

# FirstCaribbean International Bank Limited

## Consolidated Financial Statements

For the nine month period ended July 31, 2013 (expressed in thousands of United States dollars)



FirstCaribbean  
International Bank

### CHAIRMAN'S REVIEW

Net income for the nine months ended July 31, 2013 totaled \$43.1 million versus \$47.6 million for the same period in the prior year. Net revenues of \$392.9 million were down \$8.6 million when compared with the corresponding nine month period in the prior year. This reflects the continued strained economic conditions in the region. Despite the challenging overall economic environment, loan loss impairment expenses were down \$20.9 million reflecting a degree of improvement in this area. Operating expenses of \$270.2 million were up \$12.5 million due to higher business taxes and non-credit losses. Total assets of \$11.7 billion were up 3.7% against the same period in the prior year.

Tier I and total capital ratios remained strong at 23% and 24% respectively which are well in excess of the minimum regulatory requirements.

We thank the Board, management, staff and most importantly our customers for their continuing support.

**Michael K. Mansoor**  
Chairman  
August 29, 2013

#### 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 profitability. 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 in or implied by such forward-looking statements due to a variety of factors including: (1) changes in interest rates; (2) changes in trade, monetary or fiscal policy; (3) changes in general economic conditions, or in the condition of the local economies in which we have significant operations or assets, which could, among other things, materially impact credit quality trends and our ability to generate loans; (4) increased competitive pressure among financial services companies; (5) the inability to successfully execute strategic initiatives designed to grow revenues and/or manage expenses; (6) consummation of significant business combinations or divestitures; (7) operational or risk management failures due to technological or other factors; (8) heightened regulatory practices, requirements or expectations; (9) new legal obligations or restrictions or unfavourable resolution of litigation; (10) adverse capital markets conditions; (11) disruption in the economy and general business climate as a result of terrorist activities or military actions; and (12) 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.cibcfib.com.

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited July 31, 2013	Unaudited July 31, 2012	Audited October 31, 2012
<b>Assets</b>			
Cash, balances with Central Banks and due from banks	2,510,061	2,054,404	2,381,048
Financial assets at fair value through profit or loss	11,278	19,255	14,855
Loans and advances to customers	6,379,779	6,869,284	6,831,697
Investment securities	2,163,982	1,670,008	1,703,598
Property and equipment	127,695	128,531	133,597
Other assets	186,261	218,494	100,589
Intangible assets	334,907	334,907	334,907
<b>Total assets</b>	<b>11,713,963</b>	<b>11,294,883</b>	<b>11,500,291</b>
<b>Liabilities</b>			
Customer deposits and other borrowed funds	9,906,962	9,464,858	9,641,024
Financial liabilities at fair value through profit or loss	11,278	19,255	14,855
Other liabilities	144,965	156,121	163,287
Debt securities in issue	30,868	31,373	30,610
<b>Total liabilities</b>	<b>10,094,073</b>	<b>9,671,607</b>	<b>9,849,776</b>
<b>Equity attributable to equity holders of the parent</b>			
Issued capital and reserves	964,973	972,476	982,528
Retained earnings	626,438	621,643	638,343
	1,591,411	1,594,119	1,620,871
<b>Non-controlling interests</b>	<b>28,479</b>	<b>29,157</b>	<b>29,644</b>
<b>Total equity</b>	<b>1,619,890</b>	<b>1,623,276</b>	<b>1,650,515</b>
<b>Total liabilities and equity</b>	<b>11,713,963</b>	<b>11,294,883</b>	<b>11,500,291</b>

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

Sir Fred Gollop  
Director

Sir Allan Fields  
Director

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Parent				Total Equity
	Issued Capital	Reserves	Retained Earnings	Non-controlling Interests	
<b>Balance at October 31, 2011</b>	1,193,149	(231,879)	626,845	30,675	1,618,790
Total comprehensive income for the period	—	6,020	45,383	2,438	53,841
Transfer to reserves	—	4,120	(4,120)	—	—
Acquisition of additional interest in subsidiary	—	1,066	241	(2,460)	(1,153)
Equity dividends	—	—	(46,706)	—	(46,706)
Dividends of subsidiaries	—	—	—	(1,496)	(1,496)
<b>Balance at July 31, 2012</b>	<b>1,193,149</b>	<b>(220,673)</b>	<b>621,643</b>	<b>29,157</b>	<b>1,623,276</b>
<b>Balance at October 31, 2012</b>	1,193,149	(210,621)	638,343	29,644	1,650,515
Total comprehensive income for the period	—	(25,391)	42,613	378	17,600
Transfer to reserves	—	7,813	(7,813)	—	—
Acquisition of additional interest in subsidiary	—	23	—	(47)	(24)
Equity dividends	—	—	(46,705)	—	(46,705)
Dividends of subsidiaries	—	—	—	(1,496)	(1,496)
<b>Balance at July 31, 2013</b>	<b>1,193,149</b>	<b>(228,176)</b>	<b>626,438</b>	<b>28,479</b>	<b>1,619,890</b>

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

### CONDENSED CONSOLIDATED STATEMENT OF INCOME

	Unaudited Quarter ended		Unaudited Nine months ended		Audited Year ended
	July 31, 2013	July 31, 2012	July 31, 2013	July 31, 2012	October 31, 2012
Interest and similar income	113,574	123,354	346,893	373,401	499,434
Interest and similar expense	23,281	25,497	70,678	77,762	102,612
Net interest income	90,293	97,857	276,215	295,639	396,822
Operating income	39,272	34,398	116,694	105,835	146,095
	129,565	132,255	392,909	401,474	542,917
Operating expenses	92,003	89,448	270,155	257,648	347,960
Loan loss impairment	27,009	25,530	75,609	96,505	119,967
Amortisation of intangible assets	—	—	—	721	717
	119,012	114,978	345,764	354,874	468,644
Income before taxation	10,553	17,277	47,145	46,600	74,273
Income tax expense/(credit)	1,503	(872)	4,089	(997)	2,404
<b>Net income for the period</b>	<b>9,050</b>	<b>18,149</b>	<b>43,056</b>	<b>47,597</b>	<b>71,869</b>
<b>Attributable to:</b>					
Equity holders of the parent	9,049	17,390	42,613	45,383	69,161
Non-controlling interests	1	759	443	2,214	2,708
	9,050	18,149	43,056	47,597	71,869
<b>Earnings per share attributable to the equity holders of the parent for the period:</b> (expressed in cents per share)	<b>0.6</b>	<b>1.1</b>	<b>2.7</b>	<b>2.9</b>	<b>4.4</b>

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

# FirstCaribbean International Bank Limited

## Consolidated Financial Statements

For the nine month period ended July 31, 2013 (expressed in thousands of United States dollars)



FirstCaribbean  
International Bank

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Quarter ended		Unaudited Nine months ended		Audited Year ended
	July 31, 2013	July 31, 2012	July 31, 2013	July 31, 2012	October 31, 2012
Net income for the period	9,050	18,149	43,056	47,597	71,869
Other comprehensive income:					
Net (loss)/ gains on available-for-sale investment securities, net of tax	(17,130)	1,232	(15,157)	9,862	14,395
Exchange differences on translation of foreign operations, net of tax	(2,210)	(2,509)	(10,299)	(3,618)	(5,165)
Other comprehensive (loss)/ income for the period, net of tax	(19,340)	(1,277)	(25,456)	6,244	9,230
Total comprehensive (loss)/ income for the period, net of tax	(10,290)	16,872	17,600	53,841	81,099
Attributable to:					
Equity holders of the parent	(10,196)	16,129	17,222	51,403	78,131
Non-controlling interests	(94)	743	378	2,438	2,968
	(10,290)	16,872	17,600	53,841	81,099

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

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Period ended	Unaudited Period ended	Audited Year ended
	July 31, 2013	July 31, 2012	October 31, 2012
Net cash from operating activities	1,239,019	325,237	68,191
Net cash (used in)/from investing activities	(420,066)	96,529	82,651
Net cash used in financing activities	(48,936)	(50,544)	(52,815)
Net increase in cash and cash equivalents for the period	770,017	371,222	98,027
Effect of exchange rate changes on cash and cash equivalents	(10,299)	(3,618)	(5,165)
Cash and cash equivalents, beginning of the period	1,445,442	1,352,580	1,352,580
Cash and cash equivalents, end of the period	2,205,160	1,720,184	1,445,442

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

### CONDENSED CONSOLIDATED SEGMENT INFORMATION

	Unaudited July 31, 2013				
	RB	WB	WM	Admin	Total
External revenues	129,085	160,314	37,310	66,200	392,909
Revenues/(expenses) from other segments	14,654	7,158	36,288	(58,100)	—
<b>Total revenues</b>	<b>143,739</b>	<b>167,472</b>	<b>73,598</b>	<b>8,100</b>	<b>392,909</b>
Segment results	(40,358)	13,011	32,077	42,415	47,145
Taxation expense	—	—	—	4,089	4,089
<b>Net income for the period</b>					<b>43,056</b>
Segment assets	2,360,425	3,312,993	302,756	5,365,126	11,341,300
Unallocated assets					372,663
<b>Total assets</b>					<b>11,713,963</b>
Segment liabilities	2,857,651	2,287,839	4,446,071	500,258	10,091,819
Unallocated liabilities					2,254
<b>Total liabilities</b>					<b>10,094,073</b>

	Audited Oct 31, 2012				
	RB	WB	WM	Admin	Total
External revenues	182,728	241,281	49,362	69,546	542,917
Revenues/(expenses) from other segments	17,745	(6,365)	47,344	(58,724)	—
<b>Total revenues</b>	<b>200,473</b>	<b>234,916</b>	<b>96,706</b>	<b>10,822</b>	<b>542,917</b>
Segment results	(15,158)	(10,964)	44,241	56,154	74,273
Taxation expense	—	—	—	2,404	2,404
<b>Net income for the year</b>					<b>71,869</b>
Segment assets	2,418,709	4,012,888	328,533	4,368,903	11,129,033
Unallocated assets					371,258
<b>Total assets</b>					<b>11,500,291</b>
Segment liabilities	2,812,808	2,212,739	4,271,920	550,263	9,847,730
Unallocated liabilities					2,046
<b>Total liabilities</b>					<b>9,849,776</b>

	Unaudited July 31, 2012 (restated)				
	RB	WB	WM	Admin	Total
External revenues	137,560	179,511	35,438	48,965	401,474
Revenues/(expenses) from other segments	12,068	(9,757)	34,450	(36,761)	—
<b>Total revenues</b>	<b>149,628</b>	<b>169,754</b>	<b>69,888</b>	<b>12,204</b>	<b>401,474</b>
Segment results	(1,006)	(25,365)	27,358	45,613	46,600
Taxation credit	—	—	—	(997)	(997)
<b>Net income for the period</b>					<b>47,597</b>
Segment assets	2,448,027	3,650,183	316,642	4,508,588	10,923,440
Unallocated assets					371,443
<b>Total assets</b>					<b>11,294,883</b>
Segment liabilities	2,820,411	2,191,222	4,066,436	591,861	9,669,930
Unallocated liabilities					1,677
<b>Total liabilities</b>					<b>9,671,607</b>

#### Notes:

1) The Group implemented a new organizational structure with effect from January 1, 2012 which introduced a new business segment, Wealth Management ("WM"); and in August 2013, has renamed Corporate Lending and Investment Banking ("CLIB") to Wholesale Banking ("WB"). The Group's operations are now organized into three business segments, Retail Banking ("RB"), Wholesale Banking ("WB") and Wealth Management ("WM"), which are supported by the functional units within the Administration ("Admin") segment (which includes Treasury, Finance, HR, Technology, Operations, Risk and Governance & Control). The Administration segment results include the earnings on economic capital and capital charges for Treasury and the offset of the same for RB, WB and WM. Please refer to note 33 of the Group's Annual Report 2012 for further details.

Concurrently, the assumptions underpinning the segment allocation methodologies were updated resulting in changes to segment performance.

Prior period disclosures were amended to conform to this current presentation basis.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### July 31, 2013

#### Summary of significant accounting policies

#### Basis of presentation

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, 2012, included in the Group's Annual Report 2012. For a description of the Group's significant accounting policies, see Note 2 of the aforementioned consolidated financial statements.

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.

#### Transactions affecting year on year comparisons

#### Minority Interest

During the month of July, the Jamaica subsidiary acquired an additional 138,147 of its minority interest (MI) shares. This facilitates the continuing delisting from the Jamaica Stock Exchange. The MI has been reduced to 0.90% from 0.95%.

**FirstCaribbean Int'l Bank Ltd.**  
**Senior Management Shareholding**  
**As at July 31, 2013**

		BCSD	TTCD	JCSD	Main Register	Total Shareholding
<b>Directors</b>						
Michael Mansoor			295,334			295,334
Douglas F. Parkhill						-
Richard Nesbitt						-
David Ritch						-
Sir Fred Gollop					1,416	1,416
Sir Allan Fields			1,000			1,000
G. Diane Stewart						-
Paula Rajkumarsigh						-
Christina Kramer						-
Brian O'Donnell						-
Kevin Glass						-
<b>Senior Management</b>						
Brian Lee	Chief Financial Officer					-
David Whitcroft	Group Treasurer					-
Jude Pinto	Managing Director, Technology, Operations & Corporate Services					-
Duane Hinkson	Managing Director, Trinidad Operating Company					-
Mark Young	Managing Director Wealth				25,677	25,677
Mark McIntyre	Managing Director – Cayman Islands					-
Geoff Scott	Chief Risk Officer					-
Daniel W. Farmer	Managing Director, Corporate & Investment Banking					-
Patricia Rowe-Seale	Chief Auditor (Ag.)	12,303			824	13,127
Marie Rodland-Allen	Managing Director – Bahamas					-
Nigel Holness	Managing Director – Jamaica					-
Willem M van der Burg	Managing Director – Netherlands Antilles				12,465	12,465
Ben Gillooly	CEO – CIBC Bank & Trust (Cayman) Limited					-
Donna Wellington	Managing Director, Barbados					-
Derek Wilson	Chief Information Officer and Managing Director Technology				27,820	27,820
Donna Graham	Managing Director, Governance & Control					-
Ella Hoyos	Managing Director, Human Resources					-
Debbie Kellett	Executive Consultant, Special Initiatives					-
Mark St Hill	Managing Director, Retail & Business Banking				2,830	-
Trevor Torzas	Managing Director, Customer Relationship Management & Strategy					-
Brian Clarke	General Counsel & Corporate Secretary					-

FirstCaribbean International Bank

Top Ten Shareholders as at July 31, 2013

Shareholder	BCSD	TTC	JCSD	Main Register	Total Shareholding	Rank	% of Total o/s shares
CIBC Investments (Cayman) Limited	779,545,626		-	666,179,631	1,445,725,257	1	91.6702%
National Insurance Board (Barbados)	7,500,000		-	5,319,355	12,819,355	2	0.8128%
Sagicor Equity Fund	4,740,390		-	6,191,818	10,932,208	3	0.6932%
Guardian Life of The Caribbean Limited		10,285,143	-	3,000	10,288,143	4	0.6523%
National Insurance Board (Trinidad & Tobago)		7,000,000	-		7,000,000	5	0.4439%
Trinidad & Tobago Unit Trust Corporation - FUS	83,022	6,860,017			6,943,039	6	0.4402%
ESPP Main Plan (First Caribbean)	3,798,253						
RBTT Trust Ltd. - T964		3,160,002	125,460	685,203	4,608,916	7	0.2922%
Sagicor Life (Life of Barbados)	1,984			3,103,887	3,105,871	9	0.1969%
TrinTrust Limited A/C 1088		3,025,000			3,025,000	10	0.1918%
<b>Top Ten Share Total</b>					<b>1,507,607,791</b>		
<b>Total Outstanding Common Shares as at July 31, 2013</b>					<b>1,577,094,570</b>		