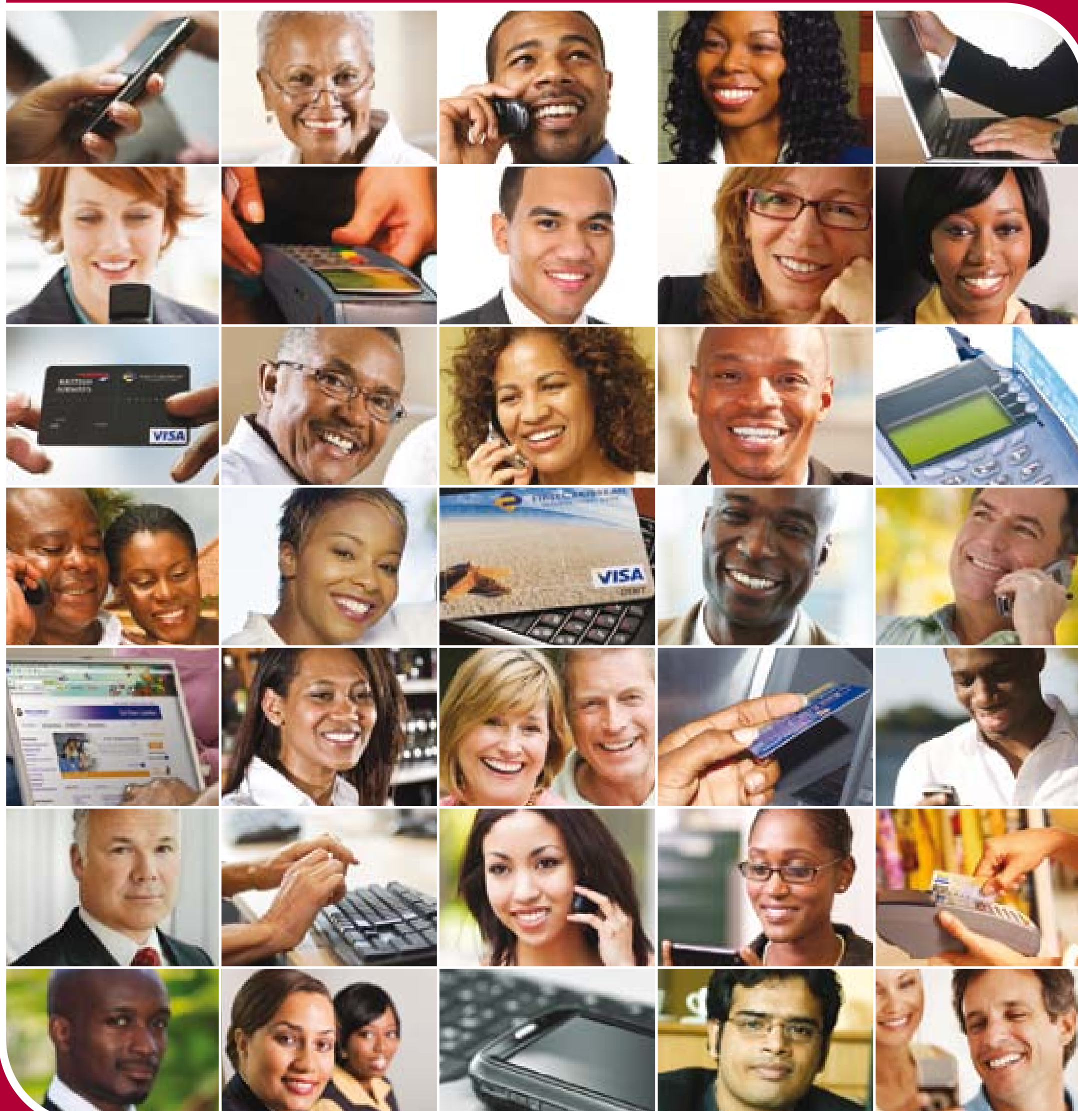
FIRSTCARIBBEAN
INTERNATIONAL BANK

Group Annual Report 2010



CONTENTS

Getting there together

Corporate Profile

FirstCaribbean International Bank is a relationship bank offering a full range of market-leading financial services through our Corporate Investment Banking and Retail Banking segments. We are located in 17 countries around the Caribbean, providing the banking services that matter to our clients through over 3,400 employees, in 100 branches and offices. We are the largest, regionally-listed financial services institution in the English and Dutch speaking Caribbean, with over US$9.7 billion in assets and market capitalisation of US$2.1 billion.

Vision

To be the bank of first choice, leading the region in building quality relationships with our clients by providing them with innovative banking solutions to suit their needs.

Mission

To achieve our vision by fulfilling the commitments we have made to each of our stakeholders:

- First for Clients – Help our clients achieve what matters to them
- First for Employees – Create an environment where all of our employees can excel
- First for our Communities – Make a real difference in communities in which we operate
- First for Shareholders – Generate strong total returns for our shareholders

Values

As a member of the CIBC Group of companies, we share an organisational culture based on core values of Trust, Teamwork, and Accountability.

Strategic Priorities

These five strategic priorities support our stated vision and mission:

- Enhancing client value by deepening relationships
- Diversification of our income streams
- Balance sheet management to optimise returns
- Improved productivity & control to improve the speed and quality of service to our clients
- Leveraging our relationship with our parent, CIBC, to bring new opportunities to benefit our stakeholders

These priorities are the cornerstone for delivering consistent and sustainable performance over the long term.

2010 HIGHLIGHTS

First for Clients

During 2010 we focused on improving client experience through deployment of innovative product and service solutions to help our clients achieve what matters to them.

Making banking easier and more accessible for all –

- First regional bank to launch Mobile Banking
- Launched Visa Debit card region-wide
- Enhanced usability at firstcaribbeanbank.com

Providing tailored solutions to unique client groups –

- Introduced small business product suite
- Introduced wireless point of sale solution for our merchants
- Launched online payroll services and bulk payment capabilities
- Introduced E-Cheque card for easy payment options

Providing advice and financial solutions for retail and wealth clients –

- Introduced Financial Health Check service
- Launched CIBC Axiom portfolios

Providing corporate clients with superior relationship management services –

- Enhanced senior coverage model
- Introduced new capital markets products

Reaching new markets and clients –

- Extended domestic banking services to Curaçao
- Created an innovation lab to foster rapid product development

First for Employees

Throughout the year we have focused on creating an environment in which all our employees can excel. The employee commitment index increased 2 percentage points to 75% - evidence of our continued progress.

Making personal development easy –

- Expanded the FirstCaribbean University curriculum
- Increased online training

Providing an inclusive, exciting environment in which to contribute –

- Launched !DEA – employee innovation blog
- Generated new products and services directly from employee feedback

Promoting a culture of excellence –

- Continued to celebrate exemplary performance
- Enhanced performance planning tools and metrics

Investing in leadership talent –

- Successfully attracted new leaders
- Intensified leadership programme

First for Communities

In 2010 our commitment to making a difference in the communities in which we operate was continued with vigour and focus. We contributed 1% of our profits and hundreds of hours of energy and enthusiasm to what matters in our communities.

Building strong communities –

- Renewed our partnership with the University of the West Indies
- Continued support of Junior Achievement region-wide
- Sustained investment in young entrepreneurs through Caribbean Association of Youth Business Trusts

Recognising and encouraging volunteerism –

- Continued to recognise the Unsung Heroes in our communities
- Supported employee volunteerism through Adopt-a-Cause

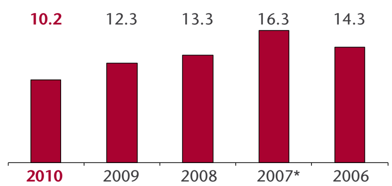
First for Shareholders

- Despite economic conditions, delivered solid returns while maintaining strong financial positions.
- Maintained our capital strength, increasing Tier 1 from 19% to 21%
- Sustained our dividend payout

enhancing client value through innovative products and services

Financial Highlights

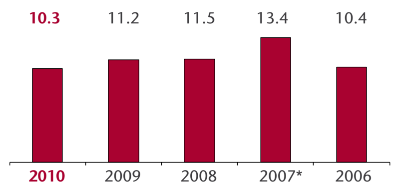
Return on equity (%)



* 2007 excludes VISA gains of US $52 million

ROE is a key measure of profitability. It is calculated as net income expressed as a percentage of average total equity.

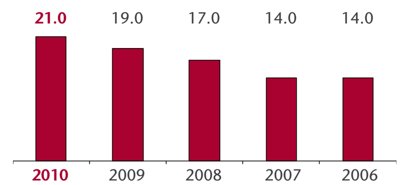
Earnings per share (basic) - US Cents



* 2007 excludes VISA gains of US $52 million

Basic EPS is a measure of net income divided by the weighted average number of common shares net of treasury shares.

Tier I capital ratio (%)



The Tier I Capital Ratio is calculated by dividing Tier I Capital by risk weighted assets.

US $ millions, except per share amounts, as at or for the year ended October 31		2010	2009	2008	2007**	2006
Common share information (based on 1,525,176,762 common shares oustanding)						
Per share (US cents)	- basic and diluted earnings	10.3	11.2	11.5	16.8	10.4
	- dividends	6.0	6.0	6.0	6.25	5.25
Share price (US cents)	- closing	138.0	134.0	164.0	194.0	183.0
Market capitalisation		2,105	2,044	2,501	2,959	2,791
Value measures						
Price to earnings multiple (share price/earnings per share)		13.4	12.0	14.3	11.5	17.6
Dividend yield (dividends per share/share price)		4.3%	4.5%	3.7%	3.2%	2.9%
Dividend payout ratio (dividends/net income)		58.3%	53.6%	52.2%	37.2%	50.5%
Financial results						
Total revenue		552	568	551	606	492
Loan loss impairment expense		62	43	32	17	10
Operating expenses		317	320	314	302	295
Net income		157	175	180	261	164
Financial measures						
Efficiency ratio (operating expenses/total revenue)		57.4%	56.3%	57.0%	49.8%	60.0%
Return on equity (net income /average equity)		10.2%	12.3%	13.3%	20.4%	14.3%
Net interest margin (net interest income/average total assets)		3.8%	4.0%	4.0%	3.7%	3.7%
Balance sheet information						
Loans and advances to customers		6,576	6,905	6,814	6,080	5,631
Total assets		9,766	10,503	10,940	11,856	11,422
Deposits & other borrowed funds		7,988	8,696	9,220	10,034	9,871
Debt issued		31	125	239	274	200
Total equity		1,573	1,519	1,336	1,361	1,199
Balance sheet quality measures						
Common equity to risk weighted assets		27%	25%	21%	22%	19%
Risk weighted assets		5,856	6,124	6,472	6,300	6,379
Tier I capital ratio		21%	19%	17%	14%	14%
Tier I and II capital ratio		22%	22%	20%	17%	17%
Other information						
Full time equivalent employees (#)		3,439	3,452	3,541	3,538	3,432

** 2007 includes VISA gains of US $52 million

Chairman's Letter

I am happy to report that our Bank remains in a solid financial position and that our balance sheet remains as strong as it has ever been despite the fact that net income in 2010 was US $157 million, 10% down from the 2009 comparable of US $175 million. The dividend for 2010 is six US cents (US $0.06) per share, the same level as in 2008 and 2009.

Executive Chairman
Michael K. Mansoor

Several of our key markets have been adversely affected by the sluggish economic recovery which has impacted the region's significant trading partners. Generally speaking tourist arrivals, international trade and transactions, foreign direct investment and high end real estate activity have been negatively affected in 2009 and 2010 and several of our island economies struggled to show any meaningful growth in 2010. Several governments attempted to fill the investment void by modest levels of stimulus spending but these efforts were limited because the debt to gross domestic product and debt service levels even prior to the current economic uncertainties were uncomfortably high.

Banking is a cyclical business and in these relatively small economies, banks' results tend to reflect almost immediately the deteriorating conditions of the clientele. We have consequently found that balance sheet growth has been difficult. We have taken the position that we will support our clientele through the current difficulties as long as we believe that their responses to the reduction in business volumes are likely to result in long term positive outcomes. This clearly is the most enlightened approach as we are committed to the region and we fully expect that these clients will in time improve their results and prospects and be the source of meaningful growth in our own results.

It is difficult to forecast when conditions will improve materially but clearly the region has had to adapt very quickly to the "new normal" and it would seem that even gradual improvements in the macroeconomics of our most significant trading partners and providers of capital will positively affect our island economies. In the interim, while we are determined to increase returns for our shareholders, we recognise our wider social and economic responsibilities and we will fulfill these in a manner consistent with the optimisation of sustainable long-term returns.

Our people continue to contribute hugely to the progress of the bank and they have worked hard to stay close to our clients who in these rather more challenging circumstances need us more than ever. We have also continued to invest in their learning and professional development all with the purpose of creating a customer and people centred ethos that we have always characterised as first for clients and first for our employees.

We have also made important improvements to our product offerings and have made significant enhancements to our operating technology platforms in Curaçao and Trinidad and Tobago. It is our expectation that we will be able to convert these investments into sustainable sources of profitability in short order.

I am happy to report that the Board of Directors of the parent Bank and the Boards of Directors of all six subsidiary banks have met quarterly to provide strategic leadership and guidance and also to monitor the operating performance and the proper functioning of our systems of control and governance. The focus of the Boards encompasses the definition of strategy for our bank and the creation and optimisation of shareholder value, all within the risk control and governance framework. I feel confident that this mandate is being effectively executed and we have been able to maintain our strategic momentum.

During the year Mr. Tom Woods and Mr. David Williamson resigned from the Main Board. Ms. Christina Kramer and Mr. Brian O'Donnell , Senior Executives from CIBC joined the Board to fill the casual vacancies. Further Mr. Ron Lalonde who now acts as an alternate Director is resigning because of his retirement from CIBC at the end of 2010. I would like to place on record our deep appreciation for the sterling contribution made by these three Directors to FirstCaribbean.

I also would like to place on record our gratitude to all our regulators and host governments for their support of our enterprise.

I believe that 2010 has been on balance a difficult but successful year and I would like to thank the more than 3,400 people who have taken the brunt of the hard work and challenges that are a feature of the current economic conditions. All of us enter the new period with a firm resolve to enhance our franchise and achieve better returns.

Michael K. Mansoor
Executive Chairman

Chief Executive Officer's Letter

Our commitment to our shareholders to deliver consistent, sustainable results has been tested during these economic times. While net income for 2010, US $157 million, declined by 10% from 2009, progress we made on diversification of income streams and productivity improvements has helped us to build a strong foundation for future growth, while maintaining a prudent risk profile.

Chief Executive Officer
John D. Orr

While traditional revenue streams were challenged due to depressed loan and securities volumes and rates we were able to successfully open up new income streams bringing fee generating capital markets products and services to our corporate clients. During the year, the Bank also took advantage of favourable market conditions and sold securities from its investment portfolio for gains of US $33 million.

The credit environment remained difficult throughout 2010, with provisions for loan losses increasing to 0.90% of loans from 0.61% in 2009. These results were expected in the context of where we are in the economic cycle. We continue to work closely with our clients to manage through the challenges they face.

Through our strong efforts on cost containment and process reengineering we were able to partially offset the reduced revenue and deliver a healthy cost-to-revenue ratio of 57% . In addition, taxation was reduced as a result of lower income earned in taxable jurisdictions.

Despite the financial performance, 2010 has been a successful year on many fronts. We have stayed the course – we have remained focused on delivering against our mission to our stakeholders and have made great strides on advancing our five strategies of focusing on enhancing client value through building long lasting client relationships, diversification of income streams, strong balance sheet management, strengthening productivity and controls and leveraging our membership in the CIBC Group to enhance our performance on all fronts.

FirstCaribbean has consistently partnered with our clients, helping them work through tough financial situations with fresh thinking, innovation and commitment, combined with disciplined governance. Throughout this stressed economic cycle we have continued to invest in and enhance our client experience through the embracing and embedding of a service culture and the introduction of new products and process improvements.

This year, FirstCaribbean was the first regional bank to launch Mobile Banking. Building on last year's efforts we continued to enhance internet banking now allowing clients to apply for products and services online. We have also upgraded our Automatic Banking Machines (ABMs).

We added to our product portfolio with the introduction of Visa Debit, CIBC Axiom Portfolios and commodity derivatives. The Bank also refreshed its small business product suite to enhance the client value proposition.

Last year, significant improvement in the end-to-end loan process was achieved. This year, account opening was tackled and a new process implemented in the majority of our markets, reducing opening times by more than fifty percent.

With our Helpful Partner standards embedded, the Bank took another step in continuous improvement of our service culture with the launch of our ServiceFirst programme. This initiative aims to raise the bar in client service and will be rolled out across the organisation in the coming year.

Most important to our continued success is a focused, client centric work force. In these trying times, leadership is essential to creating and maintaining an environment that allows all our employees to excel. We are committed to building strong leaders and a supportive environment and to that end have continued to invest in developing and retaining our dedicated employees. We continue to attract a number of dynamic, young individuals to our franchise, bringing with them enthusiasm, energy and ideas, critical to delivering on our commitment to service excellence and innovation.

As the recovering global economies gain traction, we expect to see the beginnings of economic growth in our region during 2011. Our commitment to our strategic priorities has positioned us well to capture growth opportunities as the economic climate improves.

John D. Orr
Chief Executive Officer

BOARD OF DIRECTORS

Standing L-R: Thomas Woods, Retiring Director; Sir Fred Gollop, Sir Allan Fields, Ella Hoyos, Corporate Secretary; David Ritch, David Williamson, Retiring Director.

Seated L-R: Paula Rajkumarsingh, Sonia Baxendale, John D. Orr, Chief Executive Officer; Michael Mansoor, Chairman; G. Diane Stewart, *Christina Kramer.

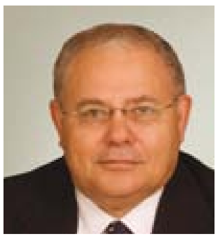
Absent : Richard Nesbitt and *Brian O'Donnell.

* Subject to regulatory approvals

Regional Audit & Governance Committee
David Williamson – Chairman
Lincoln Eatmon
Sir Allan Fields
Sir Fred Gollop
Michael Mansoor
Richard Nesbitt
Paula Rajkumarsingh
David Ritch
G. Diane Stewart

SENIOR MANAGEMENT AND ADVISORS

Executive Management Committee

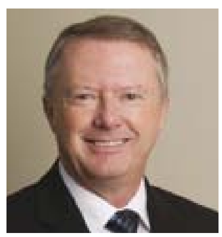


Michael Mansoor
Executive Chairman

John D. Orr
Chief Executive Officer

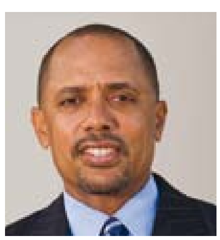
Hugh Boyle
Chief Risk Officer

Ian Chinapoo
Managing Director,
Investment Banking
& Trinidad



Tom Crawford
Managing Director,
Retail Banking & Cayman

Annette Phillips
Managing Director,
Human Resources



Rolf Phillips
Managing Director,
Retail Banking

Richard Rice
Managing Director,
Group Treasurer

Francesca Shaw
Chief Financial Officer

Mahes S. Wickramasinghe
Chief Administrative Officer

Mark Young
Managing Director,
Corporate Banking

Senior Management

Kiyomi Daniel
Chief Accountant

Daniel Farmer
Managing Director, Barbados

Donna Graham
Chief Internal Auditor

Nigel Holness
Managing Director, Jamaica

Ella N. Hoyos
General Counsel & Corporate Secretary

Minish Parikh
Managing Director, Regional Operations

Marie Rodland-Allen
Managing Director, Bahamas

Peter Steenveld
Chief Marketing Officer

Pim Van der Burg
Managing Director, Curaçao

Advisors

Legal Advisors
Carrington & Sealy
Chancery Chambers
Fitzwilliam, Stone & Alcazar

Registrar and Transfer Agent
Barbados Central Securities Depository Inc.

Auditors
Ernst & Young

Bankers
FirstCaribbean International Bank (Barbados) Limited

Enhancing Service through Innovation

SECTION

2

Retail Banking

The Retail Banking segment includes the Retail, Wealth Management, Small Business and Cards businesses. During the past 12 months this segment has been focused on implementing a ServiceFirst culture across our branch network to differentiate FirstCaribbean as the region's leading relationship bank. Key product and service innovations have been undertaken to enhance the experience and deliver greater value to our clients.

Our 2010 efforts placed greater emphasis on service standards, staff empowerment, training, coaching and incentive programmes as well as changes to our infrastructure were necessary to deliver our strategy of enhancing service through innovation.

We significantly enhanced the usability, performance and sign-up process for Internet Banking that has led to a 33% increase in internet clients since July 2009. Additionally, we were the first regional bank to launch Mobile Banking service throughout the Caribbean and by the end of the year we had signed up almost 9,000 clients and fulfilled more than 100,000 requests through that channel.

We reduced the average time it takes to open an account from 45 minutes to 20 minutes by changing the way we gathered and processed client information. This has resulted in much positive feedback from clients visiting our branches in the markets where this process improvement has been rolled out.

In Barbados and Jamaica we successfully implemented a call-redirect programme which transfers the answering of telephone calls from our branches to our customer service centres. As a result of this initiative we are now resolving 97% of all telephone calls at the time of the initial call. The call-redirect programme will be rolled out to The Bahamas by the end of this calendar year.

As a complement to our in-branch and electronic banking upgrades, we installed 34 new ABMs across our network and fully upgraded all existing machines. We are now able to manage our entire network from central locations, which has significantly improved reliability and problem resolution.

We have also made it much easier for our customers to access their money domestically and internationally by rolling out a Visa Debit Card product throughout the region. With the view of strengthening the functionality of our branch operations, over the past several months we have aligned the delivery of client service and sales for all Retail, Wealth and Small Business clients. Clients who want to do business with FirstCaribbean International Bank can now do so through a new direct sales channel that uses a combination of web-based applications, our customer service centres and our direct sales staff.

With regard to client service we deployed a new set of service quality measurements which include daily customer comment cards, monthly exit and post episodic surveys, quarterly mystery shopping of branch service and a full annual customer survey.

Enhancing client value by deepening our relationships is our primary strategic priority. We have improved our ability to become the trusted advisors of our clients by introducing a new set of financial planning tools called the Financial Health Check. In addition, we developed and launched new customer value propositions for our Wealth Management and Small Business clients which have improved their value for money, convenience and efficiency through electronic delivery of our services and strategic pricing.

Our Small Business value proposition is now fully integrated into the branch network, and provides small business clients with a unique combination of deposit, electronic delivery channels, and borrowing products.

Despite the challenging economic climate, FirstCaribbean has continued to develop innovative capabilities to deliver service excellence to all of our clients. We sincerely thank our regional leaders and staff in all jurisdictions for their continued dedication and support.

Corporate Investment Banking

FirstCaribbean's Corporate Investment Banking segment continually strives to bring innovative solutions to its clients across its three main businesses: Corporate Banking, Investment Banking and International Corporate Banking.

We continued with the rollout of our unique Senior Coverage model, establishing bespoke teams to handle our largest Corporate Investment Banking clients throughout the region. This approach brings together our very best relationship management resources supported by our most skilled industry and product specialists from all areas of FirstCaribbean to deliver holistic client solutions to our most sophisticated regional clients.

During 2010, many of our sovereign, real estate and hospitality clients faced continued challenges resulting from the protracted economic conditions. We were able to work with our clients in these sectors and others to identify and assess their specific needs and swiftly put in place creative structured solutions.

Despite the economic situation, several sectors experience increased business activity during the year. The energy and utilities sector continued to reflect growth with a strong focus in renewable energy and investment opportunities in new infrastructure projects. We were successful in providing advisory services to this sector during the year. The manufacturing and distribution sector also presented opportunities for the Investment Bank to support businesses in selective acquisitions and debt management initiatives.

In the mid-market segment we have adopted a Client Service Team model, designed to be a one-stop shop, allocating dedicated teams to every Corporate Banking client. These teams comprise a corporate manager, a credit manager and a client service officer, working together in an aligned coordinated approach to deliver superior client service. The client feedback we have received on this approach has been overwhelmingly positive.

It has never been easier for our clients to do their banking online. We offer a comprehensive suite of electronic banking services including robust international money and wire transfer capabilities.

Newly launched services that will be fully rolled out during the first quarter 2011, include wireless point-of-sale terminals, E-Cheque card that simplifies payment of employees and suppliers, bulk payment services, and an enhanced online payroll service. We believe through these leading edge solutions we are establishing FirstCaribbean as a regional market leader.

We have recently completed systems upgrades in Curaçao, allowing us to roll out a full product suite to our domestic Corporate Banking clients in that market. We have also successfully leveraged the strength, depth and expertise of our parent company, CIBC. Working together we have brought market-leading solutions, including commodity derivatives, capital market solutions and advisory services to large regional clients.

Fostering the spirit of true partnership

SECTION

3

Our Employees

FirstCaribbean recognises that our vision of being market leader by building quality relationships and providing innovative business solutions for our clients must begin with our employees. In 2010, there was renewed focus on providing opportunities for our employees to grow and develop in their professional roles.

We continued to invest in developing new employee programmes while reviewing existing programmes to ensure they continue to be relevant to employees and supportive of the Bank's long-term strategic vision.

Leadership and Succession Planning

Following the establishment of a new executive management team in 2009, other key leadership appointments were made in 2010 with new country leaders in The Bahamas, Barbados, Trinidad and Tobago and Jamaica. Bringing in fresh talent, while developing and promoting the potential of existing talent, is vital to staying fresh, innovative and competitive in our markets.

Employee Development

FirstCaribbean's commitment to building employee learning capability continued through 2010. The FirstCaribbean University was reorganised to more effectively integrate desktop learning solutions and to support platform upgrades in key territories that will lead to expanded businesses opportunities. In addition, an internal certification programme, which will support enhanced career development, called "The Professional Banker Programme", was launched this summer.

Employee Communication

Recognising that any successful organisation must foster a culture that promotes reciprocity, we conducted our Employee-Voice (E-Voice) survey in the first quarter of 2010. The survey revealed that employee satisfaction increased two percentage points to 75 percent from the last survey and efforts are being made to ensure that this figure continues to improve.

An employee blog called !DEA was launched during the year focusing on exploring innovation and ideas and has already led to improvements directly impacting clients.

Performance Management

Following feedback received from the E-Voice survey, town halls and the annual Senior Leadership Team (SLT) Conference in June, we are updating our performance management programme. The revitalised performance management programme has as one of its objectives the training of our managers to be more effective through a recently piloted programme called 'People Manager Essentials'. This will include a focus on industrial relations, with the aim of enhancing relations with our trade union partners.

Continually Improving Employee Benefits

Following the enhancement in 2009 to our regional medical and dental benefits, we offered additional improvements to the overall programme in 2010 with an international medical plan component.

Employees were also provided better control over their retirement through investment options in the defined contribution plans.

We believe that innovation and success begin and end with the talent we deploy and will continue to develop and invest for the best possible return on human capital.

Employees from the Wildey and Sunset Crest Branches of FirstCaribbean International Bank were among close to 40 volunteer groups who together helped to enhance Barbados' inland and coastal environment during Clean Up-Barbados 2010, the annual initiative of the Future Centre Trust.

Belize City teams decided to combine their efforts for Adopt-a-Cause. It was agreed to renovate the right wing of the paediatric ward of the Karl Heusner Memorial Hospital (KHMH).

KHMH is the only tertiary level provider of health care in the country and sees patients from across Belize, but its paediatric ward was in a state of disrepair and needed a major facelift to make it more hospitable. FirstCaribbean employees faced the challenge head on and donated their personal funds as well as supported fundraisers to supplement the budget contributed by the Bank. The ward, which consists of three rooms each with a capacity for eight patients, a play area and television area, underwent a remarkable transformation.

Employee training session at the FirstCaribbean University (FCU)

Our Communities

FirstCaribbean International Bank's corporate social responsibility "CSR" programme was again extremely vibrant in 2010. Recognising that the economic slowdown continues to affect our communities, the Bank's employees enthusiastically spearheaded numerous worthwhile initiatives region-wide.

Since 2002, FirstCaribbean has allocated a percentage of its profits annually, for the purpose of community building. The undertaking of CSR initiatives region-wide continues to be given high priority on the Bank's social agenda and its planned activities remain sources of inspiration within our communities.

The CSR programme is supported by a strategy which gives priority to these key initiatives: Education Partnerships, Supporting Regional Entrepreneurship, Unsung Heroes and Community Relations. These have been created to foster the spirit of true partnership and all underscore the Bank's stated commitment to uplift the communities in which it operates.

Ricardo Charles, Head of Corporate Banking, FirstCaribbean International Bank presenting scholarship to Jarome Moore of the University of the West Indies (UWI).

University of the West Indies MOU

Pro-Vice Chancellor and Principal of the University of the West Indies (UWI), Professor Sir Hilary Beckles, joins Chairman of FirstCaribbean International Bank, Michael Mansoor, for the official signing of a memorandum of understanding that will see both entities cooperating on areas of strategic research. Also pictured here are Sonia Johnson, Business Development Officer at UWI, and Peter Steenveld, Chief Marketing Officer at FirstCaribbean.

In 2010, we renewed our support of this region's largest university, the University of the West Indies, for another three-year period. Since then, numerous scholarships have been awarded to undergraduate and post-graduate students and the FirstCaribbean brand has also become synonymous with the annual hosting of an interregional university case analysis competition.

The Bank has also lent support to the continuous fostering of a research culture and the commissioning of further studies by the UWI Faculty on issues affecting the region in trade, business and information technology.

These, along with tangible support of the UWI's infrastructural development, have assisted in positioning this institution as a world-class facility.

Supporting Youth Entrepreneurship

Youth empowerment continues to be a priority for FirstCaribbean. In 2010, the Bank continued its support of the Caribbean Youth Business Programmes "CYBP" and Junior Achievement. This year the CYBP received funding to promote a series of initiatives including provision of loans for young entrepreneurs, training workshops and training in proposal writing and business plans. The Junior Achievement programme received funding to support its strategic areas of focus, which include financial literacy, workforce readiness and entrepreneurship.

FirstCaribbean International Bank's esteemed panel of judges for the annual Unsung Heroes Competition recently convened in Barbados to select the official regional winner.

Standing are Sir George Alleyne Chancellor of the University of the West Indies; A. Leonard Archer, former Bahamas High Commissioner to the Caribbean Community (CARICOM); and Jones P. Madeira, Court Protocol and Information Manager in the Judiciary of the Republic of Trinidad & Tobago.

Seated are Ms. Marie MacCormack, Q.C. (Marie Lady Simmons), Barbados' first female High Court judge; Sir Shridath Ramphal, former Secretary-General of the Commonwealth; Sir Neville Nicholls, former President of the Caribbean Development Bank; and Mr. Charles Williams, former Chief of the Carib Community in Dominica.

Unsung Heroes & Adopt-a-Cause

FirstCaribbean International Bank's Unsung Heroes programme and Adopt-a-Cause programmes continue to grow. This year, the Bank received 188 nominations for Unsung Heroes regionwide. The Bank is proud of its role in ensuring that these persons, known for their humility and philanthropy, are given the recognition they deserve. In March, 2011, the Bank will once again be honouring three individuals for their good deeds.

Adopt-a-cause is a catalyst for encouraging employee volunteerism. In 2010, over 50 causes received funding and thousands of hours of employees' efforts and enthusiasm coming together to strengthen and benefit their communities.

SECTION

4

Management's Discussion and Analysis

Management's discussion and analysis (MD&A) should be read in conjunction with the audited consolidated financial statements included in this Annual Report. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and are expressed in United States dollars. Certain comparative amounts have been reclassified to conform with the presentation adopted in the current year.

Overview

FirstCaribbean International Bank Limited is a leading Caribbean financial institution providing individual and business clients with a full range of products and services through our two business segments – Corporate Investment Banking and Retail Banking. Our business segments service clients in 17 countries through our five operating companies located in Bahamas, Barbados, Cayman, Jamaica and Trinidad.

The business segments and geographic operating companies are supported by the Administration segment which includes Finance, Human Resources, Risk, Technology & Operations, Treasury, and other support units. Highlights and commentary on business segments can be found in Section 2 of the Annual Report.

The following discussion and analysis is based on the Group's overall results and financial position with commentary referring to segments and geographic operations when deemed relevant.

Review of Consolidated Statement of Income

Highlights

$ millions, except per share amounts, as at or for the year ended October 31		2010	2009
Total revenue		552	568
Net income		157	175
Net income attributable to the equity holders of the parent		154	171
Total assets		9,766	10,503
Per share (cents)	- basic and diluted earnings	10.3	11.2
	- dividends	6.0	6.0
Share price (cents)	- closing	138.0	134.0
Return on equity		10.2%	12.3%
Efficiency ratio		57.4%	56.3%
Tier I capital ratio		21%	19%
Tier I and II capital ratio		22%	22%

Net income for the year was $157 million, compared to $175 million in 2009. These results were impacted by the prevailing economic climate which resulted in low interest rates, slowdown in business activity and rising delinquencies as clients also struggled to cope with the effects of the economic environment. The results were also affected by certain significant items reported during the year as follows:

2010

- $33 million in gains on the sale of investment securities
- $8 million in mark-to market gains on derivatives held for trading and hedges
- $18 million in loan loss impairment on a single corporate client

2009

- $11 million in gains on the sale of investment securities
- $18 million in gains on the repurchase of debt at a discount
- $14 million in mark-to-market losses on trading securities and hedges

Total revenues declined by $16 million (3%) compared to the prior year driven by lower net interest income; partially offset by higher operating income.

Total expenses remained flat at $394 million, with increases in loan loss impairment being almost fully offset by declines in operating and taxation expenses.

Net interest income and margin

$millions, for the year ended October 31	2010	2009
Average assets	10,134	10,721
Net interest income	387	433
Net interest margin	3.8%	4.0%

Net interest income declined year on year by $46 million or 11% primarily due to the lower loan and securities volumes and rates; partially offset by lower deposit volumes and cost of funds.

Operating income

$millions, for the year ended October 31	2010	2009
Net fee & commission income	69	69
Foreign exchange earnings	43	45
Net securities gains	35	1
Net hedge gains/(losses)	6	(5)
Gains on repayment of debt issued	-	18
Other	12	7
	165	135

Operating income increased by $30 million or 22% year on year mainly due to the following:

- higher securities gains ($34 million) as the Bank continued to manage risk on the securities portfolios.
- mark-to-market gains on hedges versus losses ($11 million) due to the restructuring of the hedge accounting portfolio in the prior year.
- other income ($5 million) mainly due to fees on a non-recurring transaction.
- lower gains on repayment of debt issued ($18 million) which resulted in 2009 as the Bank took advantage of the low interest rate environment and redeemed debt at a discount.

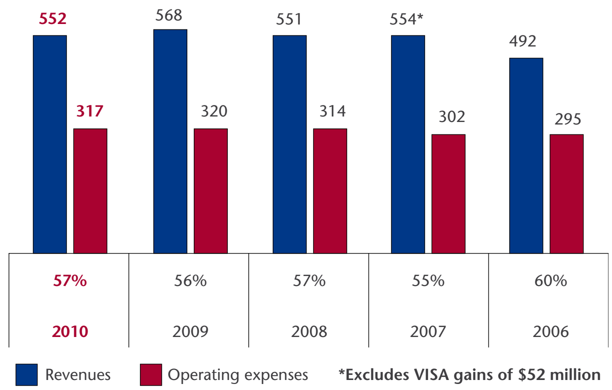
Operating expenses

$millions, for the year ended October 31	2010	2009
Remuneration and benefits		
Wages and salaries	142	143
Benefits	36	37
	178	180
Property & equipment expenses	39	39
Depreciation	20	19
Professional fees	9	14
Advertising & marketing	6	6
Business development & travel	5	5
Communications	9	9
Other	51	48
	317	320

Operating expenses decreased year on year by $3 million (1%) mainly due to the following:

- lower professional fees ($5 million) primarily consultancy, audit and legal costs
- lower remuneration and benefits ($2 million) due to lower pension and employee stock purchase benefits, as well as, variable incentive compensation and severance.
- higher other expenses ($3 million) mainly due to business taxes and other miscellaneous expenses.

Revenues and operating expenses (US $ millions) and cost to income ratio (%)



Loan loss expenses

$millions, for the year ended October 31	2010	2009
Individual impairment		
Mortgages	5	3
Personal	14	9
Business & Government	35	30
	54	42
Collective impairment	8	1
	62	43

The increase in loan loss impairment of $19 million (44%) year on year was driven primarily by net increases in personal and business & government individual impairment, as well as, the collective impairment. In addition, several changes in estimates were introduced during the year resulting in a net increase in the impairment expense of $3 million.

The individual impairment expense which increased by $12 million included an $18 million charge relating to a single corporate client.

The increase in the collective impairment expense of $7 million was primarily due to a change in estimate.

The ratio of loan loss expenses to gross loans was 0.9%, compared with 0.6% at the end of 2009. The ratio of non-performing loans to gross loans was 12%, compared to 8% at the end of 2009, with the non-performing business loans increasing by 60% and non-performing retail loans increasing by 13%. Business loans are largely lending secured with real estate.

Taxes

$millions, for the year ended October 31	2010	2009
Income tax expense	12	27
Net income before taxes	170	202
Effective tax rate	7.1%	13.4%

Taxes were lower than the prior year by $15 million or 54% due to a lower proportion of income earned in taxable jurisdictions.

Review of Consolidated Statement of Total Comprehensive Income

$millions, as at October 31	2010	2009
Net income for the year	157	175
Other comprehensive income:		
Net (losses)/gains on available-for-sale investment securities	(14)	113
Exchange differences on translation of foreign operations	3	(14)
Other comprehensive income	(11)	99
Total comprehensive income	146	274

Total comprehensive income declined by $128 million or 47% due to the following:

- decline in net income for the year by $18 million as explained above; and
- decline in other comprehensive income by $110 million was due to the realisation of the 2009 available-for-sale securities gains on sale in 2010 through the statement of income. These decreases were partially offset by increases in exchange differences on translation of foreign operations mainly Jamaica where the Jamaican dollar appreciated.

The Bank conducts business in two jurisdictions (Jamaica and Trinidad) that have functional currencies that float against the United States (U.S.) dollar. The Jamaican dollar appreciated slightly by 3.0% year on year, while the Trinidad dollar remained relatively stable. This resulted in a gain of $3 million in the current year compared with a loss of $14 million in the prior year when the currency was devaluing.

Review of Consolidated Statement of Financial Position

$millions, as at October 31	2010	2009
Assets		
Cash & deposits with Banks	917	1,277
Securities	1,679	1,744
Loans and advances		
Mortgages	2,501	2,513
Personal	722	760
Business & Government	3,552	3,805
Other	(3)	(12)
Provisions for impairment	(196)	(161)
	6,576	6,905
Other assets	594	577
	9,766	10,503
Liabilities & shareholders' equity		
Deposits		
Individuals	3,494	3,613
Business & Government	4,357	4,876
Banks	62	141
Other	30	28
	7,943	8,658
Other borrowings	45	38
Debt issued	31	125
Other liabilities	174	163
Minority interest	30	28
Shareholder's equity	1,543	1,491
	9,766	10,503

Assets

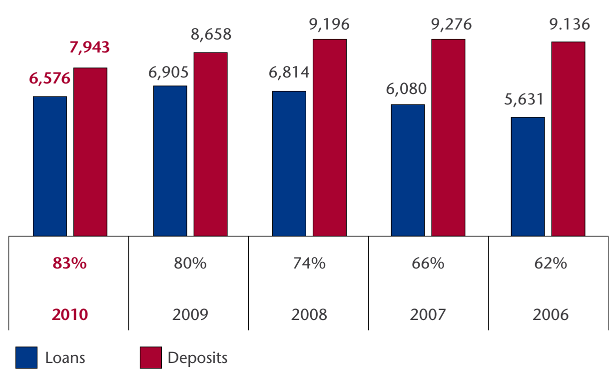
Total assets declined year on year by $737 million or 7% mainly due to the slowdown in loan demand, as well as, the reduction in cash and deposits with banks attributable to the net repayment of deposit liabilities.

Liabilities

Client liquidity needs resulted in a decline in deposits by $715 million or 8%. Fixed deposits accounted for approximately 70% of this decline.

The Bank redeemed its Cayman issued debt in full during the year which accounted for the reduction of $94 million compared to 2009.

Loans & advances and deposits (US $ millions) and loans to deposit ratio (%)



Shareholders' equity

Shareholder's equity as at October 31, 2010 was up by $54 million or 4% driven by earnings for the year less dividend payments.

The Bank continues to maintain strong capital ratios of Tier I and Tier I & II of 21% and 22% respectively at the end of 2010, compared to 19% and 22% respectively at the end of 2009.

Business Segment Overview

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on economic profits, which for the total of all segments is equal to net income before taxes reflected on the consolidated financial statements. Economic profits include funds transfer pricing, management allocations, and charges for the segments' use of capital.

Income taxes are managed on a group basis and are not allocated to operating segments.

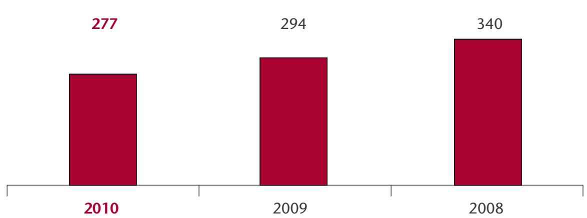
Transactions between the business segments are on normal commercial terms and conditions.

Retail Banking

Retail Banking includes Retail, Wealth Management, Small Business, and Cards businesses across the region excluding Trinidad. This segment provides a full range of financial products and services to individuals which can be accessed through our network of branches and ABM's, as well as through internet and telephone banking channels. Wealth Management clients are provided investment advice and traditional banking services through a relationship management offer. Small business clients are provided with products and services to satisfy their day to day operational and working capital business needs. Cards offering includes both the issuing and acquiring business.

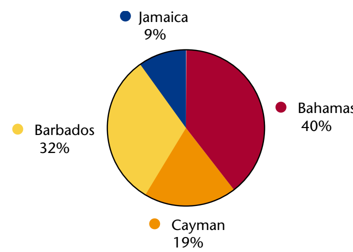
External revenues declined year on year by $17 million or 6% due to lower rates and loan volumes.

External Revenue ($'MM)



The geographical distribution of external revenues is depicted in the table below.

External Revenues



Economic profits of $21.8 million decreased slightly from the prior year by $4 million primarily due to the increase in loan loss expenses. The reduction in external revenues was offset by the reduction in interest expenses.

Corporate Investment Banking (CIB)

This segment comprises three businesses: Corporate Banking, Investment Banking and International Corporate Banking.

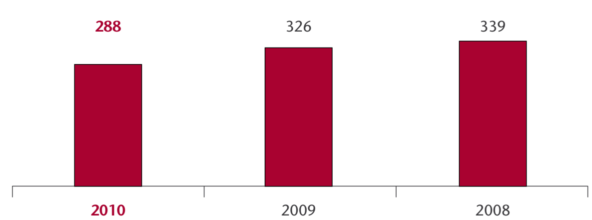
Corporate Banking provides a full range of corporate and commercial banking services to large and mid-size corporate businesses, governments, financial institutions, international trading companies and private wealth vehicles throughout the Caribbean.

Investment Banking provides debt, equity, capital markets and corporate finance products and services to large corporations, financial institutions and governments.

International Corporate Banking is a specialised business that facilitates leveraging of legislation and incentives in the international financial services jurisdictions to offer international clients a wide range of products, services and financial solutions.

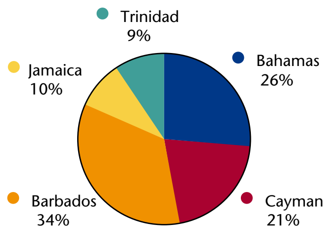
External revenues declined by $38 million or 12% year on year as a result of lower volumes and rates.

External Revenues ($'MM)



The geographical distribution of external revenues is reflected in the table below.

External Revenues



Economic profits of $93.0 million decreased from the prior year by $50 million as a result of the decline in external revenues and an increase in loan losses marginally offset by lower interest expenses.

Administration

The Administration segment includes Finance, HR, Risk, Technology & Operations, Treasury, and other units, which support the business segments. The revenues and expenses of the functional groups are generally allocated to the business segments. The administration segment retains earnings on excess capital and the offset to capital charges allocated to the business segments.

Treasury manages the interest rate, foreign exchange and liquidity risk of the Group. In addition, Treasury conducts foreign exchange and other derivative transactions on behalf of Bank clients. Securities and cash placements are normally held within the Treasury unit within the Administration segment.

Management of Risk

FirstCaribbean assumes a variety of risks in its ordinary business activities. Risk is defined as any event that could: damage the core earnings capacity of the Group; increase earnings or cashflow volatility; reduce capital; threaten business reputation or viability; and/or breach regulatory or legal obligations.

The Bank's approach to risk management is based on sound banking principles and a robust governance structure. Risk is managed within tolerance levels established by our management committees and approved by the Board of Directors and its committees (the Board). This is achieved through a comprehensive framework of measurement, monitoring and control policies, procedures and processes. The Bank's risk management policies and procedures are designed to identify and analyse these risks, to set appropriate risk limits, and to monitor and enhance risk management practices to reflect changes in markets, products and evolving best practice. Further information on credit, market and liquidity risks within the Bank can be found in note 34 to the consolidated financial statements.

Primary responsibility for the management of risk lies with line management in our various individual businesses. The risk management department, which reports to the Chief Risk Officer, develops risk policies and procedures and provides independent oversight and analysis through its six centrally-based teams - credit risk, market risk, receivables management, compliance, risk and controls and operational risk.

Representatives from the risk teams interact with the senior leadership of each business unit in order to identify and manage risks in the respective businesses. This approach is supported by comprehensive enterprise reporting.

Credit Risk

Credit risk is the risk a customer or counterparty will be unable or unwilling to meet a commitment that it has entered into and that the pledged security does not cover the customer's liabilities in the event of a default. The credit risks in FirstCaribbean arise primarily from lending activities to customers but is also present in certain bonds, guarantees and securities, held by the Bank.

Credit risk is managed and controlled on the basis of established credit processes and policies operating within a framework of delegated authorities. In addition to approving the Group's key credit policies and setting credit risk appetites and tolerances, the Risk and Conduct Review Committee of the Board also delegates credit approval limits to the Credit Committee of the Bank. The Credit Committee is chaired by the Chief Risk Officer who also delegates lending authority to individual members of the credit risk management department and also to front line lenders. There is appropriate segregation of duties between customer facing functions responsible for originating and managing exposures, the credit risk management function responsible for credit adjudication and oversight and the operations function responsible for disbursing loans and safekeeping security.

Credit grading, scoring and monitoring systems facilitate the early identification and management of deterioration in loan quality. The credit management process is underpinned by an independent system of credit review by credit conformance teams. Delinquent facilities are subject to separate and additional oversight by the receivables management team. Classification is automated and operates strictly in line with regulatory and accounting standards. Credit provisions are independently calculated in accordance with International Financial Reporting Standards for statutory reporting and in accordance with the Financial Institutions Act to meet regulatory requirements.

Market Risk

Market risk is the measurement of potential loss arising from adverse movements in interest rates, foreign exchange rates, equity and commodity prices, and credit spread risk. It arises in trading activities, as well as in the natural course of wholesale and retail business. The principal aim of FirstCaribbean's market risk management activities is to limit the adverse impact of interest rate and exchange rate movements on profitability and shareholder value.

The Risk and Conduct Review Committee of the Board reviews market risk strategy and overall limits. It approves key policies and oversees the measurement, monitoring and control regime.

There is no single risk measure that captures all aspects of market risk. FirstCaribbean uses several risk measures including Value at Risk ('VaR'), sensitivity measures and stress testing. Market risks are managed by setting limits based upon the specific markets and products in which FirstCaribbean is involved, as well as the amount of the Group's capital at risk. There is a centralised, dedicated risk management team charged with the responsibility to ensure that the risk measurement methodologies used are appropriate for the risks being taken and that appropriate measurement, monitoring and control procedures are in place.

Compliance Risk

Compliance risks are associated with failures to comply with laws, regulations, rules, and the codes of ethics and conduct applicable to our business activities. Such failures can give rise to legal or regulatory sanctions, material financial loss, or a loss of reputation to the bank.

Primary responsibility for compliance lies with line management. The compliance team within the risk management department is tasked with identifying the compliance obligations in each country where the Bank operates. It also provides advice and guidance to the businesses on compliance risks and the development of appropriate policies and procedures to ensure compliance with all legislation and internal code of conduct and ethics policies. It independently assesses and monitors compliance and reports to the Audit & Governance Committee of the Board.

Operational risk management and controls

FirstCaribbean defines operational risk as the exposure to loss from failed or inadequate internal processes, people and systems or from external events. It is the risk of direct or indirect loss, or damaged reputation, due to deficiencies or errors in the Group's internal operations which may be attributable to fraud, human error, processes or technology failure, or due to external events. Operational risks are inherent in all activities within the Bank, including in outsourced activities and in all interactions with external parties.

Strong internal control and quality management, consisting of a fraud framework, leadership and trained staff, is key to successful operational risk management. Each business is primarily responsible for managing their own operational risks. Risk management develops and maintains the framework for identifying, monitoring and controlling operational risks and supports the businesses in implementing the framework and raising awareness of operational risks. The team sets policy and monitors compliance. Operational risk management activities across the Group are reported regularly to the Audit & Governance Committee and Risk and Conduct Review Committee.

FirstCaribbean's operational risk management framework includes ongoing monitoring through self-assessment of control deficiencies and weaknesses, the tracking of incidents and loss events to ensure that, once identified, control deficiencies are communicated and remedied in a timely fashion across the Group.

Liquidity Risk

Liquidity risk is defined as the risk that the Group will experience difficulty in financing its assets and meeting its contractual payment obligations, or will only be able to do so at an unacceptably high cost. FirstCaribbean is exposed to liquidity risk through our general funding activities and in the management of our assets and liabilities.

FirstCaribbean's exposure to liquidity risk is governed by a policy approved by the Board. The operation of the policy is delegated to management in the form of the Asset and Liabilities Committee (ALCO). The Group and individual operating company ALCOs are responsible for monitoring liquidity risk. Day-to-day management of liquidity is handled by the treasury team.

The Bank performs stress tests and scenario analysis to evaluate the impact of stresses on its liquidity position. These tests are at both a Group specific and systemic risk level. The results are reported to the Board quarterly and independently reviewed by the market risk function.

FirstCaribbean International Bank Limited
(expressed in thousands of United States dollars)

Consolidated Financial Statements

For the year ended October 31, 2010

Contents

ERNST & YOUNG

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of FirstCaribbean International Bank Limited.

We have audited the accompanying consolidated financial statements of FirstCaribbean International Bank Limited and its subsidiaries ("the Group") which comprise the consolidated statement of financial position as of October 31, 2010 and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of October 31, 2010 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young

CHARTERED ACCOUNTANTS

Barbados
December 10, 2010

CONSOLIDATED STATEMENT OF INCOME

For the year ended October 31, 2010 (expressed in thousands of United States dollars)

	Notes	2010	2009
Interest and similar income		$ 526,915	$ 614,812
Interest and similar expense		139,874	181,317
Net interest income	3	387,041	433,495
Operating income	4	164,733	134,737
		551,774	568,232
Operating expenses	5	317,316	319,718
Loan loss impairment	15	61,766	43,369
Amortisation of intangible assets	19	2,963	2,963
		382,045	366,050
Income before taxation		169,729	202,182
Income tax expense	6	12,297	26,981
Net income for the year		$ 157,432	$ 175,201
Attributable to:			
Equity holders of the parent		$ 154,197	$ 171,223
Non-controlling interests		3,235	3,978
		$ 157,432	$ 175,201
Earnings per share attributable to the equity holders of the parent for the year:	7		
(expressed in cents per share)			
- basic and diluted		10.1	11.2

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended October 31, 2010 (expressed in thousands of United States dollars)

	Notes	2010	2009
Net income for the year		$ 157,432	$ 175,201
Other comprehensive income:			
Net (losses)/gains on available-for-sale investment securities, net of tax		(14,539)	112,884
Exchange differences on translation of foreign operations, net of tax		3,197	(13,767)
Other comprehensive (loss)/income for the year, net of tax	8, 9	(11,342)	99,117
Total comprehensive income for the year, net of tax		$ 146,090	$ 274,318
Attributable to:			
Equity holders of the parent		$ 142,434	$ 269,479
Non-controlling interests		3,656	4,839
		$ 146,090	$ 274,318

 The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of October 31, 2010 (expressed in thousands of United States dollars)

	Notes	2010	2009
Assets			
Cash and balances with Central Banks	10	$ 509,947	$ 425,629
Due from banks	11	406,995	850,587
Derivative financial instruments	12	4,186	1,575
Other assets	13	52,968	45,536
Taxation recoverable		11,945	9,089
Investment securities	14	1,679,254	1,743,690
Loans and advances to customers	15	6,576,319	6,905,476
Property and equipment	16	126,520	120,988
Deferred tax assets	17	12,461	12,987
Retirement benefit assets	18	46,975	45,470
Intangible assets	19	338,587	341,550
Total assets		$ 9,766,157	$ 10,502,577
Liabilities			
Derivative financial instruments	12	$ 103,815	$ 87,084
Customer deposits	20	7,942,765	8,658,353
Other borrowed funds	21	45,488	38,489
Other liabilities	22	51,985	54,248
Taxation payable		4,925	9,072
Deferred tax liabilities	17	4,211	3,885
Debt securities in issue	23	31,129	124,622
Retirement benefit obligations	18	8,620	8,055
Total liabilities		8,192,938	8,983,808
Equity attributable to equity holders of the parent			
Issued capital	24	1,117,349	1,117,349
Reserves	26	(234,518)	(246,768)
Retained earnings		660,680	620,353
		1,543,511	1,490,934
Non-controlling interests		29,708	27,835
Total equity		1,573,219	1,518,769
Total liabilities and equity		$ 9,766,157	$ 10,502,577

Approved by the Board of Directors on December 10, 2010

Michael Mansoor
Chairman

John Orr
Chief Executive Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended October 31, 2010 (expressed in thousands of United States dollars)

	Notes	Attributable to equity holders of the parent				Non-controlling interests	Total equity
		Issued capital	Treasury shares	Reserves	Retained earnings		
Balance at October 31, 2008		$ 1,117,349	$ (500)	$ (371,997)	$ 565,889	$ 25,054	$ 1,335,795
Total comprehensive income for the year		-	-	98,256	171,223	4,839	274,318
Transfer to reserves	26	-	-	27,598	(27,598)	-	-
Net disposal of treasury shares	25	-	500	-	-	-	500
Share-based payment reserves	26	-	-	(625)	-	-	(625)
Equity dividends		-	-	-	(89,161)	-	(89,161)
Dividends of subsidiaries		-	-	-	-	(2,058)	(2,058)
Balance at October 31, 2009		1,117,349	-	(246,768)	620,353	27,835	1,518,769
Total comprehensive (loss)/ income for the year		-	-	(11,763)	154,197	3,656	146,090
Transfer to reserves	26	-	-	24,013	(24,013)	-	-
Equity dividends		-	-	-	(89,857)	-	(89,857)
Dividends of subsidiaries		-	-	-	-	(1,783)	(1,783)
Balance at October 31, 2010		$ 1,117,349	$ -	$ (234,518)	$ 660,680	$ 29,708	$ 1,573,219

 The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended October 31, 2010 (expressed in thousands of United States dollars)

	2010	2009
Cash flows from operating activities		
Income before taxation	$ 169,729	$ 202,182
Loan loss impairment	61,766	43,369
Depreciation of property and equipment	19,822	18,513
Amortisation of intangible assets	2,963	2,963
Net gains on disposals of property and equipment	(100)	(946)
Net gains on disposals and redemption of investment securities	(32,673)	(9,697)
Net gains on the repayment of debt securities issued	(186)	(17,648)
Net hedging (gains)/losses	(6,283)	5,062
Share-based payment reserve	-	(625)
Interest income earned on investment securities	(80,527)	(110,023)
Interest expense incurred on borrowed funds and debt securities	6,616	11,298
Cash flows from operating profits before changes in operating assets and liabilities	141,127	144,448
Changes in operating assets and liabilities:		
-net decrease/(increase) in due from banks	268,214	(328,843)
-net decrease in financial assets at fair value through profit or loss	-	536,217
-net decrease/(increase) in loans and advances to customers	272,408	(133,474)
-net (increase)/decrease in other assets	(11,548)	14,302
-net decrease in customer deposits	(715,588)	(537,696)
-net decrease in other liabilities	(7,699)	(16,510)
Income taxes paid	(18,955)	(33,000)
Net cash used in operating activities	(72,041)	(354,556)
Cash flows from investing activities		
Purchases of property and equipment	(26,198)	(14,757)
Proceeds from disposals of property and equipment	944	3,358
Purchases of investment securities	(3,031,430)	(797,646)
Proceeds from disposals and redemption of investment securities	3,144,214	1,191,691
Interest income received on investment securities	74,818	131,689
Net cash from investing activities	162,348	514,335
Cash flows from financing activities		
Net repayments on other borrowed funds and debt securities	(86,108)	(80,555)
Interest expense paid on other borrowed funds and debt securities	(6,816)	(12,251)
Dividends paid to equity holders of the parent	(89,857)	(89,161)
Dividends paid to non-controlling interests	(1,783)	(2,058)
Net disposal of treasury shares	-	500
Net cash used in financing activities	(184,564)	(183,525)
Net decrease in cash and cash equivalents for the year	(94,257)	(23,746)
Effect of exchange rate changes on cash and cash equivalents	3,197	(13,767)
Cash and cash equivalents, beginning of year	627,417	664,930
Cash and cash equivalents, end of year (note 10)	$ 536,357	$ 627,417

1. General information

FirstCaribbean International Bank Limited and its subsidiaries ("the Group") are registered under the relevant financial and corporate legislations of 17 countries in the Caribbean to carry on banking and other related activities. The Group's parent company, FirstCaribbean International Bank Limited ("the Bank"), is a company incorporated and domiciled in Barbados at Warrens, St. Michael. The ultimate parent company and controlling party of the Bank is Canadian Imperial Bank of Commerce ("CIBC") which holds 91.4% of the Bank's issued shares and is a company incorporated in Canada.

The Bank has a primary listing on the Barbados stock exchange, with further listings in Trinidad, Jamaica and the Eastern Caribbean.

2. Accounting policies

2.1 Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, except for available-for-sale investment securities and derivative financial instruments, which have all been measured at fair value. The carrying value of recognised assets that are hedged items in fair value hedges, and otherwise carried at amortised cost, are adjusted to record changes in fair value attributable to the risks that are being hedged. The consolidated financial statements are presented in United States dollars, and all values are rounded to the nearest thousand except where otherwise indicated.

Statement of compliance

The consolidated financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries as at October 31, 2010 (the "reporting date"). The financial statements of the subsidiaries are prepared for the same reporting year as the Bank, using consistent accounting policies.

Subsidiaries

All subsidiaries, which are those companies in which the Bank directly or indirectly holds the majority of the voting rights and where it determines their financial and business policies and is able to exercise control over them in order to benefit from their activities, have been fully consolidated. The principal subsidiaries of the Bank are disclosed in note 35.

All inter-company transactions, balances and unrealised surpluses and deficits on transactions and balances have been eliminated.

Subsidiaries are consolidated from the date on which the effective control is transferred to the Bank. Control is achieved where the Bank has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of income from the date of acquisition or up to the date of disposal.

Non-controlling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Bank and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

Prior to November 1, 2009, losses incurred by the Group were attributed to the non-controlling interests until the balance was reduced to nil. Any further excess losses were attributable to the parent, unless the non-controlling interests had a binding obligation to cover these.

With effect from November 1, 2009, losses are attributed to the non-controlling interests even if that results in a deficit balance.

Transactions with non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Interests in the equity of subsidiaries not attributable to the parent are reported in consolidated equity as non-controlling interests. Profits or losses attributable to non-controlling interests are reported in the consolidated statement of comprehensive income.

2.2 Significant accounting judgements and estimates

The preparation of financial statements in conformity with IFRS requires management to make certain significant estimates and judgements that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value of financial instruments

Certain financial instruments are recorded at fair value using valuation techniques in which current market transactions or observable market data are not available. Their fair value is determined using a valuation model that has been tested against prices of or inputs to actual market transactions and using the Group's best estimates of the most appropriate model assumptions. Models are adjusted to reflect the spread for bid and ask prices to reflect costs to close out positions, counterparty credit and liquidity spread and limitations in the model.

Impairment losses on loans and advances

The Group reviews its individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in the statement of income. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Bank makes judgements about the borrower's financial situation and the net realisable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance for impairment losses.

Loans and advances that have been assessed individually and found not to be impaired and all individually insignificant loans and advances are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provisions should be made due to incurred loss events for which there is objective evidence but whose effects are not yet evident.

The collective assessment takes account of data from the loan portfolio such as credit quality, levels of arrears, credit utilisation, loan to collateral ratios, concentrations of risks and economic data, country risk and the performance of different individual groups.

Retirement benefit obligations

Accounting for some retirement benefit obligations requires the use of actuarial techniques to make a reliable estimate of the amount of benefit that employees have earned in return for their service in the current and prior periods. These actuarial assumptions are based on managements' best estimates of the variables that will determine the ultimate cost of providing post-employment benefits and comprise both demographic and financial assumptions. This includes assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Variations in the financial assumptions can cause material adjustments in future years, if it is determined that the actual experience differed from the estimate.

Income taxes

The Group is subject to taxation in various jurisdictions and significant estimates are required in determining the provision for income taxes. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Management's judgement is required to determine the amount of the deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Impairment of available-for-sale investments

Management makes judgements at each reporting date to determine whether available-for-sale investments are impaired. These investments are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment.

Intangible assets

The Group's financial statements include goodwill and customer-related intangible assets arising from acquisitions. In accordance with IAS 36, goodwill is reviewed for impairment annually using the "value in use" method. This requires the use of estimates for determination of future cash flows expected to arise from each cash-generating unit and an appropriate discount rate to calculate present value. Management also makes judgements at each reporting date to determine whether intangible assets are impaired or not.

2.3 Adoption of new accounting policies

The accounting policies adopted are consistent with those used in the previous financial year except for the adoption of the following standards, amendments and interpretations which are relevant to the Group:

- IFRS 3 Business Combinations (Revised)
- IFRS 7 Financial Instruments: Disclosures (Amendments)
- IFRS 8 Operating Segments
- IAS 1 Presentation of Financial Statements (Revised)
- IAS 27 Consolidated and Separate Financial Statements (Amendment)
- IAS 39 Financial Instruments: Recognition and Measurement — Eligible Hedged Items (Amendment)
- Improvements to International Financial Reporting Standards (issued 2008)

In addition, the Bank has adopted the elements of Improvements to International Financial Reporting Standards (issued 2008 and 2009) which were either required as a result of the Group's adoption of IFRS 3 (Revised) Business Combinations, or were required for annual periods beginning after July 1, 2009.

Adoption of these revised standards and interpretations did not have any effect on the financial performance or position of the Group. They did, however, give rise to revised or additional disclosures in the statement of total comprehensive income (IAS1 Presentation of Financial Statements (Revised)), Note 33 (IFRS 8 Operating Segments) and Note 34H (IFRS 7 Financial Instruments: Disclosures (Amendment)).

2.4 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

Foreign currency translation

Each entity in the Group determines its own functional currency, and items included in the financial statements of each entity are measured using that currency.

The functional currency of the Bank is Barbados dollars, however, these consolidated financial statements are presented in United States dollars as this is the single largest currency of use throughout the Group and is universally accepted and recognised in all the territories in which the Group operates.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at rates prevailing at the reporting date and non-monetary assets and liabilities are translated at historic rates. Revenue and expenses denominated in foreign currencies are translated into the Bank's functional currency and then converted to the Group's presentation currency using prevailing average monthly exchange rates. Realised and unrealised gains and losses on foreign currency positions are reported in income of the current year. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the available-for-sale revaluation reserve in equity.

Group companies
The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date.
- Income and expenses for each statement of

comprehensive income or statement of income presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is sold, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of income as part of the gain or loss on sale.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to manage its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives are taken directly to the statement of income, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk)
- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed at inception and on a monthly basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the Group's strict criteria for hedge accounting are accounted for as follows:

- *Fair value hedge*

  For hedging relationships which are designated and qualify as fair value hedges and that prove to be highly effective in relation to hedged risk, changes in the fair value of the derivatives are recorded in the statement of income, along with the corresponding change in fair value of the hedged asset or liability that is attributable to that specific hedged risk.

  If the hedge no longer meets the criteria for hedge accounting, an adjustment to the carrying amount of a hedged interest-bearing financial instrument is amortised to net profit or loss over the remaining period to maturity.

- *Cash flow hedge*

  The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of income.

Amounts accumulated in other comprehensive income are recycled to the statement of income in the periods in which the hedged item will affect profit or loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at that time remains in other comprehensive income and is recognised when the forecast transaction is ultimately recognised in the statement of income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to the statement of income.

Certain derivative instruments do not qualify for hedge accounting or are not so designated, and changes in the fair value of these derivatives are included in net trading income or losses in the statement of income.

Interest income and expense

Interest income and expense are recognised in the statement of income for all interest bearing instruments on an accrual basis using the effective interest method based on the actual purchase price or estimated recoverable amount. Interest income includes coupons earned on fixed income investment and trading securities and accrued discounts and premiums on treasury bills and other discounted instruments.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the original effective interest rate for the purpose of measuring impairment loss.

Fee and commission income

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Loan origination fees for loans, which have a high probability of being drawn down, are deferred (together with related direct costs) and recognised as an adjustment to the effective interest yield on the loan. Commission and fees arising from negotiating, or participating in the negotiation of a transaction for a third party, such as the acquisition of loans, shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts. Asset management fees related to investment funds are recognised proportionately over the period the service is provided. The same principle is applied for wealth management, financial planning and custody services that are continuously provided over an extended period of time.

Customer loyalty programmes

The Group offers a customer points programme through its Credit Card products. A portion of the net fee revenues are deferred in relation to award credits under customer loyalty programmes as a separately identifiable revenue component. The amount deferred represents the fair value of the award credits and is recognised when the awards are utilised or expire.

Financial instruments

The Group classifies its financial assets into the following categories:

- Financial assets at fair value through profit or loss;
- Loans and receivables; or
- Available-for-sale financial assets.

Management determines the classification of its investments at initial recognition.

Financial assets at fair value through profit or loss
This category comprises financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Management may designate a financial asset at fair value through profit or loss when certain criteria are met, and designation is determined on an instrument by instrument basis:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The assets are part of group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains one or more embedded derivatives which significantly modify the cash flows that otherwise would be required by the contract.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Available-for-sale financial assets
Available-for-sale financial assets are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

All purchases and sales of financial assets at fair value through profit or loss and available-for-sale that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recognised at settlement date, which is the date that an asset is delivered to or by the Group. Otherwise such transactions are treated as derivatives until settlement occurs. Loans and receivables are recognised when cash is advanced to borrowers.

Financial assets, not carried at fair value through profit or loss, are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive the cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently re-measured at fair value based on quoted bid prices or amounts derived from cash flow models. Loans and receivables are carried at amortised cost using the effective interest method, less any provisions for impairment. Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income. When the securities are disposed of or impaired, the related accumulated fair value adjustments are included in the statement of income as gains and losses from investment securities.

Unquoted equity instruments for which fair values cannot be measured reliably are recognised at cost less impairment.

All gains and losses from disposals and/or changes in the fair value of financial assets at fair value through profit or loss and derivatives held for trading are included in operating income as net trading gains or losses. All gains and losses from disposals of investment securities available for sale are included in operating income as net investment securities gains or losses. Where certain financial assets are hedged and there is ineffectiveness, this is included in operating income as net hedge relationship gains or losses. Dividends are recorded on the accrual basis when declared and are included in investment securities interest and similar income.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Sale and repurchase agreements

Securities sold subject to linked repurchase agreements ("repos") are retained in the financial statements as investment securities and the counterparty liability is included in other borrowed funds. Securities purchased under agreements to resell are recorded as loans and advances to other banks or customers as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of repurchase agreements using the effective interest method.

Impairment of financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the Group granting to a borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or

- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
  - adverse changes in the payment status of borrowers in the group; or
  - national or local economic conditions that correlate with default on the assets in the group.

If there is objective evidence that an impairment loss on loans and advances carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the carrying amount and the recoverable amount, being the estimated present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate.

When a loan is uncollectible, it is written off against the related provisions for impairment; subsequent recoveries are credited to the statement of income and included in loan loss impairment. If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to the statement of income and included in loan loss impairment.

In circumstances where Central Bank guidelines and regulatory rules require provisions in excess of those calculated under IFRS, the difference is disclosed as an appropriation of retained earnings and is included in a non-distributable general banking reserve.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset is only recognised when its cost can be reliably measured and it is probable that the expected future economic benefits attributable to it will flow to the Bank.

Intangible assets acquired in business combinations prior to November 1, 2009 are accounted for as follows:

Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition and is reported in the statement of financial position as an intangible asset. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to the lowest levels for which there are separately identifiable cash flows (cash-generating units) for the purpose of impairment testing. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Customer-related intangible assets
Customer-related intangible assets represent the fair value of each customer relationship acquired in a business combination, as of the acquisition date, which met the contractual-legal criterion for identification as an intangible asset in the statement of financial position separated from goodwill. The fair value of the customer relationships is amortised on a straight line basis over its expected useful life of six years. At each reporting date, an assessment is made to determine whether there are any indications of impairment, and if such an indication exists, then the recoverable amount shall be estimated.

Property and equipment

All property and equipment are stated at historical cost less accumulated depreciation, with the exception of land which is not depreciated. Historical cost includes expenditures that are directly attributable to the acquisition of the items. Land and buildings comprise mainly branches and offices.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of income during the financial period in which they are incurred.

Depreciation on all property and equipment is computed on the straight line method at rates considered adequate to write-off the cost of depreciable assets, less salvage, over their useful lives.

The annual rates used are:

- Buildings	2½%
- Leasehold improvements	10% or over the life of the lease
- Equipment, furniture and vehicles	20 - 50%

Assets that are subject to depreciation 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 asset's recoverable amount is the higher of the asset's fair value less costs to sell and the value in use.

Gains and losses on disposal of property and equipment are determined by reference to its carrying amount and are taken into account in determining net income.

Leases

When assets are held subject to 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 using the effective interest method, which reflects a constant periodic rate of return.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash balances, non-restricted deposits with Central Banks (excluding mandatory reserve deposits), treasury bills and other money market placements.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more than likely that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Retirement benefit obligations

Pension obligations

The Group operates a number of pension plans, the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from the relevant Group companies, taking account of the recommendations of independent qualified actuaries. The Group has both defined benefit plans and defined contribution plans. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The asset or liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets, together with adjustments for unrecognised actuarial gains/losses and past service cost. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates of government securities, which have terms to maturity approximating the terms of the related liability. Most of the pension plans are final salary plans and the charge for such pension plans, representing the net periodic pension cost less employee contributions, is included in staff costs.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income over the expected average remaining service lives of the related employees. Past service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, past service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Group makes contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due and as such are included in staff costs. The Group's contributions to the defined contribution pension plans are charged to the statement of income in the year to which they relate.

Other post-retirement obligations
Some Group companies provide post-retirement healthcare benefits to their retirees. The entitlement to 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. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income over the expected average remaining service lives of the related employees. These obligations are valued annually by independent qualified actuaries.

Deferred tax

Deferred 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.

The principal temporary differences arise from depreciation on property and equipment, revaluation of certain financial assets and liabilities, provisions for pensions and tax losses carried forward; and, in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax base. Currently enacted tax rates are used to determine deferred taxes.

Tax payable on profits, based on the applicable tax law in each jurisdiction, is recognised as an expense in the period in which profits arise. Deferred tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the tax losses can be utilised.

Deferred tax related to fair value re-measurement of available-for-sale investments, which is charged or credited directly to other comprehensive income, is also credited or charged directly to other comprehensive income and is subsequently recognised in the statement of income together with the realised gain or loss.

Borrowings

Borrowings are recognised initially at fair value less transaction costs and are subsequently stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the statement of income over the period of the borrowings, using the effective interest method.

Share capital

Share issue costs
Shares issued for cash are accounted for at the issue price less any transaction costs associated with the issue. Shares issued as consideration for the purchase of assets, or a business, are recorded at the market price on the date of the issue.

Dividends on common shares
Dividends on common shares are recognised in equity in the period in which they are declared. Dividends for the year that are declared after the reporting date are not reflected in these financial statements.

Treasury shares
Where the Bank or other members of the consolidated Group purchase the Bank's equity share capital, the consideration paid is deducted from total equity attributable to the equity holders of the parent as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in equity attributable to the equity holders of the parent.

Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the parent by the weighted average number of common shares (excluding treasury shares) outstanding during the year.

For the diluted earnings per share, the weighted average number of common shares in issue is adjusted to assume conversion of all dilutive potential shares.

Share-based payments to employees

The Group engages in equity settled share-based payment transactions in respect of services rendered from certain of its employees. The cost of the services received is measured by reference to the fair value of the shares or share options granted. The cost related to the shares or share options granted is recognised in the statement of income over the period that the services of the employees are received, which is the vesting period, with a corresponding credit to equity.

Fiduciary activities

The Group commonly acts as trustees and in other fiduciary capacities that result in the 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.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Group's Executive Management Committee as its chief operating decision-maker.

All transactions between business segments are conducted on an arm´s length basis, with intra-segment revenue and costs being eliminated on consolidation. Income and expenses directly associated with each segment are included in determining business segment performance.

Comparatives

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

2.5 Future changes in accounting polices

Certain new standards, and amendments to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after November 1, 2010 but which the Group has not early adopted, as follows:

- IAS 24 (Revised), Related party transactions
- IFRS 1 (Amendment), First time adoption of International Financial Reporting Standards
- IFRS 2 (Amendment), Share based payment
- IFRS 9, Financial instruments part 1: Classification and measurement
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

IFRS 1 (Amendment) and IFRS 2 (Amendment) are not relevant for the Group's operations.

The adoption of IFRIC 19 and IAS 24 (Revised) is not expected to impact the Group's financial performance or position, but in the case of IAS 24 (Revised) may result in amended disclosures within the related party note.

IFRS 9 was issued in November 2009 and replaces those parts of IAS 39 relating to the classification and measurement of financial assets. While adoption of IFRS 9 is mandatory from 1 January 2013, earlier adoption is permitted.

Management is considering the implications of the standard, the impact on the Group and the timing of its adoption by the Group.

Additionally, in April 2009 and May 2010, the International Accounting Standards Board issued "Improvements to IFRSs", as part of its annual improvements project, and a vehicle for making non-urgent but necessary amendments to various IFRSs. These amendments primarily become effective for annual periods beginning on or after January 1, 2010 and 2011 respectively. Management has decided not to early adopt the amendments and does not expect their application to have a significant effect.

3. Net interest income

	2010	2009
Interest and similar income		
Cash & short term funds and due from banks	$ 8,734	$ 12,789
Investment securities	80,527	110,023
Trading securities	-	5,101
Loans and advances to customers	437,654	486,899
	526,915	614,812
Interest and similar expense		
Customer deposits	115,387	151,750
Debt securities in issue	2,925	7,640
Borrowed funds and other	21,562	21,927
	139,874	181,317
	$ 387,041	$ 433,495

4. Operating income

	2010	2009
Net fee and commission income	$ 69,120	$ 68,991
Foreign exchange commissions	44,256	44,378
Foreign exchange revaluation net (losses)/gains	(1,343)	707
Net trading gains/(losses)	1,766	(9,441)
Net investment securities gains	32,673	10,685
Net hedging gains/(losses)	6,283	(5,062)
Gains on repayment of debt securities (note 23)	186	17,648
Other operating income	11,792	6,831
	$ 164,733	$ 134,737

Net trading gains/losses have arisen from either disposals and/or changes in the fair value, on both trading securities and derivatives held for trading which include failed hedges.

Net investment securities gains have arisen from disposals of investment securities held as available-for-sale.

Net hedging gains/losses have arisen from the difference between the changes in fair value of hedged items in respect of the hedged risk against changes in fair value of the associated hedging instruments.

Analysis of net fee and commission income:

	2010	2009
Underwriting	$ 1,995	$ 1,725
Deposit services	37,646	40,202
Credit services	11,141	10,757
Card services	17,303	15,778
Other	1,035	529
	$ 69,120	$ 68,991

5. Operating expenses

	2010	2009
Staff costs	$ 177,838	$ 180,175
Property and equipment expenses	38,952	38,969
Depreciation (note 16)	19,822	18,513
Other operating expenses	80,704	82,061
	$ 317,316	$ 319,718

Analysis of staff costs:

	2010	2009
Wages and salaries	$ 142,248	$ 143,071
Pension costs - defined contribution plans (note 18)	4,303	4,383
Pension costs - defined benefit plans (note 18)	4,646	6,322
Post retirement medical benefits charge/(income) (note 18)	579	365
Other share and cash-based benefits	1,276	2,973
Other staff related costs	24,786	23,061
	$ 177,838	$ 180,175

Analysis of other operating expenses:

	2010	2009
Professional fees	$ 8,614	$ 14,100
Advertising and marketing	6,539	5,773
Business development and travel	4,585	4,782
Communications	9,317	9,423
Profit on sale of property and equipment	(100)	(946)
Other	51,749	48,929
	$ 80,704	$ 82,061

6. Taxation

	2010	2009
The components of income tax expense for the year are:		
Current tax	$ 12,231	$ 26,963
Deferred tax	345	1,845
Prior year tax	(279)	(1,827)
	$ 12,297	$ 26,981

Tax on the Group's income before tax differs from the theoretical amount that would arise using the Barbados statutory tax rate as follows:

	2010	2009
Income before taxation	$ 169,729	$ 202,182
Tax calculated at the statutory tax rate of 25%	$ 42,432	$ 50,546
Effect of different tax rates in other countries	(36,788)	(41,131)
Effect of change in tax rate	-	96
Effect of income not subject to tax	(12,697)	(8,133)
Effect of income subject to tax at 12.5%	(2,008)	(1,481)
(Over)/under provision of prior year deferred tax liability	(1,506)	1,686
(Over)/under provision of current year corporation tax liability	(143)	1,122
Movement in deferred tax asset not recognised	17,851	23,122
Effect of expenses not deductible for tax purposes	5,156	1,154
	$ 12,297	$ 26,981

7. Earnings per share

The following table shows the income and share data used in the basic and dilutive earnings per share calculations:

Basic and diluted earnings per share

	2010	2009
Net income attributable to equity holders of the parent	$ 154,197	$ 171,223
Weighted average number of common shares:		
For basic earnings per share	1,525,176	1,525,117
For diluted earnings per share	1,525,343	1,525,617
Basic and diluted earnings per share (expressed in cents per share)	10.1	11.2

The share options are considered to be dilutive potential common shares (note 28).

8. Components of other comprehensive (loss)/income, net of tax

	2010	2009
Available-for-sale financial assets:		
Gains arising during the year	$ 18,134	$ 122,814
Reclassification adjustments for gains included in the statement of income	(32,673)	(9,930)
	(14,539)	112,884
Attributable to:		
Equity holders of the parent	(14,972)	111,573
Non-controlling interests	433	1,311
	(14,539)	112,884
Gains/(losses) on translation of foreign operations		
Attributable to:		
Equity holders of the parent	3,209	(13,317)
Non-controlling interests	(12)	(450)
	3,197	(13,767)
Other comprehensive (loss)/income for the year	$ (11,342)	$ 99,117

9. Income tax effects relating to other comprehensive (loss)/income

	2010	2009
Available-for-sale financial assets		
Before tax	$ (14,032)	$ 116,185
Tax	(507)	(3,301)
After tax	(14,539)	112,884
Exchange differences on translating foreign operations before and after tax	3,197	(13,767)
Other comprehensive (loss)/income for the year	$ (11,342)	$ 99,117

10. Cash and balances with Central Banks

	2010	2009
Cash	$ 82,622	$ 69,457
Deposits with Central Banks - interest bearing	114,896	68,114
Deposits with Central Banks - non-interest bearing	312,429	288,058
Cash and balances with Central Banks	509,947	425,629
Less: Mandatory reserve deposits with Central Banks	(254,949)	(252,140)
Included in cash and cash equivalents as per below	$ 254,998	$ 173,489

Mandatory reserve deposits with Central Banks represent the Group's regulatory requirement to maintain a percentage of deposit liabilities as cash or deposits with Central Banks. These funds are not available to finance the Group's day-to-day operations and as such, are excluded from cash resources to arrive at cash and cash equivalents.

Cash and cash equivalents

	2010	2009
Cash and balances with Central Banks as per above	$ 254,998	$ 173,489
Due from banks (note 11)	281,359	453,928
	$ 536,357	$ 627,417

11. Due from banks

	2010	2009
Included in cash and cash equivalents (note 10)	$ 281,359	$ 453,928
Greater than 90 days maturity from date of acquisition	125,636	396,659
	$ 406,995	$ 850,587

The average effective yield on these amounts during the year was 1.7% (2009 – 2.5%).

12. Derivative financial instruments

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index that is the basis upon which changes in the value of derivatives are measured.

October 31, 2010	Notional amount	Assets	Liabilities
Interest rate swaps	$ 592,738	$ 2,983	$ 102,387
Foreign exchange forwards	237,103	1,164	1,393
Commodity swap contracts	1,089	39	35
		$ 4,186	$ 103,815

October 31, 2009	Notional amount	Assets	Liabilities
Interest rate swaps	$ 571,876	$ 197	$ 80,499
Foreign exchange forwards	329,414	1,378	6,585
		$ 1,575	$ 87,084

As of October 31, 2010, the Bank had positions in the following types of derivatives:

Interest rate swaps
Interest rate swaps are contractual agreements between two parties to exchange movements in interest rates.

Foreign exchange forwards
Foreign exchange forwards are contractual agreements to buy or sell a specified amount of foreign currency at a future date at an exchange rate fixed at inception of the contract.

Commodity swap contracts
Commodity swap contracts are contractual agreements to exchange cash flows based on changes in commodity prices.

Derivative financial instruments held or issued for hedging purposes
As part of its asset and liability management, the Group uses derivatives for hedging purposes in order to reduce its exposure to specified risks. Fair value hedges are used by the Group to protect against changes in the fair value of specific financial assets due to movements in interest rates. The financial assets hedged for interest rate risk include fixed interest rate loans and available-for-sale debt securities and are hedged by interest rate swaps.

During the year, the Group recognised gains on effective hedges of $6,283 (2009 – losses of $5,062) due to losses on hedging instruments of $22,732 (2009 - $35,405), and gains on hedged items attributable to the hedged risk of $29,015 (2009 - $30,343). These gains/losses are included within operating income as net hedging gains/losses.

During the year, the Group also recognised gains of $2,617 (2009 –$4,074) as a result of failed hedges which are included within operating income as part of net trading gains/losses as these derivatives are classified as trading derivatives upon failure.

13. Other assets

	2010	2009
Prepayments and deferred items	$ 6,361	$ 7,759
Other accounts receivable	46,607	37,777
	$ 52,968	$ 45,536

14. Investment securities

	2010	2009
Available-for-sale		
Equity securities - unquoted	$ 646	$ 550
Government debt securities	975,109	904,965
Other debt securities	680,866	821,251
	1,656,621	1,726,766
Add: Interest receivable	22,633	16,924
	$ 1,679,254	$ 1,743,690

The average effective yield during the year on debt securities and treasury bills was 4.5% (2009 – 5.5%). The Group has a regulatory reserve requirement to maintain a percentage of deposit liabilities in cash or in the form of Government securities. At October 31, 2010 the reserve requirement amounted to $ 562,234 (2009 - $617,585) of which $254,949 (2009 - $252,140) is included within cash and balances with Central Banks (note 10).

Available-for-sale securities in the amount of $14,876 (2009 - $14,844) were pledged as security for investment note certificates issued by the Group (note 21).

The movement in investment securities (excluding interest receivable) is summarised as follows:

	2010	2009
Balance, beginning of year	$ 1,726,766	$ 1,965,679
Additions (purchases, changes in fair value and foreign exchange)	3,074,069	943,081
Disposals (sales and redemptions)	(3,144,214)	(1,181,994)
Balance, end of year	$ 1,656,621	$ 1,726,766

15. Loans and advances to customers

October 31, 2010	Mortgages	Personal Loans	Business & Government	2010
Performing loans	$ 2,246,369	$ 638,152	$ 3,102,934	$ 5,987,455
Impaired loans	254,751	84,290	448,708	787,749
Gross loans	2,501,120	722,442	3,551,642	6,775,204
Less: provisions for impairment	(29,127)	(36,806)	(130,224)	(196,157)
	$ 2,471,993	$ 685,636	$ 3,421,418	6,579,047
Add: Interest receivable				39,580
Less: Unearned fee income				(42,308)
				$ 6,576,319

October 31, 2009	Mortgages	Personal Loans	Business & Government	2009
Performing loans	$ 2,301,076	$ 679,442	$ 3,533,541	$ 6,514,059
Impaired loans	212,341	80,768	271,517	564,626
Gross loans	2,513,417	760,210	3,805,058	7,078,685
Less: provisions for impairment	(30,587)	(34,750)	(96,131)	(161,468)
	$ 2,482,830	$ 725,460	$ 3,708,927	6,917,217
Add: Interest receivable				30,962
Less: Unearned fee income				(42,703)
				$ 6,905,476

Movement in provisions for impairment for 2010 is as follows:

	Mortgages	Personal Loans	Business & Government	2010
Balance, beginning of year	$ 30,587	$ 34,750	$ 96,131	$ 161,468
Individual impairment	5,344	14,190	34,934	54,468
Collective impairment	1,462	1,724	4,112	7,298
Recoveries	-	2,488	178	2,666
Write offs	(8,266)	(16,346)	(5,131)	(29,743)
Balance, end of year	$ 29,127	$ 36,806	$ 130,224	$ 196,157

Movement in provisions for impairment for 2009 is as follows:

	Mortgages	Personal Loans	Business & Government	2009
Balance, beginning of year	$ 28,911	$ 37,322	$ 67,756	$ 133,989
Individual impairment	3,404	8,842	29,968	42,214
Collective impairment	75	(1,162)	2,242	1,155
Recoveries	-	1,642	143	1,785
Write offs	(1,803)	(11,894)	(3,978)	(17,675)
Balance, end of year	$ 30,587	$ 34,750	$ 96,131	$ 161,468

Ageing analysis of past due but not impaired loans for 2010

	Mortgages	Personal Loans	Business & Government	2010
Less than 30 days	$ 300,018	$ 47,533	$ 220,387	$ 567,938
31 – 60 days	86,030	11,290	176,274	273,594
61- 90 days	35,427	5,136	20,899	61,462
	$ 421,475	$ 63,959	$ 417,560	$ 902,994

Ageing analysis of past due but not impaired loans for 2009

	Mortgages	Personal Loans	Business & Government	2009
Less than 30 days	$ 348,338	$ 65,628	$ 275,673	$ 689,639
31 – 60 days	57,477	11,349	125,662	194,488
61- 90 days	28,691	7,514	48,246	84,451
	$ 434,506	$ 84,491	$ 449,581	$ 968,578

The average interest yield during the year on loans and advances was 6.9% (2009 – 7.4%). Impaired loans as at October 31, 2010 amounted to $787,749 (2009 - $564,626) and interest taken to income on impaired loans during the year amounted to $12,728 (2009 - $5,453).

Loans and advances to customers include finance lease receivables:

	2010	2009
No later than 1 year	$ 5,152	$ 12,254
Later than 1 year and no later than 5 years	21,574	23,821
Later than 5 years	-	57
Gross investment in finance leases	26,726	36,132
Unearned future finance income on finance leases	(4,987)	(9,711)
Net investment in finance leases	$ 21,739	$ 26,421

16. Property and equipment

October 31, 2010	Land and buildings	Equipment, furniture and vehicles	Leasehold improvements	2010
Cost				
Balance, beginning of year	$ 96,160	$ 181,115	$ 25,775	$ 303,050
Purchases	1,694	22,904	1,600	26,198
Disposals	(1,476)	(2,937)	-	(4,413)
Net transfers/write offs (*)	1,845	(12,394)	(3,080)	(13,629)
Balance, end of year	98,223	188,688	24,295	311,206
Accumulated depreciation				
Balance, beginning of year	29,437	138,976	13,649	182,062
Depreciation	2,481	15,569	1,772	19,822
Disposals	(677)	(2,892)	-	(3,569)
Net transfers/write offs (*)	(2,710)	(10,692)	(227)	(13,629)
Balance, end of year	28,531	140,961	15,194	184,686
Net book value, end of year	$ 69,692	$ 47,727	$ 9,101	$ 126,520

October 31, 2009	Land and buildings	Equipment, furniture and vehicles	Leasehold improvements	2009
Cost				
Balance, beginning of year	$ 96,646	$ 171,675	$ 25,181	$ 293,502
Purchases	1,437	12,152	1,168	14,757
Disposals	(1,923)	(2,712)	(574)	(5,209)
Balance, end of year	96,160	181,115	25,775	303,050
Accumulated depreciation				
Balance, beginning of year	27,292	126,711	12,343	166,346
Depreciation	2,771	14,082	1,660	18,513
Disposals	(626)	(1,817)	(354)	(2,797)
Balance, end of year	29,437	138,976	13,649	182,062
Net book value, end of year	$ 66,723	$ 42,139	$ 12,126	$ 120,988

Included as part of equipment, furniture and vehicles is an amount for $18,416 (2009 - $12,103) which relating to systems development costs and work in progress which is incomplete and not yet in operation and on which no depreciation has been charged.

* This refers to transfers and net write-offs of fully depreciated assets which are no longer in use by the Bank.

17. Deferred income taxes

The movement on the deferred income tax account was as follows:

	2010	2009
Deferred tax position, beginning of year	$ 9,102	$ 14,248
Deferred tax charge to statement of income for the year	(345)	(1,845)
Deferred tax charge to other comprehensive income for the year	(507)	(3,301)
Net deferred tax position, end of year	$ 8,250	$ 9,102

Represented by:

	2010	2009
Deferred tax assets	$ 12,461	$ 12,987
Deferred tax liabilities	(4,211)	(3,885)
Net deferred tax position, end of year	$ 8,250	$ 9,102

The components of the net deferred tax position are:

	2010	2009
Accelerated tax depreciation	$ 613	$ 1,016
Loan loss provisions	1,581	795
Other provisions	3,796	3,331
Tax losses carried forward	8,377	8,614
Pension and other post retirement benefit assets	(7,379)	(6,423)
Changes in fair value of available-for-sale investment securities in other comprehensive income	1,262	1,769
	$ 8,250	$ 9,102

The deferred tax includes tax losses of $33,506 (2009 - $34,456), which will expire between 2011 and 2019.

The Group has tax losses of $510,702 (2009 - $434,400) for which no deferred tax assets have been recognised due to uncertainty of their recoverability. These losses will expire between 2011 and 2019.

18. Retirement benefit assets and obligations

The Group has insured group health plans and a number of pension schemes. The pension schemes are a mixture of defined benefit and defined contribution plans. Most of the defined benefit pension plans are non-contributory and allow for additional voluntary contributions. The insured health plans allow for retirees to continue to receive health benefits during retirement. The plans are valued by independent actuaries every three years using the projected unit credit method.

The total expense relating to the contributory plans charged for the year was $4,303 (2009 - $4,383), which represents contributions to defined contribution plans by the Group at rates specified in the rules of the plan. Refer to Note 5.

The amounts recognised on the statement of financial position were determined as follows:

	Defined benefit pension plans 2010	2009	Post retirement medical benefits 2010	2009
Fair value of plan assets	$ 251,885	$ 234,036	$ -	$ -
Present value of obligations	(229,320)	(212,865)	(6,763)	(7,313)
	22,565	21,171	(6,763)	(7,313)
Unrecognised actuarial losses/(gains)	24,410	26,971	(1,857)	(742)
Limit on economic value of surplus	-	(2,672)	-	-
Net asset/(obligations)	$ 46,975	$ 45,470	$ (8,620)	$ (8,055)

The pension plan assets include the Bank's common shares with a fair value of $1,690 (2009 - $1,711).

Changes in the fair value of the defined benefit pension plan assets were as follows:

	2010	2009
Opening fair value of plan assets	$ 234,036	$ 228,285
Expected return	18,195	18,011
Contributions by employer	5,819	8,852
Benefits paid	(6,179)	(3,479)
Foreign exchange translation losses/(gains)	714	(4,173)
Actuarial losses	(700)	(13,460)
Closing fair value of plan assets	$ 251,885	$ 234,036

Changes in the present value of the obligations for defined benefit pension plans were as follows:

	2010	2009
Opening obligations	$ (212,865)	$ (194,733)
Interest cost	(16,321)	(14,862)
Current service cost	(8,229)	(7,901)
Benefits paid	6,179	3,479
Foreign exchange translation (losses)/gains	(382)	2,087
Actuarial gain/(losses) on obligations	2,298	(935)
Closing obligations	$ (229,320)	$ (212,865)

Changes in the present value of the obligations for post retirement medical benefits were as follows:

	2010	2009
Opening obligations	$ (7,313)	$ (6,882)
Interest cost	(534)	(470)
Current service cost	(145)	(163)
Benefits paid	201	181
Foreign exchange translation (losses)/gains	(188)	21
Actuarial gains on obligations	1,216	-
Closing obligations	$ (6,763)	$ (7,313)

The Bank expects to contribute $9,575 (2009 - $6,266) to its defined benefit pension plan in the following year.

The amounts recognised in the statement of income were as follows:

	Defined benefit pension plans		Post retirement medical benefits	
	2010	2009	2010	2009
Current service costs	$ 8,229	$ 7,901	$ 145	$ 163
Interest cost	16,321	14,862	534	470
Expected return on plan assets	(18,195)	(18,011)	-	-
Net actuarial losses/(gains) recognised during the year	963	394	(100)	(268)
Limit on economic value of surplus	(2,672)	1,176	-	-
Total amount included in staff costs (note 5)	4,646	$ 6,322	$ 579	$ 365
Actual return on plan assets	$ 17,495	$ 4,551	$ -	$ -

The movements in the net asset/(obligations) recognised on the statement of financial position were as follows:

	Defined benefit pension plans		Post retirement medical benefits	
	2010	2009	2010	2009
Balance, beginning of year	$ 45,470	$ 44,805	$ (8,055)	$ (7,947)
Charge for the year	(4,646)	(6,322)	(579)	(365)
Contributions by employer	5,819	8,852	-	-
Benefits paid	-	-	201	181
Foreign exchange translation gains/(losses)	332	(1,865)	(187)	76
Balance, end of year	$ 46,975	$ 45,470	$ (8,620)	$ (8,055)

The major categories of plan assets as a percentage of the fair value of total plan assets were as follows:

	Main Plan		Bahamas Plan		Jamaica Plan	
	2010	2009	2010	2009	2010	2009
Equity instruments	50%	52%	54%	51%	14%	12%
Debt instruments	47	46	46	46	44	42
Property	-	-	-	-	23	28
Other assets	3	2	-	3	19	18

The principal actuarial assumptions used at the reporting date were as follows:

	Defined benefit pension plans	
	2010	2009
Discount rate	5.75 – 11.0%	6.0 – 18.0%
Expected return on plan assets	6.0 – 13.2%	7.0 – 13.5%
Future salary increases	4.5 – 9.0%	4.5 – 16.0%
Future pension increases	0.0 – 7.0%	0.0 – 12.0%

	Post retirement medical benefits 2010	2009
Discount rate	5.75 – 11.0%	6.0 – 18.0%
Premium escalation rate	4.5 – 5.0%	4.5 – 5.0%
Existing retiree age	60 – 65	60 – 65

An increase of 1% in the assumed medical cost trend rate for each future year would have resulted in a higher defined benefit obligation of $7,520 at October 31, 2010 (2009 - $8,410) and a higher charge for the year of $750 (2009 - $730). A decrease of 1% in the medical cost trend rate for each future year would have resulted in a lower defined benefit obligation of $5,760 at October 31, 2010 (2009 - $6,400) and a lower charge for the year of $570 (2009 - $550).

Defined benefit pension plan amounts for the current and previous four years were as follows:

	2010	2009	2008	2007	2006
Fair value of the plan assets	$ 251,885	$ 234,036	$ 228,285	$ 269,205	$ 244,545
Present value of the obligations	(229,320)	(212,865)	(194,733)	(178,533)	(166,505)
	$ 22,565	$ 21,171	$ 33,552	$ 90,672	$ 78,040

FirstCaribbean International Bank Limited Retirement Plan
The last actuarial valuation was conducted as at November 1, 2007 and revealed a fund surplus of $35,800.

FirstCaribbean International Bank (Bahamas) Limited Retirement Plan
The last actuarial valuation was conducted as at November 1, 2007 and revealed a fund surplus of $31,700.

FirstCaribbean International Bank (Jamaica) Limited Retirement Plan
The last actuarial valuation was conducted as at October 31, 2006 and revealed a fund surplus of $12,928.

19. Intangible assets

	Goodwill	Customer related intangible	2010	2009
Cost				
Balance, beginning and end of year	$ 334,907	$ 17,748	$ 352,655	$ 352,655
Accumulated amortisation				
Balance, beginning of year	-	11,105	11,105	8,142
Amortisation	-	2,963	2,963	2,963
Balance, end of year	-	14,068	14,068	11,105
Net book value, end of year	$ 334,907	$ 3,680	$ 338,587	$ 341,550

Goodwill

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to country of operation. This allocation is presented below.

	2010	2009
St. Vincent	$ 946	$ 946
Barbados (Wealth Management Operations)	17,040	17,040
Bahamas	177,920	177,920
Cayman	105,369	105,369
Trinidad	4,260	4,260
Curaçao	29,372	29,372
	$ 334,907	$ 334,907

The recoverable amount for each group of cash-generating units has been determined using value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a three year period. Cash flows beyond the three year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the country in which the CGU operates.

Key assumptions used for value-in-use calculations

A description of each assumption on which management has based its cash flow projections for the period covered by the most recent budgets/forecasts is noted below. Key assumptions are those to which the CGUs recoverable amount is most sensitive.

	Discount Rate		Growth Rate	
	2010	2009	2010	2009
St. Vincent	13%	12%	2%	2%
Barbados (Wealth Management Operations)	8	9	4	4
Bahamas	11	11	3	3
Cayman	8	10	2	2
Trinidad	11	14	5	5
Curaçao	10	12	2	2

Customer-related intangible assets

Customer-related intangible assets represent the fair value of each customer relationship acquired in a business combination, as of the acquisition date, which met the contractual-legal criterion for identification as an intangible asset in the statement of financial position separated from goodwill. The fair value of the customer relationships is amortised on a straight line basis over its expected useful life of six years.

20. Customer deposits

	Payable on demand	Payable after notice	Payable at a fixed date	2010	2009
Individuals	$ 427,536	$ 1,711,064	$ 1,355,706	$ 3,494,306	$ 3,613,234
Business and Governments	1,896,908	417,030	2,042,920	4,356,858	4,875,510
Banks	11,987	-	49,619	61,606	141,143
	2,336,431	2,128,094	3,448,245	7,912,770	8,629,887
Add: Interest payable	825	908	28,262	29,995	28,466
	$ 2,337,256	$ 2,129,002	$ 3,476,507	$ 7,942,765	$ 8,658,353

The average effective rate of interest on deposits during the year was 1.4% (2009 – 1.8%).

21. Other borrowed funds

	2010	2009
Investment note certificates and other fund raising instruments	$ 43,716	$ 36,649
Add: Interest payable	1,772	1,840
	$ 45,488	$ 38,489

The average effective rate of interest on other borrowed funds during the year was 5.1% (2009 – 6.2%).

Investment note certificates issued by the Group amounting to $14,876 (2009 - $14,844) are secured by debt securities referred to in note 14.

22. Other liabilities

	2010	2009
Accounts payable and accruals	$ 51,677	$ 54,185
Amount due to related parties	308	63
	$ 51,985	$ 54,248

The amount due to related parties is due to CIBC entities and is interest-free with no fixed terms of repayment.

23. Debt securities in issue

	2010	2009
USD$200 million guaranteed subordinated floating rate notes due 2015	$ -	$ 93,427
TT$195 million subordinated fixed rate notes due 2017	30,860	30,794
	30,860	124,221
Add: Interest payable	269	401
	$ 31,129	$ 124,622

During the year, the Bank fully repaid the floating rate notes issued out of its Cayman subsidiary. These floating-rate notes with a face value of $200,000 were denominated in United States dollars. The interest rate on the notes was reset every 3 months at the USD 3 month LIBOR interest rate plus 70 basis points during the tenure. The notes were payable at the option of the Bank in 2010 and were guaranteed on a subordinated basis by the Parent and two fellow subsidiary companies. The notes were also listed on the Luxembourg Exchange. The average effective interest rate during 2010 was 1.3% (2009 – 2.7%).

In March 2007, the Group issued subordinated term notes with a face value of TT $195,000 (USD $31,000) through its Trinidad subsidiary due in March 2017. The interest on the notes was fixed for the first two years at 7.90%; then fixed for the next three years at 8.15%; thereafter fixed at 8.75% for the remaining term. The average effective interest rate during 2010 was 8.15% (2009 – 8.1%).

24. Issued capital

	2010	2009
Balance, beginning and end of year	$ 1,117,349	$ 1,117,349

The Bank is entitled to issue an unlimited number of common shares with no par value. Common shareholders are entitled to attend and vote at all meetings of shareholders. Common shareholders have one vote for each share owned.

The Bank had 1,525,176,762 shares issued and outstanding at the beginning and end of the year.

Capital

Objectives, policies and procedures

Capital strength provides protection for depositors and creditors and allows the Group to undertake profitable business opportunities as they arise. Our objective is to employ a strong and efficient capital base. We manage capital in accordance with policies established by the Board. These policies relate to capital strength, capital mix, dividends and return of capital, and the unconsolidated capital adequacy of regulated entities. Each policy has associated guidelines, and capital is monitored continuously for compliance.

Each year a capital plan and three-year outlook are established, which encompass all the associated elements of capital: forecasts of sources and uses, maturities, redemptions, new issuance, corporate initiatives, and business growth. The capital plan is stress-tested in various ways to ensure that it is sufficiently robust under all reasonable scenarios. All of the elements of capital are monitored throughout the year, and the capital plan is adjusted as appropriate.

There were no significant changes made in the objectives, policies and procedures during the year.

Regulatory requirements

Our regulatory capital requirements are determined in accordance with guidelines issued by our banking regulators across the region and in the case of Barbados, by the Central Bank of Barbados. These guidelines evolve from the framework of risk-based capital standards developed by the Basel Committee, Bank of International Settlement (BIS).

BIS standards require that banks maintain minimum Tier I and Tier I & Tier II ratios of 4% and 8% respectively. The Central Bank of Barbados has established that FirstCaribbean International Bank Limited maintains a minimum combined ratio of 14%. During the year, we have complied in full with all of our regulatory capital requirements.

Regulatory capital

Regulatory capital consists of Tier I and Tier II capital, less certain deductions. Tier I Capital comprises common stock, retained earnings, and non-controlling interests in consolidated subsidiaries, less goodwill and other deductions. Tier II Capital principally comprises hybrid capital instruments such as subordinated debt and general provisions and 45% of revaluation reserves on available-for-sale securities.

As at October 31, 2010, Tier I and Tier I & Tier II Capital ratios were 21% and 22% respectively (2009 – 19% and 22% respectively).

25. Treasury shares

	2010	2009
Balance, beginning of year	$ -	$ (500)
Net disposal of treasury shares	-	500
Balance, end of year	$ -	$ -

The Bank held no treasury shares at the beginning and end of the year.

Where the Bank or other members of the consolidated Group purchase the Bank's equity share capital, the consideration paid is deducted from total equity attributable to equity holders of the parent as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in total equity attributable to equity holders of the parent.

26. Reserves

	2010	2009
Statutory and general banking reserves	$ 246,506	$ 222,493
Revaluation reserve – available-for-sale investment securities	(3,152)	11,820
Translation reserve	(17,363)	(20,572)
Contributed surplus reserve	3,119	3,119
Reverse acquisition reserve	(463,628)	(463,628)
Total reserves	$ (234,518)	$ (246,768)

Statutory and general banking reserves

	2010	2009
Balance, beginning of year	$ 222,493	$ 194,895
Transfers from retained earnings	24,013	27,598
Balance, end of year	$ 246,506	$ 222,493

Statutory reserves represents accumulated transfers from retained earnings in accordance with local legislation and general banking reserves represents transfers from retained earnings to meet qualifying capital requirements under local legislation which are not distributable.

Revaluation reserve – available-for-sale investment securities

	2010	2009
Balance, beginning of year	$ 11,820	$ (99,753)
Net (losses)/gains from changes in fair value of available-for-sale investment securities	(14,972)	111,573
Balance, end of year	$ (3,152)	$ 11,820

Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income and are reflected in the revaluation reserve.

Translation reserve

	2010	2009
Balance, beginning of year	$ (20,572)	$ (7,255)
Foreign currency translation difference arising during the year	3,209	(13,317)
Balance, end of year	$ (17,363)	$ (20,572)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and are reflected in the translation reserve.

Share-based payment reserve

	2010	2009
Balance, beginning of year	$ -	$ 625
Shares issued during the year	-	(625)
Balance, end of year	$ -	$ -

Previously, the Group engaged in equity settled share-based payment transactions in respect of services rendered from certain of its employees. The cost of the services received was measured by reference to the fair value of the shares or share options granted. The cost related to the shares or share options granted was recognised in the statement of income over the period that the services of the employees are received, which is the vesting period, with a corresponding credit to equity through this reserve account. The Group has changed to cash based payment transactions and as such, the remaining share based transactions were completed during 2009 (refer to note 28).

Contributed surplus reserve

	2010	2009
Balance, beginning and end of year	$ 3,119	$ 3,119

This reserve represents the settlement of certain obligations on behalf of the Bank by the parent.

Reverse acquisition reserve

	2010	2009
Balance, beginning and end of year	$ (463,628)	$ (463,628)

Under the combination on October 11, 2002, CIBC West Indies became the legal parent company with Barclays transferring its operations to subsidiaries of CIBC West Indies in exchange, ultimately, for common shares and newly created classes of non-voting and preference shares of CIBC West Indies. Barclays was identified as the acquirer as the fair value of its business prior to the combination was significantly greater than the fair value of CIBC West Indies' business and as a result Barclays had the greater economic interest. This situation is described by IFRS as a reverse acquisition.

In accordance with IFRS, the equity of the Bank at October 11, 2002 (the date of the combination) comprised the equity of Barclays ($135,290) together with the fair value of the consideration given to acquire CIBC West Indies ($848,149). However, legally the share capital and statutory reserves of the Bank comprise the issued share capital and statutory reserves of CIBC West Indies plus the shares issued to effect the combination, recorded at fair value. The reverse acquisition reserve is therefore the difference between the legally required share capital and statutory reserves together with the retained earnings of Barclays, and the equity of the Bank presented in accordance with IFRS.

27. Dividends

As at October 31, 2010, the Directors recommended for approval a final common share dividend, which is not reflected in these financial statements, of three cents ($0.03) per common share (2009 - $0.03), bringing the total dividend payout for 2010 to six cents ($0.06) per common share (2009 - $0.06).

28. Other employee benefits

Stock option plan

One of the predecessor organisations, CIBC West Indies, had a stock option plan. Under the rules of the plan, options to purchase common shares in the Bank were granted to employees that entitled the employee to purchase common shares of the Bank at the market price (strike price) of the shares on the date of granting the options. The options vest over a four-year period and the maximum period within which an option may be exercised is ten years.

In February 1999, 1,775,000 options were granted to current employees at a strike price of one dollar and seventy-two cents ($1.72) per share. These options expired in February 2010 and to date no further options have been granted.

During 2010, no options were exercised (2009 – nil) and all of the remaining 500,000 were forfeited. The number of options outstanding as at October 31, 2010 amounted to nil (2009 – 500,000).

There are no expenses arising from this plan as the vesting period has passed and liabilities at October 31, 2010 amounted to $nil (2009 - $nil).

Long term incentive plan

The Group operates a long term incentive plan whereby under the rules of the plan, awards are granted to employees on a discretionary basis and vest over varying periods. Prior to October 31, 2008, these awards were share-based awards whereby common shares of the Bank were granted to employees on a discretionary basis and the shares vested over varying periods. Effective from November 1, 2008, the plan was changed to a cash based award whereby cash is granted to employees on a discretionary basis and vest over varying periods.

The award granted in 2010 amounted to $3,000 (2009 – $3,841). The amounts expensed during the year related to these cash awards were $2,219 (2009 - $1,877).

Employee share purchase plan

Under our Employee Share Purchase Plan, qualifying employees can choose each year to have up to 10% of their eligible earnings withheld to purchase common shares in the Bank. The Bank matches 50% of the employee contribution amount, up to a maximum contribution of 6% of eligible earnings, depending upon length of service and job level. The Bank contributions vest after employees have two years of continuous participation in the plan, and all subsequent contributions vest immediately.

All contributions are paid into a trust and used by the plan trustees to purchase common shares in the open market. The Bank contributions are expensed as incurred and totalled $1,092 in 2010 (2009 - $1,096).

29. Related party transactions and balances

The Group's major shareholder is CIBC.

A number of banking transactions are entered into with related parties in the normal course of business. The key related party balances and transactions included in the Group's financials are disclosed below.

	Directors and key management personnel		Major shareholder	
	2010	2009	2010	2009
Asset balances:				
Cash and due from banks	$ -	$ -	$ 13,572	$ 425,735
Loans and advances to customers	3,462	5,820	2	-
Derivative financial instruments	-	-	2,254	1,547
Liability balances:				
Customer deposits	10,699	21,235	33,507	40,202
Derivative financial instruments	-	-	70,032	65,684
Due to Banks	-	-	185	153
Revenue transactions:				
Interest income earned	164	328	399	506
Other revenue	14	5	298	298
Expense transactions:				
Interest expense incurred	120	177	18,284	12,795
Other expenses for banking and support services	-	-	2,197	2,706

Key management compensation

	2010	2009
Salaries and other short-term benefits	$ 7,867	$ 8,030
Post-employment benefits	385	473
Long term incentive benefits	479	304
	$ 8,731	$ 8,807

Non-Executive Directors' remuneration

A listing of the members of the Board of Directors is included within the Group's Annual Report. In 2010, the total remuneration for the non-executive directors was $175 (2009 - $207). The Executive Directors remuneration is included under key management compensation.

30. Commitments, guarantees and contingent liabilities

The Bank conducts business involving letters of credit, guarantees, performance bonds and indemnities, which are not reflected in the statement of financial position.

	2010	2009
Letters of credit	$ 103,271	$ 98,861
Loan commitments	701,350	737,471
Guarantees and indemnities	158,602	175,272
	$ 963,223	$ 1,011,604

The Group is the subject of legal actions arising in the normal course of business. Management considers that the liability, if any, of these actions would not be material beyond what is already provided for in these financial statements.

31. Future rental commitments under operating leases

As at October 31 the Group held leases on buildings for extended periods. The future rental commitments under these leases were as follows:

	2010	2009
Not later than 1 year	$ 5,238	$ 6,733
Later than 1 year and less than 5 years	11,772	9,527
Later than 5 years	3,772	372
	$ 20,782	$ 16,632

32. Fiduciary activities

The Group provides custody and trustee discretionary investment management services to third parties. Those assets that are held in a fiduciary capacity are not included in these financial statements. At the reporting date, the Group had investment assets under administration on behalf of third parties amounting to $3,532,299 (2009 - $3,097,246).

33. Business segments

The Group's operations are organised into two business segments, Retail Banking and Corporate Investment Banking (CIB) which are supported by the functional units within the Administration segment (which includes Finance, HR, Technology and Operations, Treasury, Risk and other).

During the year, the small business and cards acquiring businesses were transferred from CIB to Retail Banking.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on economic profits, which for the total of all segments is equal to net income before taxes reflected on the consolidated financial statements. Economic profits include funds transfer pricing, management allocations, and charges for the segments' use of capital.

Income taxes are managed on a group basis and are not allocated to business segments. Transactions between the business segments are on normal commercial terms and conditions.

Segment assets and liabilities comprise operating assets and liabilities, being the majority of the statement of financial position, but exclude items such as taxation and intangible assets. Securities and cash placements are normally held within the Treasury unit within the Administration segment.

The Administration segment results include the earnings on excess capital as well as the offset to the capital charges that have been allocated to Retail Banking and CIB.

October 31, 2010	Retail Banking	CIB	Administration	2010
External revenues	$ 277,427	$ 287,717	$ 126,504	$ 691,648
Revenues from other segments	47,090	29,356	(76,446)	-
Total revenues	$ 324,517	$ 317,073	$ 50,058	$ 691,648
Segment results	$ 21,798	$ 93,004	$ 54,927	$ 169,729
Taxation				12,297
Net income for the year				$ 157,432

Segment results includes the following items of income or expense:

	Retail Banking	CIB	Administration	2010
Interest income	$ 218,596	$ 209,238	$ 99,081	$ 526,915
Interest expense	69,200	37,391	33,283	139,874
Loan loss impairment	11,141	50,625	-	61,766
Net hedging gains	-	-	6,283	6,283
Depreciation	5,628	245	13,949	19,822
Amortisation	-	-	2,963	2,963

Total assets and liabilities by segment are as follows:

	Retail Banking	CIB	Administration	2010
Segment assets	$ 3,305,926	$ 3,947,037	$ 2,150,201	$ 9,403,164
Unallocated assets				362,993
Total assets				$ 9,766,157
Segment liabilities	$ 4,054,134	$ 3,552,148	$ 577,520	$ 8,183,802
Unallocated liabilities				9,136
Total liabilities				$ 8,192,938

October 31, 2009	Retail Banking	CIB	Administration	2009
External revenues	$ 293,886	$ 325,790	$ 129,873	$ 749,549
Revenues from other segments	47,462	22,945	(70,407)	-
Total revenues	$ 341,348	$ 348,735	$ 59,466	$ 749,549
Segment results	$ 25,501	$ 143,423	$ 33,258	$ 202,182
Taxation				26,981
Net income for the year				$ 175,201

Segment results includes the following items of income or expense:

	Retail Banking	CIB	Administration	2009
Interest income	$ 240,019	$ 243,192	$ 131,601	$ 614,812
Interest expense	90,916	45,419	44,982	181,317
Loan loss impairment	6,718	36,651	-	43,369
Net hedging losses	-	-	(5,062)	(5,062)
Depreciation	7,352	451	10,710	18,513
Amortisation	-	-	2,963	2,963

Total assets and liabilities by segment are as follows:

	Retail Banking	CIB	Administration	2009
Segment assets	$ 3,189,210	$ 4,362,005	$ 2,587,736	$ 10,138,951
Unallocated assets				363,626
Total assets				**$ 10,502,577**
Segment liabilities	$ 3,977,156	$ 4,148,105	$ 845,590	$ 8,970,851
Unallocated liabilities				12,957
Total liabilities				**$ 8,983,808**

Geographical segments are set out in note 34.

34. Financial risk management

Introduction

Risk is inherent in the Bank's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities. The Bank is exposed to credit risk, liquidity risk and market risk, the latter being subdivided into trading and non-trading risks. It is also subject to various operating risks.

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 whilst 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. The Group also enters into guarantees and other commitments such as letters of credit and performance and other bonds.

Credit risk

Credit risk primarily arises from direct lending activities, as well as, trading, investment and hedging activities. Credit risk is defined as the risk of financial loss due to a borrower or counterparty failing to meet its obligations in accordance with agreed terms.

Process and control

The Credit Risk Management Department (CRMD) is responsible for the provision of the Group's adjudication, oversight and management of credit risk within its portfolios. The Credit Executive Committee (CrExCo) of CRMD has responsibility for monitoring credit metrics, providing direction on credit issues and making recommendations on credit policy.

CRMD is guided by the Group's Delegation of Authority policy which is based on the levels of exposure and risk. Credits above the discretion delegated to the front line business are approved by CRMD and above this level by Credit Committee and the Risk & Conduct Review Committee of the Board (R&CRC). The R&CRC also has the responsibility for setting policy and key risk limits including portfolio limits which are reviewed annually.

Credit risk limits

Credit limits are established for all loans (mortgages, personal and business & government) for the purposes of diversification and managing concentration. These include limits for individual borrowers, groups of related borrowers, industry sectors, country and geographic regions and products or portfolios.

Collateral

The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Group implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances to customers are:

- Mortgages over residential properties
- Charges over business assets such as premises, inventory and accounts receivable
- Charges over financial instruments such as debt securities and equities

The Group's credit risk management policies include requirements relating to collateral valuation and management, including verification requirements and legal certainty. Valuations are updated periodically depending upon the nature of the collateral. Management monitors the market value of collateral and requests additional collateral in accordance with the underlying agreement during its periodic review of loan accounts in arrears. Policies are in place to monitor the existence of undesirable concentration in the collateral supporting the Group's credit exposure.

Geographic distribution

The following table provides a geographic distribution of gross drawn and undrawn loans and advances to customers which therefore excludes provisions for impairment, interest receivable and unearned fee income.

	Drawn	Undrawn	Gross Maximum Exposure 2010	Drawn	Undrawn	Gross Maximum Exposure 2009
Barbados	$ 856,079	$ 196,024	$ 1,052,103	$ 910,790	$ 174,088	$ 1,084,878
Bahamas	2,111,279	149,565	2,260,844	2,258,070	161,678	2,419,748
Cayman	1,266,684	94,734	1,361,418	1,332,393	103,260	1,435,653
Eastern Caribbean	855,752	90,181	945,933	906,215	96,772	1,002,987
Jamaica	382,279	44,870	427,149	401,803	55,105	456,908
BVI	159,855	17,682	177,537	161,612	17,587	179,199
Belize	77,575	13,028	90,603	85,393	13,687	99,080
Curaçao	109,956	13,951	123,907	97,074	9,325	106,399
Other	955,745	81,315	1,037,060	925,335	105,969	1,031,304
	$ 6,775,204	$ 701,350	$ 7,476,554	$ 7,078,685	$ 737,471	$ 7,816,156

Exposures by Industry Groups

The following table provides an industry-wide break down of gross drawn and undrawn loans and advances to customers which therefore excludes provisions for impairment, interest receivable and unearned fee income.

	Drawn	Undrawn	Gross Maximum Exposure 2010	Drawn	Undrawn	Gross Maximum Exposure 2009
Agriculture	$ 55,760	$ 1,618	$ 57,378	$ 60,069	$ 4,680	$ 64,749
Governments	646,248	47,840	694,088	669,427	25,960	695,387
Construction	783,747	33,291	817,038	822,509	47,154	869,663
Distribution	389,355	95,834	485,189	450,126	113,540	563,666
Education	60	-	60	10,741	-	10,741
Electricity, gas & water	63,345	5,995	69,340	65,348	6,059	71,407
Fishing	63,424	4,024	67,448	70,368	4,938	75,306
Health & social work	24,991	-	24,991	17,672	14,426	32,098
Hotels & restaurants	574,304	9,269	583,573	609,712	18,721	628,433
Individuals & individual trusts	2,068,144	323,674	2,391,818	2,091,275	312,352	2,403,627
Manufacturing	123,364	36,154	159,518	148,417	38,590	187,007
Mining & quarrying	41,927	10,783	52,710	27,809	2,103	29,912
Miscellaneous	1,039,715	64,943	1,104,658	1,061,187	64,426	1,125,613
Other financial corporations	44,634	13,545	58,179	58,137	48,914	107,051
Real estate, renting & other activities	725,362	44,203	769,565	772,301	24,341	796,642
Transport, storage & communications	130,824	10,177	141,001	143,587	11,267	154,854
	$ 6,775,204	$ 701,350	$ 7,476,554	$ 7,078,685	$ 737,471	$ 7,816,156

Impaired financial assets and provision for credit losses

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. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one counterparty, borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and are subject to an annual or more frequent review.

The exposure to any one counterparty including banks and brokers is further restricted by sub-limits which include exposures not recognised in the statement of financial position, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. 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 including corporate and personal guarantees.

Derivatives

The Group maintains strict control limits on net open derivative positions, that is, the difference between purchase and sale contracts, by both amount and term. At any one time the amount subject to credit risk is limited to the current fair value of instruments that are favourable to the Group (i.e. assets), which in relation to derivatives is only a small fraction of the contract or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the group requires margin deposits from counterparties.

Master netting arrangements

The Group further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of statement of financial position assets and liabilities as transactions are usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Group's overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period since it is affected by each transaction subject to the arrangement.

Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods or appropriate assets to which they relate and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term of maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

Maximum exposure to credit risk

The following table shows the maximum exposure to credit risk for the components of the statement of financial position. The maximum exposure is shown gross, before the effect of mitigation through the use of master netting and collateral arrangements.

	Gross maximum exposure	
	2010	**2009**
Balances with Central Banks	$ 427,325	$ 356,172
Due from banks	406,995	850,587
Derivative financial instruments	4,186	1,575
Investment securities		
-Government debt securities	975,109	904,965
-Other debt securities	680,866	821,251
-Interest receivable	22,633	16,924
Loans and advances to customers		
-Mortgages	2,501,120	2,513,417
-Personal loans	722,442	760,210
-Business and government loans	3,551,642	3,805,058
-Interest receivable	39,580	30,962
Other assets	52,968	45,536
Total	9,384,866	10,106,657
Commitments, guarantees and contingent liabilities (Note 30)	963,223	1,011,604
Total credit risk exposure	$ 10,348,089	$ 11,118,261

Geographical concentration

The following table reflects additional geographical concentration information.

October 31, 2010	Total assets	Total liabilities	Commitments, guarantees and contingent liabilities	External Revenues	Capital expenditure (*)	Non-Current Assets (**)
Barbados	$ 2,755,009	$ 1,834,839	$ 251,363	$ 255,583	$ 15,772	$ 37,932
Bahamas	3,086,166	2,413,459	238,428	207,308	2,353	213,094
Cayman	1,484,915	1,118,356	120,810	114,647	361	162,604
Eastern Caribbean	963,561	891,745	109,785	88,712	3,852	15,764
Jamaica	611,141	511,966	65,920	67,062	2,320	8,165
BVI	590,815	496,195	22,756	16,039	359	5,141
Belize	127,764	107,455	24,190	14,244	528	2,033
Curaçao	520,890	440,522	24,067	19,320	85	797
Other	1,451,762	1,299,357	105,904	78,330	568	33,640
	11,592,023	9,113,894	963,223	861,245	26,198	479,170
Eliminations	(1,825,866)	(920,956)	-	(169,597)	-	(14,063)
	$ 9,766,157	$ 8,192,938	$ 963,223	$ 691,648	$ 26,198	$ 465,107

October 31, 2009	Total assets	Total liabilities	Commitments, guarantees and contingent liabilities	External Revenues	Capital expenditure (*)	Non-Current Assets (**)
Barbados	$ 2,776,476	$ 1,886,217	$ 224,062	$ 239,043	$ 4,408	$ 35,855
Bahamas	3,247,194	2,595,134	252,722	208,855	2,308	213,757
Cayman	1,802,882	1,398,173	135,760	125,252	456	166,915
Eastern Caribbean	1,014,736	895,633	118,020	97,241	2,774	14,646
Curaçao	603,264	513,401	73,526	77,426	2,477	7,432
Jamaica	883,730	796,353	23,359	22,263	383	5,488
BVI	128,287	107,487	19,873	15,651	-	2,069
Belize	531,883	458,483	25,717	25,537	149	1,842
Other	1,412,126	1,326,018	138,565	88,890	1,802	28,597
	12,400,578	9,976,899	1,011,604	900,158	14,757	476,601
Eliminations	(1,898,001)	(993,091)	-	(150,609)	-	(14,063)
	$ 10,502,577	$ 8,983,808	$ 1,011,604	$ 749,549	$ 14,757	$ 462,538

* Capital expenditure is shown by geographical area in which the property and equipment or intangible assets are located.

**Non-current assets relate only to property and equipment and intangible assets.

Credit rating system and credit quality per class of financial assets

Credit Quality

A mapping between the Group's internal ratings and the ratings used by external agencies is shown in the table below. As part of the Group's risk-rating methodology, the risk assessed includes a review of external ratings of the obligor. The obligor rating assessment takes into consideration the Group's financial assessment of the obligor, the industry, and the economic environment of the country in which the obligor operates. In certain circumstances, where a guarantee from a third party exists, both the obligor and the guarantor will be assessed.

Quality per FCIB	Standard & Poor's equivalent	Moody's Investor Services
High grade	AAA to BBB-	Aaa to Baa3
Standard	BB+ to B-	Ba to B3
Substandard	CCC+ to CC	Caa1 to Ca
Impaired	D	C

A credit scoring methodology is used to assess Personal customers and a grading model is used for Corporate clients and an ageing analysis of the portfolio assists in the development of a consistent internal-risk rating system. This risk rating system is used for portfolio management, risk limit setting, product pricing, and in the determination of economic capital.

The effectiveness of the risk rating system and the parameters associated with the risk ratings are monitored within Credit Risk Management and are subject to an annual review.

The credit quality of financial assets is managed using internal credit ratings.

With the exception of investment securities amounting to $ nil (2009 - $52,181) that were classified as substandard, all other securities are standard or high grade.

The table below shows the credit quality by class of asset for gross loans and advances to customers, based on an ageing analysis of the portfolio, a key measure of credit quality as described above. Amounts provided are before allowance for credit losses, and after credit risk mitigation, valuation adjustments related to the financial guarantors, and collateral on agreements.

		Performing				
October 31, 2010	Notes	High Grade	Standard Grade	Sub Standard Grade	Impaired	2010
Grade description						
Loans and advances to customers						
-Mortgages		$ 2,185,378	$ 21,240	$ 39,751	$ 254,751	$ 2,501,120
-Personal loans		629,038	3,771	5,343	84,290	722,442
-Business and government loans		3,030,858	34,395	37,681	448,708	3,551,642
Total	15	$ 5,845,274	$ 59,406	$ 82,775	$ 787,749	$ 6,775,204

		Performing				
October 31, 2009	Notes	High Grade	Standard Grade	Sub Standard Grade	Impaired	2009
Grade description						
Loans and advances to customers						
-Mortgages		$ 2,154,605	$ 60,303	$ 86,168	$ 212,341	$ 2,513,417
-Personal loans		647,556	13,023	18,863	80,768	760,210
-Business and government loans		3,305,999	53,634	173,908	271,517	3,805,058
Total	15	$ 6,108,160	$ 126,960	$ 278,939	$ 564,626	$ 7,078,685

Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to the changes in the market variables. Market risk arises from positions in securities and derivatives as well as from our core retail, wealth and corporate businesses. The key risks to the Group are foreign exchange, interest rate and credit spread. Market Risk within the Bank is a centralised group. This mirrors the way that the hard currencies are managed by Treasury and although the local currencies are handled in their respective regions these are still monitored, measured and controlled from a market risk perspective, centrally. The Group classifies market risk exposures into trading and non-trading, however due to the small size of the trading portfolio the key types of measures used for market risk are not segregated and the following sections give a comprehensive review of the Group's entire exposures.

Policies and standards

The Group has a comprehensive policy for market risk management which incorporates identification, measurement, monitoring and control of those risks. This policy is reviewed and approved annually by the Risk and Conduct Review Committee. The policy includes the annual approval of the Board limits which is used by the Group to establish explicit risk tolerances expressed in terms of the four main risk measures mentioned below. There is a three tiered approach to limits at the Group. The highest level is set at the Board, the second tier is delegated by the Chief Risk Officer and the third tier to Treasury, which limits traders to specific size of deal, documented through a formal delegation letter and monitored using the Group's treasury system.

Process and control
Market risk measures are monitored with differing degrees of frequency dependent upon the relative risk and speed with which the risk changes. FX positions, Value at Risk (VaR), certain profit and loss measures are all measured daily whereas others such as stress tests and credit spread sensitivity are performed on a weekly or monthly basis. Regular market risk compliance reports are produced and circulated to senior management and the Board.

Risk measurement
The Group has four main measures of market risk which are as follows:

- Outright position, used predominantly for FX
- Sensitivity to a 1 basis point move in a curve, used for both interest rate and credit spread risk
- Value at Risk (VaR) measures for both interest rate risk and for non pegged currencies
- Stress scenarios based upon a combination of theoretical situations and historical events

Position
This risk measurement is used predominantly for the Group's foreign exchange business. The measure produced and reported daily focuses upon the outright long or short position in each currency from both a prestructural and post structural basis. Any forward contracts or FX swaps are also incorporated.

Sensitivity
The two main measures utilised by the bank are the DV01 (delta value of a 1 basis point move) and the CSDV01 (Credit Spread Delta of a 1 basis point move). The DV01 measure is calculated for a 1 basis point move down in the yield curve. This generates the effect on earnings by individual currency of a parallel shift down in the related yield curve. As curves rarely move in a parallel fashion it is measured across different tenors to ensure that there is not further curve risk of having for example a long position in the short end of the curve offset by a short position in the longer tenors. This is then utilised within the scenario analysis. The sensitivities are calculated using two different approaches, a pre structural basis that focuses upon predominantly contractual date positions and a post structural basis that considers core balances for non contractual maturities as well as assigning risk to capital and non product general ledger accounts, as well as considering market specific pricing situations.

The CSDV01 sensitivity looks at the risk of the spreads between the USD denominated, locally issued bond portfolio and the benchmark USD interest rate curve widening or narrowing as well as to look at the effect of that same type of credit spread move impacting the value of the USD structural hedge positions.

Value at Risk
The Group's VaR methodology utilises the tested and validated CIBC parent models. It is a statistical, probability based approach that uses volatilities and correlations to quantify risk into dollar terms. VaR measures the potential loss from the adverse market movements that can occur overnight with a less than 1% probability of occurring under normal market conditions, based on equally weighted historical data. VaR uses numerous risk factors as inputs and is computed through the use of historical volatility of each risk factor and the associated correlations among them, evaluated over a 1 year period and updated on a regular basis. The use of these historical measures do cause a degree of limitation to its accuracy as it assumes that future price movements will follow a statistical distribution and thus may not clearly predict the future impact. A further weakness of the VaR measure is that it does not estimate the effects of market variable moves outside of the 99% parameter and hence may underestimate losses. To counter this, the Bank has various stress measures to calculate potential tail event losses.

Stress testing & scenario analysis
Stress testing and scenario analysis are designed to add insight to possible outcomes of abnormal (or tail event) market conditions and to highlight where risk concentrations could be a concern.

The Group has two distinct approaches to this which are as follows:

- For the hard currency testing it sends its position sensitivity to CIBC and utilises the suite of measures that CIBC has developed. The stress testing measures the effect on the hard currency portfolio values over a wide range of extreme moves in market prices. The stress testing methodology assumes no actions are taken or are able to be taken during the event to mitigate the risk, reflecting the decreased liquidity that frequently accompanies market shocks. The scenario analysis approach again for the Group's hard currency exposures simulate an impact on earnings of extreme market events up to a period of one quarter. Scenarios are developed using actual historical data during periods of market disruption, or are based upon hypothetical occurrence of economic or political events or natural disasters and are designed by CIBC's economists, business leaders and risk managers.

- The local currency stress tests are designed on a similar but smaller scale. For interest rate stresses, Market Risk in conjunction with Treasury consider the market data over approximately the last 10 years and identify the greatest curve or data point moves over both sixty and single days. These are then applied to the existing positions/sensitivities of the bank. This is performed and reported on a monthly basis as they do not tend to change rapidly. For foreign exchange stresses, the Group considers what the effect of a currency coming off a peg would have on the earnings of the Group. This is largely judgmental, as it has happened so infrequently in the region and it is supplemented by some historical reviews both within the region and in other areas where pegged currency regimes have or do exist.

Interest rate risk

Non-trading interest rate risk consists primarily of a combination of the risks inherent in asset and liability management activities and the activities of the core retail, wealth and corporate businesses. Interest rate risk results from differences in the maturities or re-pricing dates of assets inclusive of those assets not recognised in the statement of financial position.

Summary of Key Market Risks

From the multitude of market risks arising from the various currencies, yield curves and spreads throughout the regional and broader international markets, the following risks are considered by management the most significant for the Group. The risk of credit spreads widening in a similar fashion to the Credit Crisis of 2008 on bonds held within the investment portfolios, and the magnitude of the risk, but low probability of a peg breaking between the USD and a local currency, particularly the BSD, impacting the structural long position of the bank. The largest interest rate risk is that of the USD yield curve continuing to flatten, but due to the already historical lows across the curve this again is considered a relatively low probability for it to generate a material impact. The following section highlights these key risks as well as some of the lesser ones that arise from the Group's ongoing banking operations.

The following table shows the key measures for market risk, namely the potential loss or Value at Risk (VaR) related to interest rates, the results of interest rate stress tests over 1 day and 60 days and the potential impact of a 1 basis point change or DV01:

Market risk metrics	**2010**	**2009**
Interest rate VaR – Hard currency	$ 514	$ 1,776
Interest rate VaR – Local currency	301	183
Interest rate VaR – Total *	655	1,826
Interest rate stress – Hard currency 1 day	7,996	4,445
Interest rate stress – Hard currency 60 days	19,754	24,454
Interest rate stress – Local currency 1 day	5,700	5,370
Interest rate stress – Local currency 60 days	17,390	17,610
DV01 Hard currency	(129)	(147)
DV01 Local currency	59	83

* Interest rate VaR for hard currency and local currency are not additive since the underlying variables are not perfectly correlated.

The following table shows the key measures for the significant currencies of the group:

	2010			2009		
Currency	DV01	VaR	60 day Stressed Loss	DV01	VaR	60 day Stressed Loss
United Stated dollars	$ (123)	$ 550	$ 19,754	$ (123)	$ 1,716	$ 24,454
Trinidad & Tobago dollars	(2)	26	206	6	27	1,121
Barbados dollars	57	37	3,458	74	61	4,761
Bahamas dollars	66	67	2,175	66	118	1,954
Jamaican dollars	(16)	171	3,366	(15)	209	3,036
Eastern Caribbean dollars	(19)	201	1,530	(21)	90	1,852

Note: DV01 above are shown on a post structural basis and brackets highlight a short position.

The following table shows the potential impact of an immediate 100 basis point increase or decrease in interest rates.

	2010	2009
100bp increase in interest rates		
Impact on net interest income	$ 12,300	$ 9,500
Impact on other comprehensive income	6,900	6,500
100bp decrease in interest rates		
Impact on net interest income	(8,900)	(9,500)
Impact on other comprehensive income	(3,000)	(6,500)

In addition to the previous table, as described earlier, the Group utilises a combination of high level Board measures and limits to monitor risk as well as the more granular Chief Risk Officer's measurements and limits. The key interest rate risk measures are shown in the tables below with the CRO table being a subset highlighting the currencies where the Group has their more significant interest rate exposures.

Credit spread risk

Credit spread exists as the benchmark curve and the reference asset curves either converge or diverge. The Group has 2 portfolios that have a material amount of credit spread risk. The risk is measured using an estimated CSDV01 and stress scenarios. The results of these are reported monthly to senior management.

	2010			2009		
	Notional	CSDV01 (*)	Stressed Loss (*)	Notional	CSDV01 (*)	Stressed Loss (*)
Local issued hard currency denominated bond portfolio	$ 482,400	$ 298	$ 71,200	$ 499,700	$ 313	$ 74,300
Structural interest rate hedge portfolio (bank paper)	334,800	133	27,400	583,700	153	30,700

* For the locally issued debt, based upon over 85% of the portfolio by notional.

Commodity Risk

During 2010 the Group assisted regional clients in hedging their exposure to moves in energy prices. All of these transactions are hedged with the parent bank such that immaterial market risk remains on the Group's books.

Derivatives held for ALM purposes

Where derivatives are held as hedges against either sizeable loans from core businesses or to reduce interest risk exposure to USD denominated local bond issues and if the transactions meet the regulatory criteria then the Bank applies for hedge accounting. Derivative hedges that do not qualify for hedge accounting treatment are considered to be economic hedges and are recorded at market value on the statement of financial position with changes in the fair value reflected through the profit and loss. It should be noted that these are only interest rate risk hedges and other risks such as credit spread on the underlying still exist and are measured separately.

Foreign exchange risk

Foreign exchange (or currency) risk is defined as the risk that the value of a financial instrument will fluctuate as a result of changes in foreign exchange rates. As a significant number of the regional currencies are pegged to the USD, the VaR calculation is not an appropriate risk measure and hence more emphasis is put upon the overall position limit and related stress tests. The Board has set limits on positions by currency. Positions are monitored on a daily basis and Treasury is solely responsible for the hedging of the exposure of the Group.

The following table highlights the currencies that the Group had significant exposures to at October 31 of the respective years. It also highlights the measures used by the Bank to measure, monitor and control that risk.

	2010			2009		
Currency	**Position long/(short) against USD**	**VaR**	**Stressed Loss**	**Position long/(short) against USD**	**VaR**	**Stressed Loss**
Cayman dollars	$ (943)	$ N/A	$ 75	$ 57,775	$ N/A	$ 5,778
Trinidad & Tobago dollars	72	1	18	(4,404)	52	352
Barbados dollars	31,686	N/A	9,506	30,121	N/A	9,036
Bahamas dollars	1,513	N/A	454	(3,648)	N/A	292
Jamaican dollars	(1,910)	24	153	(25,436)	457	2,035
Eastern Caribbean dollars	14,686	N/A	4,406	16,381	N/A	4,914

The Group also uses a measure to quantify non trading foreign exchange risk, also referred to as post structural foreign exchange risk. This considers the effect of currency change on the Bank's investment in foreign operations, retained earnings and profit derived throughout the year in non USD. Due to the size of investments in the Bahamas, Cayman, the Eastern Caribbean and Jamaica this significantly increases the Bank's long exposure to these currencies.

Concentrations of assets, liabilities and commitments, guarantees and contingent liabilities

October 31, 2010	EC	BDS	CAY	BAH	US	JA	Other	2010
Assets								
Cash and balances with Central Banks	$ 104,846	$ 103,969	$ 3,546	$ 76,702	$ 39,983	$ 113,119	$ 67,782	$ 509,947
Due from banks	4,848	839	35	10,332	176,310	14	214,617	406,995
Derivative financial instruments	-	40	-	-	3,954	-	192	4,186
Other assets	4,958	12,052	1,246	14,931	12,347	5,805	1,629	52,968
Taxation recoverable	9,985	512	-	-	-	1,448	-	11,945
Investment securities	40,797	60,022	-	259,360	1,055,186	29,578	234,311	1,679,254
Loans and advances to customers	678,167	717,830	426,479	1,320,982	3,017,485	154,782	260,594	6,576,319
Property and equipment	14,861	51,043	15,231	19,509	13,590	8,172	4,114	126,520
Deferred tax assets	1,725	6,606	-	-	-	189	3,941	12,461
Retirement benefit assets	7,446	13,144	-	8,773	3,772	12,252	1,588	46,975
Intangible assets	-	305,535	-	-	33,052	-	-	338,587
Total assets	867,633	1,271,592	446,537	1,710,589	4,355,679	325,359	788,768	9,766,157
Liabilities								
Derivative financial instruments	-	-	-	-	98,506	-	5,309	103,815
Customer deposits	678,291	1,362,242	177,063	1,242,262	3,256,158	223,249	1,003,500	7,942,765
Other borrowed funds	-	-	-	-	28,025	-	17,463	45,488
Other liabilities	43,172	56	1,571	(13,752)	8,933	5,698	6,307	51,985
Taxation payable	741	-	-	-	1,564	1,417	1,203	4,925
Deferred tax liabilities	202	1,186	-	-	-	2,589	234	4,211
Debt securities in issue	-	-	-	-	-	-	31,129	31,129
Retirement benefit obligations	900	1,536	-	4,296	1,316	439	133	8,620
Total liabilities	723,306	1,365,020	178,634	1,232,806	3,394,502	233,392	1,065,278	8,192,938
Net assets/(liabilities)	$ 144,327	$ (93,428)	$ 267,903	$ 477,783	$ 961,177	$ 91,967	$(276,510)	$ 1,573,219
Commitments, guarantees and contingent liabilities (Note 30)	$ 67,842	$ 121,290	$ 18,543	$ 98,677	$ 538,191	$ 23,804	$ 94,876	$ 963,223

October 31, 2009	EC	BDS	CAY	BAH	US	JA	Other	2009
Assets								
Cash and balances with Central Banks	$ 90,730	$ 47,609	$ 4,198	$ 79,718	$ 64,688	$ 69,424	$ 69,262	$ 425,629
Due from banks	3,290	(78,028)	66	15,589	215,464	202	694,004	850,587
Derivative financial instruments	-	-	-	-	1,406	165	4	1,575
Other assets	(100,991)	39,607	4,447	16,621	59,161	7,357	19,334	45,536
Taxation recoverable	8,076	999	-	-	14	-	-	9,089
Investment securities	29,164	252,833	-	186,128	1,018,933	27,384	229,248	1,743,690
Loans and advances to customers	739,951	715,986	447,738	1,368,851	3,206,436	161,451	265,063	6,905,476
Property and equipment	13,744	43,554	16,482	20,140	14,788	7,440	4,840	120,988
Deferred tax assets	2,139	6,031	-	-	-	86	4,731	12,987
Retirement benefit assets	7,209	11,463	-	11,343	4,260	9,416	1,779	45,470
Intangible assets	-	305,535	-	-	36,015	-	-	341,550
Total assets	793,312	1,345,589	472,931	1,698,390	4,621,165	282,925	1,288,265	10,502,577
Liabilities								
Derivative financial instruments	-	-	-	-	87,071	-	13	87,084
Customer deposits	694,106	1,317,601	178,246	1,256,780	3,544,609	210,134	1,456,877	8,658,353
Other borrowed funds	-	-	-	-	13,879	-	24,610	38,489
Other liabilities	(47,805)	33,242	78,110	(13,545)	29,850	2,518	(28,122)	54,248
Taxation payable	741	920	-	-	1,516	1,108	4,787	9,072
Deferred tax liabilities	151	112	-	-	253	2,417	952	3,885
Debt securities in issue	-	-	-	-	93,560	-	31,062	124,622
Retirement benefit obligations	793	1,418	-	4,189	1,056	486	113	8,055
Total liabilities	647,986	1,353,293	256,356	1,247,424	3,771,794	216,663	1,490,292	8,983,808
Net assets/(liabilities)	$ 145,326	$ (7,704)	$ 216,575	$ 450,966	$ 849,371	$ 66,262	$ (202,027)	$ 1,518,769
Commitments, guarantees and contingent liabilities (Note 30)	$ 108,544	$ 198,421	$ 57,163	$ 112,927	$ 409,251	$ 47,221	$ 78,077	$ 1,011,604

Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. Limits are set on the level of mismatch of interest rate repricing that may be undertaken, which are monitored on an ongoing basis.

Expected repricing and maturity dates do not differ significantly from the contract dates, except for the maturity of deposits up to 1 month, which represent balances on current accounts considered by the Group as a relatively stable core source of funding for its operations.

Liquidity risk

Liquidity risk arises from the Group's general funding activities in the course of managing assets and liabilities. It is the risk of having insufficient cash resources to meet current financial obligations without raising funds at unfavourable rates or selling assets on a forced basis.

The Group's liquidity management strategies seek to maintain sufficient liquid financial resources to continually fund the statement of financial position under both normal and stressed market environments.

Process and Control
Actual and anticipated inflows and outflows of funds generated from exposures including those not recognised in the statement of financial position are managed on a daily basis within specific short term asset/liability mismatch limits by operational entity.

Potential cash flows under various stress scenarios are modelled using carrying amounts recognised in the statement of financial position. On a consolidated basis, prescribed liquidity levels under a selected benchmark stress scenario are maintained for a minimum time horizon.

Risk Measurement
The Group's liquidity measurement system provides daily liquidity risk exposure reports for monitoring and review by the Treasury department. The Group's Assets and Liabilities Committee – ALCO is responsible for recommending the liquidity ratio targets, the stress scenarios and the contingency funding plans. The Group's Board of Directors is ultimately responsible for the Group's liquidity.

The Group manages liquidity risk by maintaining a significant base of core customer deposits, liquid assets and access to contingent funding as part of its management of risk. Each operational entity has internally established specific liquidity requirements that are approved by the Group ALCO and reviewed annually.

The table below analyses the assets, liabilities and commitments, guarantees and contingent liabilities of the Group into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date.

October 31, 2010	0-3 months	3-12 months	1-5 years	Over 5 years	2010
Assets					
Cash and balances with Central Banks	$ 497,594	$ 12,353	$ -	$ -	$ 509,947
Due from banks	3,282	190,271	213,442	-	406,995
Derivative financial instruments	4,186	-	-	-	4,186
Other assets	52,968	-	-	-	52,968
Taxation recoverable	11,945	-	-	-	11,945
Investment securities	316,344	100,939	724,769	537,202	1,679,254
Loans and advances to customers	1,040,381	312,216	1,175,118	4,048,604	6,576,319
Property and equipment	-	-	28,943	97,577	126,520
Deferred tax assets	-	-	-	12,461	12,461
Retirement benefit assets	-	-	-	46,975	46,975
Intangible assets	734	2,224	720	334,909	338,587
Total assets	1,927,434	618,003	2,142,992	5,077,728	9,766,157
Liabilities					
Derivative financial instruments	88,901	-	-	14,914	103,815
Customer deposits	6,530,407	1,268,165	84,131	60,062	7,942,765
Other borrowed funds	28,026	838	-	16,624	45,488
Other liabilities	51,985	-	-	-	51,985
Taxation payable	2,626	2,299	-	-	4,925
Deferred tax liabilities	14	-	487	3,710	4,211
Debt securities in issue	-	269	-	30,860	31,129
Retirement benefit obligations	-	-	-	8,620	8,620
Total liabilities	6,701,959	1,271,571	84,618	134,790	8,192,938
Net assets/(liabilities)	$ (4,774,525)	$ (653,568)	$ 2,058,374	$ 4,942,938	$ 1,573,219
Commitments, guarantees and contingent liabilities (Note 30)	$ 825,023	$ 77,653	$ 28,179	$ 32,368	$ 963,223

October 31, 2009	0-3 months	3-12 months	1-5 years	Over 5 years	2009
Assets					
Cash and balances with Central Banks	$ 410,677	$ 14,952	$ -	$ -	$ 425,629
Due from banks	373,391	258,754	218,442	-	850,587
Derivative financial instruments	1,575	-	-	-	1,575
Other assets	43,115	2,421	-	-	45,536
Taxation recoverable	9,089	-	-	-	9,089
Investment securities	165,480	131,398	925,488	521,324	1,743,690
Loans and advances to customers	907,236	481,127	1,418,941	4,098,172	6,905,476
Property and equipment	-	-	24,917	96,071	120,988
Deferred tax assets	4,025	533	259	8,170	12,987
Retirement benefit assets	-	-	-	45,470	45,470
Intangible assets	739	2,219	11,832	326,760	341,550
Total assets	1,915,327	891,404	2,599,879	5,095,967	10,502,577
Liabilities					
Derivative financial instruments	76,409	-	-	10,675	87,084
Customer deposits	6,303,877	1,760,906	578,340	15,230	8,658,353
Other borrowed funds	14,280	6,672	949	16,588	38,489
Other liabilities	853	53,395	-	-	54,248
Taxation payable	6,354	2,718	-	-	9,072
Deferred tax liabilities	60	738	409	2,678	3,885
Debt securities in issue	-	93,829	-	30,793	124,622
Retirement benefit obligations	-	-	-	8,055	8,055
Total liabilities	6,401,833	1,918,258	579,698	84,019	8,983,808
Net assets/(liabilities)	$ (4,486,506)	$ (1,026,854)	$ 2,020,181	$ 5,011,948	$ 1,518,769
Commitments, guarantees and contingent liabilities (Note 30)	$ 882,742	$ 94,283	$ 23,485	$ 11,094	$ 1,011,604

Fair values of financial assets and liabilities

Determination of fair value and the fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

All of the Group's financial instruments recorded at fair value use the Level 2 valuation technique in the hierarchy to determine and disclose the fair value.

Financial instruments recorded at fair value

The following is a description of the determination of fair value for financial instruments which are recorded at fair value using valuation techniques. These incorporate the Bank's estimate of assumptions that a market participant would make when valuing the instruments:

- Derivative financial instruments
  Derivative products valued using a valuation technique with market observable inputs are interest rate swaps and foreign exchange forward contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

- Available-for-sale investment securities
  Available-for-sale investment securities valued using a valuation technique or pricing models primarily consist of debt securities.

These assets are valued using models which sometimes only incorporate data observable in the market and at other times use both observable and non-observable data. The non-observable inputs to the models include assumptions about liquidity and price disclosure, counterparty credit spreads and sector specific risks.

Fair value of financial instruments not carried at fair value

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements:

- Loans and advances to customers
  Loans and advances to customers are stated net of specific and other provisions for impairment. The estimated fair values of loans and advances to customers represents the discounted amount of estimated future cash flows expected to be received.

- Customer deposits and other borrowed funds
  The estimated fair value of customer deposits and other borrowed funds is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and maturity.

- Debt securities in issue
  The fair value is calculated using a discounted cash flow model based on a current interest rate yield curve appropriate for the remaining term to maturity.

- Financial assets and liabilities with carrying values that approximate fair value
  For financial assets and liabilities that are liquid or have a short-term maturity, it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits savings accounts without a specific maturity and variable rate financial instruments.

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments that are not carried in the financial statements at fair value. It therefore excludes balances related to non-financial assets and liabilities, as well as other assets and other liabilities.

	Carrying Value 2010	Fair Value 2010	Unrecognised gain/(loss) 2010	Carrying Value 2009	Fair Value 2009	Unrecognised gain/(loss) 2009
Financial assets						
Cash and balances with Central Banks	$ 509,947	$ 509,947	$ -	$ 425,629	$ 425,629	$ -
Due from banks	406,995	406,995	-	850,587	850,587	-
Loans and advances to customers	6,576,319	6,584,847	8,528	6,905,476	6,908,909	3,433
Financial liabilities						
Customer deposits	7,942,765	7,948,667	(5,902)	8,658,353	8,671,748	(13,395)
Other borrowed funds	45,488	54,678	(9,190)	38,489	57,718	(19,229)
Debt securities in issue	31,129	39,811	(8,682)	124,622	127,892	(3,270)
Total unrecognised change in unrealised fair value			$ (15,246)			$ (32,461)

35. Principal subsidiary undertakings

Name	Country of incorporation
FirstCaribbean International Bank Limited	Barbados
FirstCaribbean International Wealth Management Bank (Barbados) Limited	Barbados
FirstCaribbean International Bank (Barbados) Limited	Barbados
FirstCaribbean International Trust and Merchant Bank (Barbados) Limited	Barbados
FirstCaribbean International Land Holdings (Barbados) Limited	Barbados
FirstCaribbean International Operations Centre Limited	Barbados
FirstCaribbean International Finance Corporation (Leeward & Windward) Limited	St. Lucia
FirstCaribbean International Bank (Bahamas) Limited (95.2%)	Bahamas
FirstCaribbean International Finance Corporation (Bahamas) Limited	Bahamas
FirstCaribbean International (Bahamas) Nominees Company Limited	Bahamas
FirstCaribbean International Land Holdings (TCI) Limited	Turks & Caicos Islands
FirstCaribbean International Bank (Jamaica) Limited (96.3%)	Jamaica
FirstCaribbean International Securities Limited	Jamaica
FirstCaribbean International Building Society Limited	Jamaica
FirstCaribbean International Bank (Trinidad & Tobago) Limited	Trinidad
FirstCaribbean International Bank (Cayman) Limited	Cayman Islands
FirstCaribbean International Finance Corporation (Cayman) Limited	Cayman Islands
FirstCaribbean International (Cayman) Nominees Company Limited	Cayman Islands
FirstCaribbean International Finance Corporation (Netherlands Antilles) Limited	Netherlands Antilles
FirstCaribbean International Bank (Curaçao) N.V.	Netherlands Antilles
FirstCaribbean International Wealth Management (Curaçao) N.V.	Netherlands Antilles
FirstCaribbean International Wealth Management (N.A.) N.V.	Netherlands Antilles

All subsidiaries are wholly owned unless otherwise stated.

SECTION

5

Notice of Meeting

This item contained within Section 5 of the Group Annual Report 2010 will be published on February 2, 2011 in accordance with Section 109 of the Companies Act, Cap 308 of the Laws of Barbados which states that "Notice of the time and place of a meeting of the shareholders must be sent not less than 21 days nor more than 50 days before the meeting." The Board of Directors has set March 24, 2011 as the date of the next Annual Meeting of the Company.

Directors' Report

This item contained within Section 5 of the Group Annual Report 2010 will be published on February 2, 2011 in accordance with Section 109 of the Companies Act, Cap 308 of the Laws of Barbados which states that "Notice of the time and place of a meeting of the shareholders must be sent not less than 21 days nor more than 50 days before the meeting." The Board of Directors has set March 24, 2011 as the date of the next Annual Meeting of the Company.

Management Proxy Circular

This item contained within Section 5 of the Group Annual Report 2010 will be published on February 2, 2011 in accordance with Section 109 of the Companies Act, Cap 308 of the Laws of Barbados which states that "Notice of the time and place of a meeting of the shareholders must be sent not less than 21 days nor more than 50 days before the meeting." The Board of Directors has set March 24, 2011 as the date of the next Annual Meeting of the Company.

Proxy Form

This item contained within Section 5 of the Group Annual Report 2010 will be published on February 2, 2011 in accordance with Section 109 of the Companies Act, Cap 308 of the Laws of Barbados which states that “Notice of the time and place of a meeting of the shareholders must be sent not less than 21 days nor more than 50 days before the meeting.” The Board of Directors has set March 24, 2011 as the date of the next Annual Meeting of the Company.

Ownership Structure

- FirstCaribbean International Bank Limited
Public Company
Public 8.6%
  - FirstCaribbean International Bank (Cayman) Limited
    - FirstCaribbean International Finance Corp. (Netherlands Antilles)
    - FirstCaribbean International (Cayman) Nominees Company Limited
    - FirstCaribbean International Finance Corporation (Cayman) Limited
    - FirstCaribbean International Bank (Curaçao) N.V.
    - FirstCaribbean International Wealth Management (Curaçao) N.V.
    - FirstCaribbean International Wealth Management (N.A.) N.V.
  - FirstCaribbean International Bank (Barbados) Limited
    - FirstCaribbean International Trust & Merchant Bank (Barbados) Limited
    - FirstCaribbean International Securities Limited
    - FirstCaribbean International Finance Corp. (Leeward & Windward) Limited
    - FirstCaribbean International Land Holdings (Barbados) Limited
    - FirstCaribbean International Operations Centre Limited
  - FirstCaribbean International Wealth Management Bank (Barbados) Limited
  - FirstCaribbean International Bank (Jamaica) Limited
Public 3.7%
    - FirstCaribbean International Building Society Limited
  - FirstCaribbean International Bank (Bahamas) Limited
Public 4.8%
    - FirstCaribbean International Finance Corp. (Bahamas) Limited
    - FirstCaribbean International Bank (Bahamas) Nominees Company Limited
    - FirstCaribbean International Land Holdings (TCI) Limited
  - FirstCaribbean International Bank (Trinidad & Tobago) Limited

FIRSTCARIBBEAN
INTERNATIONAL BANK

Main Branches and Centres

Head Office
P.O. Box 503
Warrens, St. Michael
Barbados
Tel: (246) 367-2300

Anguilla
P.O. Box 140
The Valley
Tel: (264) 497-2301

Antigua
P.O. Box 225
High Street
St. John's
Tel: (268) 480-5000

The Bahamas
P.O. Box N-8350
Shirley Street, Nassau
Tel: (242) 322-8455

Barbados
P.O. Box 405
Broad Street, St. Michael
Bridgetown
Tel: (246) 367-2300

Belize
P.O. Box 363
21 Albert Street
Belize City
Tel: 9011+(501) 227-7212

British Virgin Islands
P. O. Box 70
Road Town
Tortola, VG1110
Telephone number
Tel: (284) 852 – 9900

Cayman Islands
P.O. Box 68
25 Main Street
George Town
Tel: (345) 949-7300

Curaçao
P.O. Box 3144
De Ruyterkade 61
Willemstad
Tel: (+5999) 433-8000

Dominica
P.O. Box 4
Old Street, Roseau
Tel: (767) 448-2571

Grenada
P.O. Box 37
Church Street, St. George's
Tel: (473) 440-3232

Jamaica
P.O. Box 403
23-27 Knutsford Blvd
Kingston 5
Tel: (876) 929-9310

St. Kitts
P.O. Box 42
Bank Street, Basseterre
Tel: (869) 465-2449

St. Lucia
P.O. Box 335
Bridge Street, Castries
Tel: (758) 456-1000

St. Maarten
P.O. Box 941
38 Back Street
Philipsburg
Tel: (599) 542-3511

Nevis
P.O. Box 502
Charlestown
Tel: (869) 469-5309

Trinidad & Tobago
74 Long Circular Road
Maraval
Tel: (868) 628-4685

Turks & Caicos Island
P.O. Box 236
Grace Bay Branch
Salt Mills Plaza, Grace Bay
Providenciales, TCI
Tel: (649) 941-4558

St. Vincent
P.O. Box 604
Halifax Street, Kingstown
Tel: (784) 456-1706

FINANCIAL CENTRES & TRUST COMPANIES

Corporate Banking Centre
P.O. Box N-7125
Shirley Street
Nassau, The Bahamas
Tel: (242) 322-8455

Wealth Management Centre
P.O. Box N-8350
Shirley Street
Nassau, The Bahamas
Tel: (242) 302-6000

Finance Corporation
P.O. Box N-8350
Shirley Street
Nassau, The Bahamas
Tel: (242) 322-7466

Corporate Banking Centre
Corporate Banking Centre
P.O. Box 503
Rendezvous
Christ Church, Barbados
Tel: (246) 467-8768

Trust and Merchant Bank
1st Floor, Corporate
Banking Centre
FirstCaribbean
International Bank
Rendezvous, Christ Church,
Barbados
Tel: (246) 467-2688

Wealth Management Centre
P.O. Box 180
Ground Floor, Head Office
Warrens, St. Michael,
Barbados
Tel: (246) 367-2012

Wealth Management Centre
23-27 Knutsford Blvd
Kingston 5, Jamaica
Tel: (876) 935-4619

Wealth Management Centre
FirstCaribbean House
P.O. Box 68 GT
Main Street, George Town
Grand Cayman
Cayman Islands
Tel: (345) 949-7300

Wealth Management Centre
De Ruyterkade 61
P.O. Box 3144
Willemstad, Curaçao
Netherlands Antilles
Tel: (+599) 9 433-8000

Wealth Management Centre
P.O. Box 70
Wickham's Cay
Road Town, Tortola
British Virgin Islands
Tel: (284) 494-2171

Wealth Management Centre
P O Box 698
Leeward Highway
Providenciales
Tel: (649) 946-5303
Fax: (649) 946-5325

Corporate Banking Centre
23-27 Knutsford Blvd
Kingston 5, Jamaica
Tel: (876) 929-9310

Building Society
P.O. Box 405
23-27 Knutsford Blvd
Kingston 5, Jamaica
Tel: (876) 929-9310

Asset Management & Securities Trading
P.O. Box 405
23-27 Knutsford Blvd
Kingston 5, Jamaica
Tel: (876) 929-9310

Finance Corporation
P.O. Box 335
Castries, St. Lucia
Tel: (758) 452-6371

Trustee Services
74 Long Circular Road
Maraval, Trinidad
Tel: (868) 628-4685

Capital Markets
74 Long Circular Road
Maraval, Trinidad
Tel: (868) 628-4685

Corporate Banking Centre
PO Box 28
Old Parham Road
St John's, Antigua
Tel: (268) 480 5000


FIRSTCARIBBEAN
INTERNATIONAL BANK
THE BAHAMAS
TURKS AND
CAICOS ISLANDS
GRAND CAYMAN
JAMAICA
BELIZE
Caribbean Sea
BRITISH
VIRGIN ISLANDS
ANGUILLA
ST. MAARTEN
ST. KITTS & NEVIS
ANTIGUA
DOMINICA
ST. LUCIA
BARBADOS
ST. VINCENT AND
THE GRENADINES
GRENADA
CURAÇAO
TRINIDAD
& TOBAGO

Anguilla

Antigua and Barbuda

The Bahamas

Barbados

Belize

British Virgin Islands

The Cayman Islands

Curaçao

Dominica

Grenada and Carriacou

Jamaica

St. Kitts and Nevis

St. Lucia

St. Maarten

St. Vincent and the Grenadines

Trinidad and Tobago

Turks and Caicos Islands

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