

NOTICE

Explanation of material differences between Prudential Returns to the Bank of Jamaica (BOJ) as at 31 December 2008 and Audited Accounts as at that date.

The prudential returns dated 31 December 2008 submitted to the BOJ by PanCaribbeanBank Limited (PCB), including PCB's balance sheet as at that date which was published on 13 March 2009 in the BOJ's Quarterly Publication of Unaudited Assets and Liabilities of Commercial Banks, differed from the audited accounts as at that date, published 13 April 2009. The material differences were:

Balance Sheet Category	Prudential Returns	Audited Accounts	Difference
	\$'000	\$'000	\$'000
Derivative Financial Assets	-	3,515,419	3,515,419
Derivative Financial Liabilities	-	<3,510,072>	<3,510,072>

Derivative financial assets and liabilities represent foreign exchange forward contracts that were not reported in PCB's Prudential Returns dated 31 December 2008 that were submitted to the BOJ. IFRS require forward contracts to be recorded based on the gross amounts to be settled at maturity. These forward contracts matured and were fully settled on 20 February 2009 in accordance with the agreed terms. The corrected reports were subsequently submitted to the BOJ.