

FirstCaribbean International Limited

CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended January 31, 2015 (expressed in thousands of United States dollars)



FirstCaribbean
International Bank

CHIEF EXECUTIVE OFFICER'S REVIEW

For the three months ended January 31, 2015, the Bank recorded net income of \$26.6 million. This represents the highest quarterly results generated in 4 years. These results were driven by lower loan loss impairment expenses and lower operating expenses. This is a solid improvement in our performance when compared with net income of \$15.4 million for the same period last year.

Total revenue was down \$7.3 million year over year primarily due to lower loan earnings and lower gains from investment security sales. Operating expenses were down by \$4.0 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 expenses were also down significantly by \$14.9 million compared with the prior year and this represents the third consecutive quarter of reduced loan loss levels year over year.

Consistent with the industry, revenue continues to be affected by the challenging economic environment across the region. Further, some of the countries in which we operate continue to experience a challenging credit environment. To ensure that we deliver consistent, sustainable results, CIBC FirstCaribbean's focus remains on deepening our relationships with our clients and being their leading bank.

The Bank's Tier 1 and Total Capital ratios remain strong at 20.9% and 22.1%, well in excess of applicable regulatory requirements.

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

Rik Parkhill
Chief Executive Officer
February 26, 2015

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.cibcfcib.com.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited January 31, 2015	Unaudited January 31, 2014 Restated*	Unaudited October 31, 2014 Restated*
Assets			
Cash, balances with Central Banks and due from banks	2,182,067	2,047,153	1,813,702
Loans and advances to customers	5,996,335	6,284,378	6,140,273
Investment securities	2,344,877	2,104,270	2,305,215
Property and equipment	129,458	126,611	131,538
Other assets	176,318	184,230	169,029
Intangible assets	218,961	334,907	218,961
Total assets	11,048,016	11,081,549	10,778,718
Liabilities			
Customer deposits and other borrowed funds	9,371,205	9,332,866	9,200,379
Other liabilities	218,870	202,230	209,678
Debt securities in issue	133,515	30,895	30,974
Total liabilities	9,723,590	9,565,991	9,441,031
Equity attributable to equity holders of the parent			
Issued capital and reserves	911,333	922,706	926,324
Retained earnings	389,921	567,012	387,966
	1,301,254	1,489,718	1,314,290
Non-controlling interests	23,172	25,840	23,397
Total equity	1,324,426	1,515,558	1,337,687
Total liabilities and equity	11,048,016	11,081,549	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 Gollup
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Parent				
	Issued Capital	Reserves	Retained Earnings	Non-controlling Interests	Total Equity
Balance at October 31, 2013	1,193,149	(262,281)	574,409	26,416	1,531,693
Comprehensive income for the period (restated*)	-	(7,245)	15,038	172	7,965
Transfer to reserves	-	(917)	917	-	-
Equity dividends	-	-	(23,352)	-	(23,352)
Dividends of subsidiaries	-	-	-	(748)	(748)
Balance at January 31, 2014 (restated*)	1,193,149	(270,443)	567,012	25,840	1,515,558
Balance at October 31, 2014 (restated*)	1,193,149	(266,825)	387,966	23,397	1,337,687
Comprehensive Income for the period	-	(15,657)	25,973	523	10,839
Transfer to reserves	-	666	(666)	-	-
Equity dividends	-	-	(23,352)	-	(23,352)
Dividends of subsidiaries	-	-	-	(748)	(748)
Balance at January 31, 2015	1,193,149	(281,816)	389,921	23,172	1,324,426

*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)

	Unaudited Three months ended January 31, 2015	Unaudited Three months ended January 31, 2014 Restated*	Unaudited Year ended October 31, 2014 Restated*
Interest and similar income	108,717	116,600	455,175
Interest and similar expense	20,674	21,918	86,386
Net interest income	88,043	94,682	368,789
Operating income	41,842	42,532	159,526
	129,885	137,214	528,315
Operating expenses	85,162	89,162	349,259
Loan loss impairment	15,740	30,589	206,283
Impairment of intangible assets	-	-	115,946
	100,902	119,751	671,488
Income/ (loss) before taxation	28,983	17,463	(143,173)
Income tax expense	2,364	2,064	6,505
Net income/ (loss) for the period	26,619	15,399	(149,678)
Attributable to:			
Equity holders of the parent	25,973	15,038	(147,958)
Non-controlling interests	646	361	(1,720)
	26,619	15,399	(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	1.0	(9.4)

*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 COMPREHENSIVE INCOME/ (LOSS)

	Unaudited Three months ended January 31, 2015	Unaudited Three months ended January 31, 2014 Restated*	Unaudited Year ended October 31, 2014 Restated*
Net income/ (loss) for the period	26,619	15,399	(149,678)
Other comprehensive loss (net of tax) to be reclassified to net income or loss in subsequent periods:			
Net (losses)/gains on available-for-sale investment securities	(12,327)	(5,781)	8,763
Exchange losses on translation of foreign operations	(3,453)	(1,913)	(8,942)
	(15,780)	(7,694)	(179)
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	-	260	4,053
Other comprehensive (loss)/ income for the period, net of tax	(15,780)	(7,434)	3,874
Comprehensive income/ (loss) for the period, net of tax	10,839	7,965	(145,804)
Comprehensive income/ (loss) for the period attributable to:			
Equity holders of the parent	10,316	7,793	(144,281)
Non-controlling interests	523	172	(1,523)
	10,839	7,965	(145,804)

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FirstCaribbean International Limited

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International Bank

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Three months ended January 31, 2015	Unaudited Year ended October 31, 2014 Restated*
Net cash from/ (used in) operating activities	356,493	(493,996)
Net cash used in investing activities	(28,506)	(24,044)
Net cash from/ (used in) financing activities	77,880	(34,018)
Net increase/ (decrease) in cash and cash equivalents for the period	405,867	(552,058)
Effect of exchange rate changes on cash and cash equivalents	(3,453)	(8,942)
Cash and cash equivalents, beginning of the period	1,376,184	1,937,184
Cash and cash equivalents, end of the period	1,778,598	1,376,184

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

CONDENSED CONSOLIDATED SEGMENT INFORMATION

	Unaudited January 31, 2015				
	RB	WB	WM	Admin	Total
External revenues	43,933	52,033	12,652	21,267	129,885
Revenues from other segments	2,382	2,047	6,871	(11,300)	-
Total Revenues	46,315	54,080	19,523	9,967	129,885
Segment Results	(5,830)	10,853	5,092	18,868	28,983
Taxation expense					2,364
Net income for the period					26,619
Segment Assets	2,198,930	3,152,029	251,102	5,187,781	10,789,842
Unallocated assets					258,174
Total assets					11,048,016
Segment liabilities	2,920,499	2,773,203	3,653,974	370,812	9,718,488
Unallocated liabilities					5,102
Total liabilities					9,723,590
	Unaudited Oct 31, 2014 (Restated*)				
	RB	WB	WM	Admin	Total
External revenues	180,816	214,930	50,348	82,221	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)
Intangibles					(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					258,437
Total assets					10,778,718
Segment liabilities	2,886,305	2,430,895	3,530,902	587,295	9,435,397
Unallocated liabilities					5,634
Total liabilities					9,441,031
	Unaudited January 31, 2014 (Restated*)				
	RB	WB	WM	Admin	Total
External revenues	46,216	55,370	12,548	23,080	137,214
Revenues from other segments	4,352	2,877	11,057	(18,286)	-
Total Revenues	50,568	58,247	23,605	4,794	137,214
Segment Results	(768)	(6,088)	8,575	15,774	17,463
Taxation expense					2,064
Net income for the period					15,399
Segment Assets	2,335,512	3,266,698	293,338	4,813,136	10,708,684
Unallocated assets					372,865
Total assets					11,081,549
Segment liabilities	2,882,915	2,419,869	3,693,277	567,939	9,564,000
Unallocated liabilities					1,991
Total liabilities					9,565,991

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

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

Notes:

- In August 2013, the Group renamed Corporate and Investment Banking to Wholesale Banking to align with the naming architecture in use at its parent CIBC. The Group's operations are now organized into four 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 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

During the quarter, the final dividends for the fiscal year ended October 31, 2014, as approved by the Board of Directors in December 2014, in the amount of one point five United States cents per share (US\$0.015 per share) were paid.

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 within the scope of other standards.

IFRIC 21 clarifies that an entity recognises 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 January 1, 2014 and is applied retrospectively. The Group has applied IFRIC 21 for the first time in these interim 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 consolidated financial statement of financial position, statement of income or loss and statement of comprehensive income (increase/(decrease)):

	January 31, 2015	January 31, 2014	October 31, 2014
Other Liabilities	-	(326)	(1,153)
Retained earnings	(1,153)	326	1,153
Operating expenses	1,153	(326)	(1,153)
Profit for the period and total comprehensive income	(1,153)	326	1,153

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