

# FirstCaribbean International Bank Limited

## Consolidated Financial Statements

For the six months ended April 30, 2010 (expressed in thousands of United States dollars)



FIRSTCARIBBEAN  
INTERNATIONAL BANK

### CHAIRMAN'S REVIEW

Net income for the six month period ended April 30, 2010 amounted to \$94 million versus \$86 million in 2009, an increase of \$8 million or 9%. These results reflect significant increases in operating income, however the underlying core results of the Bank continue to be impacted by the prevailing economic environment.

Total revenues were flat (\$2 million or 1% higher) year on year, with declines in net interest income being offset by increases in operating income. Net interest income was down by \$26 million due to both lower interest rates and average volumes, while operating income was up \$28 million due to higher gains on the sale of investment securities, lower mark to market losses and higher fee income, partially offset by lower gains on the repurchase of debt securities.

Total expenses were substantially unchanged (\$3 million or 1% higher) year on year, with declines in operating expenses of \$5 million being offset by increases in loan loss expenses by \$8 million. Taxation was lower by \$9 million due to lower income earned in the taxable jurisdictions.

The Bank continues to be well capitalized and remains poised to take advantage of future opportunities.

The Directors have approved an interim dividend of \$0.03 cents per share to be paid on June 30, 2010 to the shareholders of record on June 9, 2010.

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

Michael K. Mansoor  
Chairman

May 27, 2010

#### FORWARD-LOOKING STATEMENT DISCLOSURE

This report contains 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.firstcaribbeanbank.com.

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|  | Unaudited<br>April 30, 2010 | Unaudited<br>April 30, 2009 | Audited<br>October 31, 2009 |
|--|-----------------------------|-----------------------------|-----------------------------|
| <b>Assets</b>  |                             |                             |                             |
| Cash, balances with Central Banks and due from banks                     | 1,062,658                   | 1,134,796                   | 1,276,216                   |
| Financial assets at fair value through profit or loss                    | —                           | 39,618                      | —                           |
| Loans and advances to customers  | 6,624,273                   | 6,880,231                   | 6,905,476                   |
| Investment securities  | 1,874,748                   | 1,879,065                   | 1,743,690                   |
| Property and equipment   | 122,124                     | 120,361                     | 120,988                     |
| Other assets   | 188,032                     | 168,875                     | 114,657                     |
| Intangible assets  | 340,064                     | 343,039                     | 341,550                     |
| <b>Total assets</b>  | <b>10,211,899</b>           | <b>10,565,985</b>           | <b>10,502,577</b>           |
| <b>Liabilities</b>   |                             |                             |                             |
| Customer deposits and other borrowed funds                               | 8,473,703                   | 8,857,417                   | 8,696,842                   |
| Other liabilities  | 151,312                     | 166,775                     | 162,344                     |
| Debt securities in issue   | 30,931                      | 172,691                     | 124,622                     |
| <b>Total liabilities</b>   | <b>8,655,946</b>            | <b>9,196,883</b>            | <b>8,983,808</b>            |
| <b>Equity</b>  |                             |                             |                             |
| <b>Capital and reserves attributable to equity holders of the Parent</b> |                             |                             |                             |
| Issued capital and reserves  | 879,770                     | 772,056                     | 870,581                     |
| Retained earnings  | 646,775                     | 572,573                     | 620,353                     |
|  | 1,526,545                   | 1,344,629                   | 1,490,934                   |
| <b>Minority interest</b>   | <b>29,408</b>               | <b>24,473</b>               | <b>27,835</b>               |
|  | 1,555,953                   | 1,369,102                   | 1,518,769                   |
| <b>Total liabilities and equity</b>                                      | <b>10,211,899</b>           | <b>10,565,985</b>           | <b>10,502,577</b>           |

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

Michael K. Mansoor  
Chairman

Sir Fred Gollop  
Director

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|                                    | Attributable to equity holders of the Parent |                 |           |                   |                   | Total Equity |
|------------------------------------|--|-----------------|-----------|-------------------|-------------------|--------------|
|                                    | Share Capital                                | Treasury Shares | Reserves  | Retained Earnings | Minority Interest |              |
| <b>Balance at October 31, 2008</b> | 1,117,349                                    | (500)           | (371,997) | 565,889           | 25,054            | 1,335,795    |
| Total comprehensive income         | —  | —               | 7,247     | 71,627            | 570               | 79,444       |
| Transfer to reserves               | —  | —               | 20,014    | (20,014)          | —                 | —            |
| Net disposal of treasury shares    | —  | 396             | —         | —                 | —                 | 396          |
| Share based payment reserves       | —  | —               | (453)     | —                 | —                 | (453)        |
| Equity dividends                   | —  | —               | —         | (44,929)          | —                 | (44,929)     |
| Dividends of subsidiaries          | —  | —               | —         | —                 | (1,151)           | (1,151)      |
| <b>Balance at April 30, 2009</b>   | 1,117,349                                    | (104)           | (345,189) | 572,573           | 24,473            | 1,369,102    |
| <b>Balance at October 31, 2009</b> | 1,117,349                                    | —               | (246,768) | 620,353           | 27,835            | 1,518,769    |
| Total comprehensive income         | —  | —               | (11,787)  | 92,327            | 2,493             | 83,033       |
| Transfer to reserves               | —  | —               | 20,976    | (20,976)          | —                 | —            |
| Equity dividends                   | —  | —               | —         | (44,929)          | —                 | (44,929)     |
| Dividends of subsidiaries          | —  | —               | —         | —                 | (920)             | (920)        |
| <b>Balance at April 30, 2010</b>   | 1,117,349                                    | —               | (237,579) | 646,775           | 29,408            | 1,555,953    |

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

### CONDENSED CONSOLIDATED STATEMENT OF INCOME

|   | Unaudited<br>Quarter ended |                | Unaudited<br>Six months ended |                | Audited<br>Year Ended |
|---|----------------------------|----------------|-------------------------------|----------------|-----------------------|
|   | April 30, 2010             | April 30, 2009 | April 30, 2010                | April 30, 2009 | October 31, 2009      |
| Interest and similar income   | 129,926                    | 150,437        | 267,293                       | 319,455        | 614,812               |
| Interest and similar expense  | 35,175                     | 42,976         | 71,179                        | 97,775         | 181,317               |
| <b>Net interest income</b>  | <b>94,751</b>              | <b>107,461</b> | <b>196,114</b>                | <b>221,680</b> | <b>433,495</b>        |
| Operating income  | 57,397                     | 42,927         | 95,562                        | 67,993         | 134,737               |
|   | 152,148                    | 150,388        | 291,676                       | 289,673        | 568,232               |
| Operating expenses  | 77,408                     | 85,298         | 155,711                       | 161,025        | 319,718               |
| Loan loss expenses  | 12,143                     | 14,848         | 33,779                        | 25,676         | 43,369                |
| Amortisation of intangible assets   | 739                        | 717            | 1,482                         | 1,474          | 2,963                 |
|   | 90,290                     | 100,863        | 190,972                       | 188,175        | 366,050               |
| Net income before taxation  | 61,858                     | 49,525         | 100,704                       | 101,498        | 202,182               |
| Income tax expense  | 4,521                      | 7,057          | 6,392                         | 15,295         | 26,981                |
| <b>Net income for the period</b>  | <b>57,337</b>              | <b>42,468</b>  | <b>94,312</b>                 | <b>86,203</b>  | <b>175,201</b>        |
| <b>Attributable to:</b>   |                            |                |                               |                |                       |
| Equity holders of the parent  | 56,353                     | 41,844         | 92,224                        | 84,656         | 171,223               |
| Minority interest   | 984                        | 624            | 2,088                         | 1,547          | 3,978                 |
|   | 57,337                     | 42,468         | 94,312                        | 86,203         | 175,201               |
| Earnings per common share in cents attributable to the equity holders of the Parent |                            |                |                               |                |                       |
| - basic   | 3.7                        | 2.7            | 6.0                           | 5.6            | 11.2                  |
| - diluted   | 3.7                        | 2.7            | 6.0                           | 5.6            | 11.2                  |

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

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|   | Unaudited<br>Quarter ended |                | Unaudited<br>Six months ended |                | Audited<br>Year ended |
|---|----------------------------|----------------|-------------------------------|----------------|-----------------------|
|   | April 30, 2010             | April 30, 2009 | April 30, 2010                | April 30, 2009 | October 31, 2009      |
| <b>Net income for the period</b>  | <b>57,337</b>              | <b>42,468</b>  | <b>94,312</b>                 | <b>86,203</b>  | <b>175,201</b>        |
| <b>Other comprehensive income:</b>  |                            |                |                               |                |                       |
| Net (loss) / gain on available-for-sale investment securities, net of tax | (15,268)                   | 802            | (10,690)                      | 6,657          | 112,884               |
| Exchange differences on translation of foreign operations                 | 218                        | (2,037)        | (589)                         | (13,416)       | (13,767)              |
| <b>Other comprehensive income for the period, net of tax</b>              | <b>(15,050)</b>            | <b>(1,235)</b> | <b>(11,279)</b>               | <b>(6,759)</b> | <b>99,117</b>         |
| <b>Total comprehensive income for the period, net of tax</b>              | <b>42,287</b>              | <b>41,233</b>  | <b>83,033</b>                 | <b>79,444</b>  | <b>274,318</b>        |
| <b>Attributable to:</b>   |                            |                |                               |                |                       |
| Equity holders of the parent  | 41,212                     | 40,117         | 80,540                        | 78,874         | 269,479               |
| Minority interest   | 1,075                      | 1,116          | 2,493                         | 570            | 4,839                 |
|   | 42,287                     | 41,233         | 83,033                        | 79,444         | 274,318               |

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 six months ended April 30, 2010 (expressed in thousands of United States dollars)



FIRSTCARIBBEAN  
INTERNATIONAL BANK

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

|  | Unaudited<br>Six months ended |                | Audited<br>Year ended |
|--|-------------------------------|----------------|-----------------------|
|  | April 30, 2010                | April 30, 2009 | October 31, 2009      |
| <b>Net cash from / (used in)<br/>operating activities</b>                        | <b>367,494</b>                | (144,689)      | (354,556)             |
| <b>Net cash (used in) / from investing<br/>activities</b>                        | <b>(74,434)</b>               | 187,125        | 514,335               |
| <b>Net cash (used in) / from financing<br/>activities</b>                        | <b>(141,052)</b>              | 30,038         | (183,525)             |
| <b>Net increase / (decrease) in cash and<br/>cash equivalents for the period</b> | <b>152,008</b>                | 72,474         | (23,746)              |
| Effect of exchange rate changes on cash and<br>cash equivalents                  | (589)                         | (13,416)       | (13,767)              |
| <b>Cash and cash equivalents, beginning of<br/>the period</b>                    | <b>627,417</b>                | 664,930        | 664,930               |
| <b>Cash and cash equivalents, end of<br/>the period</b>                          | <b>778,836</b>                | 723,988        | 627,417               |

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, 2009, included in the Group's Annual Report 2009. 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. Certain reclassifications have been made to the prior period's financial statements to conform to the current period's presentation. These condensed consolidated financial statements reflect, in the opinion of management, all adjustments that are necessary for a fair presentation of the 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 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

#### *Debt securities in issue*

During the quarter, the Bank repaid the remaining debt securities issued out of its Cayman subsidiary in the amount of \$89MM (Q2 2009 - \$69MM).

#### *Dividends*

The Directors have approved an interim dividend of US\$0.03 cents per share to be paid on June 30, 2010 to the shareholders of record as at June 9, 2010.