CAPITAL MARKETS LIMITED

NCB CAPITAL MARKETS LIMITED REPORTS NET PROFIT OF $776 MILLION FOR THE YEAR ENDED 30 SEPTEMBER 2008

The Board of Directors hereby releases the following audited results for the Company for the year ended 30 September 2008.

PERFORMANCE HIGHLIGHTS

Year ended September 2008 compared with Year ended September 2007 -

- Net Profit of $776 million, a decline of 50.5%.
- Earnings per Stock Unit of $0.64, down from $1.30.
- Operating Revenue of $2,669 million, a decline of 5%.
- Cost to Income Ratio of 74.39% vs. 27.57%.
- Investment Securities of $56.1 billion, an increase of $3.4 billion over last year.
- Return on Average Equity of 10.03% vs. 21.07%.
- Return on Average Assets of 1.26% decreasing from 2.65%.
- Capital to Total Assets of 11.17% vs. 14.09%.

The results for the quarter and the year include a provision of $1,230 million representing a potential loss on realisation of securities held by the Lehman Brothers group (Lehman). In the normal course of business, the Company had entered into Master Repurchase arrangements with Lehman. Under these arrangements, Government of Jamaica bonds, with a value of US$44.88 million at year end, were pledged as security for the liability of US$27.92 million to Lehman. Given the insolvency proceedings that have been initiated with respect to members of the Lehman group, full recovery of the excess of the value of the pledged assets held over the liability is considered doubtful and accordingly, a full provision for this amount has been made in the financial statements.

Excluding this provision, the growth in Net Profit since September 2007 was 1.81%; the Cost to Income Ratio was 28.32%; the Return on Average Equity was 19.88%; and the Return on Average Assets was 2.58%.

Despite the impact of the provision on the results for the year, the Company maintains a solid capital base of $7.4 billion and remains a strong, stable player in the industry.

CAPITAL MARKETS LIMITED

NET PROFIT

The following is a summary of the results for the quarter and year ended 30 September 2008:

	CURRENT YEAR		*PRIOR YEAR*	
	Quarter ended 30 Sep 2008	**Year ended 30 Sep 2008**	**Quarter ended 30 Sep 2007**	**Year ended 30 Sep 2007**
	$'000	**$'000**	**$'000**	**$'000**
Operating Revenue	495,640	2,669,022	592,555	2,808,847
Operating Expenses	1,441,327	1,985,568	182,121	774,500
(Loss)/Profit before taxation	**(945,687)**	**683,454**	**410,434**	**2,034,347**
Taxation credit/(charge)	364,410	92,131	(77,620)	(467,404)
Net Profit	**(581,277)**	**775,585**	**332,814**	**1,566,943**
Earnings per stock unit	**$(0.48)**	**$0.64**	**$0.28**	**$1.30**

Operating Revenue

Reflecting several adverse developments in both the local and international environment, most economic variables pointed to a weaker economy and subdued bond and equity markets during the financial year ended 30 September 2008. Despite challenging market conditions and rising interest rates, the Company expertly managed interest rate spreads while growing Funds under Management, which increased from $45.2 billion at 30 September 2007 to $54.7 billion at 30 September 2008. Net interest income for the fourth quarter ended September 2008 increased by $13 million when compared to the third quarter's results. Net interest income for the year ended September 2008 increased by $157 million over the prior year.

In the international market, the sub-prime mortgage crisis in the U.S. and the resulting global credit crunch translated into subdued bond markets and a decline in opportunities for realising asset trading gains. For the year ended September 2008, Other Operating Income amounted to $952 million, reflecting a decline of 23.8% compared to the prior year. However, the Company continues to offer new products and placements resulting in new income streams. Over the past financial year the Company has been involved in almost all of the large offerings to come to the market, including the Carlton Savannah REIT and the Jamaica Stock Exchange Preference Share Issue. For the upcoming financial year, the company will continue to balance the management of interest rate spreads while maintaining a very competitive position in the market.

Operating Expenses

For the year ended September 2008, operating expenses (excluding the provision for the Lehman potential loss) totalled $756 million, representing a marginal increase of 1.6% over the prior year (excluding the impairment loss of $30.38 million on our available-for-sale equity portfolio). The focus for the 2008/2009 financial year will be to continue to pursue cost management strategies and maximise operational efficiencies.

BALANCE SHEET

The total assets of the Company were $66.2 billion at 30 September 2008. This represents an increase of 15.4% over the $57.3 billion for 2007. Total liabilities at 30 September 2008 amounted to $58.8 billion, comprised mainly of repurchase agreements totalling $54.8 billion. Stockholder's equity at 30 September 2008 amounted to $7.4 billion compared to $8.0 billion at 30 September 2007.

PREFERENCE DIVIDENDS

During the year ended 30 September 2008, the Company made two dividend payments totalling $120.7 million (2007 - $35.25 million), each being an approved interim dividend of 11.90% per annum (inclusive of a bonus dividend of 0.15% per annum) in respect of the 11.75% per annum Cumulative Redeemable "A" Preference Stock Units.

ORDINARY DIVIDEND

On 27 November 2007, the Board declared an interim dividend of $0.25 per ordinary stock unit. The dividend was paid on 12 December 2007 for stockholders on record as at 12 December 2007. The dividend has been accounted for in stockholders' equity as an appropriation of retained profits in the year ended 30 September 2008.

ON BEHALF OF THE BOARD

NCB Capital Markets Limited

Profit and Loss Account

Year Ended 30 September 2008

	CURRENT YEAR			PRIOR YEAR	
	Quarter Ended 30 Sep 2008	Quarter Ended 30 Jun 2008	Year Ended 30 Sep 2008	Quarter Ended 30 Sep 2007	Year Ended 30 Sep 2007
	$'000	$'000	$'000	$'000	$'000
Operating Income					
Interest income	1,806,903	1,699,427	6,542,636	1,393,672	6,169,948
Interest expense	(1,363,227)	(1,268,890)	(4,825,948)	1,042,017	(4,610,686)
Net interest income	443,676	430,537	1,716,688	351,655	1,559,262
Gains on asset trading	(54,359)	26,568	518,979	19,394	788,505
Dividend income	8,528	8,416	34,956	2,561	36,545
Other operating income	97,795	128,018	398,399	218,945	424,535
	51,964	163,002	952,334	240,900	1,249,585
	495,640	**593,539**	**2,669,022**	**592,555**	**2,808,847**
Operating Expenses					
Impairment loss	1,229,610	-	1,229,610	-	30,380
Staff costs	110,809	107,145	419,269	103,638	451,659
Other operating expenses	100,908	84,356	336,689	78,483	292,461
	1,441,327	191,501	1,985,568	182,121	774,500
(Loss)/Profit before Taxation	**(945,687)**	**402,038**	**683,454**	**410,434**	**2,034,347**
Taxation credit/(charge)	364,410	(65,865)	92,131	(77,620)	(467,404)
NET (LOSS)/PROFIT	**(581,277)**	**336,173**	**775,585**	**332,814**	**1,566,943**
EARNINGS PER STOCK UNIT	**$(0.48)**	**$0.28**	**$0.64**	**$0.28**	**$1.30**

NCB Capital Markets Limited
Balance Sheet
30 September 2008

	2008 $'000	2007 $'000
ASSETS		
Cash and deposits	317,658	490,748
Investment securities at fair value through profit or loss	916,906	1,025,768
Reverse repurchase agreements	8,451,362	3,494,763
Investment securities – available-for-sale	55,232,163	51,709,984
Receivable from clients	14,935	12,864
Receivable from brokers	20,350	68,925
Deferred income tax asset	618,419	-
Other assets	184,797	312,018
Income tax recoverable	364,072	178,616
Retirement benefit asset	13,077	11,627
Property, plant and equipment	15,110	15,485
Intangible assets – computer software	11,026	13,035
Total Assets	**66,159,875**	**57,333,833**
LIABILITIES		
Repurchase agreements	54,748,155	45,192,234
Promissory notes and certificates of participation	4,626	319,993
Payable to clients	24,339	60,906
Payable to brokers	20,562	98,411
Redeemable preference shares	1,108,687	1,098,770
Deferred income tax liability	-	181,378
Other borrowed funds	2,366,302	1,855,253
Other liabilities	497,344	449,802
Total Liabilities	**58,770,015**	**49,256,747**
EQUITY		
Share capital	1,221,115	1,221,115
Fair value reserve	(956,710)	204,196
Capital reserve	11,142	11,142
Retained earnings	7,114,313	6,640,633
Total Equity	**7,389,860**	**8,077,086**
Total Liabilities and Equity	**66,159,875**	**57,333,833**

Approved for issue by the Board of Directors on 3 November 2008 and signed on its behalf by:

Patrick Hylton
Chairman

Christopher Williams
Director

NCB Capital Markets Limited

Statement of Changes in Equity

Year Ended 30 September 2008

	Share Capital	Share Premium	Fair Value Reserve	Capital Reserve	Retained Earnings	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balances at 30 September 2006	1,207,615	13,500	493,641	11,142	5,073,690	6,799,588
Transfer of share premium	13,500	(13,500)	-	-	-	-
Realised gains on available-for-sale investments recognised in profit and loss account	-	-	(539,685)	-	-	(539,685)
Impairment amount on available-for-sale securities from equity	-	-	30,380	-	-	30,380
Unrealised gains on available-for-sale investments, net of taxes	-	-	219,860	-	-	219,860
Net profit	-	-	-	-	1,566,943	1,566,943
Total recognised (losses)/gains for the year	-	-	(289,445)	-	1,566,943	1,277,498
Balances at 30 September 2007	**1,221,115**	**-**	**204,196**	**11,142**	**6,640,633**	**8,077,086**
Realised gains on available-for-sale investments recognised in profit and loss account	-	-	(232,385)	-	-	(232,385)
Impairment amount on available-for-sale securities from equity	-	-	235,912	-	-	235,912
Unrealised gains/(losses) on available-for-sale investments, net of taxes	-	-	(1,164,,433)	-	-	(1,164,,433)
Net profit	-	-	-	-	775,585	775,585
Total recognised (losses)/gains for the year	-	-	(1,160,906)	-	775,585	(385,321)
Ordinary dividend paid	-	-	-	-	(301,905)	(301,905)
Balances at 30 September 2008	**1,221,115**	**-**	**(956,710)**	**11,142**	**7,114,313**	**7,389,860**

NCB Capital Markets Limited

Statement of Cash Flows

Year Ended 30 September 2008

	2008 $'000	2007 $'000
Cash Flows from Operating Activities		
Net cash provided by operating activities	5,886,418	5,668,692
Cash Flows from Investing Activities		
Acquisition of property, plant, equipment	(8,900)	(3,724)
Acquisition of intangible assets - computer software	(5,107)	(16,870)
Proceeds from disposal of property, plant and equipment	815	-
Investment securities, net	(6,323,853)	(8,442,068)
Net cash used in investing activities	(6,337,045)	(8,462,662)
Cash Flows from Financing Activities		
Proceeds from issue of redeemable preference shares	-	777,381
Ordinary dividend paid	(301,905)	-
Other borrowed funds	508,567	1,615,261
Net cash provided by financing activities	206,662	2,392,642
Net decrease in cash and cash equivalents	(243,965)	(401,328)
Cash and cash equivalents at beginning of year	2,528,223	2,917,271
Effect of exchange rate changes on cash & cash equivalents	15,501	12,280
Cash and Cash Equivalents at End of Year	2,299,759	2,528,223
Comprising:		
Cash and deposits	317,658	490,748
Reverse repurchase agreements	1,982,101	2,037,475
	2,299,759	2,528,223

1. Identification and Principal Activities

NCB Capital Markets Limited ("the Company") is a wholly-owned subsidiary of National Commercial Bank Jamaica Limited ("the Bank"). Both companies are incorporated under the laws of Jamaica. The Company is domiciled in Jamaica, with its registered office at 32 Trafalgar Road, Kingston 10. The ultimate parent company is Portland Holdings Inc., incorporated in Canada. Portland Holdings Inc. is controlled by Hon. Michael Lee-Chin, O.J.

The Company's principal activities comprise those being a licensed securities dealer with the Financial Services Commission. The company listed on the Jamaica Stock Exchange in September 2006, and has primary dealer status from the Bank of Jamaica.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations issued by the International Accounting Standards Board ("IASB"), and the relevant provisions of the Jamaican Companies Act.

The financial statements are prepared on the historical cost basis, except for investments classified as fair value through profit or loss and available-for-sale which are stated at fair value. They are presented in the Company's functional currency, Jamaican dollars, and are stated in thousands, unless otherwise stated.

3. Significant accounting policies

(a) Investments:

Investments classified as fair value through profit or loss, including those held for trading, are carried at fair value, with changes in fair value being recognised in the profit and loss account. Securities acquired by the Company by making funds available to debtors are classified as loans and receivables, provided they are not traded in an active market, and are measured at amortised cost less impairment losses. Other investments are classified as available-for-sale ("AFS") and are stated at fair value, with gains or losses arising from changes in fair value being included in the fair value reserve, except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses.

When the securities are disposed of, or impaired, the related accumulated unrealised gains or losses included in equity are transferred to the profit and loss account. A financial asset is considered impaired if its carrying amount exceeds its estimated recoverable amount.

The amount of the impairment loss for assets carried at amortised cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the original effective interest rate. The recoverable amount of a financial asset carried at fair value is the present value of expected future cash flows discounted at the current market interest rate for a similar financial asset.

3. Significant accounting policies (Cont'd)

(a) Investments (Cont'd):

The fair value of investments is based on their quoted market bid price, if available, at the balance sheet date without any deduction for transaction costs. Where a quoted market price is not available, fair value is estimated using a generally accepted alternative method such as discounted cash flow.

Investments are recognised or derecognised by the company on the date of settlement and are initially recognised at cost.

(b) Repurchase and reverse repurchase transactions:

Securities sold under repurchase agreements (repurchase agreements) and securities purchased under resale agreements (reverse repurchase agreements) are treated as collateralised financing transactions. The difference between the sale/purchase and repurchase/resale price is treated as interest and accrued over the life of the agreements using the effective yield method.

(c) Taxation:

Income tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred tax liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities and their amounts as measured for tax purposes, which will result in taxable amounts in future periods. Deferred tax assets are recognised for temporary differences which will result in deductible amounts in future periods, but only to the extent it is probable that sufficient taxable profits will be available against which these differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realised or the liability will be settled based on enacted rates.

Current and deferred tax assets and liabilities are offset when they relate to the same tax authority and when the legal right of offset exists.

Current and deferred taxes are recognised as income tax expense or credit in the profit and loss account except, where they relate to items recorded in equity, they are charged or credited to equity.

(d) Cash and cash equivalents:

Cash and cash equivalents comprise cash in hand, demand and call deposits with banks and very short-term balances with other brokers/dealers, and are carried at amortised cost. Cash equivalents are highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are held by the company in the management of its short-term commitments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3. Significant accounting policies (Cont'd)

(e) Impairment:

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

(f) Preference shares:

Preference shares are included in the balance sheet as a liability and dividends paid thereon are treated as interest expense.

(g) Segment reporting:

A segment is a distinguishable component of the company that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other business segments.

The vast majority of the Company's revenues arises in Jamaica, based on the geographical location of its clients. The vast majority of the Company's assets is located in Jamaica. At this time there are no material segments into which the Company's business may be broken down.

(h) Comparative information:

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

4. Share Capital

	2008 $'000	2007 $'000
Authorised -		
1,219,304,000 ordinary shares at no par value		
500,000,000 variable rate cumulative redeemable "A" preference shares at no par value		
17,500,000 7% cumulative redeemable preference shares of US$ 0.01 each		
Issued and Fully Paid Up -		
1,207,614,900 ordinary shares at no par value	1,207,615	1,207,615
Share premium	13,500	13,500
	1,221,115	1,221,115
350,768,080 11.75% cumulative redeemable "A" preference shares at no par value	1,077,381	1,077,381
	2,298,496	2,298,496
Less: Redeemable preference shares required by IFRS to be accounted for as liabilities in the financial statements (note 5)	(1,077,381)	(1,077,381)
	1,221,115	1,221,115

In June 2007, the Company executed a renounceable rights issue of 100,000,000 preference shares at a price of $3.10 per share. The preference shares were offered to existing shareholders on record at June 18, 2007, who had the right to accept the shares and/or renounce some or all of the shares provisionally allotted.

Where existing preference shareholders neither accepted nor renounced the preference shares provisionally allotted, such shares fell into an 'excess shares' pool and members of the public were allowed to apply for shares from said pool. The company retained the right to upsize the offer and did so on two occasions, offering an additional 200,000,000 preference shares to existing preference shareholders. When the offer closed on August 17, 2007, a total of 250,768,080 preference shares had been allotted.

The 11.75% cumulative redeemable preference shares are redeemable at par at the Company's option. Any arrears of dividends must be paid at the date of redemption.

5. Redeemable preference shares

Interest-bearing borrowings comprise redeemable preference shares, details of which are set out in note 4. The amount is comprised of preference shares of $1,077,381,000 (2007: $1,077,381,000) and preference dividends payable of $31,306,000 (2007: $21,389,000), which have been recognised in the profit and loss account as interest expense. The preference shares will mature 42 months from the first date of issue in July 2006.