NCB CAPITAL MARKETS LIMITED

NCB CAPITAL MARKETS LIMITED REPORTS NET PROFIT OF $483 MILLION FOR THE THREE MONTHS ENDED 31 DECEMBER 2008

The Board of Directors hereby releases the following unaudited results for the Company for the three months ended 31 December 2008.

PERFORMANCE HIGHLIGHTS

Three months ended December 2008 compared with three months ended December 2007 -

- Net Profit of $483 million, an increase of 16%.
- Earnings per Stock Unit of $0.40, up from $0.35.
- Operating Revenue of $550 million, compared to $701 million.
- Operating Expenses of $131 million, compared to $176 million.
- Cost to Income Ratio of 23.9% vs. 25.05%.
- Investment Securities of $57.2 billion, an increase of $2.3 billion over last year.
- Repurchase Agreements of $53.5 billion, increasing by $9.3 billion since last year.
- Return on Average Equity of 25.68% vs. 20.19%.
- Capital to Total Assets of 11.67% vs. 14.79%.

NET PROFIT

The following is a summary of the unaudited results for the first quarter ended 31 December 2008:

	Quarter ended 31 Dec 2008	Quarter ended 30 Sep 2008	Quarter ended 31 Dec 2007
	$'000	$'000	$'000
Operating Revenue	550,136	495,640	700,793
Operating Expenses	131,241	1,441,327	175,568
Profit before taxation	**418,895**	**(945,687)**	**525,225**
Taxation credit/(charge)	64,352	364,410	(108,524)
Net Profit/(Loss)	**483,247**	**(581,277)**	**416,701**
Earnings per stock unit	**$0.40**	**$(0.48)**	**$0.35**

Operating Revenue

Total income for the three months was $550 million, representing a reduction of $150.7 million or 21.5% when compared to the quarter ended 31 December 2007. The decline reflects the adverse developments in both the local and international environments which have been impacted by subdued bond and equity markets arising from the global credit crunch. For the 2008/2009 financial year, the company will continue to focus on the prudent management and growth of interest rate spreads while maintaining a very competitive position in the market.

Operating Expenses

Operating expenses totalled $131.2 million, representing a decline of $44.3 million or 25.2% when compared to the prior year's first quarter. Operating expenses for the quarter ended September 2008 included a provision of $1.23 billion 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 30 September 2008, were pledged as security for the liability of US$27.92 million to Lehman. Given the insolvency proceedings that had been initiated with respect to members of the Lehman group in September 2008, full recovery of the excess of the value of the pledged assets held over the liability was considered doubtful and accordingly, a full provision for this amount had been made in the financial statements. Other operating costs for the three months ended 31 December 2008 increased by 16.2% when compared to the prior year's first quarter. This was driven mainly by the effects of inflation as well as increased activity in certain areas. The focus for the 2008/2009 financial year will be to pursue cost management strategies and maximise operational efficiencies.

BALANCE SHEET

The Company's asset base as at 31 December 2008 was $65.6 billion, reflecting a marginal decline of 0.8% compared to 30 September 2008. The reduction in the asset base over the three month period was mainly due to the 24.9% decrease in reverse repurchase agreements. Total liabilities at 31 December 2008 amounted to $58 billion, comprised mainly of repurchase agreements totalling $53.5 billion.

At 31 December 2008, total stockholders' equity was $7.7 billion, an increase of $273 million or 3.7% when compared to $7.4 billion at 30 September 2008. The main contributing factors were the net decrease in the fair value reserve by $210 million (due mainly to net mark to market losses on available-for-sale securities) and the increase in the company's retained earnings by $483 million.

CAPITAL MARKETS
LIMITED

PREFERENCE DIVIDEND

On 21 January 2009, the Board of Directors approved the payment of the fifth semi-annual dividend of 11.75% per annum to all stockholders of the 11.75% per annum Cumulative Redeemable "A" Preference Stock Units on record as at 22 January 2009. The approved dividend represents a dividend of 17.625 cents per stock unit.

ON BEHALF OF THE BOARD

NCB Capital Markets Limited

Profit and Loss Account

Quarter Ended 31 December 2008

	Quarter Ended 31 Dec 2008 $'000	Quarter Ended 30 Sep 2008 $'000	Quarter Ended 31 Dec 2007 $'000
Operating Income			
Interest income	1,845,694	1,806,903	1,486,437
Interest expense	(1,464,168)	(1,363,227)	(1,072,777)
Net interest income	381,526	443,676	413,660
Gains on asset trading	20,681	(54,359)	72,454
Dividend income	11,156	8,528	4,822
Other operating income	136,773	97,795	209,857
	168,610	51,964	287,133
	550,136	**495,640**	**700,793**
Operating Expenses			
Impairment loss	-	1,229,610	-
Staff costs	45,770	110,809	101,990
Other operating expenses	85,471	100,908	73,578
	131,241	1,441,327	175,568
Profit/(Loss) before Taxation	**418,895**	**(945,687)**	**525,225**
Taxation credit/(charge)	64,352	364,410	(108,524)
NET PROFIT/(LOSS)	**483,247**	**(581,277)**	**416,701**
EARNINGS PER STOCK UNIT	**$0.40**	**$(0.48)**	**$0.35**

NCB Capital Markets Limited

Balance Sheet

31 December 2008

	31 December 2008 $'000	30 September 2008 $'000	31 December 2007 $'000
ASSETS			
Cash and deposits	826,395	317,658	547,969
Investment securities at fair value through profit or loss	499,887	916,906	1,258,750
Reverse repurchase agreements	6,344,306	8,451,362	1,245,867
Investment securities – available-for-sale	32,714,353	55,232,163	53,590,461
Investment securities – loans and receivables	23,969,351	-	-
Receivable from clients	38,401	14,935	65,174
Receivable from brokers	79,339	20,350	98,678
Deferred income tax asset	650,818	618,419	-
Other assets	41,104	184,797	-
Income tax recoverable	433,712	364,072	135,934
Retirement benefit asset	13,077	13,077	11,627
Property, plant and equipment	14,905	15,110	17,189
Intangible assets – computer software	12,231	11,026	12,317
Total Assets	**65,637,879**	**66,159,875**	**56,983,966**
LIABILITIES			
Repurchase agreements	53,467,766	54,748,155	44,178,956
Promissory notes and certificates of participation	3,153	4,626	91,986
Payable to clients	38,163	24,339	104,890
Payable to brokers	129,248	20,562	121,863
Redeemable preference shares	1,139,993	1,108,687	1,129,682
Deferred income tax liability	-	-	263,406
Other borrowed funds	2,374,162	2,366,302	2,201,016
Other liabilities	822,528	497,344	461,919
Total Liabilities	**57,975,013**	**58,770,015**	**48,553,718**
EQUITY			
Share capital	1,221,115	1,221,115	1,221,115
Fair value reserve	(1,166,951)	(956,710)	442,562
Capital reserve	11,142	11,142	11,142
Retained earnings	7,597,560	7,114,313	6,755,429
Total Equity	**7,662,866**	**7,389,860**	**8,430,248**
Total Liabilities and Equity	**65,637,879**	**66,159,875**	**56,983,966**

Approved for issue by the Board of Directors on 22 January 2009 and signed on its behalf by:

Patrick Hylton
Chairman

Christopher Williams
Director

NCB Capital Markets Limited
Statement of Changes in Equity
Quarter Ended 31 December 2008

	Share Capital	Fair Value Reserve	Capital Reserve	Retained Earnings	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 1 October 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	-	(44,685)	-	-	(44,685)
Unrealised gains on available-for-sale investments, net of taxes	-	283,051	-	-	283,051
Net profit	-	-	-	416,701	416,701
Total recognised gains for the year	-	238,366	-	416,701	655,067
Ordinary dividend paid	-	-	-	(301,905)	(301,905)
Balance at 31 December 2007	1,221,115	442,562	11,142	6,755,429	8,430,248
Balance at 1 October 2008	1,221,115	(956,710)	11,142	7,114,313	7,389,860
Realised gains on available-for-sale investments recognised in profit and loss account	-	6,714	-	-	6,714
Unrealised gains/(losses) on available-for-sale investments, net of taxes	-	(216,955)	-	-	(216,955)
Net profit	-	-	-	483,247	483,247
Total recognised (losses)/gains for the year	-	(210,241)	-	483,247	273,006
Balance at 31 December 2008	1,221,115	(1,166,951)	11,142	7,597,560	7,662,866

NCB Capital Markets Limited

Statement of Cash Flows

Quarter Ended 31 December 2008

	31 December 2008 $'000	31 December 2007 $'000
Cash Flows from Operating Activities		
Net profit	483,247	416,701
Changes in operating assets and liabilities	452,563	1,092,465
Adjustments to reconcile net profit	(461,665)	320,650
Net cash provided by operating activities	474,145	1,829,816
Cash Flows from Investing Activities		
Acquisition of property, plant, equipment	(1,633)	(4,698)
Acquisition of intangible assets - computer software	(3,297)	(918)
Proceeds from disposal of property, plant and equipment	-	815
Investment securities, net	(1,647,285)	(2,822,699)
Net cash used in investing activities	(1,652,215)	(2,827,500)
Cash Flows from Financing Activities		
Ordinary dividend paid	-	(301,905)
Other borrowed funds	7,860	353,914
Net cash provided by financing activities	7,860	52,009
Net decrease in cash and cash equivalents	(1,170,210)	(945,675)
Cash and cash equivalents at beginning of period	2,299,759	2,528,223
Effect of exchange rate changes on cash & cash equivalents	17,456	1,929
Cash and Cash Equivalents at End of Period	1,147,005	1,584,477
Comprising:		
Cash and deposits	826,395	547,969
Reverse repurchase agreements	320,610	1,036,508
	1,147,005	1,584,477

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 period.

4. Share Capital

	31 Dec 2008 $'000	31 Dec 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

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 $62,612,000 (2007: $52,301,000), 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.