Annual Report
2005

Contents

GROUP FINANCIAL HIGHLIGHTS

AS AT SEPTEMBER 30, 2005

	2005	2004	2003	2002 Restated	2001 Restated
	(J$'000)	(J$'000)	(J$'000)	(J$'000)	(J$'000)
Net Profit	4,286,981	3,216,738	2,804,391	1,478,407	369,914
Net Interest Income	10,541,513	9,603,098	6,757,882	4,282,614	4,492,754
Other Operating Income	6,078,049	3,398,973	4,271,679	2,349,312	1,672,925
Total Operating Income	16,619,562	13,002,371	11,029,561	6,631,926	6,165,679
Gross Operating Income	27,045,081	24,811,710	21,742,482	14,264,469	14,039,817
Operating Expenses	10,795,062	9,209,487	7,566,311	4,920,249	5,686,071
Total Assets	193,575,162	175,872,017	145,886,165	115,220,390	105,770,654
Net Loans	35,740,809	34,024,628	26,400,147	15,282,721	8,639,839
Customer Deposits	84,371,554	79,862,280	69,688,968	63,365,179	58,351,974
Dividends Paid	1,184,046	1,332,052	1,258,049	340,413	-
Paid Up Capital	2,466,763	2,466,763	2,466,763	2,466,763	1,973,410
Net Worth	21,052,505	16,294,005	12,871,832	11,971,477	10,889,979
PROFITABILITY RATIOS					
Return on Average Equity	22.96%	22.06%	22.58%	12.93%	3.66%
Return on Average Capital	173.79%	130.40%	113.69%	66.59%	9.64%
Return On Average Total Assets	2.32%	2.00%	2.15%	1.34%	0.37%
Cost to Income Ratio	63.16%	67.58%	66.73%	76.79%	104.00%
CAPITAL RATIOS					
Risk Based Capital Adequacy Ratio (Bank only) *	19.08%	15.77%	21.01%	29.64%	41.28%
Net Worth to Total Assets	10.88%	9.26%	8.82%	10.39%	10.30%
ASSET QUALITY RATIOS					
Net Loans to Total Assets	18.46%	19.35%	18.10%	13.26%	8.17%
Non-Perf. Loans to Total Loans	4.27%	4.08%	5.26%	8.84%	17.00%
Provision Coverage	135.42%	154.27%	148.77%	134.74%	138.45%
LIQUIDITY RATIOS					
Net Loans to Customer Deposit Ratio	42.36%	42.60%	37.88%	24.12%	14.81%
Net Loans to Borrowed Funds	53.86%	62.10%	63.48%	74.45%	49.93%
Liquid Assets to Total Deposits	38.25%	38.42%	27.56%	22.82%	40.14%
MARKET STATISTICS					
Share Price at Year End (JSE)	J$ 18.00	J$ 25.20	J$ 13.30	J$ 5.70	J$ 4.90
Share Price at Year End (TTSE)	TT$1.90	TT$2.50	-	-	-
Earnings per Share	$1.74	$1.30	$1.14	$0.60	$0.15
Price Earnings Ratio	10.34	19.38	11.67	9.50	32.67
Dividends Paid per Share	0.48	0.54	0.51	0.16	0.00
Dividend Yield	2.67%	2.14%	3.83%	2.81%	0.00%
Dividend Payout Ratio	27.62%	41.41%	44.86%	26.70%	0.00%
JSE Index at Year End	103,332.61	99,819.82	57,769.14	39,219.55	33,892.44
Inflation Rate (Year over Year)	19.02%	10.46%	13.12%	5.91%	6.92%

* This ratio represents the Bank's capital base to risk adjusted assets as prescribed by the Bank of Jamaica regulations. Risk weights are assigned to both on and off balance sheet items in determining the risk adjusted assets. The capital base is determined using Tier I capital (which consists of permanent statutory capital) and Tier II capital (which primarily consists of the general provision), and adjusted for prescribed deductions. Under these regulations, the overall minimum capital to be maintained in relation to risk assets is 10%.

MY FELLOW STAKEHOLDERS,

It is with a great sense of pride and fulfillment that I reflect on the 2005 Financial Year for NCB. Our Company has increased in financial strength, intellectual capital, innovativeness, operational efficiency and corporate purpose. The results are reflected not only in the impressive growth in profitability of over $1 billion dollars, but in the ongoing improvements that I see occurring in all areas of the business and in the growing impact the NCB brand continues to have on the Jamaican people.

CHAIRMAN'S STATEMENT

This past year was not without adversity; an active hurricane season and a relatively volatile economic environment, characterized by falling interest rates and rising inflation levels, adversely affected many businesses and individuals in our country. The competitive landscape in the financial services sector became increasingly fierce. Yet our Company's confidence did not waver. We proved that persistence and determination are key hallmarks of every successful endeavor. We did not shirk from competition - it drove us to do better and not become complacent. As Chairman, I preach and practice these values every day. I have seen where they have allowed us to overcome difficulties and to celebrate many successes. It is therefore within the context of this operating environment during the 2005 Financial Year, that our Company's performance is regarded as such a significant achievement.

On behalf of the Board of Directors, I congratulate Patrick Hylton and his hard-working team of 2,520 NCB employees for this year's outstanding performance.

At each critical juncture, such as the end of a Financial Year, I review the five main goals that we committed to achieving when AIC acquired majority shareholding in NCB on March 19, 2002.

Those stated goals were:-

1. To boost the morale of our employees
2. To regain the confidence of the Jamaican population in NCB
3. To completely renovate our Company's operating infrastructure
4. To give the Company purpose
5. To instill confidence in the Jamaican people about the country's potential for success by demonstrating the undeniable success of a locally-owned financial institution and by being a good corporate citizen.

Today, I am pleased to report that in each of these areas, we have met or surpassed our objectives. Our Company is now seen as a Leader; our Reputation is strong. Our employees are energized and highly productive. We are continuously finding ways to be innovative and to improve our service delivery to customers and Jamaicans at large. Our purpose is well-established - we want a world-class institution of which Jamaicans are proud and which is regarded as an exemplary corporate citizen. We are leading by example and we are continuing to build confidence in Jamaica.

NCB has a fundamental commitment to the people of Jamaica. We have survived trying times by remaining steadfast to our customers and the country. Going forward, we will continue to bring to bear all the resources available to ensure that NCB is the best provider of financial services in Jamaica and the wider Caribbean. We will continue to work tirelessly to promote confidence in Jamaica and to provide opportunities for Jamaicans to prosper, recognizing that as a nation we possess the natural ability to achieve success and to excel.

I thank you wholeheartedly for your continued support and record my appreciation for the opportunity for us to work together in "**building a better Jamaica**".

Michael Lee-Chin
Chairman

Seated (Left to Right)

Thalia Lyn B.A.
Chief Executive Officer, Island Grill
(Fast Food Restaurants)

Aylmer Desmond Blades
Chairman & Managing Director,
Musson (Jamaica) Limited

Michael Lee-Chin B.Sc.
Chairman, NCB Jamaica Limited
Chairman & Chief Executive Officer,
AIC Limited

Sandra Glasgow M.B.A., B.Sc.
Senior Vice President, Corporate Services,
University of Technology Jamaica

Hon. Noel Hylton O.J., Hon. LL.D., C.D., J.P.
Chairman & President/Chief Executive Officer,
Port Authority of Jamaica

Back Row (Standing Left to Right)

The Rt. Honourable Edward Zacca O.J., P.C.
Retired Chief Justice

Nigel Clarke D. Phil, M.Sc., B.Sc.
Chief Operating Officer,
Musson Group of Companies

Patrick Hylton C.D., B.B.A., A.C.I.B.
Group Managing Director, NCB Jamaica Limited

Kris Astaphan J.D., M.B.A., B.Sc.
Deputy Chairman, NCB Jamaica Limited
Executive Vice President, AIC Limited

Donovan Lewis
Chairman, Ideal Group of Companies

Wayne Chen LL.B
Chief Executive Officer, Super Plus Food Stores
Chairman, NCB Insurance Company Ltd.,
West Indies Trust Company Ltd.

Alvin Wint D.B.A., M.B.A., B.Sc.
Professor, International Business,
University of the West Indies, Mona.

Herb Phillipps Jnr., C.M.A., M.B.A., B.C.
Chief Executive Officer, HIPNET INC.

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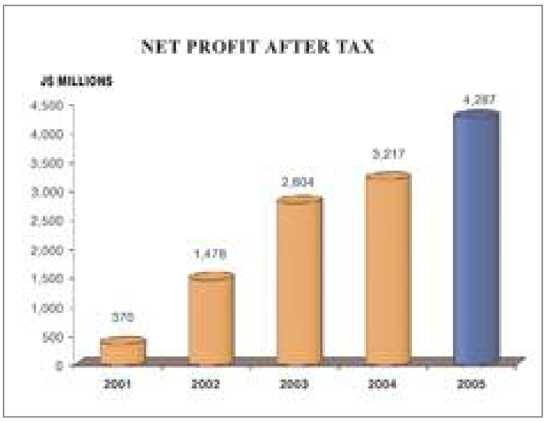
DEAR STAKEHOLDERS:

NCB was very successful in the 2005 Financial Year. We grew operating income by 28% in a tough economy and our business lines improved their profitability through expanded revenue streams, cost control, prudent risk management and customer focus. We improved our net financial performance, recording a 33% increase in profits which rose to $4.3 billion, and NCB's employees remained committed to achieving excellence in service delivery. There is much to be proud of.

GROUP MANAGING DIRECTOR'S REPORT

GROUP FINANCIAL REVIEW

GROUP CHIEF FINANCIAL OFFICER – DENNIS COHEN

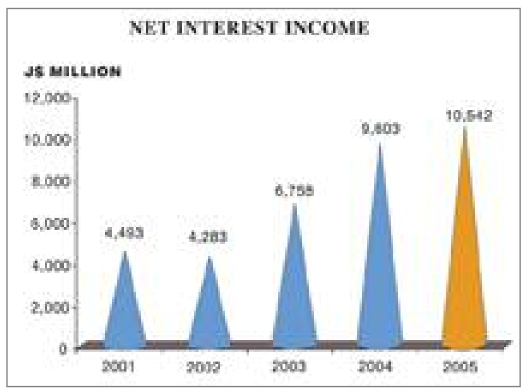


Up 33%

NET INTEREST INCOME

During the 2005 Financial Year, the Group's net interest income increased by $938 million or 10% primarily due to benefits from interest rate gaps created to capitalise on the declining interest rate environment which prevailed. This was complemented by a continuous increase in the Group's total earning assets, which increased by $18 billion or 12%.

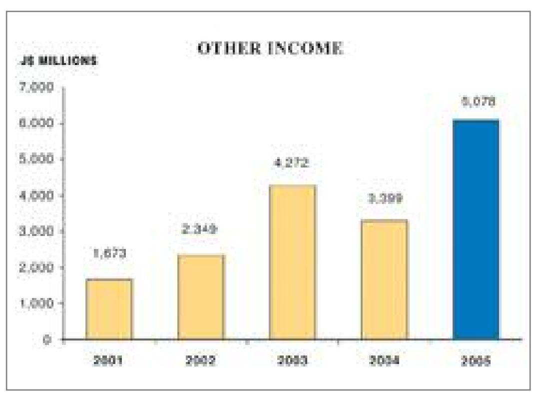
Up 10%



OTHER INCOME

Other income, which comprises mainly our fee & commission income and trading income, grew to $6.08 billion or 79% above the previous year's mark. The major source of growth relates to the increase in our trading income which closed the financial year at $2.3 billion or 74% better than the trading income achieved as at September 30, 2004.

Up 79%

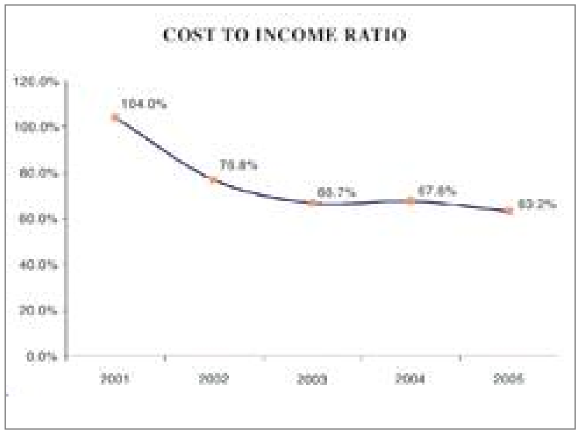


OPERATING EXPENSES

The Group's productivity ratio improved to end the year at a record low of 63.2%, highlighting the emphasis placed on cost control during the financial year. The award of a 12% salary increase related to the Financial Year ending September 30th, 2005 contributed significantly to the 22% variance in Staff Costs.

The net profit per employee was $1.7 billion, an increase of 42% over the per capita profit in 2003/2004.

Our loan loss provision of $61 million for the 2005 Financial Year was $361 million or 86% lower than the $422 million charged against profits during the 2004 Financial Year. This highlights the strong performance in our Credit & Risk Management, despite the current economic challenges.

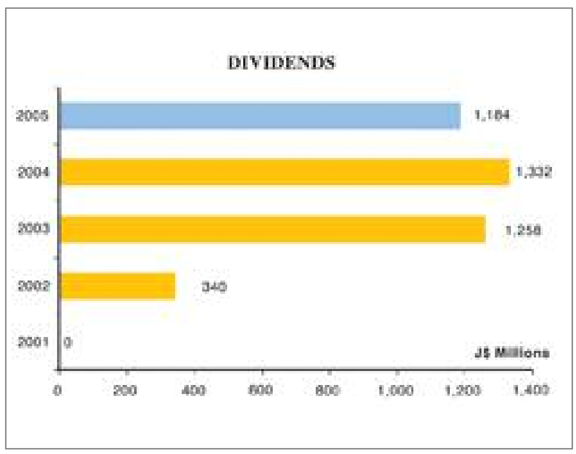


DIVIDEND POLICY

NCB maintained its policy of paying quarterly dividends in line with the earnings trend, while ensuring that sufficient capital is maintained to protect customer deposits and to manage the growth of the Group's business. The dividend payout ratio, which is computed as the gross dividends paid, expressed as a percentage of the net profit after tax, was 27.6% compared to 41.4% for the 2004 Financial Year.

Dividends per share fell to $0.48 in 2005, an 11% decrease from the 2004 Financial Year level of $0.54. Total dividends paid to stockholders in this financial year totalled $1.2 billion, which was a decrease of $148 million from the previous year's gross payout.

The share price as at September 30, 2005 was $18.00 per share, resulting in a dividend yield of 2.67%.



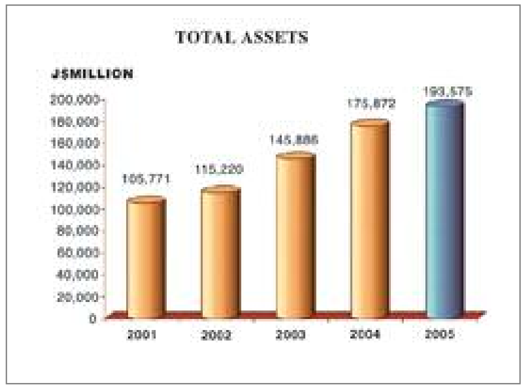
(Left to Right)

- **Patrick Hylton**, C.D., B.B.A., A.C.I.B.
  Group Managing Director
- **Jennifer Dewdney Kelly**, B.A. (Law)
  Group Chief Compliance Officer and Company Secretary
- **Minish Parikh**, M.Sc., C.A.I.I.B., B.Sc.
  Chief Operating Officer
- **Christopher Williams**, M.B.A., B.Sc.
  Managing Director, NCB Capital Markets Limited
- **Ingrid Chambers**, E.M.B.A., B.Sc.
  Managing Director, NCB Insurance Company Limited
  NCB Jamaica (Nominees) Limited
  West Indies Trust Company Limited
- **Dennis Cohen**, F.C.A., F.C.C.A., B.Sc.
  Group Chief Financial Officer

ASSET PERFORMANCE

The total asset base of the Group increased by $17.7 billion or 10%, moving from J$175.9 billion as at September 30, 2004 to close at $193.6 billion. The asset growth was funded mainly by increases in customer deposits, repurchase agreements, securitisation agreements and retained earnings.

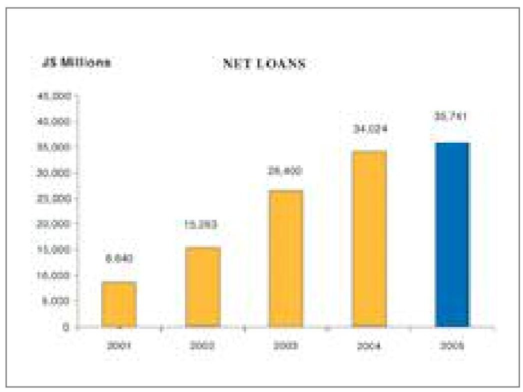
Up 10%



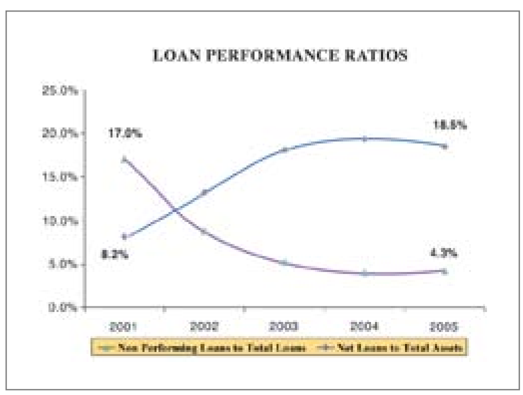
The major increases in the Bank's asset base were from Investment Securities which grew by 16% to $89.6 billion while Reverse Repurchase Agreements increased by 25% or $5.3 billion. Investment securities are held primarily to meet the Bank's statutory liquidity requirements and also to maintain the operating liquidity levels required to ensure the Group is able to effectively respond to market swings.

Loans & Advances increased by $1.7 billion or 5% and the aggregate amount of non-performing loans amounted to $1.61 billion compared to $1.47 billion as at September 30, 2004. Non-performing loans represented 4.3% of gross loans compared to 4.1% at the end of the 2004 Financial Year.

Up 5%



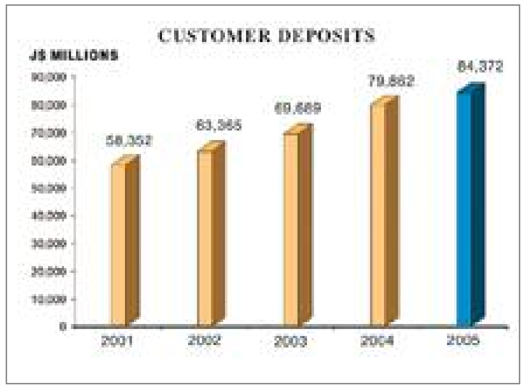
Provisions for loan losses are considered adequate and are continually evaluated due to the uncertainty of market conditions. The provision for credit losses of $2.18 billion represented 135% of non-performing loans, compared to 154% as at September 30, 2004. The difference between the statutory provision for credit losses and the International Financial Reporting Standards (IFRS) provision is charged to a non-distributable reserve - Loan Loss Reserve. The balance in the Loan Loss Reserve was $211.59 million as at the end of the 2005 Financial Year. The Bank's provisioning policy is in compliance with the Bank of Jamaica regulations.



DEPOSITS/FUNDING

The Bank achieved an increase in the level of its customer deposits, despite increased diversion of this funding source to fixed income securities, including Government of Jamaica securities and corporate paper. Customer deposits increased by 5.65%, jumping from $79.9 billion in 2004 to $84.4 billion during the 2005 Financial Year. This growth in our deposits underscores the continued public confidence exhibited in the Bank. We will continue to focus our efforts on garnering more deposits while ensuring that we also provide alternative investment sources through our subsidiaries.

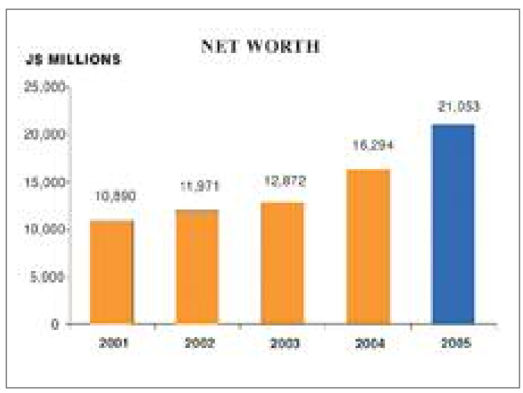
Up 5.6%



CAPITAL

The Group's total stockholders equity as at the end of the financial year was $21.1 billion, an increase of $4.8 billion or 29.2% when compared to the stockholders' equity as at September 30, 2004. National Commercial Bank is one of the best capitalized banks in Jamaica as evidenced by the international benchmark of capital adequacy; the Risk-based Capital Ratio was 19.1% at September 30, 2005 (15.8% at September 30, 2004). The Bank's statutory capital base as at September 30, 2005 was $11.2 billion.

Up 29.2%



Marjorie Seeberan, M.B.A., B.Sc.
General Manager,
Corporate Banking

Courtney Campbell, M.B.A., A.C.I.B., B.Sc.
Senior Assistant General Manager,
Retail Banking

Septimus "Bob" Blake
Senior Assistant General Manager, Treasury and
Correspondent Banking

Ingrid Stephens, E.M.B.A., B.Sc.
Assistant General Manager,
e-Business & Merchant Services

Leonard Mahipalamudali
Assistant General Manager,
SME & Card Services

BANKING

CORPORATE BANKING

As the industry leader in corporate lending, the Bank's Corporate Banking Division continued to make inroads into the highly competitive and high-end market for lending to blue-chip companies. The Division recorded several notable successes in the 2005 Financial Year:-

- Winning four large mandates to arrange and underwrite foreign currency financing for US$135 million to facilitate the acquisition of two major hotels and the funding of two utilities.
- Emerging top bidder to arrange financing in excess of US$400 million for the upgrade and expansion of a major energy-based entity, also marking our first joint proposal with a major London-based international firm.
- Providing financing support for two corporate clients in their successful bids for regional contracts to facilitate an airport runway expansion in one instance and a hotel development in the other.
- Further development of structured trade financing capabilities resulting in partnerships with very large global banking networks to target export credit agencies' (ECA) funding across the globe.

TREASURY & CORRESPONDENT BANKING

In the areas of liquidity and investment management, correspondent banking relationships and foreign currency trading services, the Treasury & Correspondent Banking Division continued to be a key driver of revenues for the Group.

Through the efforts of the Division, NCB established a substantial and influential presence in the primary and secondary markets for Government of Jamaica (GOJ) Jamaican and United States dollar denominated debts. Gains derived from the sale of fixed income securities amounted to $506 million compared to $270 million in the 2004 Financial Year.

The Bank also continued to dominate in an intensely competitive foreign exchange market that was characterized by significant reduction in price volatility and volume, and consequently the compression of trading spreads. Institutional, corporate and retail customers benefited from competitive pricing and efficient execution of deals by the Division's Foreign Exchange Trading Unit. Income from F/X trading and translation amounted to $882 million, which was $52 million more than the 2004 Financial Year.

Through the Division's relationships with overseas correspondent banks, there was a 77% increase in available funding lines to the Bank from its correspondent banks. Diversification in our funding mix was also facilitated through the US$45 million securitization of credit card receivables which the Division arranged, in addition to a US$30 million ten-year loan facility from the International Finance Corporation (IFC), an affiliate of the World Bank. This was the first in over fifteen years that the IFC has provided direct financing to a Jamaican institution.

RETAIL BANKING

A successful strategy of aggressive revenue growth and cost containment enabled the Retail Banking Division to record a profitable year of business in the 2005 Financial Year.

REVENUES

Strong revenue growth was fostered through a number of initiatives undertaken during the year. These included:-

- **Robust growth in the retail loan portfolio** arising from:-
  - reduced lending rates
  - the introduction of competitive consumer loan products such as a new NCB Automobile Loan and the revised NCB **Home Equity Loan**
  - the launch of the NCB "Your Loan" marketing campaign
  - continued sale of **NCB Signature Line**, the popular **NCB Payroll Plus** and other loan products.

- **Growth in non-interest income** of 37% was achieved due to a number of factors which included greater vigilance in fee collection, as some revenue leakage was being experienced, and the introduction of new fees such as the Commercial Cash Deposit Fee to process large non-cheque lodgements.

- **A 9% growth in retail deposits**, facilitated by the introduction of our SME Value Packages for business clients, NCB Direct Deposit for overseas pensioners and successful direct marketing efforts by our sales teams and branches.

CARD SERVICES

The country's first stored value card, **Keycard Cash** was re-launched during the 2005 Financial Year so as not only to increase our cardholder base, but to make our electronic channels and products more accessible to a wider market. The card has been successfully positioned as a means to pay workers, with over 100 companies now using this method to remit weekly and monthly wages.

We improved our market share lead in the Card Acquiring business and recorded a 14% increase in the deployment of Point-of-Sale terminals during the year. Our credit card fee income contributed to the 38% increase in Non-Interest Income, due to the growth in our credit card portfolio during the year.

SMALL & MEDIUM ENTERPRISES

A new service delivery model for the Small & Medium Enterprise customer segment began rollout in the 2005 Financial Year. Each branch was assigned a Business Banker to service the accounts of business customers, and Business Development Managers were deployed to acquire new business relationships through the offering of a specially designed product bundle, marketed under the name "**NCB SME Financial Services**".

ELECTRONIC BANKING

We continued to focus on providing services more cost effectively and conveniently for our customers during the 2005 Financial Year. This was demonstrated primarily through the aggressive marketing of NCB's electronic banking channels – ABMs, Point-of-Sale (POS), Tele-Banking and Internet Banking. Our accomplishments included:-

- the installation of nine (9) new ABMs, bringing the total network to 128 machines islandwide
- customer education regarding the flexibility and convenience of using the NCB Midas card for bill payments, withdrawals, transfers, and enquiries.

There was a 13% increase in the number of NCB Midas cards in circulation as at September 30, 2005.

During the year NCB ABM services to the customers of other banks through the Multilink network, recorded increases in transaction volume (50%), customers served (31%) and fee revenue (53%).

New products in our e-Business were introduced to better serve customers. These included our **eCommerce** solution for businesses wishing to facilitate online purchases/payments and **ePin** which allows mutual customers of NCB and the cellular service providers, to use their NCB credit cards or Midas card to add credit to their phones. Customers were introduced to this "top-up" service on all our electronic channels – ABMs, POS, Tele-Banking and Internet Banking.

Our customers also welcomed the enhancements that were made to the NCB Internet Banking service – the new bill payment module for business clients received very good feedback, as did the improved navigation and user-friendliness of the internet banking site.

In the 2005 Financial Year, the employees of our state-of-the-art Customer Care Centre successfully handled 1,200,000 incoming calls by providing 24-hour support to NCB's customers and card merchants. In the area of electronic banking support, we implemented a full time merchant sales and support team comprising on-site and off-site officers dedicated to ensuring the efficiency of our POS and Internet Banking channels.

LEFT TO RIGHT

- **Yvonne Clarke**, F.C.A., F.C.C.A., M.B.A.
  Chief Internal Auditor
- **Desmond Handy**
  Senior Assistant General Manager,
  Credit & Risk Management
- **Allison Wynter**, J.P., C.F.A., F.C.C.A., M.B.A., M.Sc., B.A.
  Senior Assistant General Manager,
  Credit and Risk Management
- **Srikanth Srinivasan**, M.B.A., B.Sc. (Tech.)
  General Manager,
  Information Technology
- **Shereen Jones**, M.Sc., B.Sc.,
  General Manager, Network Operations

BRANCH OPERATIONS

Our focus on meeting customer needs through superior service quality, continuous relationship building and tailored products and services, was reinforced by our team of Personal Bankers and Business Bankers who played a pivotal role in growing our market share in the personal and business customer segments.

A Branch Efficiency Project was implemented in February 2005 and ended in August 2005. The objectives of the project were to streamline the processing of transactions and to optimize the scheduling of front-line employees based on daily customer demands in each branch. As a result, there were a number of positions that were converted from full time to part time employment status and there were some reductions in the overall branch staff complement. With more efficient processing and centralization of certain activities done throughout the branch network, we expect to achieve cost savings and improvements in our ability to execute superior service.

Forty (40) **NCB Express Deposit** machines were installed across branches to provide our customers with a more convenient and speedier alternative for non-cash lodgements and bill payments in the banking hall.

The community of Portmore in St. Catherine received better representation by NCB, arising from the opening of a new 13,500 square foot branch in April 2005, boasting a Drive-Thru Teller and two on-site ABMs, ample parking and a spacious banking hall. In an effort to modernise and improve the banking facilities for our customers in downtown Kingston, the 54 King Street and Duke & Barry Streets branches were merged in September 2005. The Manor Park and Mandeville Plaza locations were also re-configured and converted to Wealth Management Centres during the 2005 Financial Year, housing offices for NCB Capital Markets Limited and NCB Insurance Company Limited, among other services.

We experienced attendant challenges in the midst of the major process improvement project, the BEP, mergers and branch re-configurations that occured during the year. We record our appreciation to our customers and employees for their patience and loyalty as these initiatives were carried out in the respective branches.

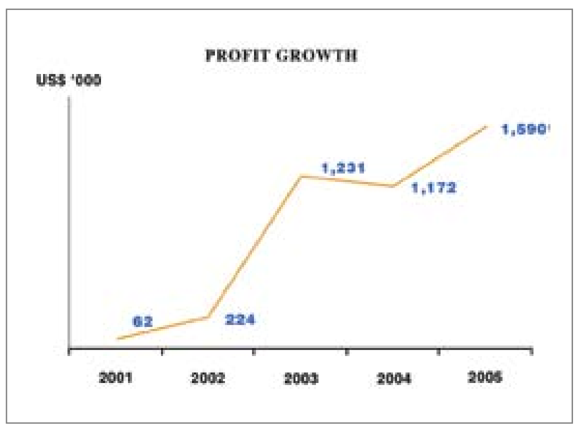
NCB (CAYMAN) LIMITED

NCB (Cayman) Limited, situated in Georgetown, Grand Cayman is the offshore banking subsidiary of National Commercial Bank Jamaica Limited. The subsidiary's core business lines include banking and incorporation of Cayman Islands companies.

February 3, 2005 marked the twelfth year of the Company's existence in the Cayman Islands.

Despite the challenges caused by Hurricane Ivan, the financial year ended September 30, 2005 was a very successful year for the Company. Net income increased by 36% to a record US$1.6 million (J$96 million) while the cost/income ratio decreased from 41% in 2004 to 36%.

NCB Senvia Limited, a wholly owned subsidiary of the Company, established to offer money transmission services to the many Jamaicans living and working in the Cayman Islands, has been well received by the local community and is on a path of steady growth.



WEALTH MANAGEMENT

NCB CAPITAL MARKETS LIMITED

The 2005 Financial Year was a challenging but rewarding one for NCB Capital Markets Limited. Despite difficult market conditions, after-tax profits continued to grow, with a 66% increase over the last financial year to $1.9 billion. This was mainly due to tight management of the different revenue streams, namely Retail, Advisory and Capital Utilization.

During the year the Company re-organized its service delivery channels in response to customer demands and business needs. A call centre was instituted to better handle customer queries and requests. Additionally, twenty (20) Client Relations Officers were placed in offices located in NCB branches island-wide, in order to improve the execution of transactions and service requests. This move yielded significant improvement in the Company's customer satisfaction rating as measured by an independent survey.

The advisory capabilities of the Company were centralized, allowing the Wealth Advisors to provide more value-added services to clients such as portfolio creation and portfolio reviews.

Further widening of revenue streams was facilitated through the creation of a Corporate Finance unit. This unit is charged with positioning NCB Capital Markets as the leading Financial Advisor to companies seeking to expand or access capital through either debt or equity issues. To date, NCB Capital Markets is recognized for structuring the two largest debt and equity transactions in the history of the Caribbean.

The Company's profits were also boosted by the repayment of a loan that was previously written off, contributing $610 million to the Net Profit before tax.

NCB Capital Markets Limited

Financial Highlights October 2004- September 2005

$ Billions

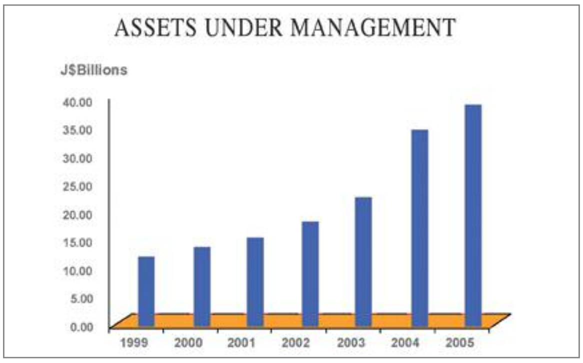
	2005	2004
Total Funds under management	$47.2	$44.2
Total Assets	$55.4	$49.5
Profit after tax	$1.914	$1.152
Capital base	$5.531	$3.374

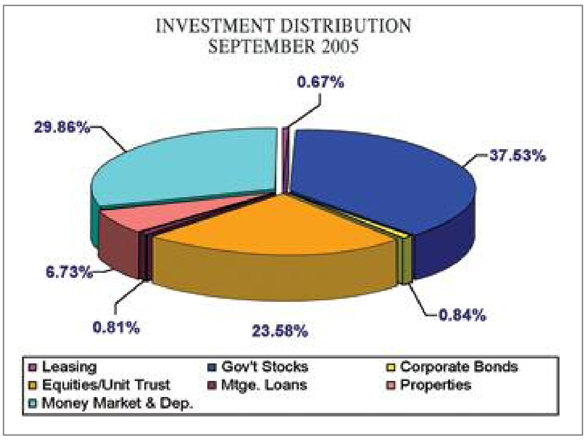
WEST INDIES TRUST COMPANY LIMITED

West Indies Trust Company Limited (WITCo) retained its market position during the year as the leading provider of segregated pension fund management services in spite of an aggressively competitive environment. Assets under management recorded an increase of 22.65% to end the year at $37.9 billion. This achievement was even more remarkable when considered against the background of a declining stock market and a trending down of interest rates over the period under review.

During the year WITCo went under extensive changes to its organizational structure and operations. Implementation of the PX3000 pension administration system advanced during the year with completion date scheduled for December 2005. The investment management system was reengineered to achieve improvements in the asset management platform. These operational efficiencies, coupled with the establishment of the Client Management Unit, resulted in significant improvements in the service delivery. The content of the Company's quarterly reports was enhanced and provided to Trustees on a timelier basis. In addition, the frequency of Trustee meetings was increased to improve client relations and to create a higher level of awareness for the roles and responsibilities of trustees in the new regulatory environment.

The transition planning team in anticipation of the passage of the new pension regulations commenced preparatory work to ensure that client schemes and their trustees would satisfy the regulatory requirements for registration.





INSURANCE

NCB INSURANCE COMPANY LIMITED

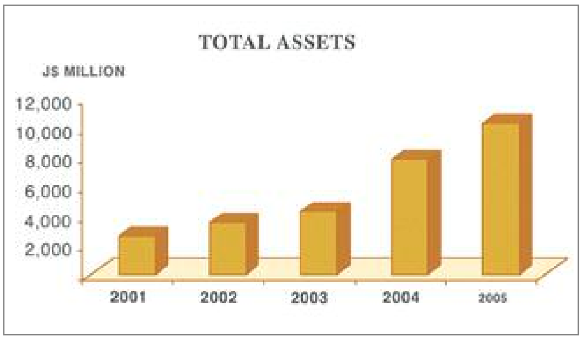
The mission of the NCB Insurance Company Limited (NCB Insurance) is "to be the leading Insurance Company, by consistently providing superior customer service, and creating enduring value for our stakeholders through innovative insurance, pensions and financial solutions and an extraordinary team of employees in a productive and caring environment".

During the 2005 Financial Year there were major accomplishments and milestones on the path to transforming into a full-fledged insurance company. The Company developed and launched two individual life products **ProVision** and **ProCARE**, and a Group Life product, **Employee Care**, which offer our customers more insurance protection and coverage options adding to our **OMNI** savings and investment brands. The required infrastructure, organizational changes, pensions and investment systems were established which signals our readiness to enter and be an active player in the pensions market. We completed months of consultations and negotiations and signed a Shareholders' Agreement for majority stake in Blue Cross of Jamaica which provides the gateway into the health insurance market.

While the focus in the 2005 Financial Year was infrastructure, product development and new markets entry, the year was also productive for the NCB Insurance. Total Income increased by 15% to close the year at $1.5 billion on which the Company recorded net profit after tax of $208 million. The Company wrote $2.5 billion in gross premiums during the year and boasts the highest conservation rate in the industry of 95%. Total Assets grew by 31% and at the close of the financial year stood at $10.3 billion.

To enhance our customer focused environment, our Administrative Staff and Insurance Advisors were exposed to comprehensive training programmes to build technical and service delivery skills. The result was evident as the Company had twenty-nine Insurance Advisors who qualified for the prestigious Million Dollar Round Table up from six last year. Our internal customer satisfaction ratings increased by 50%.

NCB Insurance continued its contribution to the education of our nations' children, through its sponsorship of the Junior Schools' Challenge Quiz, scholarships at the University of the West Indies and the University of Technology and donations to schools to assist in their re-building process after the onslaught of Hurricane Ivan.



NCB Insurance Company Limited

Financial Highlights, October 2004 - September 2005

$ Millions	2005	2004
Investments	9,317	7,072
Shareholder's Equity	923	669
Policyholders' Fund	9,068	6,913
Total Assets	10,280	7,825
Net Profit after Tax	208	241
Return on Average Equity (%)	26%	50%
Return on Assets (%)	2.3%	3.9%

LEFT TO RIGHT:

Sheree Martin, M.B.A., B.A.
Assistant General Manager -
Group Corporate Communications

Rickert Allen, Chartered MCIPD, M.Sc., B.A.
General Manager -
Training and Human Resources

Ffrench Campbell, E.M.B.A., B.Sc.
Senior Assistant General Manager - Projects, Administration and Services

Janice McKenley, F.C.A., F.C.C.A., M.B.A., B.Sc.
General Manager -
Financial Control Division

(absent from picture) **Grace McKoy**, LL.B., M.B.A., LL.M., C.L.E. , General Counsel

BUSINESS SUPPORT

TRAINING & HUMAN RESOURCES

We continued to build on the quality of our human resource management during the 2005 Financial Year, by adopting global best practices to support the business needs. These included the engagement of an Occupational Health Officer, the appointment of Wellness Officers in each unit, a Wellness & Recreation Coordinator for the new NCB Wellness & Recreation Centre, and an Early Childhood Teacher assigned to our employees' children attending the NCB Staff Nursery.

We were proud to announce the reopening of the former NCB Sports Club in September 2005, after a twelve-month closure for extensive renovation and refurbishing. The entity was renamed the "NCB Wellness & Recreation Centre", reflecting the range of services now available, including a state-of the-art gym, with aerobics and cardio rooms, adult and kiddies' swimming pools, a new clubhouse with cyber caf and pool room, as well as re-surfaced tennis and multipurpose courts.

Following on the launch of the NCB Institute of Leadership and Organizational Development (ILOD) in July 2004, we pursued the seamless integration of the NCB Staff Training Centre with this new entity. Four (4) new ILOD faculty members came on board during the year, contributing to the facilitation of a total of eighty-five (85) training courses to over two thousand (2000) of our employees.

The first group of twenty-four (24) Management Trainees who entered the NCB Management Training Programme in 2003, successfully completed their orientation schedule and were strategically placed in Divisions and branches across the Organization. A highlight of the Programme was the Trainees' presentation of Business Improvement Projects to senior management, outlining their review and recommendations for various areas of our business, based on the exposure they had received.

Another seventeen (17) university graduates with high potential capability for future advancement under the NCB Management Training Programme were identified during the 2005 Financial Year; they have undergone initial preparation for Junior Supervisory roles in Customer Service for our branches.

With major changes occurring as a result of the BEP, we consulted with the NCB Staff Association and led the development of a Communication Protocol that was used to manage the staff separations which arose as a result of the redundancy of certain posts. In addition, we implemented a programme for outplacement assistance and provided counselling services for branch employees, while the project was underway.

Cost reduction and improved efficiency were also achieved in the Training & HR Division, by leveraging the IT resources and re-engineering certain HR business processes. Two significant accomplishments were the transition to electronic submission of employee performance appraisals and the reduction in the number of payroll processes from eighteen (18) to three (3). These facilitated savings particularly in the areas of Stationery and Staff Costs.

In pursuit of our mission to be an "Employer of First Choice", we remained committed to the continuous renewal of our enterprise through a positive work environment, high employee morale and motivation during the 2005 Financial Year.

INFORMATION TECHNOLOGY & OPERATIONS

There was continued focus on centralization of core functions and cost focused process improvements in our business, while the appropriate use of technology in achieving measurable results was maintained. The enhancements included tools to improve our data analysis and to support objectives and timely data driven decision making. Process and technology have been used to drive significant efficiency in our cash and clearing management, while steps have been made towards implementing straight-through processing in key customer service and operational areas.

During the financial year, we implemented an upgraded version of our core banking system, Finacle. Some of the resultant benefits included the infrastructure for straight-through payments using the SWIFT network, optimization of end-of-day processing and the flexibility to introduce new loan products.

There were also significant improvements in business processes such as:-

- the automated signature verification system which complements the centralized dispatch of customer statements.
- the availability of wireless Point-of-Sale devices for card merchants
- the introduction of US-dollar Automated Banking Machines (ABMs) to cater to US dollar cash demand particularly in tourist areas.
- improved functionality in our internet banking service, now offering transfers/bill payments between local and foreign currency accounts, including credit cards.

COMPLIANCE & RISK MANAGEMENT

As part of our commitment to work in full compliance with all applicable laws and regulations to prevent and detect money laundering, we upgraded our policy in keeping with current legislation, regulatory guidance and with cognizance of international best practice.

Our Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) Compliance Programme was defined during the year and particular emphasis placed on the on-going training of all our employees.

In the area of delinquency management, tactical initiatives proved successful, as the Bad Debt portfolio decreased by $40 million compared to the previous year.

CORPORATE CITIZENSHIP

We continued the tradition of working with our employees, communities and organizations to fulfill our mandate of making a positive impact on the economic and social well-being of Jamaica.

Education

In November 2004, the NCB Foundation announced the establishment of a $7M CXC Math Programme. This programme is aimed at improving teaching skills and student proficiency in the subject of Mathematics. Six high schools have been selected for the pilot project, which is headed by Mr. Radley Reid, noted educator.

Entrepreneurship

The Organization also continued to support activities that contribute to the economic development of the nation. Our sponsorship of the Jamaica Observer's Business Leader Awards, held in April, highlighted the organization's support for entrepreneurship by honouring a group of successful proponents.

NCB became a major sponsor of a Global Entrepreneurship Monitor (GEM) Project, undertaken by the University of Technology Jamaica (UTech) and a consortium of other Universities and research institutes. This project seeks to assess how entrepreneurial activity contributes to national and international economic prosperity and steps governments can take to enhance the level of entrepreneurial activity.

NCB was also a main sponsor of "Youth Biz", a seminar presented by the Public Sector Organization of Jamaica, which exposed youth to entrepreneurial concepts. A similar alignment with young Jamaicans was made through our sponsorship of "Youth Fest" which was a seminar hosted during the Jamaica WellFest symposium, and which exposed participants to lifestyle concepts and career opportunities in Health & Wellness.

In order to support economic activity and demonstrate patronage for our customers, we participated in a number of events including: Children's Expo, Portmore Week, Education Expo, the Jamaica Employee Federation Conference, Home and Hardware Expo, the Hague Agricultural Show in Trelawny, Montego Bay Trade Expo, Horizon Technology Showcase & Exposition, China Caribbean Economic Trade Forum, the inaugural Annatto Festival held in St. Mary and the National Spelling Bee competition among others.

During the year, we re-committed support and sponsorship of the JMA's 'Buy Jamaican, Build Jamaica' campaign. The programme aims to promote the usage and raise the awareness of products which are made locally.

Social Services

Our support of the communities in Jamaica remained unwavering. Our Chairman, Michael Lee-Chin contributed, on behalf of the Bank, $2M to the Rotary Club of Kingston in order to develop the area beside the Dunrobin Primary School, formerly referred to as 'the dustbowl', into a landscaped park for sports and other recreation activities.

To help with disaster preparedness activities, NCB committed $1 million towards the National Labour Day project, which was the building of a model shelter in St. Elizabeth and also donated $4 million dollars to efforts to stem flooding in Downtown Kingston and its environs.

Crime Stop also received a donation in support of their efforts to fight crime. In June, Annotto Bay's Police Station was reopened after receiving extensive renovation from a coalition of corporate entities, including NCB. In addition, NCB has given significant support to the development of a model policing facility in Grants Pen that will integrate policing presence with community services. It is projected that this facility will be duplicated islandwide and will assist in controlling crime.

Sports & Culture

Our support for the youth, arts and sports remained strong during the year. NCB promoted excellence in our youth by sponsoring the Boys and Girls High School Relays at the second staging of the Jamaica International Invitational Meet, at a cost of US$20,000. NCB sponsored the National Fine Arts Competition organized by Jamaica Cultural Development Commission (JCDC), which aims to showcase the nation's artistic talent and preserve our cultural heritage.

Volunteerism

Our employees continued to provide sterling support in our communities and service organizations throughout the Jamaica. During this financial year, a disaster relief drive was organized and NCB employees contributed over $300,000 worth of food, clothing and other critical relief supplies. The donation was handed over to the Jamaica Red Cross for distribution.

We re-affirm our belief in Jamaica and thank all those with whom we worked during the year to make a positive contribution towards **building a better Jamaica.**

Patrick Hylton
Group Managing Director

JAMAICAN EDUCATION INITIATIVE

"It is my dream that, one day, every Jamaican child will have the opportunity to complete tertiary education - it is my commitment to do all I can to realize that dream."

Michael Lee-Chin, Chairman, National Commercial Bank

JAMAICAN EDUCATION INITIATIVE

THE COMMITMENT CONTINUES


The 2004 CXC Top Student in Principles of Business, Gabrielle Broadie, is congratulated for her achievement by NCB Group Managing Director, Patrick Hylton.


JEI Administrator, Pam Harrison greets teachers attending a JEI sponsored workshop: "Techniques To Improve Early Childhood Reading". The workshop was facilitated by two reading specialists from Florida, U.S.A.

The Jamaican Education Initiative (JEI) was established in order to give each Jamaican child an opportunity to have a tertiary education; a mission which NCB Chairman, Michael Lee-Chin is firmly committed to. The programme was launched on May 20, 2003, and since then the support to education has been heralded as being fundamental and life-changing.

JEI is designed to advance the education agenda in Jamaica and is funded by the contribution of 1% of all NCB Keycard purchases in order to carry out the various programmes. The programme provides assistance at all levels - primary, secondary and tertiary - in order to help advance the Education agenda in Jamaica.

During this financial year, an additional 100 scholarships, valid for two years, were awarded to students from the University of the West Indies, University of Technology and the Edna Manley College of the Visual and Performing Arts. These students will join 120 others who are completing their tertiary education.

Ten (10) tertiary grants were also awarded to teachers and disabled students this year. Five (5) grants were also awarded to needy students at secondary and basic schools.

In November 2004, children from one hundred and eighty-four (184) public and independent secondary schools had their CXC examination fees for Principles of Business and Principles of Accounts paid for by JEI at a cost of $15,202,000. In order to improve the pass rates in these examinations, teachers from those schools were invited to participate in workshops that would help them to improve the performance of students in those examinations.

In addition, over 2000 teachers have benefited from discounted loans, amounting to $30 million, which they have used to finance goals such as higher education, home improvement and motor vehicle purchases.

NCB's employees continued to play their part to support the JEI by giving of their time and talent to the Music in Schools and Role Model programmes. Music in Schools aims to expose young students to classical music. This year, NCB executives continued visiting their Alma Mater and shared their experiences with the aim of providing appropriate role models for students, as well as giving them a template for educational success.

JEI also supported a number of external initiatives which provided benefits to the Education sector. In June, two reading specialists from Florida led workshops to train Jamaican teachers in techniques to improve early childhood reading. Over one hundred and fifty (150) teachers in Mandeville and St. Elizabeth received training.

JEI also sponsored the Creations Lab, a summer workshop which taught children the rudiments of animation, robotics and music production. Our contribution allowed one hundred (100) children the opportunity to attend a course of this nature, with a view to exposing them to future career options.

Through JEI, it is hoped that an educated cadre of Jamaicans will emerge with the necessary skills and inclination to make a meaningful contribution to Jamaica's economic development.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of National Commercial Bank Jamaica Limited will be held at the Hilton Kingston Hotel, 77 Knutsford Boulevard, in the parish of Saint Andrew on Thursday, January 26, 2006 at 4:00 p.m. to consider and if thought fit pass the following resolutions:

ORDINARY BUSINESS

Ordinary Resolutions

1. Audited Accounts

"THAT the Audited Accounts for the year ended September 30, 2005 and the Reports of the Directors and Auditors, circulated with the Notice convening the Meeting, be and are hereby adopted."

2. Election of Directors

Article 97 of the Company's Articles of Association provides that one-third of the Board (except the Managing Director and Deputy Managing Director) or, if the number of members of the Board is not three or a multiple of three, then the number nearest to one-third shall retire from office at each Annual General Meeting. The Directors retiring under this Article are **Mr. Wayne Christopher Chen, Hon. Noel Arthur Anthony Hylton, Mr. Donovan Anthony Lewis and Mrs. Sandra Alicia Carol Glasgow** and being eligible, offer themselves for re-election.

The proposed resolutions are therefore as follows:

(a) "**THAT** Director, **MR. WAYNE CHRISTOPHER CHEN**, retiring pursuant to Article 97 of the Articles of Association be and is hereby re-elected."

(b) "**THAT** Director, **THE HON. NOEL ARTHUR ANTHONY HYLTON, O.J., C.D., HON. LL D.**, retiring pursuant to Article 97 of the Articles of Association be and is hereby re-elected."

(c) "**THAT** Director, **MR. DONOVAN ANTHONY LEWIS**, retiring pursuant to Article 97 of the Articles of Association be and is hereby re-elected."

(d) "**THAT** Director, **MRS. SANDRA ALICIA CAROL GLASGOW**, retiring pursuant to Article 97 of the Articles of Association be and is hereby re-elected."

3. Directors' Remuneration

(a) "**THAT** the Directors be and are hereby empowered to fix the remuneration of the Executive Directors."

(b) "**THAT** the total remuneration of all of the Directors combined, other than the Executive Directors, for the financial year of the Company ending September 30, 2006, remains fixed at $15,030,000."

4. Appointment of Auditors and their Remuneration

"**THAT** Messrs. PricewaterhouseCoopers, having signified their willingness to serve, continue in office as Auditors of the Company until the conclusion of the next Annual General Meeting, at a remuneration to be agreed with the Directors."

5. **Resolutions in respect of any other business which can be transacted at an Annual General Meeting.**

A Member of the Company, entitled to attend and vote, is entitled to appoint a Proxy to attend and vote in his stead, and a Proxy need not be a member.

If you are unable to attend the Meeting, a Form of Proxy is enclosed for your convenience. When completed, this Form should be deposited with the Secretary, at the Registered Office of the Company, "The Atrium", 32 Trafalgar Road, Kingston 10, Jamaica, not less than **48 hours** before the time appointed for the Meeting. The Proxy Form should bear stamp duty of **$100.00**, before being signed. The stamp duty may be paid by adhesive stamps, which are to be cancelled by the person signing the Proxy.

DATED this 12th day of **DECEMBER 2005**

BY ORDER OF THE BOARD

Jennifer Dewdney Kelly (Mrs.)
COMPANY SECRETARY

Financial Statements

& Notes to the Financial Statements

DIRECTORS' REPORT
30 September 2005

The directors submit herewith the Consolidated Profit and Loss Account of National Commercial Bank Jamaica Limited and its subsidiaries for the year ended 30 September 2005, together with the Consolidated Balance Sheet as at that date:

Operating Results

	$'000
Gross operating revenue	27,045,081
Profit before taxation	5,712,706
Taxation	(1,425,725)
Net profit	4,286,981

Dividends

The following dividends were paid during the year:

- $0.09 per ordinary stock unit was paid in November 2004.
- $0.21 per ordinary stock unit was paid in January 2005.
- $0.06 per ordinary stock unit was paid in February 2005.
- $0.12 per ordinary stock unit was paid in August 2005.

Directors

The Board of Directors comprises:

Mr. Michael A. Lee-Chin	-	Chairman
Mr. Kris S.A.C. Astaphan	-	Deputy Chairman
Mr. Patrick A.A. Hylton	-	Group Managing Director
Mr. Aylmer Desmond Blades		
Mr. Wayne C. Chen		
Dr. Nigel Andrew Lincoln Clarke		
Mrs. Sandra A.C. Glasgow		
Hon. Noel A.A. Hylton, OJ, CD, Hon. LL D		
Mr. Donovan Anthony Lewis		
Mrs. Thalia Lyn		
Mr. Herbert I. Phillipps		
Professor Alvin G. Wint		
Rt. Hon. Justice Edward Zacca, OJ., PC (Appointed 27 January 2005)		
Mrs. Jennifer Dewdney Kelly	-	Company Secretary

DIRECTORS' REPORT (cont'd)
30 September 2005

Pursuant to Article 97 of the Articles of Association of the Bank, one-third of the Directors (or the number nearest to one-third) other than the Managing Director will retire at the Annual General Meeting.

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and offer themselves for re-appointment.

On behalf of the Board

Jennifer Dewdney Kelly
Secretary

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
Scotiabank Centre
Duke Street
Box 372
Kingston Jamaica
Telephone: (876) 922-6230
Facsimile: (876) 922-7581

9 November 2005

To the Members of
National Commercial Bank Jamaica Limited

Auditors' Report

We have audited the financial statements set out on pages 29 to 90, and have received all the information and explanations which we considered necessary. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that 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 Bank as at 30 September 2005 and the results of operations, changes in equity and cash flows of the Group and the Bank for the year then ended and have been prepared in accordance with International Financial Reporting Standards and comply with the provisions of the Jamaican Companies Act applicable to banking companies.

PricewaterhouseCoopers

Chartered Accountants
Kingston, Jamaica

E.L. McDonald M.G. Rochester P.W. Pearson E.A.Crawford D.V. Brown J.W. Lee C.D.W. Maxwell
P.E. Williams G.L. Lewars L.A. McKnight L.E. Augier A.K. Jain B.L. Scott B.J. Denning

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 30 September 2005

	Note	2005 $'000	2004 $'000
Operating Income			
Interest income from loans		6,366,474	4,979,253
Interest income from securities		14,600,558	16,433,184
Total interest income		20,967,032	21,412,437
Interest expense		(10,425,519)	(11,809,339)
Net interest income		10,541,513	9,603,098
Net fee and commission income	4	2,452,546	1,772,921
Net trading income	5	2,326,485	1,336,873
Dividend income		133,672	101,539
Loan provision recovered	6	609,716	-
Other operating income		555,630	187,940
		16,619,562	13,002,371
Operating Expenses			
Staff costs	7	5,664,701	4,639,585
Provision for credit losses	18	61,393	422,341
Depreciation and amortisation		1,071,135	976,029
Impairment loss on investment in Dyoll Group Limited		236,359	-
Other operating expenses		3,761,474	3,171,532
		10,795,062	9,209,487
Operating Profit		5,824,500	3,792,884
Share of (loss)/profit of associates		(111,794)	67,230
Profit before Taxation	8	5,712,706	3,860,114
Taxation	10	(1,425,725)	(643,376)
NET PROFIT	11	4,286,981	3,216,738
EARNINGS PER STOCK UNIT	13	$1.74	$1.30

CONSOLIDATED BALANCE SHEET

30 September 2005

	Note	2005 $'000	2004 $'000
ASSETS			
Cash and balances at Bank of Jamaica	14	12,013,588	13,986,481
Due from other banks	15	11,112,575	13,659,635
Trading securities	16	2,185,753	293,885
Reverse repurchase agreements	17	26,692,189	21,372,536
Loans and advances, net of provision for credit losses	18	35,740,809	34,024,628
Investment securities	19	89,605,138	77,494,225
Investments in associates	20	1,562,322	1,163,192
Investment properties	21	12,000	21,300
Property, plant and equipment	22	3,629,271	3,489,077
Intangible asset - computer software	23	751,153	943,212
Retirement benefit asset	26	8,812	7,602
Income tax recoverable		153,040	244,001
Other assets	24	7,016,106	6,081,825
Customers' liability on acceptances, guarantees, indemnities and letters of credit		3,092,406	3,090,418
Total Assets		193,575,162	175,872,017

CONSOLIDATED BALANCE SHEET

30 September 2005

	Note	2005 $'000	2004 $'000
LIABILITIES			
Due to other banks	27	5,945,194	6,794,790
Customer deposits		84,371,554	79,862,280
Derivative financial instruments	28	695	44,983
Promissory notes and certificates of participation		3,366,699	9,768,128
Repurchase agreements		48,609,281	37,496,253
Obligations under credit card and cash advance securitization arrangements	28	10,677,302	9,427,736
Other borrowed funds	29	1,128,785	1,069,318
Income tax payable		1,118,334	405,854
Deferred tax liabilities	25	726,057	852,926
Policyholders' liabilities	30	9,068,442	6,912,610
Provisions	31	67,573	117,000
Retirement benefit obligations	26	232,879	209,879
Other liabilities	32	4,117,456	3,525,837
Liability on acceptances, guarantees, indemnities and letters of credit		3,092,406	3,090,418
Total liabilities		172,522,657	159,578,012
STOCKHOLDERS' EQUITY			
Share capital	33	2,466,763	2,466,763
Share premium		4,453,752	4,453,752
Fair value and other reserves	34	2,170,072	1,266,714
Loan loss reserve	35	211,590	111,650
Banking reserve fund	36	1,609,000	1,327,000
Retained earnings reserve	37	3,119,761	3,119,761
Retained earnings	12	7,021,567	3,548,365
Total stockholders' equity		21,052,505	16,294,005
Total equity and liabilities		193,575,162	175,872,017

Approved for issue by the Board of Directors on 9 November 2005 and signed on its behalf by:

Patrick Hylton — Group Managing Director

Donovan Lewis — Director

Professor Alvin Wint — Director

Jennifer Dewdney Kelly — Secretary

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Year ended 30 September 2005

	Share Capital	Share Premium	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 2003	2,466,763	4,453,752	(270,773)	72,891	1,078,000	1,218,761	3,852,438	12,871,832
Currency translation differences	-	-	22,625	-	-	-	-	22,625
Unrealised gains on available-for-sale investments, net of taxes	-	-	1,781,448	-	-	-	-	1,781,448
Realised fair value gains transferred to Consolidated Profit and Loss Account	-	-	(266,586)	-	-	-	-	(266,586)
Net gains not recognised in Consolidated Profit and Loss Account	-	-	1,537,487	-	-	-		1,537,487
Net profit	-	-	-	-	-	-	3,216,738	3,216,738
Dividends paid	-	-	-	-	-	-	(1,332,052)	(1,332,052)
Transfer to Loan Loss Reserve	-	-	-	38,759	-	-	(38,759)	-
Transfer to Banking Reserve Fund	-	-	-	-	249,000	-	(249,000)	-
Transfer to Retained Earnings Reserve	-	-	-	-	-	1,901,000	(1,901,000)	-
Balance at 30 September 2004	2,466,763	4,453,752	1,266,714	111,650	1,327,000	3,119,761	3,548,365	16,294,005
Currency translation differences	-	-	13,266	-	-	-	-	13,266
Unrealised gains on available-for-sale investments, net of taxes	-	-	1,649,761	-	-	-	-	1,649,761
Realised fair value gains transferred to Consolidated Profit and Loss Account	-	-	(759,669)	-	-	-	-	(759,669)
Net gains not recognised in Consolidated Profit and Loss Account	-	-	903,358	-	-	-	-	903,358
Net profit	-	-	-	-	-	-	4,286,981	4,286,981
Dividends paid	-	-	-	-	-	-	(1,184,046)	(1,184,046)
Negative goodwill transferred to retained earnings on adoption of IFRS 3	-	-	-	-	-	-	752,207	752,207
Transfer to Loan Loss Reserve	-	-	-	99,940	-	-	(99,940)	-
Transfer to Banking Reserve Fund	-	-	-	-	282,000	-	(282,000)	-
Balance at 30 September 2005	2,466,763	4,453,752	2,170,072	211,590	1,609,000	3,119,761	7,021,567	21,052,505

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 30 September 2005

	Note	2005 $'000	2004 $'000
Cash Flows from Operating Activities			
Net cash provided by operating activities	38	10,355,842	41,094
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment		(948,054)	(946,454)
Acquisition of intangible asset - computer software		(100,290)	(536,671)
Proceeds from disposal of property, plant and equipment		36,461	103,786
Acquisition of investments in associates		-	(1,148,446)
Dividends received from associates		37,287	21,345
Investment securities, net		(14,291,850)	7,349,421
Proceeds from disposal of investment properties		11,500	8,000
Net cash (used in)/provided by investing activities		(15,254,946)	4,850,981
Cash Flows from Financing Activities			
Drawdowns under credit card and cash advance securitization arrangements		2,790,645	6,137,077
Repayments under credit card and cash advance securitization arrangements		(1,776,551)	(1,498,613)
Other borrowed funds		63,897	(147,330)
Dividends paid		(1,184,046)	(1,332,052)
Net cash (used in)/provided by financing activities		(106,055)	3,159,082
Effect of exchange rate changes on cash and cash equivalents		68,063	762,815
Net (decrease)/increase in cash and cash equivalents		(4,937,096)	8,813,972
Cash and cash equivalents at beginning of year		14,892,665	6,078,693
Cash and Cash Equivalents at End of Year		9,955,569	14,892,665
Comprising:			
Cash and balances at Bank of Jamaica	14	3,309,687	4,313,828
Due from other banks	15	11,112,575	13,659,635
Investment securities	19	1,478,501	3,713,992
Due to other banks	27	(5,945,194)	(6,794,790)
		9,955,569	14,892,665

PROFIT AND LOSS ACCOUNT

Year ended 30 September 2005

	Note	2005 $'000	2004 $'000
Operating Revenue			
Interest income from loans		6,347,693	4,965,070
Interest income from securities		6,901,933	9,395,905
Total interest income		13,249,626	14,360,975
Interest expense		(4,816,354)	(6,843,225)
Net interest income		8,433,272	7,517,750
Net fee and commission income	4	2,207,359	1,554,505
Net trading income	5	2,445,019	1,110,864
Dividend income		144,594	80,422
Other operating income		221,723	109,800
		13,451,967	10,373,341
Operating Expenses			
Staff costs	7	4,963,928	4,124,291
Provision for credit losses	18	61,393	422,211
Depreciation and amortisation		1,025,210	939,103
Impairment loss on investment in Dyoll Group Limited		468,409	-
Other operating expenses		3,324,391	3,118,897
		9,843,331	8,604,502
Profit before Taxation	8	3,608,636	1,768,839
Taxation	10	(787,940)	(109,183)
NET PROFIT		2,820,696	1,659,656

BALANCE SHEET
30 September 2005

	Note	2005	2004
		$'000	$'000
ASSETS			
Cash and balances at Bank of Jamaica	14	11,788,837	13,131,337
Due from other banks	15	11,357,836	13,976,958
Reverse repurchase agreements	17	2,047,125	278,010
Loans and advances, net of provision for credit losses	18	35,486,712	33,801,580
Investment securities	19	55,957,051	48,754,521
Investments in associates	20	543,167	1,148,446
Investments in subsidiaries		1,456,970	1,456,970
Property, plant and equipment	22	3,583,040	3,430,625
Intangible asset - computer software	23	699,479	889,295
Other assets	24	3,961,038	3,256,196
Customers' liability on acceptances, guarantees, indemnities and letters of credit		3,092,406	3,090,418
Total Assets		129,973,661	123,214,356

BALANCE SHEET

30 September 2005

	Note	2005 $'000	2004 $'000
LIABILITIES			
Due to other banks	27	5,945,194	6,795,508
Customer deposits		85,253,696	79,393,594
Derivative financial instruments	28	695	44,983
Repurchase agreements		6,093,805	7,580,162
Obligations under credit card and cash advance securitization arrangements	28	10,677,302	9,427,736
Other borrowed funds	29	1,129,101	1,082,144
Income tax payable		802,289	456,088
Deferred tax liabilities	25	26,065	308,243
Provisions	31	67,573	117,000
Retirement benefit obligations	26	232,879	209,879
Other liabilities	32	2,234,739	2,024,453
Liability on acceptances, guarantees, indemnities and letters of credit		3,092,406	3,090,418
Total liabilities		115,555,744	110,530,208
STOCKHOLDERS' EQUITY			
Share capital	33	2,466,763	2,466,763
Share premium		3,998,968	3,998,968
Fair value and other reserves	34	1,050,512	953,393
Loan loss reserve	35	211,590	111,650
Banking reserve fund	36	1,609,000	1,327,000
Retained earnings reserve	37	3,119,761	3,119,761
Retained earnings	12	1,961,323	706,613
Total stockholders' equity		14,417,917	12,684,148
Total equity and liabilities		129,973,661	123,214,356

Approved for issue by the Board of Directors on 9 November 2005 signed on its behalf by:

Patrick Hylton — Group Managing Director

Donovan Lewis — Director

Professor Alvin Wint — Director

Jennifer Dewdney Kelly — Secretary

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Year ended 30 September 2005

	Share Capital	Share Premium	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 2003	2,466,763	3,998,968	41,604	72,891	1,078,000	1,218,761	2,567,768	11,444,755
Unrealised gains on available-for-sale investments, net of taxes	-	-	1,008,875	-	-	-	-	1,008,875
Realised fair value gains transferred to Profit and Loss Account	-	-	(97,086)	-	-	-	-	(97,086)
Net gains not recognised in Profit and Loss Account	-	-	911,789	-	-	-	-	911,789
Net profit	-	-	-	-	-	-	1,659,656	1,659,656
Dividends paid	-	-	-	-	-	-	(1,332,052)	(1,332,052)
Transfer to Loan Loss Reserve	-	-	-	38,759	-	-	(38,759)	-
Transfer to Retained Earnings Reserve	-	-	-	-	-	1,901,000	(1,901,000)	-
Transfer to Banking Reserve Fund	-	-	-	-	249,000	-	(249,000)	-
Balance at 30 September 2004	2,466,763	3,998,968	953,393	111,650	1,327,000	3,119,761	706,613	12,684,148
Unrealised gains on available-for-sale investments, net of taxes	-	-	1,199,876	-	-	-	-	1,199,876
Realised fair value gains transferred to Profit and Loss Account	-	-	(1,102,757)	-	-	-	-	(1,102,757)
Net gains not recognised in Profit and Loss Account	-	-	97,119	-	-	-	-	97,119
Net profit	-	-	-	-	-	-	2,820,696	2,820,696
Dividends paid	-	-	-	-	-	-	(1,184,046)	(1,184,046)
Transfer to Loan Loss Reserve	-	-	-	99,940	-	-	(99,940)	-
Transfer to Banking Reserve Fund	-	-	-	-	282,000	-	(282,000)	-
Balance at 30 September 2005	2,466,763	3,998,968	1,050,512	211,590	1,609,000	3,119,761	1,961,323	14,417,917

STATEMENT OF CASH FLOWS

Year ended 30 September 2005

	Note	2005 $'000	2004 $'000
Cash Flows from Operating Activities			
Net cash provided by/(used in) operating activities	38	4,557,709	(6,801,346)
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment		(939,593)	(898,120)
Acquisition of intangible asset - computer software		(72,169)	(502,913)
Proceeds from disposal of property, plant and equipment		31,932	51,809
Proceeds from disposal of investment in associates		533,637	-
Acquisition of investments in associates		-	(1,148,446)
Investment securities, net		(7,477,182)	13,027,407
Net cash (used in)/provided by investing activities		(7,923,375)	10,529,737
Cash Flows from Financing Activities			
Drawdowns under credit card and cash advance securitization arrangements		2,790,645	6,137,077
Repayments under credit card and cash advance securitization arrangements		(1,776,551)	(1,498,613)
Other borrowed funds		51,387	(170,648)
Dividends paid		(1,184,046)	(1,332,052)
Net cash (used in)/provided by financing activities		(118,565)	3,135,764
Effect of exchange rate changes on cash and cash equivalents		85,978	858,049
Net (decrease)/increase in cash and cash equivalents		(3,398,253)	7,722,204
Cash and cash equivalents at beginning of year		14,061,332	6,339,128
Cash and Cash Equivalents at End of Year		10,663,079	14,061,332
Comprising:			
Cash and balances at Bank of Jamaica	14	3,084,936	3,458,683
Due from other banks	15	11,357,836	13,976,958
Investment securities	19	2,165,501	3,421,199
Due to other banks	27	(5,945,194)	(6,795,508)
		10,663,079	14,061,332

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

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 70% subsidiary of AIC (Barbados) Limited. The ultimate parent company is Portland Holdings Inc., incorporated in Canada. 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.

The Bank's subsidiaries, which together with the Bank are referred to as "the Group", are as follows:

	Principal Activities	**Percentage Ownership by Bank 30 September 2005**
Data-Cap Processing Limited	Data Processing	100
NCB Capital Markets Limited	Primary Dealer and Stock Broker	100
Mutual Security Insurance Brokers Limited	Insurance Brokers	100
NCB (Cayman) Limited and its 100% subsidiary NCB Senvia Limited	Commercial Banking Money Remittance	100
N.C.B. (Investments) Limited	Money Market Trading	100
N.C.B. Jamaica (Nominees) Limited	Securities' Nominee	100
NCB Insurance Company Limited	Life Insurance	100
West Indies Trust Company Limited	Investment and Pension Fund Management and Trustee Services	100
Senvia Money Services (UK) Limited	Money Remittance	100

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

The Group's associates are as follows:

	Principal Activities	**Percentage ownership by Group 30 September 2005**
Kingston Wharves Limited	Wharf Operations and Stevedoring	43.45
Dyoll Group Limited	Property and Casualty Insurance	44.47

All amounts are stated in Jamaican dollars unless otherwise indicated.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

2. Significant Accounting Policies

(a) Basis of preparation

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention as modified by the revaluation of available-for-sale investment securities, trading securities, derivative contracts, investment property and certain property plant and equipment.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(b) Consolidation

The consolidated financial statements comprise those of the Bank and its subsidiaries presented as a single economic entity. Intra-group transactions, balances and unrealised gains and losses are eliminated in preparing the consolidated financial statements.

(c) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in the profit and loss account.

Exchange differences on non-monetary financial assets are a component of the change in their fair value. Depending on the classification of a non-monetary financial asset, exchange differences are either recognised in the profit and loss account (applicable for trading securities), or within stockholders' equity if non-monetary financial assets are classified as available-for-sale.

Assets and liabilities of foreign subsidiaries are translated at exchange rates at the balance sheet date, while profit and loss account and cash flow items are translated at average rates over the year. Differences resulting from the use of these different exchange rates are reflected in fair value and other reserves within stockholders' equity.

(d) Interest and fees

Interest income and expense are recognised in the profit and loss account for all interest-bearing instruments on an accrual basis using the effective yield method based on the actual purchase price. Interest income includes coupons earned on fixed income investments and accrued discount on treasury bills and other discounted instruments.

Jamaican banking regulations stipulate that, where collection of interest income is considered doubtful or payment is outstanding for 90 days or more, interest should be taken into account on the cash basis. IFRS require that when loans become doubtful of collection, they are written down to their recoverable amounts and interest income is thereafter recognised based on the rate of interest that was used to discount the future cash flows for the purpose of measuring the recoverable amount. The difference between the regulatory and IFRS bases of interest recognition was assessed to be immaterial.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

2. Significant Accounting Policies (Continued)

(d) Interest and fees (continued)

Fee and commission income is generally recognised on an accrual basis when the service has been provided. Loan origination fees for loans which are likely to be drawn down are deferred, together with related direct costs, and recognised as an adjustment to the effective yield on the loan. Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction.

(e) Investments

Investments are classified into the following categories: trading securities, originated loans, and available-for-sale securities. Management determines the appropriate classification of investments at the time of purchase.

Trading securities are those which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short-term profit-taking exists. They are initially recognised at cost, which includes transaction costs, and subsequently remeasured at fair value. All related realised and unrealised gains and losses are included in net trading income.

Originated debt securities include those where money is provided to the issuer, either directly or through an intermediary, other than those that are originated with the intent to be sold immediately or in the short-term, which are recorded as trading securities. They are initially recorded at cost, which is the cash given to originate the debt including any transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

Available-for-sale securities are those intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or changes in interest rates, foreign exchange rates or market prices. They are initially recognised at cost, which includes transaction costs, and subsequently remeasured at fair value. Unrealised gains and losses arising from changes in fair value of available-for-sale securities are recognised in stockholders' equity. When the securities are disposed of or impaired, the related accumulated unrealised gains or losses included in stockholders' equity are transferred to the profit and loss account.

The fair values of quoted investments are based on current bid prices. For unquoted investments, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

Financial assets are assessed at each balance sheet date for objective evidence of impairment. 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.

All purchases and sales of investment securities are recognised at settlement date.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

2. Significant Accounting Policies (Continued)

(f) Repurchase and reverse repurchase transactions

Securities sold under agreements to repurchase (repurchase agreements) and securities purchased under agreements to resell (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.

(g) Derivatives

Derivative instruments are initially recognised in the balance sheet at cost (including transaction costs) and subsequently are remeasured at their fair value. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Changes in the fair value of derivatives are included in net trading income. This includes derivative transactions which, while providing effective economic hedges under the Group's risk management positions, do not qualify for hedge accounting under the specific rules in International Accounting Standard (IAS) 39.

(h) Loans and provisions for credit losses

Loans are recognised when cash is advanced to borrowers. They are initially recorded at cost, which is the cash given to originate the loan including any transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

A provision for credit losses is established if there is objective evidence that a loan is impaired. A loan is considered impaired when management determines that it is probable that all amounts due according to the original contractual terms will not be collected. When a loan has been identified as impaired, the carrying amount of the loan is reduced by recording specific provisions for credit losses to its estimated recoverable amount, which is the present value of expected future cash flows including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of the loan.

The provision for credit losses also covers situations where there is objective evidence that probable losses are present in components of the loan portfolio at the balance sheet date. These have been estimated based upon historical patterns of losses in each component, the credit ratings allocated to the borrowers and the current economic climate in which the borrowers operate.

For non-performing and impaired loans the accrual of interest income based on the original terms of the loan is discontinued. Jamaican banking regulations require that interest on non-performing loans be taken into account on the cash basis. IFRS require that interest income on non-performing loans be accrued, to the extent collectible, and that the increase in the present value of impaired loans due to the passage of time be reported as interest income. The difference between the Jamaican regulatory basis and IFRS was assessed to be immaterial.

Write-offs are made when all or part of a loan is deemed uncollectible or is forgiven. Write-offs are charged against previously established provisions for credit losses and reduce the principal amount of a loan. Recoveries in part or in full of amounts previously written-off are credited to provision for credit losses in the profit and loss account.

Statutory and other regulatory loan loss reserve requirements that exceed these amounts are dealt with in a non-distributable loan loss reserve as an appropriation of retained earnings.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

2. Significant Accounting Policies (Continued)

(i) Investment property
Investment property is held for long-term rental yields and is not occupied by the Group. Investment property is treated as a long-term investment and is carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recorded in the profit and loss account.

(j) Investments in subsidiaries
Investments by the Bank in subsidiaries are stated at cost less accumulated impairment losses.

(k) Investments in associates
Associates are entities over which the Group has significant influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting. Under this method, the Group's share of the post-acquisition profits or losses of associates is recognised in the consolidated profit and loss account and its share of post-acquisition movements in reserves is recognised in reserves. The Group's investment in associates includes goodwill on acquisition (net of accumulated amortisation and impairment losses).

In the Bank's unconsolidated balance sheet, investments in associates are shown at cost less accumulated impairment losses.

(l) Property, plant and equipment
Land and buildings, except for investment property, are shown at deemed cost, less subsequent depreciation for buildings. Under IFRS 1, a first-time adopter may elect to use a previous GAAP revaluation of an item of property, plant and equipment as its deemed cost. The Group elected to apply this provision. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Land is not depreciated. Depreciation on other assets is calculated on the straight-line basis at annual rates that will write off the carrying value of each asset over the period of its expected useful life. Annual depreciation rates are as follows:

Freehold buildings	2 - 5%
Leasehold improvements	Period of lease
Computer equipment	33⅓%
Office equipment and furniture	20%
Other equipment	10%
Motor vehicles	20 - 25%
Leased assets	Shorter of period of lease or useful life of asset

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains or losses on disposal of property plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. Repairs and renewals are charged to the profit and loss account when the expenditure is incurred.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2005

2. Significant Accounting Policies (Continued)

(m) Intangible assets

(i) Goodwill

Goodwill represents the difference between the cost of an acquisition and the fair value of the Group's share of the net identifiable assets of the acquiree. Goodwill on acquisition of associates is included in investments in associates. Goodwill is assessed annually for impairment.

(ii) Computer Software

Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with acquiring identifiable and unique software products which are expected to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. These costs are amortised using the straight-line method over their useful lives, not exceeding a period of three years.

(n) Borrowings

Borrowings including those arising under securitization arrangements are recognised initially at cost, being their issue proceeds, net of transaction costs incurred. Subsequently, borrowings are stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective yield method.

(o) Employee benefits

(i) Pension plans

The Bank and its subsidiaries operate a number of retirement plans, the assets of which are generally held in separate trustee-administered funds. The pension plans are funded by payments from employees and by the relevant companies, taking into account the recommendations of independent qualified actuaries. The Group has both defined contribution and defined benefit plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate fund. The Group has no legal or constructive obligation beyond paying these contributions. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Contributions to defined contribution plans are charged to the profit and loss account in the period to which they relate.

The asset or liability in respect of defined benefit plans is the difference between the present value of the defined benefit obligation at the balance sheet date and the fair value of plan assets, adjusted for unrecognised actuarial gains/losses and past service cost. Where a pension asset arises, the amount recognised is limited to the net total of any cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan. The pension costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the profit and loss account so as to spread the regular cost over the service lives of the employees in accordance with the advice of the actuaries, who carry out a full valuation of the plans every year. The pension obligation is measured at the present value of the estimated future cash outflows using discount estimated rates based on market yields on government securities which have terms to maturity approximating the terms of the related liability.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

2. Significant Accounting Policies (Continued)

(o) Employee benefits (continued)

(i) Pension plans (continued)

A portion of actuarial gains and losses is recognised in the profit and loss account if the net cumulative unrecognised actuarial gains or losses at the end of the previous reporting period exceeded 10 percent of the greater of the present value of the gross defined benefit obligation and the fair value of plan assets at that date. Any excess actuarial gains or losses are recognised in the profit and loss account over the average remaining service lives of the participating employees.

(ii) Other retirement obligations

Group companies provide post-retirement health care benefits to their retirees. The entitlement for these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using a methodology similar to that for defined benefit pension plans. Valuations of these obligations are carried out annually by independent qualified actuaries.

(p) Leases

(i) As Lessee

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of minimum lease payments. Each lease payment is allocated between the liability and interest charges so as to produce a constant rate of charge on the lease obligation. The interest element of the lease payments is charged to the profit and loss account over the lease period.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

(ii) As Lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease in a manner which reflects a constant periodic rate of return on the net investment in the lease.

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned assets. Rental income is recognised on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

2. Significant Accounting Policies (Continued)

(q) Income taxes

Taxation expense in the profit and loss account comprises current and deferred tax charges.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that have been enacted at balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is charged or credited in the profit and loss account, except where it relates to items charged or credited to equity, in which case, deferred tax is also dealt with in equity.

(r) Policyholders' liabilities

Policyholders' liabilities are determined annually by an independent actuary using the Policy Premium Method of valuation. They represent the liability for future benefits payable by the Group based on contracts for the life assurance business in force at the balance sheet date. These liabilities represent the amount which, together with future premiums and investment returns, in the opinion of the actuary, will be sufficient to pay future benefits relating to contracts of insurance in force, as well as meet the expenses incurred in connection with such contracts. Allowance is made for interest, mortality and other assumptions considered to be appropriate to include in the liabilities of the Group under the terms of its policy contracts in force.

(s) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

(t) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash and balances at Bank of Jamaica (excluding statutory reserves), due from other banks, investment securities and due to other banks.

(u) Acceptances, guarantees, indemnities and letters of credit

The potential liability under acceptances, guarantees, indemnities and letters of credit is reported as a liability in the balance sheet. There are equal and offsetting claims against customers in the event of a call on these commitments, which are reported as an asset.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

2. Significant Accounting Policies (Continued)

(v) Fiduciary activities

The Group acts as trustee and in other fiduciary capacities that result in holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

(w) Segment reporting

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments.

(x) Comparative information

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

3. Segment Reporting

The Group is organised into the following business segments:

(a) Retail banking - This incorporates the provision of banking services to individual and small business clients.

(b) Corporate banking - This incorporates the provision of banking services to large corporate clients.

(c) Treasury - This incorporates the Bank's liquidity and investment management function, management of correspondent bank relationships, as well as foreign currency trading services.

(d) Wealth management - This incorporates stock brokerage, securities trading, investment management, pension fund management and trustee services.

(e) Insurance - This incorporates life insurance and insurance brokerage services.

Other operations of the Group include data processing, money remittance services and registrar and transfer agent services.

The Group's operations are located mainly in Jamaica. The operations of subsidiaries located overseas account for less than 10 per cent of the Group's external operating revenue, assets and capital expenditures.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2005

3. Segment Reporting (Continued)

Year ended 30 September 2005

	Banking							
	Retail $'000	Corporate $'000	Treasury $'000	Wealth Management $'000	Insurance $'000	Other $'000	Eliminations $'000	Consolidated $'000
External operating revenue	5,128,715	3,586,421	8,677,634	8,176,063	1,454,574	21,674	-	27,045,081
Operating revenue from other segments	5,842,928	81,331	2,245,074	144,230	101,293	47,680	(8,462,536)	-
Operating revenue	10,971,643	3,667,752	10,922,708	8,320,293	1,555,867	69,354	(8,462,536)	27,045,081
Segment result	204,604	1,308,114	2,683,728	1,890,956	360,163	13,263	(636,328)	5,824,500
Share of loss of associates								(111,794)
Profit before tax								5,712,706
Taxation expense								(1,425,725)
Net profit								4,286,981
Segment assets	86,006,565	22,056,878	79,191,334	55,493,510	10,063,527	293,394	(61,245,408)	191,859,800
Associates								1,562,322
Unallocated assets								153,040
Total assets								193,575,162
Segment liabilities	79,572,303	19,761,932	73,935,982	48,818,225	9,162,434	304,197	(60,876,807)	170,678,266
Unallocated liabilities								1,844,391
Total liabilities								172,522,657
Capital expenditure	858,141	83,408	70,344	27,972	8,025	21	-	1,047,911
Depreciation and amortisation	885,337	91,497	77,166	10,158	5,076	1,901	-	1,071,135

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

3. Segment Reporting (Continued)

Year ended 30 September 2004

	Banking							
	Retail	Corporate	Treasury	Wealth Management	Insurance	Other	Eliminations	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
External operating revenue	4,601,798	1,953,050	10,660,825	6,588,628	996,082	11,327	-	24,811,710
Operating revenue from other segments	5,826,997	75,713	921,172	1,409,847	391,844	51,390	(8,676,963)	-
Operating revenue	10,428,795	2,028,763	11,581,997	7,998,475	1,387,926	62,717	(8,676,963)	24,811,710
Segment result	(775,938)	380,201	2,598,241	1,175,768	410,116	(3,149)	7,645	3,792,884
Share of profit of associates								67,230
Profit before tax								3,860,114
Taxation expense								(643,376)
Net profit								3,216,738
Segment assets	84,110,573	23,746,727	75,764,678	49,755,191	7,664,014	221,684	(66,798,043)	174,464,824
Associates								1,163,192
Unallocated assets								244,001
Total assets								175,872,017
Segment liabilities	77,452,022	22,427,160	72,440,586	45,503,571	7,004,298	237,195	(66,842,385)	158,222,447
Unallocated liabilities								1,355,565
Total liabilities								159,578,012
Capital expenditure	1,241,017	132,395	111,659	54,774	24,440	1,273	-	1,565,558
Depreciation and amortisation	785,668	83,813	70,685	22,786	10,718	2,359	-	976,029

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

4. Net Fee and Commission Income

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Fee and commission income:				
Retail banking fees	755,534	631,081	825,997	656,857
Credit related fees	1,789,615	1,249,424	1,789,103	1,249,424
Other fees	414,168	310,675	94,387	66,483
	2,959,317	2,191,180	2,709,487	1,972,764
Fee and commission expenses	(506,771)	(418,259)	(502,128)	(418,259)
	2,452,546	1,772,921	2,207,359	1,554,505

5. Net Trading Income

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Foreign exchange translation and trading	980,639	871,973	881,594	830,349
Fixed income	977,637	449,149	505,850	269,780
Equities	368,209	15,751	1,057,575	10,735
	2,326,485	1,336,873	2,445,019	1,110,864

Foreign exchange translation and trading income includes gains and losses arising from translation of assets and liabilities denominated in foreign currency as well as those arising from foreign currency trading activity.

During the year ended 30 September 2005, gains of $798,097,000 were recognised in the Bank on the sale of equities to a subsidiary.

6. Loan Provision Recovered

This represents the recovery during the year of a loan which was provided for by a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

7. Staff Costs

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Wages and salaries	3,734,822	3,150,448	3,148,758	2,741,685
Statutory contributions	388,572	353,710	335,835	315,138
Pension costs - defined contribution plans	124,919	113,669	115,063	106,688
Pension costs - defined benefit plans (Note 26)	(372)	(520)	-	-
Allowances and benefits	716,026	661,978	666,767	604,406
Staff profit share	364,641	246,390	364,641	246,390
Termination benefits	336,093	113,910	332,864	109,984
	5,664,701	4,639,585	4,963,928	4,124,291

The number of persons employed as at 30 September:

	The Group		The Bank	
	2005	2004	2005	2004
Full-time	2,126	2,445	1,875	2,243
Part-time	217	109	216	107
Contract	177	137	165	122
	2,520	2,691	2,256	2,472

8. Profit before Taxation

The following have been charged/(credited) in arriving at profit before taxation:

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Directors' emoluments -				
Fees	9,113	2,500	4,118	1,760
Management remuneration	28,772	59,050	28,772	59,050
Auditors' remuneration -				
Current year	24,103	20,518	14,520	12,460
Prior year	2,000	-	1,200	-
Gain on disposal of property,				
plant and equipment	(11,817)	(29,257)	(12,409)	(28,490)
Operating lease rentals	72,894	72,782	69,646	72,782

NOTES TO THE FINANCIAL STATEMENTS

30 September 2005

9. Expenses by Nature

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Staff costs	5,664,701	4,639,585	4,963,928	4,124,291
Depreciation	704,963	661,359	686,036	638,421
Amortisation of intangible asset	366,172	314,670	339,174	300,682
Impairment loss on investment in Dyoll Group Limited	236,359	-	468,409	-
Provision for credit losses	61,393	422,341	61,393	422,211
Banking and dealer fees	778,155	323,660	843,415	433,832
Office expense	135,734	120,486	116,059	109,336
Light and fuel	188,223	138,742	185,838	135,958
Security	119,238	103,973	119,238	103,973
Courier services	105,318	144,053	105,318	144,053
Bank charges	47,494	31,920	34,724	31,571
Telephone and postage	142,379	197,899	137,985	195,028
Technical, consultancy and professional fees	662,611	589,478	431,423	531,784
Stationery	133,954	121,966	119,899	109,543
Rent, rates and taxes	115,194	128,303	111,304	116,134
Subscription and donations	133,032	119,866	54,330	117,374
Travelling and motor vehicle	42,930	70,652	35,335	63,805
Repairs and maintenance	477,854	466,800	467,095	465,102
Advertising	304,044	331,693	263,227	302,781
Insurance	272,683	197,782	264,903	192,179
Other	102,631	84,259	34,298	66,444
	10,795,062	9,209,487	9,843,331	8,604,502

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

10. Taxation

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Current:				
Income tax at 33⅓%	1,577,632	449,610	1,158,429	428,274
Premium tax at 3% (2004 - 1½% up to 31 December 2003 and 3% thereafter)	75,457	75,148	-	-
Investment income tax at 15% (2004 - 7½% up to 31 December 2003 and 15% thereafter)	62,356	2,116	-	-
Share of tax of associates (Note 20)	56,832	22,835	-	-
Deferred tax (Note 25)	(346,552)	93,667	(370,489)	(319,091)
	1,425,725	643,376	787,940	109,183

The tax on profit differs from the theoretical amount that would arise using the basic statutory rate of 33⅓% as follows:

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Profit before tax	5,712,706	3,860,114	3,608,636	1,768,839
Tax calculated at a tax rate of 33⅓%	1,904,235	1,286,705	1,202,879	589,613
Income not subject to tax or in respect of which tax has been remitted	(873,365)	(638,787)	(713,803)	(497,967)
Expenses not deductible for tax purposes	141,249	65,624	173,874	39,414
Effect of different tax regime applicable to life insurance subsidiary	24,969	12,844	-	-
Losses in associates, not deductible	94,097	-	-	-
Prior year under/(over) provision	132,346	(31,860)	125,801	(31,860)
Other	2,194	(51,150)	(811)	9,983
Taxation expense	1,425,725	643,376	787,940	109,183

Tax on the life insurance business is charged on investment income, less expenses allowable in earning that income, at the rate of 7½% up to 31 December 2003 and 15% thereafter and on premium income less reinsurance premiums at 1½% up to 31 December 2003 and 3% thereafter.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

11. Net Profit

	2005 $'000	2004 $'000
Dealt with in the financial statements of:		
The Bank	2,820,696	1,659,656
Subsidiaries	1,908,557	1,549,384
Associates	(442,272)	7,698
	4,286,981	3,216,738

12. Retained Earnings

	2005 $'000	2004 $'000
Reflected in the financial statements of:		
The Bank	1,961,323	706,613
Subsidiaries	4,742,611	2,834,054
Associates	317,633	7,698
	7,021,567	3,548,365

13. Earnings Per Stock Unit

Basic earnings per stock unit is calculated by dividing the net profit attributable to stockholders by the weighted average number of ordinary stock units in issue during the year.

	2005	2004
Net profit attributable to stockholders ($'000)	4,286,981	3,216,738
Weighted average number of ordinary stock units in issue ('000)	2,466,763	2,466,763
Basic earnings per stock unit ($)	1.74	1.30

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

14. Cash and Balances at Bank of Jamaica

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Cash in hand and at bank	2,291,750	3,590,187	2,069,893	2,736,749
Balances with the Bank of Jamaica other than statutory reserves	1,017,937	723,641	1,015,043	721,934
Included in cash and cash equivalents	3,309,687	4,313,828	3,084,936	3,458,683
Statutory reserves with the Bank of Jamaica - interest-bearing	3,730,101	5,165,356	3,730,101	5,165,356
Statutory reserves with the Bank of Jamaica - non-interest-bearing	4,973,800	4,507,297	4,973,800	4,507,298
	12,013,588	13,986,481	11,788,837	13,131,337

Statutory reserves with the Bank of Jamaica represent the required ratio of 9% (2004 - 9%) of prescribed liabilities. They are not available for investment, lending or other use by the Group.

Since 15 January 2003, the Bank has been required by the Bank of Jamaica under section 28A of the Bank of Jamaica Act, to maintain a special deposit wholly in the form of cash, representing 5% of prescribed liabilities. The rate was reduced to 3%, effective 1 March 2005. This was further reduced to 1% of the prescribed liabilities of the Bank, effective 16 May 2005. This special deposit earns interest at 6% per annum.

15. Due from Other Banks

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Items in course of collection from other banks	1,069,697	1,080,605	1,069,697	1,080,605
Placements with other banks	10,042,878	12,579,030	10,288,139	12,896,353
Included in cash and cash equivalents	11,112,575	13,659,635	11,357,836	13,976,958

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

16. Trading Securities

	The Group	
	2005	2004
	$'000	$'000
Government of Jamaica debt securities	1,561,559	7,689
Quoted equity securities	624,194	286,196
	2,185,753	293,885

17. Reverse Repurchase Agreements

The Group and the Bank enter into collateralised reverse repurchase agreements which may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligations.

At 30 September 2005, the Group and the Bank held $22,926,205,000 (2004 - $21,562,000,000) and $2,298,452,000 (2004 - $278,010,000), respectively of securities, mainly representing Government of Jamaica debt securities, as collateral for reverse repurchase agreements.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

18. Loans and Advances

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Gross loans and advances	37,707,702	36,189,151	37,450,341	35,962,839
Provision for credit losses	(1,966,893)	(2,164,523)	(1,963,629)	(2,161,259)
	35,740,809	34,024,628	35,486,712	33,801,580

The movement in the provision for credit losses determined under the requirements of IFRS is as follows:

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Balance at beginning of year	2,164,523	2,163,517	2,161,259	2,151,883
Provided during the year	587,956	853,400	587,956	853,270
Recoveries	(526,563)	(431,059)	(526,563)	(431,059)
Net charge to profit	61,393	422,341	61,393	422,211
Write-offs	(259,023)	(421,335)	(259,023)	(412,835)
Balance at end of year	1,966,893	2,164,523	1,963,629	2,161,259

The aggregate amount of non-performing loans on which interest was not being accrued amounted to $1,608,710,000 as at 30 September 2005 (2004 - $1,475,419,000).

The provision for credit losses determined under Bank of Jamaica regulatory requirements is as follows:

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Specific provision	1,821,208	1,932,230	1,817,944	1,928,966
General provision	357,275	343,943	357,275	343,943
	2,178,483	2,276,173	2,175,219	2,272,909
Excess of regulatory provision over IFRS provision reflected in non-distributable loan loss reserve (Note 35)	211,590	111,650	211,590	111,650

NOTES TO THE FINANCIAL STATEMENTS

30 September 2005

19. Investment Securities

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Originated debt securities - at amortised cost				
Government of Jamaica	49,399,502	47,661,489	37,653,819	35,796,728
Corporate	435,750	-	310,250	-
Other	433,293	621,819	402,329	563,353
	50,268,545	48,283,308	38,366,398	36,360,081
Available-for-sale securities - at fair value				
Debt securities				
- Government of Jamaica	37,231,738	27,197,789	15,624,418	10,419,354
- Foreign government	-	171,199	-	171,199
- Corporate	770,407	8,170	770,407	8,170
Equity securities				
- Quoted	1,316,193	1,800,503	1,177,573	1,762,462
- Unquoted	18,255	33,256	18,255	33,255
	39,336,593	29,210,917	17,590,653	12,394,440
Total	89,605,138	77,494,225	55,957,051	48,754,521

The Bank of Jamaica holds as security, Government of Jamaica Local Registered Stocks with a face value of $1,425,000,000 (2004 - $1,400,000,000) for the Group and $1,300,000,000 (2004 - $1,300,000,000) for the Bank against possible shortfalls in the operating account.

The Financial Services Commission holds as security, Government of Jamaica Local Registered Stocks with a face value of $90,000,000 (2004 - $90,000,000) for the life insurance subsidiary, in accordance with Section 8(1)(B) of the Insurance Regulations 2001.

Included in investment securities are the following amounts which are regarded as cash equivalents for purposes of the statement of cash flows:

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Debt securities with an original maturity of less than 90 days	1,478,501	3,713,992	2,165,501	3,421,199

NOTES TO THE FINANCIAL STATEMENTS

30 September 2005

20. Investments in Associates

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
At the beginning of the year	1,163,192	-	1,148,446	-
Acquisitions during the year	-	1,148,446	-	1,148,446
Disposals during the year	-	-	(136,870)	-
Share of results before tax	(111,794)	67,230	-	-
Share of tax (Note 10)	(56,832)	(22,835)	-	-
Dividends received	(37,287)	(21,345)	-	-
Amortisation of positive goodwill	-	(36,363)	-	-
Amortisation of negative goodwill	-	21,011	-	-
Negative goodwill transferred to retained earnings	752,207	-	-	-
Impairment of positive goodwill	(236,359)	-	-	-
Other equity movements	89,195	7,048	-	-
Provision for impairment	-	-	(468,409)	-
At end of year	1,562,322	1,163,192	543,167	1,148,446
Comprising:				
Share of net assets	1,562,322	1,679,040		
Unamortised positive goodwill	-	236,359		
Unamortised negative goodwill	-	(752,207)		
At end of year	1,562,322	1,163,192		

21. Investment Properties

	The Group	
	2005	2004
	$'000	$'000
Balance at beginning of year	21,300	28,200
Disposals	(11,500)	(8,000)
Fair value gains	2,200	1,100
Balance at end of year	12,000	21,300

The investment properties are valued annually at 30 September at fair value representing open market value by an independent professionally qualified valuer.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

22. Property, Plant and Equipment

	The Group					
	Freehold Land and Buildings $'000	Leasehold Improvements $'000	Furniture & Equipment $'000	Assets Capitalised Under Finance Leases $'000	Work-in-Progress $'000	Total $'000
Cost -						
At 1 October 2003	1,479,520	340,684	2,057,650	887,621	512,307	5,277,782
Additions	114,670	33,110	366,110	87,400	427,597	1,028,887
Disposals	(10,525)	-	(22,873)	(50,393)	-	(83,791)
Transfers	267,382	33,459	217,915	13,491	(566,414)	(34,167)
Reclassifications and adjustments	-	-	-	-	4,967	4,967
At 30 September 2004	1,851,047	407,253	2,618,802	938,119	378,457	6,193,678
Additions	100,786	3,523	311,500	-	531,812	947,621
Disposals	(8,116)	(414)	(26,060)	(57,959)	(2,161)	(94,710)
Transfers	415,032	6,548	256,948	-	(755,717)	(77,189)
Reclassifications and adjustments	(24,406)	(365)	(35,318)	61,230	(5,138)	(3,997)
At 30 September 2005	2,334,343	416,545	3,125,872	941,390	147,253	6,965,403
Accumulated Depreciation -						
At 1 October 2003	229,793	227,057	855,874	795,812	-	2,108,536
Charge for the year	27,011	64,991	473,740	85,047	-	650,789
Disposals	(1,921)	-	(18,649)	(44,724)	-	(65,294)
Reclassifications & adjustments	(47,429)	(17,846)	96,092	(20,247)	-	10,570
At 30 September 2004	207,454	274,202	1,407,057	815,888	-	2,704,601
Charge for the year	38,056	52,022	553,924	63,940	-	707,942
Disposals	(1,359)	(413)	(21,747)	(49,913)	-	(73,432)
Reclassifications and adjustments	(3,162)	604	(5,897)	5,476	-	(2,979)
At 30 September 2005	240,989	326,415	1,933,337	835,391	-	3,336,132
Net Book Value -						
30 September 2005	2,093,354	90,130	1,192,535	105,999	147,253	3,629,271
30 September 2004	1,643,593	133,051	1,211,745	122,231	378,457	3,489,077

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

22. Property, Plant and Equipment (Continued)

	The Bank					
	Freehold Land and Buildings $'000	Leasehold Improvements $'000	Furniture & Equipment $'000	Assets Capitalised Under Finance Leases $'000	Work-in-Progress $'000	Total $'000
Cost -						
At 1 October 2003	1,453,637	318,191	1,999,552	889,755	536,055	5,197,190
Additions	114,670	18,067	333,819	87,400	426,597	980,553
Disposals	(10,525)	-	(9,295)	(50,393)	-	(70,213)
Transfers	293,265	33,459	217,915	13,491	(592,297)	(34,167)
Reclassifications and adjustments	-	-	-	-	4,967	4,967
At 30 September 2004	1,851,047	369,717	2,541,991	940,253	375,322	6,078,330
Additions	100,786	2,890	304,100	-	531,812	939,588
Disposals	(8,116)	(414)	(8,477)	(57,959)	(2,161)	(77,127)
Transfers	415,032	6,548	256,948	-	(755,717)	(77,189)
Reclassifications and adjustments	(24,406)	(1,201)	(34,961)	61,230	(5,136)	(4,474)
At 30 September 2005	2,334,343	377,540	3,059,601	943,524	144,120	6,859,128
Accumulated Depreciation -						
At 1 October 2003	229,793	221,828	813,881	795,812	-	2,061,314
Charge for the year	27,011	58,569	457,224	85,047	-	627,851
Disposals	(1,921)	-	(5,385)	(44,724)	-	(52,030)
Reclassifications and adjustments	(47,429)	(17,846)	96,092	(20,247)	-	10,570
At 30 September 2004	207,454	262,551	1,361,812	815,888	-	2,647,705
Charge for the year	38,056	45,080	542,525	63,940	-	689,601
Disposals	(1,359)	(413)	(5,968)	(49,913)	-	(57,653)
Reclassifications and adjustments	(3,162)	(186)	(5,693)	5,476	-	(3,565)
At 30 September 2005	240,989	307,032	1,892,676	835,391	-	3,276,088
Net Book Value -						
30 September 2005	2,093,354	70,508	1,166,925	108,133	144,120	3,583,040
30 September 2004	1,643,593	107,166	1,180,179	124,365	375,322	3,430,625

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22. Property, Plant and Equipment (Continued)

Included in the table above are amounts totaling $164,000,000 (2004 - $164,000,000) for the Group and the Bank representing the previous Jamaican GAAP revalued amount of land and buildings which has been used as the deemed cost of these assets under the provision of IFRS 1 (Note 2(l)).

Assets capitalised under finance leases comprise motor vehicles and computer equipment.

23. Intangible Asset - Computer Software

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Net book value at beginning of year	943,212	742,570	889,295	658,032
Additions	100,290	536,671	72,169	502,913
Disposals	(3,366)	(55,526)	-	(5,135)
Transfers from property, plant and equipment	77,189	34,167	77,189	34,167
Amortisation charge	(366,172)	(314,670)	(339,174)	(300,682)
Net book value at end of year	751,153	943,212	699,479	889,295

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Cost	1,651,703	1,477,590	1,527,167	1,377,809
Accumulated amortisation	(900,550)	(534,378)	(827,688)	(488,514)
Net book value	751,153	943,212	699,479	889,295

24. Other Assets

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Accounts receivable and prepayments	1,215,146	744,606	597,283	459,879
Interest receivable	5,095,745	4,071,907	2,504,170	1,896,175
Withholding tax recoverable	705,215	1,265,312	859,585	900,142
	7,016,106	6,081,825	3,961,038	3,256,196

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25. Deferred Income Taxes

Deferred income taxes are calculated on all temporary differences under the liability method using a tax rate of 15% for the insurance subsidiary and 33⅓% for the Bank and all other subsidiaries.

The movement in the net deferred income tax balance is as follows:

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Net liability at beginning of year	852,926	317,540	308,243	422,349
Deferred tax (income)/expense (Note 10)	(346,552)	93,667	(370,489)	(319,091)
Deferred tax charged to stockholders' equity on available-for-sale investment securities	219,683	441,719	88,311	204,985
Net liability at end of year	726,057	852,926	26,065	308,243

Deferred income tax assets and liabilities are due to the following items:

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Deferred income tax assets:				
Property, plant and equipment	2,251	133	-	-
Investment securities - available-for-sale	17	2,530	-	-
Loan loss provisions	48,561	77,431	48,561	77,431
Pensions and other post-retirement benefits	77,626	70,893	77,626	69,960
Interest payable	292,578	300,115	-	-
Interest rate swap	232	14,994	232	14,994
Unrealised foreign exchange loss	9,445	-	9,445	-
Other temporary differences	39,825	38,453	35,624	32,111
	470,535	504,549	171,488	194,496
Deferred income tax liabilities:				
Property, plant and equipment	62,547	103,256	60,323	100,440
Investment securities - available-for-sale	368,137	157,085	132,480	44,169
Investment securities - trading	5,124	25,237	-	-
Obligations under securitization arrangements	4,750	21,265	4,750	21,265
Interest receivable	744,968	705,866	-	-
Unrealised foreign exchange gains	6,928	341,124	-	336,865
Other temporary differences	4,138	3,642	-	-
	1,196,592	1,357,475	197,553	502,739

NOTES TO THE FINANCIAL STATEMENTS

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25. Deferred Income Taxes (Continued)

Deferred income tax liabilities have not been provided for on the withholding and other taxes that would be payable on the undistributed earnings of certain subsidiaries to the extent that such earnings are permanently reinvested. Such undistributed earnings totalled $4,742,611,000 at 30 September 2005 (2004 - $2,834,054,000).

26. Retirement Benefits

(Assets)/liabilities recognised on the balance sheet are as follows:

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Pension schemes	(8,812)	(7,602)	-	-
Other retirement benefits	232,879	209,879	232,879	209,879

Pension schemes

The Bank and its subsidiaries have established a number of pension schemes covering all permanent employees. The assets of funded plans are held independently of the Group's assets in separate trustee administered funds. Defined benefit plans are valued by independent actuaries annually using the projected unit credit method. The latest actuarial valuations were carried out as at 30 June 2005.

The amounts recognised in the balance sheet are determined as follows:

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Present value of funded obligations	4,973,811	4,101,467	4,964,412	4,091,070
Fair value of plan assets	(10,930,174)	(9,311,163)	(10,911,313)	(9,294,518)
	(5,956,363)	(5,209,696)	(5,946,901)	(5,203,448)
Unrecognised actuarial gains	2,443,470	2,192,330	2,442,820	2,193,684
Limitation on asset due to uncertainty of obtaining economic benefits	3,504,081	3,009,764	3,504,081	3,009,764
Asset in the balance sheet	(8,812)	(7,602)	-	-

Pension plan assets include:

- Ordinary stock units of the Bank with a fair value of $1,032,125,000 (2004 - $1,622,032,000).
- Repurchase obligations, promissory notes and lease obligations of the Group aggregating $398,295,000 (2004 - $620,277,000).
- Properties occupied by the Group with a fair value of $299,425,000 (2004 - $238,050,000).

NOTES TO THE FINANCIAL STATEMENTS
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26. Retirement Benefits (Continued)

The amounts recognised in the profit and loss account are as follows:

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Current service cost	(27)	(390)	-	-
Interest cost	499,659	387,572	498,344	386,200
Expected return on plan assets	(920,680)	(541,050)	(919,020)	(539,548)
Net actuarial gains recognised	(73,641)	-	(73,641)	-
Change in limitation on asset	494,317	153,348	494,317	153,348
Total, included in staff costs (Note 7)	(372)	(520)	-	-

The actual return on plan assets was $1,827,726,000 (2004 - $2,545,018,000) and $1,825,432,000 (2004 - $2,543,189,000) for the Group and the Bank, respectively.

Movements in the amounts recognised in the balance sheet:

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Asset at beginning of year	(7,602)	(6,009)	-	-
Total income, as above	(372)	(520)	-	-
Contributions paid	(838)	(1,073)	-	-
Asset at end of year	(8,812)	(7,602)	-	-

The principal actuarial assumptions used were as follows:

	The Group		The Bank	
	2005	2004	2005	2004
Discount rate	12.5%	12.5%	12.5%	12.5%
Expected return on plan assets	10.0%	10.0%	10.0%	10.0%
Future salary increases	9.5%	9.5%	9.5%	9.5%
Future pension increases	0 - 3.5%	0 - 3.5%	3.5%	3.5%

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

26. Retirement Benefits (Continued)

Other retirement benefits

In addition to pension benefits, the Bank and its subsidiaries offer retiree medical and life insurance benefits that contribute to the health care and life insurance coverage of employees and beneficiaries after retirement. The method of accounting and frequency of valuations are similar to those used for defined benefit pension schemes.

In addition to the assumptions used for pension schemes, the main actuarial assumption is a long-term increase in health costs of 15% per year (2004 - 15%).

The amounts recognised in the balance sheet are determined as follows:

	The Group and The Bank	
	2005	2004
	$'000	$'000
Present value of unfunded obligations	193,182	173,259
Unrecognised actuarial gains	39,697	36,620
Liability in the balance sheet	232,879	209,879

The amounts recognised in the profit and loss account are as follows:

	The Group and The Bank	
	2005	2004
	$'000	$'000
Current service cost	11,520	12,383
Interest cost	22,479	27,772
Actuarial gains recognised	(1,100)	-
Total, included in staff costs	32,899	40,155

Movements in the amounts recognised in the balance sheet:

	The Group and The Bank	
	2005	2004
	$'000	$'000
Liability at beginning of year	209,879	178,257
Total expense, as above	32,899	40,155
Contributions paid	(9,899)	(8,533)
Liability at end of year	232,879	209,879

NOTES TO THE FINANCIAL STATEMENTS
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27. Due to Other Banks

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Items in course of payment	1,325,982	1,310,633	1,325,982	1,310,633
Deposits from other banks	4,619,212	5,484,157	4,619,212	5,484,875
	5,945,194	6,794,790	5,945,194	6,795,508

28. Obligations Under Credit Card and Cash Advance Securitization Arrangements

	The Group and The Bank	
	2005	2004
	$'000	$'000
Principal outstanding - US$171.4 million (2004 - US$154.3 million)	10,756,068	9,532,453
Unamortised transaction fees	(78,766)	(104,717)
Net liability	10,677,302	9,427,736

In 2001, the Bank entered into an arrangement for the sale of Future Accounts Receivable amounting to US$125,000,000 in respect of credit card and cash advance transactions in Jamaica between Visa International Service Association and Master Card International Incorporated and cardholders holding cards issued by banks outside of Jamaica (primarily in the U.S.A.). This took the form of variable funding certificates issued by Citibank N.A. through Citicorp administered commercial paper conduits. Payments under the arrangement were due quarterly commencing in October 2001 and ending October 2006. In September 2004, the arrangement was amended to extend the scheduled final payment date from October 2006 to October 2009 and to increase the facility limit to US$200,000,000. The final drawdown of US$45,703,000 was made in November 2004.

Interest is calculated daily based on the weighted average rate applicable to commercial paper transactions administered by the respective conduits. The rate approximates one month US dollar LIBOR plus 200 basis points.

Related to this arrangement, the Bank also entered into two interest rate swap agreements effective October 2001 with Citibank N.A. as follows:

Swap 1 - The Bank pays 4.33% per annum fixed and receives three month US dollar LIBOR on a notional amount of US$45,000,000 every quarter commencing January 2002 and ending July 2006.

Swap 2 - The Bank pays 3.78% per annum fixed and receives three month US dollar LIBOR on a notional amount of US$45,000,000 every quarter commencing January 2002 and ending July 2006.

The combined fair value of these interest rate swaps at 30 September 2005 is negative $695,000 (US$11,000) (2004 - Negative $44,983,000 (US$728,000)).

NOTES TO THE FINANCIAL STATEMENTS
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29. Other Borrowed Funds

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Development Bank of Jamaica	912,005	865,166	912,005	865,166
Student loan funds	21,266	93,090	21,266	93,090
European Investment Bank	75,758	-	75,758	-
Finance lease obligations	119,756	111,062	120,072	123,888
	1,128,785	1,069,318	1,129,101	1,082,144

(a) The loans from Development Bank of Jamaica are granted in both Jamaican dollar and US dollar currencies and are utilised by the Bank to finance customers with viable projects in agricultural, agro-industrial, manufacturing, mining and tourism sectors of the economy. The loans to customers are for terms up to 12 years and at rates of 10 - 13%.

(b) Student loan funds represent funds provided by the Government of Jamaica and various funding agencies to the Bank for the purpose of making loans to students of tertiary educational institutions. These are repayable over 7 - 10 years and attract interest at a rate of 16 -18%.

(c) The loans from European Investment Bank are granted in Euro dollar currencies and are utilised by the bank for on lending. The loans are repayable over 8 - 10 years at a rate of 6.76%.

(d) The finance lease obligations are as follows:

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Minimum lease payments				
under finance leases:				
Not later than 1 year	63,849	59,291	64,165	72,574
Later than 1 year and				
not later than 5 years	93,848	91,386	93,848	91,729
	157,697	150,677	158,013	164,303
Future finance charges	(37,941)	(39,615)	(37,941)	(40,415)
Present value of finance lease obligations	119,756	111,062	120,072	123,888

The present value of finance lease obligations are as follows:

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Not later than 1 year	42,071	37,998	42,387	50,481
Later than 1 year and not later than 5 years	77,685	73,064	77,685	73,407
	119,756	111,062	120,072	123,888

NOTES TO THE FINANCIAL STATEMENTS

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30. Policyholders' Liabilities

The Board of Directors of the Group's life insurance subsidiary appoints the Actuary pursuant to the Insurance Act. His responsibility is to carry out an annual valuation of the company's policyholders' liabilities in accordance with accepted actuarial practice and regulatory requirements and report thereon to the policyholders and shareholders. In performing the valuation, the Actuary makes assumptions as to the future rates of interest, asset defaults, mortality, morbidity, claims experience, policy termination, inflation, reinsurance recoveries, expenses and other contingencies, taking into consideration the circumstances of the company and the insurance policies in force.

	The Group	
	2005	2004
	$'000	$'000
(a) Composition of policyholders' liabilities:		
Life assurance fund	9,460,752	7,105,114
Insurance risk reserve	(392,310)	(192,504)
	9,068,442	6,912,610
(b) Change in policyholders' liabilities:		
Life assurance fund:		
At the beginning of the year	7,105,114	4,232,286
Gross premiums	2,482,832	2,764,700
Cost of insurance transferred to profit and loss account	(26,223)	(24,595)
Fees transferred to profit and loss account	(131,930)	(93,579)
Claims and benefits	(934,866)	(666,961)
Interest credited	965,825	893,263
At the end of the year	9,460,752	7,105,114
Insurance risk reserve:		
At the beginning of the year	(192,504)	55,372
Change in reserve	(199,806)	(247,876)
At the end of the year	(392,310)	(192,504)

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

31. Provisions

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
At beginning of year	117,000	140,000	117,000	140,000
Provided during the year	32,573	-	32,573	-
Utilised/reversed during the year	(82,000)	(23,000)	(82,000)	(23,000)
At end of year	67,573	117,000	67,573	117,000
Comprising:				
Provision for litigation	67,573	117,000	67,573	117,000

32. Other Liabilities

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Interest payable	1,684,878	1,803,507	858,028	1,089,008
Accrued liabilities	2,432,578	1,722,330	1,376,711	935,445
	4,117,456	3,525,837	2,234,739	2,024,453

33. Share Capital

	2005	2004
	$'000	$'000
Authorised	5,750,000	5,750,000
Issued and Fully Paid Up -		
2,466,762,828 Ordinary stock units of $1 each	2,466,763	2,466,763

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

34. Fair Value and Other Reserves

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Fair value reserve - available-for-sale investments	1,727,641	837,549	702,044	604,925
Translation reserve	134,313	121,047	-	-
Capital reserve	308,118	308,118	348,468	348,468
	2,170,072	1,266,714	1,050,512	953,393
Capital reserve comprises:				
Realised:				
Capital gains from the scheme of arrangement	-	-	300,564	300,564
Surplus on revaluation of property, plant and equipment	92,991	92,991	-	-
Retained earnings capitalised	98,167	98,167	-	-
Unrealised:				
Surplus on revaluation of property, plant and equipment	116,960	116,960	47,904	47,904
	308,118	308,118	348,468	348,468

35. Loan Loss Reserve

This is a non-distributable reserve representing the excess of the provision for credit losses determined using the Bank of Jamaica's regulatory requirements over the amount determined under IFRS (Note 18).

36. Banking Reserve Fund

This fund is maintained in accordance with the Banking Act 1992 which requires that a minimum of 15% of the net profits, as defined by the Act, of the Bank be transferred to the reserve fund until the amount of the fund is equal to 50% of the paid-up capital of the Bank and thereafter 10% of the net profits until the amount of the fund is equal to the paid-up capital of the Bank.

37. Retained Earnings Reserve

Section 2 of the Banking Act 1992 permits the transfer of any portion of the Bank's net profit to a retained earnings reserve. This reserve constitutes a part of the capital base for the purpose of determining the maximum level of deposit liabilities and lending to customers.

The deposit liabilities of the Bank and other indebtedness for borrowed money together with all interest accrued should not exceed twenty-five times its capital base.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

38. Cash Flows from Operating Activities

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Net profit	4,286,981	3,216,738	2,820,696	1,659,656
Adjustments to reconcile net profit to cash flow provided by/(used in) operating activities:				
Depreciation of property, plant and equipment	704,963	661,359	686,036	638,421
Amortisation of intangible asset	366,172	314,670	339,174	300,682
Impairment of investment in Dyoll Group Limited	236,359	-	468,409	-
Share of after tax loss/(profits) of associates	168,626	(44,395)	-	-
Provision for credit losses	61,393	422,341	61,393	422,211
Interest income	(20,967,032)	(21,412,437)	(13,249,626)	(14,360,975)
Interest expense	10,425,519	11,809,339	4,816,354	6,843,225
Income tax expense	1,715,445	526,874	1,158,429	428,274
Unrealised exchange loss on credit card and cash advance securitization arrangements	194,365	130,909	194,365	130,909
Amortisation of upfront fees on credit card and cash advance securitization arrangements	41,107	81,384	41,107	81,384
Change in retirement benefit asset/obligation	21,790	30,029	23,000	31,622
Unrealised exchange gain on foreign currency denominated investments	(980,639)	(1,037,974)	(881,594)	(1,010,595)
Deferred tax expense/(credit)	(346,552)	93,667	(370,489)	(319,091)
Gain on sale of investment in associates	-	-	(396,767)	-
Gain on disposal of property, plant and equipment and intangible asset	(11,817)	(29,763)	(12,409)	(28,491)
Fair value gains on investment properties	(2,200)	(1,100)	-	-
Fair value gains on interest rate swap	(44,288)	(83,926)	(44,288)	(83,926)
Changes in operating assets and liabilities:				
Statutory reserves at Bank of Jamaica	968,752	(974,113)	968,753	(974,113)
Reverse repurchase agreements	(5,319,653)	(15,539,579)	(1,769,115)	292,528
Loans and advances	(1,777,574)	(8,046,822)	(1,746,525)	(7,949,051)
Customer deposits	4,509,274	10,173,312	5,860,102	8,721,651
Repurchase agreements	11,113,028	7,871,512	(1,486,357)	(10,277,939)
Promissory notes and certificates of participation	(6,401,429)	(351,421)	-	-
Policyholders' liabilities	2,155,832	2,624,952	-	-
Other	750,378	(171,777)	294,992	(45,594)
	1,868,800	(9,736,221)	(2,224,360)	(15,499,212)
Interest received	19,943,194	22,327,820	12,641,631	16,073,076
Interest paid	(10,544,148)	(12,038,420)	(5,047,334)	(7,337,631)
Income tax paid	(912,004)	(512,085)	(812,228)	(37,579)
Net cash provided by/(used in) operating activities	10,355,842	41,094	4,557,709	(6,801,346)

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39. Related Party Transactions and Balances

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

The following transactions were carried out with related parties:

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Interest income from loans:				
Directors	1,074	930	1,074	930
Relatives of directors	2,425	1,911	2,425	1,911
Companies controlled by directors and related by virtue of common directorships	333,457	275,085	333,457	275,085
	336,956	277,926	336,956	277,926
Interest income from securities:				
Fellow subsidiaries	10,216	9,325	-	-
Subsidiaries	-	-	9,915	17,671
Fees and commissions earned:				
Directors	87	-	-	-
Relatives of directors	15	-	-	-
Companies controlled by directors and related by virtue of common directorships	126,760	128,772	125,723	128,772
Parent company	220	-	-	-
Subsidiaries	-	-	70,463	79,760
Fellow subsidiaries	5,176	-	5,176	-
	132,258	128,772	201,362	208,532
Other operating income:				
Directors	98	-	98	-
Relatives of directors	1,177	-	1,177	-
Companies controlled by directors and related by virtue of common directorships	6,167	-	6,167	-
Subsidiaries	-	-	11,894	16,286
	7,442	-	19,336	16,286
Interest expense:				
Directors	2,577	1,764	384	1,764
Companies controlled by directors and related by virtue of common directorships	101,015	28,245	48,837	28,245
Relatives of directors	1,483	1,241	1,076	-
Fellow subsidiaries	2,065	-	-	-
Subsidiaries	-	-	273,913	1,504,544
	107,140	31,250	324,210	1,534,553
Other operating expenses:				
Fellow subsidiaries	12,705	7,061	13,722	7,061
Parent company	63,103	205,592	63,103	205,592
Subsidiaries	-	-	58,031	23,825
	75,808	212,653	134,856	236,478

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

39. Related Party Transactions and Balances (Continued)

Year-end balances with related parties are as follows:

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Loans and advances:				
Directors	5,102	4,458	5,102	4,458
Relatives of directors	15,399	1,663	15,399	1,663
Companies controlled by directors and related by virtue of common directorships	1,074,792	1,078,830	1,074,792	1,078,830
	1,095,293	1,084,951	1,095,293	1,084,951
Reverse repurchase agreements:				
Companies controlled by directors and related by virtue of common directorships	168,536	469,025	-	-
Subsidiaries	-	-	687,000	-
Due from other banks:				
Subsidiaries	-	-	447,408	440,630
Other assets:				
Fellow subsidiaries	8,866	6,131	7,730	-
Companies controlled by directors and related by virtue of common directorships	-	236,935	-	236,935
Parent company	129,144	-	129,144	-
Subsidiaries	-	-	219,574	102,682
	138,010	243,066	356,448	339,617
Customer deposits:				
Directors	8,144	90,495	8,144	90,495
Relatives of directors	72,774	5,968	72,774	5,968
Companies controlled by directors and related by virtue of common directorships	933,723	1,028,831	933,723	1,028,831
Associates	17,617	25,034	17,617	25,034
Subsidiaries	-	-	3,343,622	2,408,992
	1,032,258	1,150,328	4,375,880	3,559,320
Repurchase agreements:				
Companies controlled by directors and related by virtue of common directorships	537,584	-	-	-
Relatives of directors	27,519	8,423	-	-
Subsidiaries	-	-	288,250	2,395,900
	565,103	8,423	288,250	2,395,900
Obligations under finance leases:				
Subsidiaries	-	-	316	12,826
Other liabilities:				
Companies controlled by directors and related by virtue of common directorships	13,161	248,353	-	248,353
Relatives of directors	178	85	-	-
Directors	165	-	10	-
Parent	160,845	23,737	3,235	23,737
Subsidiaries	-	-	78,072	245,707
	174,349	272,175	81,317	517,797

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40. Financial Risk Management

By its nature, the Group's activities are principally related to the use of financial instruments. The Group accepts deposits from customers at both fixed and floating rates and for various periods and seeks to earn above average interest margins by investing these funds in high quality assets. The Group seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher rates while maintaining sufficient liquidity to meet all claims that might fall due.

The Group also seeks to raise its interest margins by obtaining above average margins, net of provisions, through lending to commercial and retail borrowers with a range of credit standing. Such exposures involve not just loans and advances but also guarantees and other commitments such as letters of credit.

The Group also trades in financial instruments where it takes positions to take advantage of short-term market movements in equity and bond prices and in foreign exchange and interest rates. The Board places trading limits on the level of exposure that can be taken.

(a) Liquidity risk

The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits and repurchase agreements, loan draw downs, and guarantees. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The Group's Treasury Division seeks to have available a minimum proportion of maturing funds to meet such calls. The Group's policy is to hold a high proportion of liquid assets to cover withdrawals at unexpected levels of demand.

The following tables analyse assets and liabilities of the Group and the Bank into relevant maturity groupings based on the remaining period, at balance sheet date, to the contractual maturity date.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for financial institutions ever to be completely matched since business transacted is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of loss.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

40. Financial Risk Management (Continued)

(a) Liquidity risk (continued)

As at 30 September 2005:

	The Group					
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Assets						
Cash and balances at Bank of Jamaica	12,013,588	-	-	-	-	12,013,588
Due from other banks	9,220,310	45,109	1,847,156	-	-	11,112,575
Trading Securities	3,185	975	13,078	500,325	1,668,190	2,185,753
Reverse repurchase agreements	4,603,064	2,332,794	19,756,331	-	-	26,692,189
Loans and advances net of provision for credit losses	7,350,724	2,976,820	3,598,234	13,163,290	8,651,741	35,740,809
Investment securities	1,670,070	5,877,613	15,854,685	26,600,159	39,602,611	89,605,138
Investment in associates	-	-	-	-	1,562,322	1,562,322
Other	558,243	2,457,372	2,227,775	1,005,639	8,413,759	14,662,788
Total assets	35,419,184	13,690,683	43,297,259	41,269,413	59,898,623	193,575,162
Liabilities						
Due to other banks	3,215,569	-	2,729,625	-	-	5,945,194
Customer deposits	68,463,431	2,152,642	12,635,851	1,119,630	-	84,371,554
Derivative financial instruments	39	-	656	-	-	695
Promissory notes and certificates of participation	1,663,384	1,092,803	598,725	11,787	-	3,366,699
Repurchase agreements	23,413,384	12,102,263	12,115,088	977,846	700	48,609,281
Obligations under credit card and cash advance securitization arrangements	595,600	-	1,810,552	8,271,150	-	10,677,302
Other borrowed funds	88,827	33,110	47,392	540,245	419,211	1,128,785
Other	10,938,152	2,151,364	962,842	93,710	4,277,079	18,423,147
Total liabilities	108,378,386	17,532,182	30,900,731	11,014,368	4,696,990	172,522,657
Net Liquidity Gap	(72,959,202)	(3,841,499)	12,396,528	30,255,045	55,201,633	21,052,505
Cumulative Liquidity Gap	(72,959,202)	(76,800,701)	(64,404,173)	(34,149,128)	21,052,505	
As at 30 September 2004:						
Total assets	42,455,776	11,573,915	28,343,437	38,679,457	54,819,432	175,872,017
Total liabilities	99,340,044	15,150,133	27,413,376	11,259,433	6,415,026	159,578,012
Net Liquidity Gap	(56,884,268)	(3,576,218)	930,061	27,420,024	48,404,406	16,294,005
Cumulative Liquidity Gap	(56,884,268)	(60,460,486)	(59,530,425)	(32,110,401)	16,294,005	

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

40. Financial Risk Management (continued)

(a) Liquidity risk (continued)

As at 30 September 2005:

	The Bank					
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Assets						
Cash and balances at Bank of Jamaica	11,788,837	-	-	-	-	11,788,837
Due from other banks	9,525,178	31,375	1,801,283	-	-	11,357,836
Reverse repurchase agreements	1,714,550	332,575	-	-	-	2,047,125
Loans and advances net of provision for credit losses	7,347,294	2,976,820	3,472,957	13,095,959	8,593,682	35,486,712
Investment securities	578,344	3,229,924	11,141,050	9,675,945	31,331,788	55,957,051
Investment in subsidiaries	-	-	-	-	1,456,970	1,456,970
Investments in associates	-	-	-	-	543,167	543,167
Other	430,347	1,492,018	760,866	-	8,652,732	11,335,963
Total assets	31,384,550	8,062,712	17,176,156	22,771,904	50,578,339	129,973,661
Liabilities						
Due to other banks	3,215,569	-	2,729,625	-	-	5,945,194
Customer deposits	71,117,091	1,444,660	11,572,314	1,119,631	-	85,253,696
Derivative financial instruments	39	-	656	-	-	695
Repurchase agreements	4,605,254	330,913	215,319	942,319	-	6,093,805
Obligations under credit card and cash advance securitization arrangements	595,600	-	1,810,553	8,271,149	-	10,677,302
Other borrowed funds	89,143	33,110	47,391	540,246	419,211	1,129,101
Other	918,967	507,158	220,295	93,711	4,715,820	6,455,951
Total liabilities	80,541,663	2,315,841	16,596,153	10,967,056	5,135,031	115,555,744
Net Liquidity Gap	(49,157,113)	5,746,871	580,003	11,804,848	45,443,308	14,417,917
Cumulative Liquidity Gap	(49,157,113)	(43,410,242)	(42,830,239)	(31,025,391)	14,417,917	
As at 30 September 2004:						
Total assets	39,101,410	4,534,517	8,553,872	21,590,958	49,433,599	123,214,356
Total liabilities	76,066,736	3,310,580	15,146,066	10,815,456	5,371,370	110,530,208
Net Liquidity Gap	(36,965,326)	1,403,937	(6,592,194)	10,775,502	44,062,229	12,684,148
Cumulative Liquidity Gap	(36,965,326)	(35,561,389)	(42,153,583)	(31,378,081)	12,684,148	

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

40. Financial Risk Management (Continued)

(b) Interest rate risk

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may decrease or create losses in the event that unexpected movements arise. The Asset and Liability Committee sets limits on the level of mismatch of interest rate repricing that may be undertaken.

The Group is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The following tables summarise the Group's and the Bank's exposure to interest rate risk. Included in the tables are the Group's and the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

40. Financial Risk Management (Continued)

(b) Interest rate risk (Continued)

As at 30 September 2005:

	The Group						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
Assets							
Cash and balances at Bank of Jamaica	4,986,944	-	-	-	-	7,026,644	12,013,588
Due from other banks	2,727,165	45,109	1,339,321	-	-	7,000,980	11,112,575
Trading securities	163,735	1,645,465	376,553	-	-	-	2,185,753
Reverse repurchase agreements	4,289,405	2,144,544	20,258,240	-	-	-	26,692,189
Loans and advances net of provision for credit losses	29,669,921	12,525	264,092	4,431,543	1,362,728	-	35,740,809
Investment securities	9,822,758	41,985,968	17,431,285	6,924,618	11,835,239	1,605,270	89,605,138
Investment is associates	-	-	-	-	-	1,562,322	1,562,322
Other	13,402	72,024	7,564	11,528	-	14,558,270	14,662,788
Total assets	51,673,330	45,905,635	39,677,055	11,367,689	13,197,967	31,753,486	193,575,162
Liabilities							
Due to other banks	3,215,570	-	2,729,624	-	-	-	5,945,194
Customer deposits	27,535,654	10,156,189	28,819,219	1,119,630	-	16,740,862	84,371,554
Derivative financial instruments	39	-	656	-	-	-	695
Promissory notes and certificates of participation	1,663,384	1,092,803	598,725	11,787	-	-	3,366,699
Repurchase agreements	23,413,384	12,101,263	12,059,309	1,034,623	702	-	48,609,281
Obligations under credit card and cash advance securitization arrangements	595,600	-	1,810,552	8,271,150	-	-	10,677,302
Other borrowed funds	84,383	24,870	16,558	583,764	419,210	-	1,128,785
Other	8,156,546	325,588	1,074,444	-	67,560	8,799,009	18,423,147
Total liabilities	64,664,560	23,700,713	47,109,087	11,020,954	487,472	25,539,871	172,522,657
On balance sheet interest sensitivity gap	(12,991,230)	22,204,922	(7,432,032)	346,735	12,710,495	6,213,615	21,052,505
Cumulative interest sensitivity gap	(12,991,230)	9,213,692	1,781,660	2,128,395	14,838,890	21,052,505	
As at 30 September 2004:							
Total assets	47,808,527	44,424,178	29,348,181	15,787,640	6,407,580	32,095,911	175,872,017
Total liabilities	51,865,992	24,816,407	46,227,489	10,834,879	537,711	25,295,534	159,578,012
On balance sheet interest sensitivity gap	(4,057,465)	19,607,771	(16,879,308)	4,952,761	5,869,869	6,800,377	16,294,005
Cumulative interest sensitivity gap	(4,057,465)	15,550,306	(1,329,002)	3,623,759	9,493,628	16,294,005	

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

40. Financial Risk Management (Continued)

(b) Interest rate risk (Continued)

As at 30 September 2005:

	The Bank						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
Assets							
Cash and balances at Bank of Jamaica	4,730,101	-	-	-	-	7,058,736	11,788,837
Due from other banks	2,583,270	31,375	1,801,283	-	-	6,941,908	11,357,836
Reverse repurchase agreements	1,714,550	332,575	-	-	-	-	2,047,125
Loans and advances net of provision for credit losses	29,415,824	12,525	264,092	4,431,543	1,362,728	-	35,486,712
Investment securities	700,308	25,359,571	11,335,097	5,026,345	11,942,460	1,593,270	55,957,051
Investment in subsidiaries	-	-	-	-	-	1,456,970	1,456,970
Investment in associates	-	-	-	-	-	543,167	543,167
Other	-	-	-	-	-	11,335,963	11,335,963
Total assets	39,144,053	25,736,046	13,400,472	9,457,888	13,305,188	28,930,014	129,973,661
Liabilities							
Due to other banks	3,215,570	-	2,729,624	-	-	-	5,945,194
Customer deposits	30,189,314	9,448,207	27,579,409	1,119,630	-	16,917,136	85,253,696
Derivative financial instruments	39	-	656	-	-	-	695
Repurchase agreements	4,605,254	330,913	215,319	942,319	-	-	6,093,805
Obligations under credit card and cash advance securitization arrangements	595,600	-	1,810,552	8,271,150	-	-	10,677,302
Other borrowed funds	84,699	24,870	16,557	583,764	419,211	-	1,129,101
Other	-	-	-	-	-	6,455,951	6,455,951
Total liabilities	38,690,476	9,803,990	32,352,117	10,916,863	419,211	23,373,087	115,555,744
On balance sheet interest sensitivity gap	453,577	15,932,056	(18,951,645)	(1,458,975)	12,885,977	5,556,927	14,417,917
Cumulative interest sensitivity gap	453,577	16,385,633	(2,566,012)	(4,024,987)	8,860,990	14,417,917	
As at 30 September 2004:							
Total assets	38,084,549	24,757,188	7,163,974	13,006,678	5,662,255	34,539,712	123,214,356
Total liabilities	28,912,242	12,913,176	34,210,502	10,648,795	504,696	23,340,797	110,530,208
On balance sheet interest sensitivity gap	9,172,307	11,844,012	(27,046,528)	2,357,883	5,157,559	11,198,915	12,684,148
Cumulative interest sensitivity gap	9,172,307	21,016,319	(6,030,209)	(3,672,326)	1,485,233	12,684,148	

NOTES TO THE FINANCIAL STATEMENTS
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40. Financial Risk Management (Continued)

(b) Interest rate risk (Continued)

The table below summarises the effective interest rate by major currencies for financial instruments of the Group and the Bank.

	The Group				The Bank			
	J$	US$	CAN$	GBP	J$	US$	CAN$	GBP
	%	%	%	%	%	%	%	%
Assets								
Cash and balances at Bank of Jamaica	6.0	1.9	1.7	3.9	6.0	1.9	1.7	3.9
Due from other banks	-	2.6	2.7	4.4	-	2.6	2.7	4.4
Trading securities								
- debt securities	15.9	8.4	-	-	-	-	-	-
Reverse repurchase agreements	14.3	6.1	-	-	11.9	5.7	-	-
Loans and advances	23.9	9.1	-	-	23.9	9.1	-	-
Investment securities								
- debt securities	14.7	10.4	-	-	14.3	11.0	-	-
Liabilities								
Due to other banks	-	5.2	-	-	-	5.2	-	-
Customer deposits	5.3	3.2	1.3	1.4	5.3	3.1	1.4	1.4
Repurchase agreements	12.7	5.8	-	3.0	12.6	5.4	-	-
Obligations under credit card and cash advance securitization arrangements	-	3.1	-	-	-	3.1	-	-
Other borrowed funds	11.5	3.3	-	-	11.5	3.3	-	-

(c) Currency risk

The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Credit and Risk Management Committee sets limits on the level of exposure by currency and in total for both overnight and intra-day positions.

The following tables summarise the exposure of the Group and the Bank to foreign currency exchange rate risk. Included in the tables are the Group's and the Bank's assets and liabilities at carrying amounts categorised by currency.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

40. Financial Risk Management (Continued)

(c) Currency risk (Continued)

As at 30 September 2005:

	The Group					
	Jamaican $	US$	GBP	CAN$	Other	Total
	J$'000	J$'000	J$'000	J$'000	J$'000	J$'000
Assets						
Cash and balances at Bank of Jamaica	7,851,415	3,513,438	503,630	78,294	66,811	12,013,588
Due from other banks	1,809,905	4,530,430	4,226,226	282,168	263,846	11,112,575
Trading securities	1,789,790	383,108	-	-	12,855	2,185,753
Reverse repurchase agreements	24,816,853	1,875,336	-	-	-	26,692,189
Loans and advances net of provision for credit losses	17,980,396	17,760,413	-	-	-	35,740,809
Investment securities	59,023,011	30,244,988	-	-	337,139	89,605,138
Investment in associates	1,562,322	-	-	-	-	1,562,322
Other	12,201,749	2,238,153	154,239	20,617	48,030	14,662,788
Total assets	127,035,441	60,545,866	4,884,095	381,079	728,681	193,575,162
Liabilities						
Due to other banks	2,617,572	3,208,561	60,734	17,722	40,605	5,945,194
Customer deposits	51,312,505	27,782,571	4,539,149	514,480	222,849	84,371,554
Derivative financial instruments	-	695	-	-	-	695
Promissory notes and certificates of participation	3,275,683	91,016	-	-	-	3,366,699
Repurchase agreements	29,445,162	19,122,866	25,107	-	16,146	48,609,281
Obligations under credit card and cash advance securitization arrangements	-	10,677,302	-	-	-	10,677,302
Other borrowed funds	916,729	136,298	-	-	75,758	1,128,785
Retirement benefit obligations	232,879	-	-	-	-	232,879
Other	15,489,100	2,529,734	141,686	178	29,570	18,190,268
Total liabilities	103,289,630	63,549,043	4,766,676	532,380	384,928	172,522,657
Net position	23,745,811	(3,003,177)	117,419	(151,301)	343,753	21,052,505
As at 30 September 2004:						
Total assets	108,403,441	61,194,393	5,506,774	311,363	456,046	175,872,017
Total liabilities	96,329,620	57,931,942	4,683,867	404,253	228,330	159,578,012
Net position	12,073,821	3,262,451	822,907	(92,890)	227,716	16,294,005

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

40. Financial Risk Management (Continued)

(c) Currency risk (Continued)

As at 30 September 2005:

	The Bank					
	Jamaican $	US$	GBP	CAN$	Other	Total
	J$'000	J$'000	J$'000	J$'000	J$'000	J$'000
Assets						
Cash and balances at Bank of Jamaica	8,104,920	3,088,434	502,952	75,533	16,998	11,788,837
Due from other banks	2,258,668	4,384,209	4,170,098	281,014	263,847	11,357,836
Reverse repurchase agreements	1,200,000	847,125	-	-	-	2,047,125
Loans and advances net of provision for credit losses	17,980,396	17,506,313	3	-	-	35,486,712
Investment securities	39,572,329	16,117,011	-	-	267,711	55,957,051
Investments in subsidiaries	1,325,063	131,565	342	-	-	1,456,970
Investments in associates	543,167	-	-	-	-	543,167
Property, plant and equipment	3,583,040	-	-	-	-	3,583,040
Intangible assets - computer software	699,479	-	-	-	-	699,479
Other	4,732,789	2,098,841	153,297	20,616	47,901	7,053,444
Total assets	79,999,851	44,173,498	4,826,692	377,163	596,457	129,973,661
Liabilities						
Due to other banks	2,617,573	3,208,561	60,734	17,722	40,604	5,945,194
Customer deposits	54,652,704	25,444,080	4,457,169	509,276	190,467	85,253,696
Derivative financial instruments	-	695	-	-	-	695
Repurchase agreements	2,359,951	3,733,854	-	-	-	6,093,805
Obligations under credit card and cash advance securitization arrangements	-	10,677,302	-	-	-	10,677,302
Other borrowed funds	917,045	136,298	-	-	75,758	1,129,101
Deferred tax	26,065	-	-	-	-	26,065
Retirement benefit obligations	232,879	-	-	-	-	232,879
Other	4,113,697	1,928,138	138,114	171	16,887	6,197,007
Total liabilities	64,919,914	45,128,928	4,656,017	527,169	323,716	115,555,744
Net position	15,079,937	(955,430)	170,675	(150,006)	272,741	14,417,917
As at 30 September 2004:						
Total assets	71,607,887	45,384,142	5,460,822	305,459	456,046	123,214,356
Total liabilities	62,238,355	43,088,875	4,572,746	401,902	228,330	110,530,208
Net position	9,369,532	2,295,267	888,076	(96,443)	227,716	12,684,148

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

40. Financial Risk Management (Continued)

(d) Market risk

The Group takes on exposure to market risks. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The Group estimates the market risk of positions held and the maximum losses expected based on a number of assumptions for various changes in market conditions. Market risk is monitored by the Credit and Risk Management Division which carries out extensive research and monitors the price movement of financial assets on the local and international markets.

(e) Credit risk

The Group takes on exposure to credit risk which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk is inherent in traditional banking products - loans, commitments to lend, and contracts to support counterparties' obligations to third parties such as letters of credit. Positions in tradeable assets such as bonds and equities also carry credit risk.

The risk is managed primarily by review of the financial status of each counterparty. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review. The exposure to any one borrower including banks and brokers is restricted by limits covering on and off-balance sheet exposures. Actual exposures against limits are monitored daily. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

40. Financial Risk Management (Continued)

(e) Credit risk (Continued)

The following tables summarise the credit exposure of the Group and the Bank to businesses and government by sector:

	The Group				The Bank			
	Loans and advances	Guarantees and letters of credit	Total	Total	Loans and advances	Guarantees and letters of credit	Total	Total
			2005	2004			2005	2004
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Agriculture, fishing and mining	387,446	2,577	390,023	264,556	387,446	2,577	390,023	264,556
Construction and real estate	1,378,832	1,119,951	2,498,783	2,286,071	1,378,832	1,119,951	2,498,783	2,182,466
Distribution	1,696,704	135,979	1,832,683	2,366,436	1,696,704	135,979	1,832,683	2,366,436
Financial institutions	200,241	11,650	211,891	272,661	200,241	11,650	211,891	272,661
Government and public entities	9,699,817	555	9,700,372	9,136,123	9,699,817	555	9,700,372	9,136,123
Manufacturing	1,250,668	694,777	1,945,445	1,406,986	1,250,668	694,777	1,945,445	1,403,165
Personal	13,057,462	64,358	13,121,820	9,882,346	12,966,195	64,358	13,030,553	9,764,894
Professional and other services	1,880,677	662,368	2,543,045	1,657,490	1,880,677	662,368	2,543,045	1,657,490
Tourism and entertainment	6,337,072	58,639	6,395,711	4,426,942	6,337,072	58,639	6,395,711	4,425,509
Transportation storage and communication	1,647,456	140,959	1,788,415	7,203,079	1,647,456	140,959	1,788,415	7,203,079
Other	171,327	200,593	371,920	376,879	5,233	200,593	205,826	376,878
Total	37,707,702	3,092,406	40,800,108	39,279,569	37,450,341	3,092,406	40,542,747	39,053,257
Total provision	(1,966,893)	-	(1,966,893)	(2,164,523)	(1,963,629)	-	(1,963,629)	(2,161,259)
Net	35,740,809	3,092,406	38,833,215	37,115,046	35,486,712	3,092,406	38,579,118	36,891,998

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

41. Fair Values of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument. However, market prices are not available for a significant number of the financial assets and liabilities held and issued by the Group. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at balance sheet dates.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

(a) Trading securities, derivatives and other transactions undertaken for trading purposes are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models, or discounted cash flows. Fair value is equal to the carrying amount for these items;

(b) Investment securities classified as available-for-sale are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or other recognised valuation techniques;

(c) The fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities;

(d) The fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the balance sheet date;

(e) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts; and

(f) The fair value of fixed rate loans is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. For match-funded loans the fair value is assumed to be equal to their carrying value, as gains and losses offset each other. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values as the impact of credit risk is recognised separately by deducting the amount of the provisions for credit losses from both book and fair values.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

41. Fair Values of Financial Instruments (Continued)

The following tables present the fair value of financial instruments based on the following valuation methods and assumptions for those financial assets and financial liabilities that are not carried at fair value.

	The Group			
	Carrying Value	Fair Value	Carrying Value	Fair Value
	2005 $'000	2005 $'000	2004 $'000	2004 $'000
Financial Assets				
Investment securities	89,605,138	89,850,697	77,494,225	77,925,919
Investment in associates	1,562,322	2,626,832	1,163,192	2,434,409
Financial Liabilities				
Obligations under credit card and cash advance securitization arrangements	10,677,302	10,756,068	9,427,736	9,532,453

	The Bank			
	Carrying Value	Fair Value	Carrying Value	Fair Value
	2005 $'000	2005 $'000	2004 $'000	2004 $'000
Financial Assets				
Investment securities	55,957,051	55,944,681	48,754,521	48,984,684
Investment in associates	543,167	2,089,885	1,148,446	2,434,409
Financial Liabilities				
Obligations under credit card and cash advance securitization arrangements	10,677,302	10,756,068	9,427,736	9,532,453

42. Banking Act

At 30 September 2005 and 30 September 2004:
The Bank was in breach of Section 13(1)(d) of the Banking Act. This section deals with unsecured lending to connected persons. These lendings represent approximately 0.4% (2004 - 0.1%) of the Bank's loans and advances.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

43. Commitments

(a) Capital:

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Authorised and contracted	396,860	231,530	396,860	231,530
Authorised but not yet contracted	630,730	821,910	630,730	821,910
	1,027,590	1,053,440	1,027,590	1,053,440

(b) Operating lease:

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	The Group		The Bank	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Not later than 1 year	55,079	49,538	55,079	49,302
Later than 1 year and not later than 5 years	10,543	27,522	10,543	27,522
Later than 5 years	-	2,210	-	2,210
	65,622	79,270	65,622	79,034

44. Pledged Assets

	The Group		The Bank	
		Related		Related
	Asset	Liability	Asset	Liability
	$'000	$'000	$'000	$'000
Balances at Bank of Jamaica	8,703,901	-	8,703,901	-
Securities	56,613,175	51,356,077	8,203,052	6,093,805
Property, plant and equipment	108,134	120,073	108,134	120,073
Other	1,397,800	1,255,000	1,397,800	1,255,000

Assets are pledged as collateral under repurchase agreements, loans from other institutions, and security deposits relating to stock exchange membership. Statutory reserves are also held with the Bank of Jamaica. These deposits are not available to finance the Group's day-to-day operations.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

45. Fiduciary Activities

The Group provides custody, trustee, corporate administration, investment management and advisory services to third parties which involve the Group making allocation and purchase and sale decisions in relation to a wide range of financial instruments. Those assets that are held in a fiduciary capacity are not included in these financial statements. At 30 September 2005, the Group had financial assets under administration of approximately $37.9 billion (2004 - $30.9 billion).

46. Litigation and Contingent Liabilities

The Bank and its subsidiaries are subject to various claims, disputes and legal proceedings, as part of the normal course of business. Provision is made for such matters when, in the opinion of management and its professional advisors, it is probable that a payment will be made by the Group, and the amount can be reasonably estimated.

In respect of claims asserted against the Group which, according to the principles outlined above, have not been provided for, management is of the opinion that such claims are either without merit, can be successfully defended or will result in exposure to the Group which is immaterial to both financial position and results of operations.

Significant matters are as follows:

(a) Suit has been filed by a customer of the Bank against the Attorney General of Jamaica, the Bank and Mr. Dunbar McFarlane. The customer is claiming damages arising out of an alleged breach of a contract between the customer and the National Insurance Fund of which Mr. Dunbar McFarlane, a former director of the Bank, was Chairman, for the sale of certain premises which were mortgaged to the Bank. The customer also claims special damages amounting to approximately $110 million. No provision has been in the financial statements as the Bank's attorneys, are of the opinion that the plaintiff's claims against Mr. McFarlane and the Bank are unlikely to succeed.

(b) Suit has been filed by the Bank's Staff Association against the Bank and Trustees of the N.C.B. Pension Scheme for breach of trust in respect of matters concerning the amendment and merger of the former pension funds, as well as the management and investment of the funds of the pension scheme. No provision has been made in the financial statements as the Bank's attorneys are of the opinion that the suit against the Bank is unlikely to succeed.

(c) Suit has been filed against the Bank by a customer for breach of contract. The claim for damages is approximately $24 million. No provision has been made in these financial statements for this claim as the Bank's attorneys are of the view that the suit against the Bank is unlikely to succeed.

(d) Suit has been filed by a customer against the Bank for breach of contract, breach of trust and negligence and damages. The claim for damages includes a sum equivalent to the profit of the business foregone as a result of an inability to access a loan approved by the Bank and the cost of interim financing. Based on the advice of the Bank's attorneys, no provision has been made in the financial statements in respect of this suit.

(e) Suit has been filed by a customer against the Bank for damages suffered as a result of the Bank's negligence in the sale of property for an undervalued amount. The claim is for $31 million plus interest. Based on the advice of the Bank's attorneys, a provision has been made in the financial statements in respect of this claim.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2005

46. Litigation and Contingent Liabilities (Continued)

(f) Suit has been filed by a customer against the Bank for unlawful, wrongful and/or improper use of power in the appointment of a Receiver and Manager of the customer's business property and assets. Damages, interest and costs have been claim against the Bank. The Bank's attorneys are unable to determine the outcome of the suit and no provision has been made in the financial statements.

(g) Suit has been filed against the Bank by former senior managers claiming damages for breach of contract. The Bank is appealing the decision of the Court which handed down judgement against the Bank in the sum of $24.7 million plus interest. Based on the advice of the Bank's attorneys, the Bank has a fair chance of success. A provision has been made in the financial statements in respect of this claim.

(h) A number of other suits claiming damages in excess of $5 million each have been filed by customers of the Bank. The sums totalled approximately $44 million. In some instances counter claims have been filed by the Bank. Provision has been made in the financial statements for certain of these claims. No provision has been made where the Bank's attorneys are of the view that the Bank has a good defence.

47. Dividends

At the Board of Directors meeting on 27 October 2005, an interim dividend in respect of 2005 of $0.20 per ordinary stock unit was declared. The financial statements for the year ended 30 September 2005 do not reflect this resolution, which will be accounted for in shareholders' equity as an appropriation of retained profits in the year ending 30 September 2006.

48. Subsequent Event

On 27 October 2005, NCB Insurance Company Limited (a subsidiary of the Bank), Environmental Health Foundation Limited and Blue Cross of Jamaica Limited signed a shareholders' agreement for the subsidiary to purchase 75% of Blue Cross of Jamaica Limited. The transaction is subject to approval by the Jamaican regulators and Blue Cross/Blue Shield International.

The Bank has not disclosed the effect of this proposed acquisition in the financial statements as details of the transaction have not been finalised and the transaction is still under negotiation.

THE NEW
NCB WELLNESS &

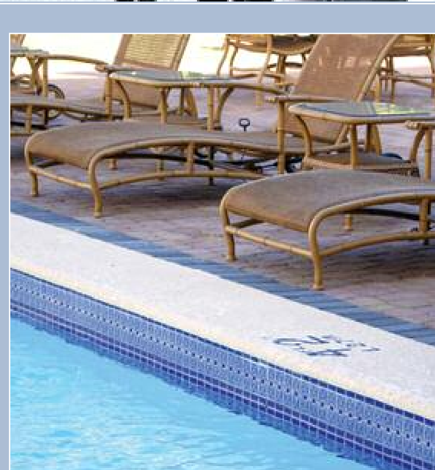
RECREATION CENTRE

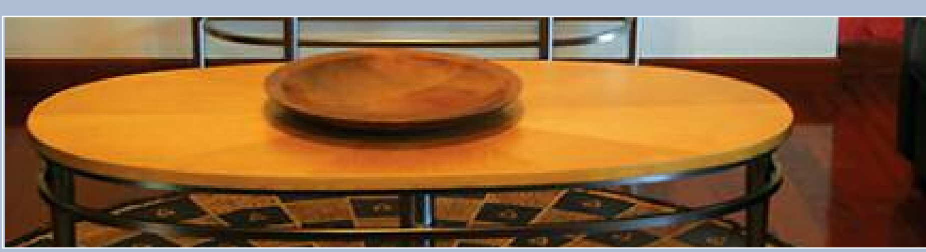
THE NEW

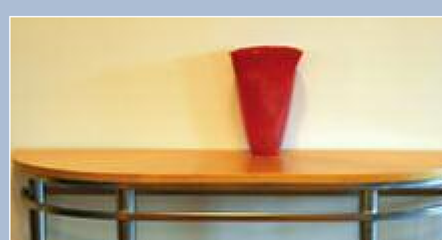
NCB WELLNESS & RECREATION CENTRE

THE NEW

NCB WELLNESS & RECREATION CENTRE







NCB JAMAICA LIMITED

10 LARGEST SHAREHOLDERS

AS AT SEPTEMBER 30, 2005

NAME OF SHAREHOLDER	UNITS
AIC Barbados Limited	1,719,513,510
West Indies Trust Company Limited a/c WT. 109	47,379,462
Jamaica National Building Society	20,919,723
Trading Pooled Equity # 1- Life of Jamaica	19,405,056
T & T Unit Trust Corporation - Fus.	18,250,000
National Insurance Fund	17,711,712
Ideal Portfolio Services	17,104,542
RBTT Nominee Service Limited - a/c Capils (T &T)	16,500,000
AIC Limited	15,056,320
West Indies Trust Company a/c WT 89	13,572,311

SHAREHOLDINGS OF DIRECTORS

AS AT SEPTEMBER 30, 2005

KRIS ASTAPHAN	1,003,845	**1,003,845**
AYLMER "DESMOND" BLADES	Nil	**Nil**
WAYNE CHEN	Nil 158,526 *	**158,526**
DR. NIGEL CLARKE	1,440	**1,440**
SANDRA GLASGOW	1,500 2,000 *	**3,500**
HON. NOEL A.A. HYLTON	Nil	**Nil**
PATRICK ANDREW HYLTON	259,232	**259,232**
MICHAEL LEE-CHIN AIC (Barbados) Ltd	5,520,990 1,719,513,510 * 186,070 *	**1,725,220,570**
DONOVAN LEWIS	15,000 18,640,819 *	**18,655,819**
THALIA LYN	12,500 15,120 *	**27,620**
HERBERT PHILLIPPS JNR.	Nil	**Nil**
PROF. ALVIN WINT	150	**150**
RT. HON. JUSTICE EDWARD ZACCA	46,200 4,080 *	**50,280**

*Indicates shares held by Nominees or connected persons

SHAREHOLDINGS OF EXECUTIVES

AS AT SEPTEMBER 30, 2005

RICKERT GEORGE ALLEN	52,142	**52,142**
SEPTIMUS "BOB" BLAKE	10,050	**10,050**
COURTNEY CAMPBELL	78,111	**78,111**
FFRENCH CAMPBELL	4,500	**4,500**
INGRID S.M. CHAMBERS	1,500	**1,500**
DENNIS G. COHEN	Nil 3,000 *	**3,000**
YVONNE CLARKE	14,711	**14,711**
SHEREEN JONES	Nil 52,560 *	**52,560**
PATRICK ANDREW HYLTON	259,232	**259,232**
JENNIFER DEWDNEY KELLY	26,194	**26, 194**
LEONARD MAHIPALAMUDALI	Nil	**Nil**
SHEREE MARTIN	1,360	**1,360**
JANICE McKENLEY	Nil	**Nil**
GRACE MCKOY	947,111	**947,111**
MINISH PARIKH	Nil	**Nil**
MARJORIE SEEBERAN	3,720	**3,720**
INGRID STEPHENS	Nil	**Nil**
CHRISTOPHER WILLIAMS	Nil	**Nil**

* Indicates shares held by Nominees or connected persons

LISTING OF SUBSIDIARIES
OF NATIONAL COMMERCIAL BANK JAMAICA LIMITED

1. **NCB CAPITAL MARKETS LIMITED**
(Incorporated in Jamaica)

NCB Capital Markets Limited (formerly Edward Gayle & Co. Ltd) is a pioneer in the Jamaican equities market, holding one of the first five seats on the Jamaican Stock Exchange. The company's vision since then has been to foster a vibrant equities market in Jamaica. This vision has evolved to encompass so much more.

Today, NCB Capital Markets Limited is one of Jamaica's most prominent wealth management companies, managing more than J$46 billion dollars on behalf of individuals and corporations.

The company has earned a reputation for accurate market research and for building profitable relationships. Currently, the NCB Capital Markets team is leading the industry in developing the emerging Corporate Finance segment.

2. **NCB INSURANCE COMPANY LIMITED**
(Incorporated in Jamaica)

Licensed under the Insurance Act 2001 of Jamaica, NCB Insurance Company is engaged in underwriting, issuing and marketing of insurance and investment plans. The company currently offers six (6) products, including the two most popular brands in their product class; **OMNI** and the **OMNI Educator**, which are medium to long-term investment plans. In addition to these, there are four insurance products - **ProVISION** (for Accidental Injury & Death), **ProCARE** (for Critical Illness), **Group Life** (employer sponsored) and **Creditor Life** (for loan customers of NCB Ja. Ltd.). Insurance Advisors/ Customer Relationship Officers are located in NCB branches across the breadth of Jamaica.

3. **N.C.B. JAMAICA (NOMINEES) LIMITED**
(Incorporated in Jamaica)

Providing the vital link between Shareholders and Corporations NCB Jamaica (Nominees) Limited serves as the Registrar, Sub- Registrar, Nominees, Transfer and Paying Agents for listed companies in Jamaica and the wider Caribbean. Services include maintaining share registers, paying and dispatching dividends and support for Annual General Meetings of companies.

4. **NCB (CAYMAN) LIMITED**
(Incorporated in the Cayman Islands)
The core business of this Company is the provision of banking and financial services to overseas clients.

5. **N.C.B. (INVESTMENTS) LIMITED**
(Incorporated in Jamaica)
This Company is presently dormant.

6. **WEST INDIES TRUST COMPANY LIMITED**
(Incorporated in Jamaica)

The West Indies Trust Company (WITCo) is the market leader and a specialist in Segregated Pension Fund Management. The company provides employer-sponsored pension plans including pension administration and pension fund management, as well as Trust Services. As a highly customer focused institution, WITCo gives unmatched service which has been enhanced by newly installed pension administration and investment management systems. Customers are allowed participation in investment classes such as Equities, Fixed Income, Real Estate, Mortgages, Leases and Insurance Premium Financing. The Client Relationship and Investment teams are located at "The Atrium", NCB Head Office.

7. **SENVIA MONEY SERVICES (UK) LIMITED**
(Incorporated in the U.K.)

The principal activity of the Company is the remittance of pounds sterling overseas.

8. **MUTUAL SECURITY INSURANCE BROKERS LIMITED**
(Incorporated in Jamaica)

The principal activity of the Company is the placement of insurance on behalf of clients from which commissions are earned. At present the principal clients are National Commercial Bank Jamaica Limited and its subsidiaries. There are two other clients.

9. **DATA-CAP PROCESSING LIMITED**
(Incorporated in Jamaica)

The Company is presently dormant.

NCB BRANCH LOCATIONS & MANAGEMENT

ANNOTTO BAY
P.O. Box 30
Annotto Bay, St. Mary
Tel. 996-2213, 996-2219
Fax: 996-2416
Audrey McIntosh - Manager

BAYWEST
Baywest Centre, Harbour Street
Montego Bay, St. James
Tel. 952-3640
Fax: 952-7256
Andrea Allen - Officer in Charge

BLACK RIVER
Chambers Plaza, Black River, St. Elizabeth
Tel. 965-2207, 965-9083
Fax: 965-2407
Andrea Arscott Allen - Manager

BROWN'S TOWN
17 Main Street
Brown's Town, St. Ann
Tel. 975-2242, 975-2275
Fax: 975-2508
Earl Mark Leakey - Manager

CHAPELTON
40 Main Street
Chapelton, Claredon
Tel. 987-2225, 987-2395
Fax: 987-2211
Conroy Ward - Manager

CHRISTIANA
Main Street
Christiana, Manchester
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Fax: 964-2454
Orlease Dennis-O'Connor - Manager

CROSS ROADS
90-94 Slipe Road
P.O. Box 5, Kingston 5
Tel. 926-7428-9
Fax: 926-7463
Ilyn Thompson - Manager

DUKE STREET
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Fax: 922-4816
Carolyn Schwab - Manager
Donna Solomon - Customer Relations Manager
Donna Clarke - Asst. Manager

FALMOUTH
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Falmouth, Trelawny
Tel. 954-3232-3
Fax: 954-3211
Lorna Deers - Manager

HAGLEY PARK ROAD
211 Hagley Park Road
Kingston 11
Tel. 923-5391-5
Fax: 923-7517
Mark Fletcher - Manager

HALF WAY TREE
94 Half Way Tree Road
Kingston 10
Tel. 926-5416-9
Fax: 929-3861
Marva Peynado - Manager
Jenny Eastwood - Customer Relations Manager
Lavern Francis - Asst. Manager

HARBOUR VIEW
Harbour View Shopping Centre
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Tel. 928-6361, 928-7513
Fax: 928-7566
Percival Chin - Manager

JUNCTION
Junction P.O.
St. Elizabeth
Tel: 965-8611-2
Fax: 965-8638
Prince Myers - Manager

1-7 KNUTSFORD BOULEVARD
P.O. Box 463, Kingston 5
Tel. 926-9015-23
Fax: 926-4210
Stuart Reid - Manager
Sharon Gibson - Customer Relations Manager
Jeffrey Johnson - Asst. Manager

LINSTEAD
29 King Street, P.O. Box 3
Linstead, St. Catherine
Tel. 985-2257, 985-9295
Fax: 985-2454
Jacqueline Mighten - Manager

LUCEA
Main Street, P.O. Box 3
Lucea, Hanover
Tel. 956-2204, 956-2348-9
Fax: 956-2410
Donald Courtney Wilson - Manager

MANDEVILLE
P.O. Box 61
Mandeville, Manchester
Tel. 962-2618, 962-2161
Fax: 962-3619
Winston Lawson - Manager

MANOR CENTRE
195 Constant Spring Road
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Tel. 924-1388
Fax: 755-1805
Linda Miller - Manager

MANOR PARK
184 Constant Spring Road
Manor Park Plaza, Kingston 8
Tel. 924-6107-9
Fax: 925-6478
Linda Miller - Manager

MATILDA'S CORNER
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Tel. 702-2421-3
Fax: 927-3580
Jocelyn Richards - Manager

MAY PEN
41 Main Street, P.O. Box 29
May Pen, Claredon
Tel. 986-2411, 986-2343
Fax: 986-2745
Leroy Harding - Manager

MORANT BAY
39 Queen Street, P.O. Box 3
Morant Bay, St. Thomas
Tel. 982-2225, 982-2272
Fax: 982-2480
David Barnes - Manager

NEGRIL
P.O. Box 87, Sunshine Village
Negril, Westmoreland
Tel. 957-4239/3133
Fax: 957-4118
Wayne Hunter - Manager

NEWPORT WEST
54 Second Street, Kingston 11
Tel. 923-9004-5
Fax: 923-5272
Glen Shields - Manager

OCHO RIOS
40 Main Street
Ocho Rios, St. Ann
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Fax: 974-2366
Kay Earl - Manager
Beverley Creighton - Customer Relations Manager

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South & West Street
Old Harbour, St. Catherine
Tel. 983-2279
Fax: 983-2209
Laurie Spencer - Manager

OXFORD PLACE
2 Oxford Road
P.O. Box 521, Kingston 5
Tel. 968-2765, 968-2773
Fax: 929-4876
Elizabeth Thompson - Manager

PRIVATE BANKING CENTRE
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Tel. 929-7717/8735
Fax: 929-8736
Athelstan Bellamy - Asst. Manager

PORTMORE
13-14 West Trade Way, St Catherine
Tel. 988-7433-7
Fax: 988-7432
Ashbourne Solomon - Manager

PORT MARIA
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Port Maria, St. Mary
Tel. 994-2551, 994-2219
Fax: 994-2380
Cheryl Foster - Manager

RED HILLS ROAD
Red Hills Shopping Mall
105 Red Hills Road
Kingston 19
Tel. 925-3313-4
Fax: 924-5174
Avis Andrews - Manager

ST. ANN'S BAY
19-21 Main Street
St. Ann's Bay, St. Ann
Tel. 972-2490-1
Fax: 972-2462
Marva Blair - Manager

ST. JAMES STREET
41 St. James Street
P.O. Box 318, Montego Bay,
St. James
Tel. 952-6540-9
Fax: 952-6258
Robert Brooks - Manager
Marcia O'Reggio - Customer Relations Manager
Phyllis Smith - Asst. Manager

SANTA CRUZ
7 Coke Drive, Santa Cruz
St. Elizabeth
Tel. 966-2204
Fax: 966-2495
Jacqueline Lucas - Manager

SAVANNA LA MAR
68 Great Georges Street
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Savanna la mar
Tel. 955-2623
Fax: 955-2483
Stuart Barnes - Manager

SPANISH TOWN ROAD
236 Spanish Town Road
Kingston 11
Tel. 901-2042/9929
Fax: 901-7876
Denzil McKenzie - Officer in Charge

ST. JAGO SHOPPING CENTRE
St. Jago Shopping Centre
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St. Catherine
Tel. 984-0672-6
Fax: 984-0667
Peter Jennings - Manager

UNIVERSITY
University of the West Indies
Mona, Kingston 7
Tel. 927-1057/0463
Fax: 927-1523
Andrew McCalla - Manager

WASHINGTON BOULEVARD
45 Elma Crescent, Kingston 20
Tel. 934-1081-2
Fax: 934-1381
Courtney Williams - Manager

WINDWARD ROAD
89-91 Windward Road
P.O. Box 25, Kingston 2
Tel. 928-1167, 928-2922
Fax: 928-5922
Delroy Morris - Officer in Charge

YALLAHS
Main Street
St. Thomas
Tel. 706-1154, 706-3701
Fax: 706-2512
Dorrian Lynch - Officer in Charge

NCB SUBSIDIARIES

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1st Floor, The Atrium
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Tel. 929-9050
Fax: 968-7725
Pat Austin - Manager

NCB CAPITAL MARKETS LIMITED
3rd Floor, The Atrium
32 Trafalgar Road, Kingston 10
Tel. 960-7018/8592
Fax: 920-4313
Christopher Williams - Managing Director

NCB (CAYMAN) LIMITED
Cricket Square, Elgin Street
P.O. Box 31120
Grand Cayman, B.W.I.
Tel. (345) 949-8002
Fax: (345) 949-4006
Phillip Harrison - Managing Director

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3rd Floor, The Atrium
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Tel. 935-2004, 935-2005
Fax: 929-7301
Ingrid Chambers - Managing Director

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Tel. 929-9050
Fax: 968-1344
Colleen McDonald - Registrar
Ingrid Chambers - Managing Director

SENVIA MONEY SERVICES (UK) LIMITED
33 Smallbrook, Queensbury
Birmingham B5, 4HQ
England
Tel. 121-632-5334-5
Fax: 121-643-8447
Dale Robinson - Managing Director

WEST INDIES TRUST COMPANY LIMITED
2nd Floor, The Atrium
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Tel. 929-9050
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Ingrid Chambers - Managing Director

STRATEGIC OBJECTIVES 2006

1. Recruit, develop and retain high quality and EMPOWERED EMPLOYEES.

2. Consistently EXCEED CUSTOMER EXPECTATIONS in our chosen segments and markets.

3. RUN OUR BUSINESS EFFICIENTLY across all delivery channels, with the use of superior business processes and IT systems.

4. EXPAND REVENUES by increasing our range of PROFITABLE financial services offerings, locally and overseas.

ENGAGE IN NATION BUILDING.

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