

FirstCaribbean International Limited

CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended April 30, 2015 (expressed in thousands of United States dollars)



FirstCaribbean
International Bank

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (USD'000)

	Unaudited Six months ended April 30, 2015	Unaudited Year ended October 31, 2014 Restated*
Net cash from/(used in) operating activities	459,510	(493,995)
Net cash from/(used in) investing activities	17,516	(24,044)
Net cash from/(used in) financing activities	77,499	(34,010)
Net increase/(decrease) in cash and cash equivalents for the period	554,525	(552,058)
Effect of exchange rate changes on cash and cash equivalents	(2,921)	(8,942)
Cash and cash equivalents, beginning of the period	1,376,184	1,377,184
Cash and cash equivalents, end of the period	1,927,788	1,376,184

* Certain amounts shown here do not correspond to the 2014 consolidated financial statements and reflect adjustments made. Refer to Note 2.

Note: Results have been converted to US\$ at an exchange rate of US\$1 = BBD17

CONDENSED CONSOLIDATED SEGMENT INFORMATION (USD'000)

	Unaudited April 30, 2015				
	RB	WB	WM	Admin	Total
External revenues	88,241	102,914	26,271	39,256	256,682
Revenues from other segments	4,297	5,683	13,495	(23,475)	-
Total Revenues	92,538	108,597	39,766	15,781	256,682
Segment Results	(8,325)	19,321	12,977	32,995	56,968
Taxation expense	-	-	-	-	4,773
Net income for the period	-	-	-	-	52,195
Segment Assets	2,202,684	3,135,016	232,773	5,335,098	10,906,571
Unallocated assets	-	-	-	-	258,063
Total assets	2,202,684	3,135,016	232,773	5,335,098	11,164,634
Segment liabilities	2,981,202	2,992,100	3,482,637	349,268	9,799,207
Unallocated liabilities	-	-	-	-	7,902
Total liabilities	2,981,202	2,992,100	3,482,637	349,268	9,807,109

	Audited Oct 31, 2014 (Restated*)				
	RB	WB	WM	Admin	Total
External revenues	180,816	214,930	50,348	62,221	528,315
Revenues from other segments	15,553	10,578	41,325	(67,456)	-
Total Revenues	196,369	225,508	91,673	14,765	528,315
Segment Results	(115,641)	1,321	28,612	58,481	(27,227)
Impairment of intangible assets	-	-	-	-	(115,946)
Taxation expense	-	-	-	-	6,505
Net loss for the year	-	-	-	-	(149,678)
Segment assets	2,214,834	3,257,336	237,959	4,810,152	10,520,281
Unallocated assets	-	-	-	-	258,427
Total assets	2,214,834	3,257,336	237,959	4,810,152	10,778,708
Segment liabilities	2,886,305	2,430,895	3,530,902	587,295	9,435,397
Unallocated liabilities	-	-	-	-	5,634
Total liabilities	2,886,305	2,430,895	3,530,902	587,295	9,441,031

	Unaudited April 30, 2014 (Restated*)				
	RB	WB	WM	Admin	Total
External revenues	91,343	106,379	24,560	42,138	264,420
Revenues from other segments	8,610	5,924	21,098	(35,632)	-
Total Revenues	99,953	112,303	45,658	6,506	264,420
Segment Results	(94,398)	(26,814)	9,196	32,684	(79,352)
Impairment of intangible assets	-	-	-	-	(115,946)
Taxation expense	-	-	-	-	3,806
Net loss for the period	-	-	-	-	(199,102)
Segment assets	2,228,468	3,276,365	261,861	5,771,387	11,538,101
Unallocated assets	-	-	-	-	258,634
Total assets	2,228,468	3,276,365	261,861	5,771,387	11,796,735
Segment liabilities	2,893,300	2,513,775	4,459,726	612,729	10,484,530
Unallocated liabilities	-	-	-	-	1,221
Total liabilities	2,893,300	2,513,775	4,459,726	612,729	10,485,756

* Certain amounts shown here do not correspond to the 2014 consolidated financial statements and reflect adjustments made. Refer to Note 2.

Note: Results have been converted to US\$ at an exchange rate of US\$1 = BBD\$2

Notes:

1. The Group's operations are now organized into four segments: Retail Banking ("RB"), Wholesale Banking ("WB"), Wealth Management ("WM") which are supported by the functional units within the Administration ("Admin") segment (which includes Treasury, Finance, HR, Technology & Operations, Risk and Other).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies

The accompanying unaudited condensed consolidated financial statements of FirstCaribbean International Bank Limited (the Group) should be read in conjunction with the IFRS consolidated financial statements and notes thereto for the year ended October 31, 2014, included in the Group's Annual Report 2014. For a description of the Group's significant accounting policies, see Note 2 of the aforementioned consolidated financial statements.

Basis of presentation

Certain financial information, which is normally included in annual financial statements prepared in accordance with IFRS, but not required for interim reporting purposes, has been condensed or omitted. Reclassifications may be made to the prior period's financial statements to conform to the current period's presentation. These unaudited condensed consolidated financial statements reflect, in the opinion of management, all adjustments that are necessary for a fair presentation of the unaudited condensed consolidated financial statements for the interim periods presented.

The results of operations for interim periods are not necessarily indicative of results for the entire year.

In preparing these unaudited condensed consolidated financial statements, management is required to make estimates and assumptions which affect amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Dividends

The Directors have approved an interim dividend of one point five United States cents (US\$0.015) per share to be paid on June 26, 2015 to Shareholders of record as at June 11, 2015.

2. Changes in Accounting Policies

IFRIC 21 clarifies the timing of the recognition of the liability for a levy imposed by a government. The interpretation covers the accounting for outflows of economic benefits imposed on entities by governments (including government agencies and similar bodies) in accordance with laws and/or regulations. However, it does not include income taxes (see IAS 12 Income Taxes), fines and other penalties, liabilities arising from emissions, trading schemes and outflows with a scope of other standards.

IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognized before the specified minimum threshold is reached. The interpretation requires these same principles to be applied in interim financial statements.

IFRIC 21 is effective for annual periods beginning on or after 1 January 2014 and is applied retrospectively. The Group has applied IFRIC 21 for the first time in these interim condensed consolidated financial statements.

The Group's subsidiary, FirstCaribbean International Bank (Jamaica) Limited, is required by legislation to pay an asset tax on March 15th of each year based on the assets held as at the end of the previous financial year. Accordingly, a levy liability was recognized progressively over time during the previous financial year. Upon adoption of IFRIC 21, asset tax is no longer eligible to be accounted for on a periodic accrual basis, but must be recorded in full when triggered. The full liability of this expense for this current financial year should be recorded on November 1, 2014, based on the assets recorded as at October 31, 2014. Accordingly, the Group has determined that the levy liability that was recognized at October 31, 2014 should be reversed and, instead be recognized in full on November 1, 2014. The prior period financial statements have been restated to reflect this change.

Impact on the affected line items in the condensed consolidated financial statement of financial position, statement of income or loss and statement of comprehensive income (increase/(decrease)):

	Six months ended April 30, 2015	Quarter ended April 30, 2014	Six months ended April 30, 2014	Year ended October 31, 2014
Other Liabilities	-	296	(30)	(1,153)
Retained earnings	(1,153)	(296)	30	1,153
Operating expenses	1,153	(296)	30	(1,153)
Profit for the period and total comprehensive income	(1,153)	296	(30)	1,153

There was no material impact on the group's basic or diluted EPS or the total operating, investing and financing cash flows.

FirstCaribbean International Limited

CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended April 30, 2015 (expressed in thousands of United States dollars)



FirstCaribbean
International Bank

CHIEF EXECUTIVE OFFICER'S REVIEW

The Bank continued to deliver solid results against its strategic objectives of accelerating profitable revenue growth and improving operational efficiency by recording net income of \$25.6 million in the second quarter, up \$9.2 million or 36% over the prior year quarter's adjusted¹ net income.

For the six month period ended April 30, 2015, net income was \$57.2 million, up \$20.4 million or 64% over prior year's adjusted¹ net income of \$36.8 million for the same period. Total revenue over the six month period was down \$7.7 million year over year but flat in the second quarter compared with the prior year's quarter primarily due to lower loan and security earnings, as several countries continue to experience low credit demand. Operating expenses were down by \$2.0 million compared with the same period last year as we continue to benefit from expense control initiatives and savings from our ongoing restructuring program.

Loan loss impairment expense was down significantly by \$27.1 million compared with the prior year's adjusted¹ expense due to an improvement in the loss experience. This also represents the fourth consecutive quarter of reduced loan loss levels year over year. Loan quality is strong and continues to improve with non-productive loan balances down 5% quarter over quarter. Productive loans are up slightly over the first quarter.

The Bank's Tier 1 and Total Capital ratios remain strong at 21.0% and 22.2%, well in excess of applicable regulatory requirements. In addition, the Directors have approved an interim dividend of one point five United States cents (\$0.015) per share to be paid on June 26, 2015 to shareholders of record as at June 11, 2015. This, along with our continued investment in our franchise, reflects our commitment to the region and a promising outlook.

We wish to thank the Board, management, staff and most importantly our clients for their loyalty and continuing support.

Rik Parkhill
Chief Executive Officer
May 23, 2015

¹ Prior period net income has been adjusted for two (2) items of note: \$115.5 million of incremental loan loss and a non-cash goodwill impairment charge of \$116.0 million.

FORWARD-LOOKING STATEMENT DISCLOSURE

This report may contain forward-looking statements, including statements about our financial condition, results of operations, earnings outlook, asset quality trends and solvability. Forward-looking statements provide management's current expectations or forecasts of future events and, by their nature, are subject to assumptions, risks and uncertainties. Although management believes that the expectations and forecasts reflected in these forward-looking statements are reasonable, actual results could differ materially from those contained or implied by such forward-looking statements due to a variety of factors including: (1) changes in interest rates; (2) changes in macroeconomy or assets, which could, among other things, materially impact credit quality trends and our ability to generate loans; (3) unanticipated competitive pressure among financial services companies; (4) the inability to successfully execute strategic initiatives designed to grow revenues and/or manage expenses; (5) continuation of significant business combinations or divestitures; (6) operational or risk management failures due to technological or other factors; (7) heightened regulatory practices, requirements or expectations; (8) new legal obligations or restrictions or unanticipated resolution of litigation; (9) adverse capital markets conditions; (10) discussion in the economy and general business climate as a result of financial institutions or money markets; and (11) changes in accounting or tax practices or requirements. Forward-looking statements are not guarantees of future performance and should not be relied upon as representing management's views as of any subsequent date. We do not assume any obligation to update these forward-looking statements. For further information regarding FirstCaribbean International Bank Limited, please read FirstCaribbean International Bank Limited's financial and other reports that are available on the company's website at www.cibcib.com.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (USD'000)

	Unaudited April 30, 2015	Unaudited April 30, 2014 Restated*	Unaudited October 31, 2014 Restated*
Assets			
Cash, balances with Central Banks and due from banks	2,393,592	2,666,624	1,813,702
Loans and advances to customers	5,965,131	6,182,254	6,140,273
Investment securities	2,315,149	2,427,927	2,305,215
Property and equipment	129,773	127,459	131,538
Other assets	203,028	169,502	169,029
Intangible assets	218,961	218,959	218,961
Total assets	11,164,634	11,792,735	10,778,718
Liabilities			
Customer deposits and other borrowed funds	9,462,420	10,256,289	9,200,379
Other liabilities	210,194	198,715	203,678
Debt securities in issue	134,495	30,747	30,974
Total liabilities	9,807,109	10,485,751	9,441,021
Equity attributable to equity holders of the parent Issued capital and reserves	921,105	921,600	926,424
Retained earnings	412,195	362,651	357,966
	1,333,300	1,284,251	1,314,290
Non-controlling interests	24,225	22,733	23,397
Total equity	1,357,525	1,306,984	1,337,687
Total liabilities and equity	11,164,634	11,792,735	10,778,718

* Certain amounts shown here do not correspond to the 2014 consolidated financial statements and reflect adjustments made. Refer to Note 2.

Note: Results have been converted to US\$ at an exchange rate of US\$1 = BBD\$2

Rik Parkhill
Chief Executive Officer

Sir Fred Gallop
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (USD'000)

	Attributable to equity holders of the Parent				Total Equity 1,531,693
	Issued Capital	Reserves	Retained Earnings	Non-controlling Interests	
Balance at October 31, 2013	1,193,149	(262,281)	574,409	26,416	1,531,693
Comprehensive income for the period (Restated*)	-	(1,434)	(196,234)	(2,935)	(200,603)
Transfer to reserves	-	(7,834)	7,834	-	-
Equity dividends	-	-	(23,358)	-	(23,358)
Dividends of subsidiaries	-	-	-	(748)	(748)
Balance at April 30, 2014 (Restated*)	1,193,149	(271,549)	362,651	22,733	1,306,984
Balance at October 31, 2014 (Restated*)	1,193,149	(266,625)	387,966	23,397	1,337,687
Comprehensive income for the period	-	(8,266)	50,678	1,576	43,938
Transfer to reserves	-	3,047	(3,047)	-	-
Equity dividends	-	-	(23,352)	-	(23,352)
Dividends of subsidiaries	-	-	-	(748)	(748)
Balance at April 30, 2015	1,193,149	(272,044)	412,195	24,225	1,357,525

* Certain amounts shown here do not correspond to the 2014 consolidated financial statements and reflect adjustments made. Refer to Note 2.

Note: Results have been converted to US\$ at an exchange rate of US\$1 = BBD\$2

CONDENSED CONSOLIDATED STATEMENT OF INCOME/(LOSS) (USD'000)

	Unaudited Quarter ended		Unaudited Six months ended		Unaudited Year ended Oct 31, 2014 Restated*
	April 30, 2015	April 30, 2014 Restated*	April 30, 2015	April 30, 2014 Restated*	
Interest and similar income	108,561	112,442	217,278	229,042	455,175
Interest and similar expense	20,394	21,490	41,068	43,408	86,396
Net interest income	88,167	90,952	176,210	185,634	368,789
Operating income	38,630	36,254	80,472	76,786	159,526
	126,797	127,206	256,682	264,420	528,315
Operating expenses	87,148	85,146	172,310	174,309	349,259
Loan loss impairment	11,664	138,875	27,404	169,464	206,293
Impairment of intangible assets	-	115,946	-	115,946	115,946
	98,812	339,967	199,714	459,718	671,488
Income/(loss) before taxation	27,985	(212,761)	56,968	(195,298)	(143,173)
Income tax expense	2,409	1,742	4,773	3,806	6,505
Net income/(loss) for the period	25,576	(214,503)	52,195	(199,104)	(149,678)
Attributable to:					
Equity holders of the parent	24,655	(211,272)	50,628	(196,234)	(147,958)
Non-controlling interests	921	(5,231)	1,567	(2,870)	(1,720)
	25,576	(214,503)	52,195	(199,104)	(149,678)
Basic and diluted earnings/(loss) per share attributable to the equity holders of the parent for the year (expressed in cents per share)	1.6	(13.4)	3.2	(12.4)	(9.4)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS) (USD'000)

	Unaudited Quarter ended		Unaudited Six months ended		Unaudited Year ended Oct 31, 2014 Restated*
	April 30, 2015	April 30, 2014 Restated*	April 30, 2015	April 30, 2014 Restated*	
Net income/(loss) for the period	25,576	(214,503)	52,195	(199,104)	(149,678)
Other comprehensive income/(loss) (net of tax) to be reclassified to net income or loss in subsequent periods:					
Net gains/(losses) on available-for-sale investment securities	6,978	9,039	(5,349)	3,657	3,763
Exchange gains/(losses) on translation of foreign operations	545	(3,984)	(2,908)	(5,997)	(8,942)
	7,523	5,654	(6,257)	(2,040)	(1,799)
Other comprehensive income (net of tax) not to be reclassified to net income or loss in subsequent periods:					
Re-measurement gains of retirement benefit obligations	-	28	-	541	4,053
Other comprehensive income/(loss) for the period, net of tax	7,523	5,682	(8,257)	(1,499)	3,874
Comprehensive income/(loss) for the period, net of tax	33,099	(208,821)	43,938	(200,603)	(145,804)
Comprehensive income/(loss) for the period attributable to:					
Equity holders of the parent	32,046	(205,461)	42,362	(197,568)	(144,281)
Non-controlling interests	1,053	(8,107)	1,576	(2,935)	(1,523)
	33,099	(208,568)	43,938	(200,603)	(145,804)

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