

FirstCaribbean International Bank Limited



FirstCaribbean
International Bank

Consolidated Financial Statements

For the nine months ended July 31, 2011 (expressed in thousands of United States dollars)

CHAIRMAN'S REVIEW

Net income for the nine month period ended July 31, 2011 amounted to \$71 million. Excluding securities gains, this was \$22 million (25%) lower than the prior year.

Revenues (excluding securities gains) decreased by 2% year on year driven by lower net interest income due to the slump in loan demand/growth and lower securities volumes resulting from disposals in the prior year. Expenses increased by 4% year on year due to higher contractual, actuarial and one-time costs affecting remuneration & benefits, depreciation, advertising and business taxes; partially offset by lower loan loss impairment and taxation expenses.

Management remains focused on cost and loan delinquency containment during this protracted economic downturn which continues to limit revenue generation opportunities.

Capital ratios continue to be well in excess of regulatory requirements, placing the Bank in a solid position to take advantage of opportunities that may arise in the future.

I wish to thank the Board, management, staff and our customers for their continuing support.

Michael K. Mansoor
Chairman
August 31, 2011

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 July 31, 2011	Unaudited July 31, 2010	Audited October 31, 2010
Assets			
Cash, balances with Central Banks and due from banks	1,214,897	838,347	916,942
Financial assets at fair value through profit or loss	37,075	—	—
Loans and advances to customers	6,632,758	6,557,320	6,576,319
Investment securities	1,603,080	1,772,960	1,679,254
Property and equipment	127,207	123,948	126,520
Other assets	154,573	199,339	128,535
Intangible assets	336,358	339,322	338,587
Total assets	10,105,948	9,831,236	9,766,157
Liabilities			
Customer deposits and other borrowed funds	8,382,388	8,124,394	7,988,253
Financial liabilities at fair value through profit or loss	37,075	—	—
Other liabilities	98,103	152,062	173,556
Debt securities in issue	31,329	31,648	31,129
Total liabilities	8,548,895	8,308,104	8,192,938
Equity attributable to equity holders of the parent			
Issued capital and reserves	896,046	865,165	882,831
Retained earnings	630,850	629,352	660,680
	1,526,896	1,494,517	1,543,511
Non-controlling interests	30,157	28,615	29,708
Total equity	1,557,053	1,523,132	1,573,219
Total liabilities and equity	10,105,948	9,831,236	9,766,157

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

Sir Allan Fields
Director

Sir Fred Gollop
Director

Board of Directors as at July 31, 2011

Michael Mansoor, A. John Orr, Sir Fred Gollop, Sir Allan Fields, Richard Nesbitt, David Ritch, Brian O'Donnell, G. Diane Stewart, Christina Kramer, Paula Rajkumarsingh, *Kevin Glass

* Subject to regulatory approval

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Parent				Total Equity
	Issued Capital	Reserves	Retained Earnings	Non-controlling Interests	
Balance at October 31, 2009	1,117,349	(246,768)	620,353	27,835	1,518,769
Total comprehensive (loss) / income for the period	—	(28,477)	121,917	2,563	96,003
Transfer to reserves	—	23,061	(23,061)	—	—
Equity dividends	—	—	(89,857)	—	(89,857)
Dividends of subsidiaries	—	—	—	(1,783)	(1,783)
Balance at July 31, 2010	1,117,349	(252,184)	629,352	28,615	1,523,132
Balance at October 31, 2010	1,117,349	(234,518)	660,680	29,708	1,573,219
Total comprehensive income for the period	—	4,432	68,810	2,060	75,302
Transfer to reserves	—	8,783	(8,783)	—	—
Equity dividends	—	—	(89,857)	—	(89,857)
Dividends of subsidiaries	—	—	—	(1,611)	(1,611)
Balance at July 31, 2011	1,117,349	(221,303)	630,850	30,157	1,557,053

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, 2011	July 31, 2010	July 31, 2011	July 31, 2010	October 31, 2010
Interest and similar income	123,072	128,498	375,645	395,791	526,915
Interest and similar expense	30,078	35,269	92,965	106,448	139,874
Net interest income	92,994	93,229	282,680	289,343	387,041
Operating income	34,680	40,575	100,968	136,137	164,733
	127,674	133,804	383,648	425,480	551,774
Operating expenses	85,817	78,157	249,619	233,868	317,316
Loan loss impairment	21,849	21,557	51,968	55,336	61,766
Amortisation of intangible assets	742	741	2,224	2,223	2,963
	108,408	100,455	303,811	291,427	382,045
Income before taxation	19,266	33,349	79,837	134,053	169,729
Income tax expense	1,590	3,146	8,998	9,538	12,297
Net income for the period	17,676	30,203	70,839	124,515	157,432
Attributable to:					
Equity holders of the parent	16,999	29,590	68,810	121,814	154,197
Non-controlling interests	677	613	2,029	2,701	3,235
	17,676	30,203	70,839	124,515	157,432

Earnings per share attributable to the equity holders of the parent for the period:

(expressed in cents per share)

- basic and diluted	1.1	1.9	4.5	8.0	10.1
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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 Nine months ended		Audited Year ended
	July 31, 2011	July 31, 2010	July 31, 2011	July 31, 2010	October 31, 2010
Net income for the period	17,676	30,203	70,839	124,515	157,432
Other comprehensive income:					
Net gains/(losses) on available-for-sale investment securities, net of tax	8,327	(19,882)	5,870	(30,572)	(14,539)
Exchange differences on translation of foreign operations, net of tax	(608)	2,649	(1,407)	2,060	3,197
Other comprehensive gains/(losses) for the period, net of tax	7,719	(17,233)	4,463	(28,512)	(11,342)
Total comprehensive income for the period, net of tax	25,395	12,970	75,302	96,003	146,090
Attributable to:					
Equity holders of the parent	24,666	12,900	73,242	93,440	142,434
Non-controlling interests	729	70	2,060	2,563	3,656
	25,395	12,970	75,302	96,003	146,090

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, 2011	Unaudited Period ended July 31, 2010	Audited Year ended October 31, 2010
Net cash from / (used in) operating activities	352,594	36,024	(72,041)
Net cash from investing activities	126,869	27,912	162,348
Net cash used in financing activities	(93,146)	(186,765)	(184,564)
Net increase / (decrease) in cash and cash equivalents for the period	386,317	(122,829)	(94,257)
Effect of exchange rate changes on cash and cash equivalents	(1,407)	2,060	3,197
Cash and cash equivalents, beginning of the period	536,357	627,417	627,417
Cash and cash equivalents, end of the period	921,267	506,648	536,357

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

The accompanying unaudited condensed consolidated financial statements of FirstCaribbean International Bank Limited (the Group) should be read in conjunction with the International Financial Reporting Standards (IFRS) consolidated financial statements and notes thereto for the year ended October 31, 2010, included in the Group's Annual Report 2010. 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

The Directors have approved an interim dividend in the amount of three United States cents per share (US\$0.03 cents per share) that was paid on June 30, 2011 to the shareholders of record as at June 8, 2011.