

# FirstCaribbean International Bank Limited

## Consolidated Financial Statements

For the six month period ended April 30, 2013 (expressed in thousands of United States dollars)



FirstCaribbean  
International Bank

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Period ended April 30, 2013	Unaudited Period ended April 30, 2012	Audited Year ended October 31, 2012
Net cash from operating activities	1,172,185	452,870	68,191
Net cash (used in)/from investing activities	(145,799)	98,545	82,651
Net cash used in financing activities	(24,706)	(26,465)	(52,815)
Net increase in cash and cash equivalents for the period	1,001,680	524,950	98,027
Effect of exchange rate changes on cash and cash equivalents	(8,089)	(1,109)	(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	2,439,033	1,876,421	1,445,442

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 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 February 2013, the Jamaica subsidiary acquired an additional 27,764 of its minority interest (MI) shares at a price of J\$15.39 which were purchased by the parent company at the same price. This facilitates the continuing delisting from the Jamaica Stock Exchange. The MI has been reduced to 0.95% from 0.96%.

#### 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 28, 2013 to Shareholders of record as at June 13, 2013.

### CONDENSED CONSOLIDATED SEGMENT INFORMATION

	Unaudited Six months ended April 30, 2013				
	RB	CLIB	WM	Admin	Total
External revenues	88,274	106,216	24,893	43,958	263,341
Revenues from other segments	10,206	4,260	24,418	(38,884)	—
<b>Total revenues</b>	<b>98,480</b>	<b>110,476</b>	<b>49,311</b>	<b>5,074</b>	<b>263,341</b>
<b>Segment results</b>	<b>(13,825)</b>	<b>(944)</b>	<b>22,547</b>	<b>28,813</b>	<b>36,591</b>
Taxation expense	—	—	—	2,587	2,587
<b>Net income for the period</b>					<b>34,004</b>
Segment assets	2,380,243	3,365,835	313,400	5,275,139	11,334,617
Unallocated assets					372,122
<b>Total assets</b>					<b>11,706,739</b>
Segment liabilities	2,859,699	2,408,553	4,262,190	518,960	10,049,402
Unallocated liabilities					3,035
<b>Total liabilities</b>					<b>10,052,437</b>

	Audited Year ended October 31, 2012				
	RB	CLIB	WM	Admin	Total
External revenues	182,728	241,281	49,362	69,546	542,917
Revenues 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>
<b>Segment results</b>	<b>(15,158)</b>	<b>(10,964)</b>	<b>44,241</b>	<b>56,154</b>	<b>74,273</b>
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 Six months ended April 30, 2012 (restated)				
	RB	CLIB	WM	Admin	Total
External revenues	90,809	123,420	24,123	30,867	269,219
Revenues from other segments	8,708	(3,531)	21,626	(26,803)	—
<b>Total revenues</b>	<b>99,517</b>	<b>119,889</b>	<b>45,749</b>	<b>4,064</b>	<b>269,219</b>
<b>Segment results</b>	<b>2,777</b>	<b>(18,436)</b>	<b>17,672</b>	<b>27,310</b>	<b>29,323</b>
Taxation credit	—	—	—	(125)	(125)
<b>Net income for the period</b>					<b>29,448</b>
Segment assets	2,477,632	3,758,653	319,519	4,588,578	11,144,382
Unallocated assets					369,527
<b>Total assets</b>					<b>11,513,909</b>
Segment liabilities	2,832,696	2,378,816	4,077,636	591,823	9,880,971
Unallocated liabilities					2,434
<b>Total liabilities</b>					<b>9,883,405</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"). The Group's operations are now organized into three business segments, Retail Banking ("RB"), Corporate Lending and Investment Banking ("CLIB") 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). The Administration segment results include the earnings on economic capital and capital charges for Treasury and the offset of the same for RB, CLIB 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.

# FirstCaribbean International Bank Limited

## Consolidated Financial Statements

For the six month period ended April 30, 2013 (expressed in thousands of United States dollars)



FirstCaribbean  
International Bank

### CHAIRMAN'S REVIEW

Net income for the six months ended April 30, 2013 totaled \$34.0 million and was up \$4.6 million versus net income of \$29.4 million for the same period in the prior year. Total revenues of \$263.3 million were down \$5.9 million and continue to be challenged by the struggling economic conditions of the region. Loan loss impairment expenses were down \$22.4 million primarily due to lower specific provisions. Operating expenses were up \$9.9 million due to higher non-credit losses and higher business taxes. Total assets are currently \$11.7 billion which are up 2% against the same period in the prior year.

Tier I and total capital ratios remain strong at 23% and 25% respectively which are well in excess of the minimum regulatory requirements.

The Directors have approved an interim dividend of one point five United States cents (US\$0.015) per share to be paid on June 28, 2013 to Shareholders of record as at June 13, 2013.

I wish to thank all our customers, employees, shareholders and our Directors for their loyalty and contribution to our business.

**Michael K. Mansoor**

Chairman  
May 30, 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 April 30, 2013	Unaudited April 30, 2012	Audited October 31, 2012
<b>Assets</b>			
Cash, balances with Central Banks and due from banks	2,714,109	2,189,214	2,381,048
Financial assets at fair value through profit or loss	12,771	22,475	14,855
Loans and advances to customers	6,470,825	6,969,491	6,831,697
Investment securities	1,823,516	1,653,268	1,703,598
Property and equipment	129,018	129,726	133,597
Other assets	221,593	214,830	100,589
Intangible assets	334,907	334,905	334,907
<b>Total assets</b>	<b>11,706,739</b>	<b>11,513,909</b>	<b>11,500,291</b>
<b>Liabilities</b>			
Customer deposits and other borrowed funds	9,836,927	9,688,747	9,641,024
Financial liabilities at fair value through profit or loss	12,771	22,475	14,855
Other liabilities	172,077	141,456	163,287
Debt securities in issue	30,662	30,727	30,610
<b>Total liabilities</b>	<b>10,052,437</b>	<b>9,883,405</b>	<b>9,849,776</b>
<b>Equity attributable to equity holders of the parent</b>			
Issued capital and reserves	983,368	972,607	982,528
Retained earnings	641,568	628,736	638,343
	1,624,936	1,601,343	1,620,871
<b>Non-controlling interests</b>	<b>29,366</b>	<b>29,161</b>	<b>29,644</b>
<b>Total equity</b>	<b>1,654,302</b>	<b>1,630,504</b>	<b>1,650,515</b>
<b>Total liabilities and equity</b>	<b>11,706,739</b>	<b>11,513,909</b>	<b>11,500,291</b>

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

**Sir Allan Fields**  
Director

**Rik Parkhill**  
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	—	7,281	27,993	1,695	36,969
Transfer to reserves	—	2,990	(2,990)	—	—
Acquisition of additional interest in subsidiaries	—	1,066	241	(2,461)	(1,154)
Equity dividends	—	—	(23,353)	—	(23,353)
Dividends of subsidiaries	—	—	—	(748)	(748)
<b>Balance at April 30, 2012</b>	1,193,149	(220,542)	628,736	29,161	1,630,504
<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	—	(6,144)	33,562	470	27,888
Transfer to reserves	—	6,980	(6,980)	—	—
Acquisition of additional interest in subsidiaries	—	4	—	(8)	(4)
Equity dividends	—	—	(23,357)	—	(23,357)
Dividends of subsidiaries	—	—	—	(740)	(740)
<b>Balance at April 30, 2013</b>	1,193,149	(209,781)	641,568	29,366	1,654,302

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 Six months ended		Audited Year ended
	April 30, 2013	April 30, 2012	April 30, 2013	April 30, 2012	October 31, 2012
Interest and similar income	114,640	122,362	233,318	250,047	499,434
Interest and similar expense	23,116	25,226	47,395	52,265	102,612
<b>Net interest income</b>	<b>91,524</b>	<b>97,136</b>	<b>185,923</b>	<b>197,782</b>	<b>396,822</b>
Operating income	40,480	33,991	77,418	71,437	146,095
	132,004	131,127	263,341	269,219	542,917
Operating expenses	90,317	86,797	178,149	168,207	347,960
Loan loss impairment	24,839	36,008	48,601	70,975	119,967
Amortisation of intangible assets	—	—	—	714	717
	115,156	122,805	226,750	239,896	468,644
Income before taxation	16,848	8,322	36,591	29,323	74,273
Income tax expense/(credit)	1,526	(3)	2,587	(125)	2,404
<b>Net income for the period</b>	<b>15,322</b>	<b>8,325</b>	<b>34,004</b>	<b>29,448</b>	<b>71,869</b>
<b>Attributable to:</b>					
Equity holders of the parent	14,991	7,753	33,562	27,993	69,161
Non-controlling interests	331	572	442	1,455	2,708
	15,322	8,325	34,004	29,448	71,869

**Basic Earnings per share attributable to the equity holders of the parent for the period:** 1.0 0.5 2.1 1.8 4.4

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

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Quarter ended		Unaudited Six months ended		Audited Year ended
	April 30, 2013	April 30, 2012	April 30, 2013	April 30, 2012	October 31, 2012
<b>Net income for the period</b>	<b>15,322</b>	<b>8,325</b>	<b>34,004</b>	<b>29,448</b>	<b>71,869</b>
<b>Other comprehensive income:</b>					
Net (loss)/gains on available-for-sale investment securities, net of tax	(5,724)	7,251	1,973	8,630	14,395
Exchange differences on translation of foreign operations, net of tax	(4,953)	(716)	(8,089)	(1,109)	(5,165)
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b>(10,677)</b>	<b>6,535</b>	<b>(6,116)</b>	<b>7,521</b>	<b>9,230</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>4,645</b>	<b>14,860</b>	<b>27,888</b>	<b>36,969</b>	<b>81,099</b>
<b>Attributable to:</b>					
Equity holders of the parent	4,545	14,059	27,418	35,274	78,131
Non-controlling interests	100	801	470	1,695	2,968
	4,645	14,860	27,888	36,969	81,099

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

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED  
HELD ON WEDNESDAY, MAY 29, 2013**

**RESOLVED** that an interim dividend of one point five United States cents (US\$0.015) per share for the six months ended April 30, 2013, be declared on the issued and outstanding common shares of the Company and paid on Friday, June 28, 2013 to common shareholders of record as at June 13, 2013.

CERTIFIED A TRUE COPY OF THE RESOLUTION PASSED AT THE BOARD OF DIRECTORS' MEETING OF FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED HELD ON WEDNESDAY, MAY 29, 2013.



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BRIAN H. CLARKE  
GENERAL COUNSEL AND  
CORPORATE SECRETARY  
FIRSTCARIBBEAN  
INTERNATIONAL  
BANK LIMITED

MAY 29, 2013