

Consolidated Income Statement

Quarter ended 31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

	<i>CURRENT YEAR</i>		<i>PRIOR YEAR</i>	
	Quarter Ended	Quarter Ended	Quarter Ended	Quarter Ended
	31 Dec 09	30 Sep 09	31 Dec 08	31 Dec 08
	\$'000	\$'000	\$'000	\$'000
Interest Income	9,357,477	9,392,587	8,077,951	
Interest expense	(3,933,103)	(4,172,058)	(3,979,039)	
Net interest income	5,424,374	5,220,529	4,098,912	
Fee and commission income	1,731,267	1,800,213	1,547,304	
Fee and commission expense	(343,689)	(384,834)	(309,172)	
Net fee and commission income	1,387,578	1,415,379	1,238,132	
Gain on foreign currency and investment activities	543,693	526,332	854,535	
Dividend income	45,571	7,727	22,788	
Insurance premium income	123,214	105,604	78,543	
Other operating income	17,139	57,960	14,161	
	729,617	697,623	970,027	
Total operating income	7,541,569	7,333,531	6,307,071	
Staff costs	2,400,781	1,999,295	2,027,728	
Provision for credit losses	238,485	255,370	207,398	
Depreciation and amortisation	141,002	142,943	155,098	
Other operating expenses	1,277,925	1,117,559	1,087,157	
Total operating expenses	4,058,193	3,515,167	3,477,381	
Operating Profit	3,483,376	3,818,364	2,829,690	
Share of profits of associate	14,681	21,230	11,550	
Profit before Taxation	3,498,057	3,839,594	2,841,240	
Taxation	(726,978)	(931,584)	(458,150)	
PROFIT FOR THE PERIOD	2,771,079	2,908,010	2,383,090	
Profit attributable to shareholders of the parent company	2,771,079	2,908,010	2,383,090	
Earnings per stock unit (expressed in \$ per share)	\$ 1.13	\$ 1.18	\$ 0.97	

National Commercial Bank Jamaica Limited

Statement of Comprehensive Income

Quarter ended 31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Quarter Ended 31 Dec 09 \$'000	Quarter Ended 31 Dec 08 \$'000
Profit for the period	2,771,079	2,383,090
Other comprehensive income		
Currency translation differences	2,815	142,237
Unrealised gains/(losses) on available for sale investments, net of taxes	546,269	(1,037,625)
Realised fair value (gains)/losses on sale and maturity of available for sale securities	(101,130)	47,059
Other comprehensive income, net of tax	447,954	(848,329)
Total comprehensive income for the period	3,219,033	1,534,761
Total comprehensive income attributable to shareholders of the parent company	3,219,033	1,534,761

National Commercial Bank Jamaica Limited

Consolidated Statement of Financial Position

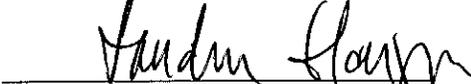
31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

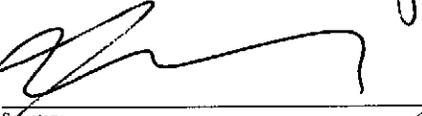
	31 December 2009 \$'000	30 September 2009 \$'000	31 December 2008 \$'000
ASSETS			
Cash and balances at Bank of Jamaica	6,428,138	8,486,526	3,647,679
Statutory reserves	16,015,514	16,181,485	13,053,192
Due from other banks	17,631,558	14,405,493	14,364,739
Derivative financial instruments	13,297	52,191	-
Investment securities at fair value through profit or loss	710,848	752,578	499,887
Reverse repurchase agreements	8,361,080	8,185,227	9,418,376
Loans and advances, net of provision for credit losses	87,906,164	88,178,270	84,147,682
Investment securities	164,329,505	166,966,379	151,877,530
Investments in associate	2,148,674	2,133,994	2,192,957
Investment property	13,000	13,000	13,000
Intangible asset - computer software	231,092	246,781	260,885
Property, plant and equipment	3,991,420	4,011,495	3,780,729
Retirement benefit asset	11,632	11,632	13,077
Deferred income tax assets	513,471	803,279	2,177,569
Income tax recoverable	1,885,544	1,705,001	1,312,328
Other assets	2,713,580	2,563,163	1,488,544
Customers' liability - letters of credit and undertaking	495,557	399,983	377,354
Total Assets	313,400,074	315,096,477	288,625,528
LIABILITIES			
Due to other banks	5,650,997	6,556,209	7,562,348
Customer deposits	132,392,548	130,331,351	128,061,428
Promissory notes and certificates of participation	204,052	194,492	3,153
Repurchase agreements	74,671,704	77,374,431	64,532,365
Obligations under securitisation arrangements	25,812,930	27,157,180	28,560,380
Derivative financial instruments	210,416	126,848	175,553
Other borrowed funds	7,509,983	7,815,552	5,426,420
Income tax payable	5,777	10,803	709,576
Deferred income tax liabilities	215,976	213,080	95,994
Policyholders' liabilities	19,759,494	19,114,764	17,135,580
Provision for litigation	9,000	28,506	66,000
Retirement benefit obligations	440,154	421,641	371,151
Other liabilities	3,977,030	4,335,691	3,685,308
Liability - letters of credit and undertaking	495,557	399,983	377,354
Total Liabilities	271,355,618	274,080,531	256,762,610
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 other reserves	512,231	64,277	(2,405,062)
Loan loss reserve	992,419	744,159	794,666
Banking reserve fund	4,581,558	4,362,102	3,823,659
Retained earnings reserve	8,875,761	8,875,761	8,875,761
Retained earnings	20,620,144	20,507,304	14,311,551
Total Stockholders' Equity	42,044,456	41,015,946	31,862,918
Total Equity and Liabilities	313,400,074	315,096,477	288,625,528

Approved for issue by the Board of Directors on 28 January 2010 and signed on its behalf by:


Director


Director


Director


Secretary

National Commercial Bank Jamaica Limited

Consolidated Statement of Changes in Stockholders' Equity

Quarter ended 31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Share Capital	Shares Held by Share Scheme	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 2008	6,465,731	(3,388)	(1,556,733)	697,061	3,663,000	8,875,761	13,171,230	31,312,662
Dividends paid	-	-	-	-	-	-	(984,505)	(984,505)
Total comprehensive income for the period	-	-	(848,329)	-	-	-	2,383,090	1,534,761
Transfer to Loan Loss Reserve	-	-	-	97,605	-	-	(97,605)	-
Transfer to Banking Reserve Fund	-	-	-	-	160,659	-	(160,659)	-
Balance at 31 December 2008	6,465,731	(3,388)	(2,405,062)	794,666	3,823,659	8,875,761	14,311,551	31,862,918
Balance as at 1 October 2009	6,465,731	(3,388)	64,277	744,159	4,362,102	8,875,761	20,507,304	41,015,946
Dividends paid	-	-	-	-	-	-	(2,190,523)	(2,190,523)
Total comprehensive income for the period	-	-	447,954	-	-	-	2,771,079	3,219,033
Transfer to Loan Loss Reserve	-	-	-	248,260	-	-	(248,260)	-
Transfer to Banking Reserve Fund	-	-	-	-	219,456	-	(219,456)	-
Balance at 31 December 2009	6,465,731	(3,388)	512,231	992,419	4,581,558	8,875,761	20,620,144	42,044,456

National Commercial Bank Jamaica Limited

Consolidated Statement of Cash Flows

Quarter ended 31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

	31 December 2009 \$'000	31 December 2008 \$'000
Cash Flows from Operating Activities		
Net profit	2,771,079	2,383,090
Changes in operating assets and liabilities	(977,345)	(1,678,283)
Other adjustments to reconcile net profit	(402,815)	2,932,709
Net cash provided by operating activities	<u>1,390,919</u>	<u>3,637,516</u>
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(106,827)	(78,888)
Acquisition of intangible asset - computer software	(7,833)	(10,525)
Proceeds from disposal of property, plant and equipment	6,915	6,801
Purchase of investment securities	(15,325,254)	(32,353,411)
Sales/maturities of investment securities	21,916,838	22,021,265
Net cash provided by/(used in) investing activities	<u>6,483,839</u>	<u>(10,414,758)</u>
Cash Flows from Financing Activities		
Repayments under securitisation arrangements	(1,493,343)	(537,367)
Proceeds from other borrowed funds	246,288	54,199
Repayments of other borrowed funds	(196,274)	(288,212)
Dividends paid	(2,190,523)	(984,505)
Net cash used in financing activities	<u>(3,633,852)</u>	<u>(1,755,885)</u>
Effect of exchange rate changes on cash and cash equivalents	209,821	623,653
Net increase/(decrease) in cash and cash equivalents	4,450,727	(7,909,474)
Cash and cash equivalents at beginning of period	18,594,234	18,990,303
Cash and cash equivalents at end of period	<u>23,044,961</u>	<u>11,080,829</u>
Comprising:		
Cash and balances at Bank of Jamaica (excluding Statutory Reserves)	6,428,138	3,647,679
Due from other banks	17,631,558	14,364,739
Investment securities with an original maturity of less than 90 days	4,636,262	630,759
Due to other banks	(5,650,997)	(7,562,348)
	<u>23,044,961</u>	<u>11,080,829</u>

National Commercial Bank Jamaica Limited

Segment Report

Quarter ended 31 December 2009

	Wealth							Consolidated \$'000
	Retail \$'000	Corporate \$'000	Treasury \$'000	Management \$'000	Insurance \$'000	Other \$'000	Eliminations \$'000	
External revenue	3,365,255	1,403,304	2,961,497	2,746,123	1,313,482	28,700	-	11,818,361
Revenue from other segments	1,834,081	480	374,455	111,295	46,806	31,731	(2,398,848)	-
Total revenue	5,199,336	1,403,784	3,335,952	2,857,418	1,360,288	60,431	(2,398,848)	11,818,361
Segment result	776,304	746,793	801,161	894,637	540,169	32,024	(11,920)	3,779,168
Unallocated corporate expenses								(295,792)
Operating profit								3,483,376
Share of profits in associate								14,681
Profit before tax								3,498,057
Taxation expense								(726,978)
Net profit								2,771,079
Segment assets	116,793,572	51,858,458	130,584,048	84,056,909	24,005,107	865,538	(100,577,515)	307,586,117
Associate								2,148,674
Unallocated assets								3,665,283
Total assets								313,400,074
Segment liabilities	104,933,752	44,705,202	125,395,167	74,334,304	19,843,333	115,771	(98,568,849)	270,758,680
Unallocated liabilities								596,938
Total liabilities								271,355,618
Depreciation and amortisation	112,586	3,732	2,219	8,209	13,146	1,110	-	141,002

National Commercial Bank Jamaica Limited

Segment Report

Quarter ended 31 December 2008

	Wealth							Consolidated \$'000
	Retail \$'000	Corporate \$'000	Treasury \$'000	Management \$'000	Insurance \$'000	Other \$'000	Eliminations \$'000	
External revenue	3,055,050	1,554,073	3,164,304	1,924,810	869,535	27,510		10,595,282
Revenue from other segments	1,605,027	710	634,554	115,740	84,023	(8,282)	(2,431,772)	-
Total revenue	4,660,077	1,554,783	3,798,858	2,040,550	953,558	19,228	(2,431,772)	10,595,282
Segment result	631,906	662,722	1,044,928	347,422	386,441	(5,497)	24,590	3,092,512
Unallocated corporate expenses								(262,822)
Operating profit								2,829,690
Share of profits in associate								11,550
Profit before tax								2,841,240
Taxation expense								(458,150)
Net profit								2,383,090
Segment assets	109,544,345	49,963,596	125,506,591	71,791,082	19,248,486	779,701	(94,651,863)	282,181,938
Associate								2,192,957
Unallocated assets								4,250,633
Total assets								288,625,528
Segment liabilities	102,064,328	44,437,892	119,555,458	64,595,201	17,242,106	101,261	(92,363,202)	255,633,044
Unallocated liabilities								1,129,566
Total liabilities								256,762,610
Depreciation and amortisation	121,752	3,249	2,581	10,004	16,221	1,291	-	155,098

National Commercial Bank Jamaica Limited

Notes to the Financial Statements

31 December 2009

(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 56.86% subsidiary of AIC (Barbados) Limited. The ultimate parent company is Portland Holdings Inc., incorporated in Canada. Portland Holdings Inc. is controlled by Hon. Michael Lee-Chin, OJ. 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.

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

2. 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 or loss, derivative contracts and investment property.

There have been no changes in accounting policies since the most recent audited accounts as at 30 September 2009.

Where necessary, comparative figures for 31 December 2008 have been reclassified to conform with changes in presentation in the current period.

All amounts are stated in Jamaican dollars unless otherwise indicated.

3. New and revised standards adopted by the Group

During the period ended 31 December 2009 the Group adopted the following new and revised standards:

IAS 1 (Revised) Presentation of Financial Statements

On 1 October 2009 the Group adopted the revised IAS 1. The revision aims to improve users’ ability to analyse and compare the information provided in financial statements. All changes in equity arising from transactions with owners in their capacity as owners are presented separately from other changes in equity. The adoption of the revised standard has no impact on the results reported in the consolidated financial statements. However, it has resulted in certain presentational changes in the financial statements of the Group as follows:

- Income and expenses are presented in two statements; the Consolidated Income Statement and the Consolidated Statement of Comprehensive Income
- The Consolidated Profit and Loss Account and the Consolidated Balance Sheet have been renamed ‘Consolidated Income Statement’ and ‘Consolidated Statement of Financial Position’ respectively.

National Commercial Bank Jamaica Limited

Notes to the Financial Statements

31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

IFRS 8 Operating Segments

On 1 October 2009 the Group adopted IFRS 8, which replaces IAS 14 'Segment Reporting'. An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses and whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment. The new standard requires a 'management approach' under which segment information is presented on the same basis as that used for internal purposes. The adoption of this new standard has no financial impact on the consolidated financial statements; however, it has resulted in a revision of the composition of the segment categories for the Group.

The Group is organised into the following segments:

- Retail banking – This incorporates the provision of banking services to individual and small and medium business clients and money remittance services.
- Corporate banking – This incorporates the provision of banking services to large corporate clients.
- Treasury – 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 trading services.
- Wealth management – This incorporates stock brokerage, securities trading, investment management and other financial services provided by overseas subsidiaries.
- Insurance – This incorporates life insurance and pension fund management services.
- Other – This includes insurance brokerage services, trustee services, registrar and transfer agent services and data processing services.

4. Obligations Under Securitisation Arrangements

During the quarter ended 31 December 2009, the Group made a scheduled repayment of US\$16,768,000 in relation to the two securitisation arrangements.

5. Subsequent Event

On 14 January 2010, the Government of Jamaica extended a debt exchange offer to the holders of its local debt instruments. The debt exchange is expected to reduce the government's interest cost by \$42Bn annually. Approximately \$700Bn of local currency fixed rate and variable rate bonds and US dollar bonds issued prior to December 31, 2009 will be affected. Non-acceptance of this debt exchange offer does carry substantial penalties and risks for the organisation.

Under the offer, the Government of Jamaica is asking holders of its local securities to voluntarily exchange these securities for new notes with lower coupons and longer maturities. The settlement date for the offer is February 16, 2010.

Government of Jamaica local debt instruments totaling \$80Bn and US \$98M which are held by the group as at 31 December 2009, will be exchanged under this offer. The debt instruments to be exchanged represent 28% of the Group's Total Assets. On January 21, 2010, the Board of Directors of National Commercial Bank Jamaica Limited formally accepted the government's debt exchange offer. The acceptance will result in NCBJ and its subsidiaries exchanging 100% of its local currency fixed rate and variable rate bonds and US dollar bonds maturing after February 16, 2010.