

National Commercial Bank Jamaica Limited - 2000

Auditors' Report

We have audited the financial statements as set out. These financial statements are the responsibility of the directors and management. The directors and management are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, follow applicable accounting standards and prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group and company will continue in business. The directors and management are responsible for keeping proper accounting records, for safeguarding the assets of the group and the company, and for the prevention and detection of fraud and other irregularities. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with standards on auditing generally accepted in Jamaica. Those standards require that we plan and perform the audit to obtain all the information and explanations which we considered necessary to provide us with reasonable assurance that the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by directors and management, as well as evaluating the overall financial statements presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, proper accounting records have been kept and the financial statements, which are in agreement therewith, give a true and fair view of the state of affairs of the group and the company at 30 September 2000 and of the results of operations of the group and the company, changes in equity of the group and cash flows of the group for the year then ended and have been prepared in accordance with Jamaican generally accepted accounting principles and comply with the provisions of the Jamaican Companies Act applicable to banking companies.

Without qualifying our opinion, we draw attention to notes 7(b) and 10(g) to the financial statements.

For the year ended 30 September 2000, \$7.6 billion being 68% of the income from loans and securities consisted of interest on FINSAC bonds (Note 1). This interest was paid by the issue of further FINSAC bonds except for \$1.9 billion which was accrued and may be paid for in FINSAC bonds subsequent to the year end.

At 30 September 2000 FINSAC bonds and promissory notes, including accrued interest, amounted to \$44.3 billion and accounted for 68% of income earning assets.

The liquidity of the group and its ability to fund its operations and achieve profitability are largely contingent on the receipt of FINSAC interest, which the Government of Jamaica has undertaken to pay in cash to the extent required (note 10(b)) by the group at its request.

PriceWaterhouseCoopers
Chartered Accountants
Kingston, Jamaica
