

FirstCaribbean International Bank Limited



FIRST CARIBBEAN
INTERNATIONAL BANK

Consolidated Financial Statements

For the nine months ended July 31, 2009 (expressed in thousands of United States dollars)

CHAIRMAN'S REVIEW

Net income attributable to shareholders of the Parent amounted to \$121.7 million, a decline of 12% or \$17.5 million from the prior comparative period.

Total revenues were up by \$17.4 million or 4% compared to the prior year driven by higher operating income. Operating expenses increased by \$11.8 million or 5% and loan loss expenses increased by \$15.8 million or 74%. In addition, taxation increased by \$7.7 million or 47%.

Net interest income declined by \$11.4 million or 3% year on year primarily driven by the impact of lower interest rates; partially offset by higher loan and lower deposit volumes. Gross loan volumes have increased year on year by \$377 million or 6%.

Operating income however was up by \$28.8 million or 39% primarily due to gains from the repurchase of issued debt at less than par and lower mark to market losses on the trading portfolio and hedges.

Operating expenses were higher than the prior year primarily due to employee related costs, including previously negotiated wage increases, as well as, higher pension expenses. The efficiency ratio has remained flat against the prior year at 56%.

The increase in taxation expenses year on year was primarily due to higher income on taxable entities within the Group.

These results were affected by the global and regional economic conditions and remain in line with management's expectations.

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

Michael K. Mansoor
Chairman

August 26, 2009

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 BALANCE SHEET

	Unaudited July 31, 2009	Unaudited July 31, 2008	Audited October 31, 2008
Assets			
Cash, balances with Central Banks and other banks	1,054,338	1,712,929	984,886
Financial assets at fair value through profit or loss	48	551,056	536,217
Loans and advances to customers	6,864,038	6,519,045	6,814,278
Investment securities	2,048,307	2,154,883	2,004,269
Property and equipment	118,889	126,754	127,156
Other assets	162,205	126,571	128,835
Intangible assets	342,288	345,258	344,513
Total assets	10,590,113	11,536,496	10,940,154
Liabilities			
Customer deposits	8,792,517	9,731,267	9,196,049
Other borrowed funds	40,815	—	23,735
Other liabilities	143,128	129,798	146,043
Debt securities in issue	153,269	274,424	238,532
Total liabilities	9,129,729	10,135,489	9,604,359
Equity			
Capital and reserves attributable to equity holders of the Parent			
Issued capital and reserves	873,538	835,092	744,852
Retained earnings	560,102	539,857	565,889
	1,433,640	1,374,949	1,310,741
Minority interest	26,744	26,058	25,054
	1,460,384	1,401,007	1,335,795
Total liabilities and equity	10,590,113	11,536,496	10,940,154

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

Sir Allan Fields
Director

Sir Fred Gallop
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	
Balance at October 31, 2007	1,117,349	(1,418)	(300,248)	520,310	24,827	1,360,820
Foreign currency translation differences	—	—	(98)	(1,466)	44	(1,520)
Net change in available-for-sale investment securities	—	—	(4,777)	—	696	(4,081)
Total income and expense for the period recognised directly in equity	—	—	(4,875)	(1,466)	740	(5,601)
Net income for the period	—	—	—	139,226	3,080	142,306
Total income and expense for the period	—	—	(4,875)	137,760	3,820	136,705
Transfer to reserves	—	—	24,622	(24,622)	—	—
Disposal of treasury shares	—	846	—	—	—	846
Share based payment reserves	—	—	(1,184)	—	—	(1,184)
Equity dividends	—	—	—	(93,591)	—	(93,591)
Dividends of subsidiaries	—	—	—	—	(2,589)	(2,589)
Balance at July 31, 2008	1,117,349	(572)	(281,685)	539,857	26,058	1,401,007
Balance at October 31, 2008	1,117,349	(500)	(371,997)	565,889	25,054	1,335,795
Foreign currency translation differences	—	—	358	(13,315)	(461)	(13,418)
Net change in available-for-sale investment securities	—	—	103,323	—	1,465	104,788
Total income and expense for the period recognised directly in equity	—	—	103,681	(13,315)	1,004	91,370
Net income for the period	—	—	—	121,752	2,699	124,451
Total income and expense for the period	—	—	103,681	108,437	3,703	215,821
Transfer to reserves	—	—	25,063	(25,063)	—	—
Disposal of treasury shares	—	395	—	—	—	395
Share based payment reserves	—	—	(453)	—	—	(453)
Equity dividends	—	—	—	(89,161)	—	(89,161)
Dividends of subsidiaries	—	—	—	—	(2,013)	(2,013)
Balance at July 31, 2009	1,117,349	(105)	(243,706)	560,102	26,744	1,460,384

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

CONDENSED CONSOLIDATED STATEMENT OF INCOME

	Unaudited Quarter Ended July 31, 2009	Unaudited Quarter Ended July 31, 2008	Unaudited Period Ended July 31, 2009	Unaudited Period Ended July 31, 2008	Audited Year Ended October 31, 2008
Interest income	151,954	182,447	471,409	548,159	722,971
Interest expense	46,842	62,607	144,617	209,923	264,684
Net interest income	105,112	119,840	326,792	338,236	458,287
Operating income	34,604	40,929	102,597	73,765	92,256
	139,716	160,769	429,389	412,001	550,543
Operating expenses	80,687	77,547	241,712	229,923	313,592
Loan loss expenses	11,379	10,893	37,055	21,274	32,015
Amortisation of intangible assets	752	743	2,226	2,224	2,963
	92,818	89,183	280,993	253,421	348,570
Income before taxation	46,898	71,586	148,396	158,580	201,973
Income tax expense	8,650	5,580	23,945	16,274	22,220
Net income for the period	38,248	66,006	124,451	142,306	179,753
Attributable to:					
Equity holders of the parent	37,096	64,580	121,752	139,226	175,276
Minority interest	1,152	1,426	2,699	3,080	4,477
Net income for the period	38,248	66,006	124,451	142,306	179,753
Weighted average number of common shares outstanding (000's)	1,525,120	1,525,468	1,525,097	1,525,468	1,525,639
Net income per common share in cents attributable to the equity holders of the Parent					
- basic	2.4	4.2	8.0	9.1	11.5
- diluted	2.4	4.2	8.0	9.1	11.5

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 July 31, 2009	Unaudited Period Ended July 31, 2008	Audited Year Ended October 31, 2008
Net cash used in operating activities	100,748	(168,694)	84,511
Net cash from investing activities	145,728	387,985	460,261
Net cash from/(used in) financing activities	(147,852)	(107,001)	(885,963)
Net increase in cash and cash equivalents for the period	98,624	112,290	(341,191)
Effect of exchange rate changes on cash and cash equivalents	(13,418)	(1,520)	(6,256)
Cash and cash equivalents, beginning of period	664,930	1,012,377	1,012,377
Cash and cash equivalents, end of period	750,136	1,123,147	664,930

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, 2008, included in the Group's Annual Report 2008. 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 current financial year, the Bank repaid \$84 million (\$64M in quarter 2 and a further \$20M in quarter 3) of its issued debt securities.