

FirstCaribbean International Bank Limited

Consolidated Financial Statements

For the year ended October 31, 2011 (expressed in thousands of United States dollars)



FirstCaribbean
International Bank

CHAIRMAN'S REVIEW

Net income for the financial year ended October 31, 2011 amounted to \$74 million or 4.6 cents per share compared with \$157 million or 10.1 cents per share in the prior year. Excluding securities gains, the year on year decline of \$49 million was primarily driven by higher operating and loan loss expenses and declines in net interest income. These results should be considered in the context of a set of very difficult conditions being faced by regional economies whose primary business is tourism and international wealth management activities, both of which have suffered considerably in the prevailing global climate.

Total revenues (excluding securities gains) declined by 4% against the prior year due to lower average loan and securities volumes and rates resulting from sluggish loan demand and the sale of securities last year. Total expenses (including taxation) increased by 7% due to a 7% increase in operating expenses primarily resulting from employee related costs (contractual, actuarial and one-time items), new and increased business taxes, higher professional fees and general inflation and a 19% increase in loan loss impairment expenses mainly due to declining collateral/real estate values. These increases were partially offset by lower taxation due to lower income in taxable jurisdictions.

Although net income has declined, the Bank remains in a solid financial position as evidenced by its capital ratios which are well in excess of regulatory requirements. During the quarter, the Bank acquired all of the issued and outstanding shares in CIBC Bank and Trust Company (Cayman) Limited and CIBC Trust Company (Bahamas) Limited, which provide trust and fund administration services, and it is our expectation that this will augment our growth strategy as it relates to private and institutional wealth customers.

The Directors have approved the payment of a final dividend of one point five cents (\$0.015) per share to be paid on January 27, 2012 to the shareholders of record as at December 13, 2011. An interim dividend of three cents (\$0.030) per share was paid on June 30, 2011 to the shareholders of record as at June 8, 2011, bringing the full year dividends to four point five cents (\$0.045) per share.

I thank our customers, the Board, management and staff for their continued support.

Michael K. Mansoor
Chairman
December 15, 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.

INDEPENDENT AUDITORS' REPORT

To the Shareholders of FirstCaribbean International Bank Limited

The accompanying summarized consolidated financial statements, which comprise the consolidated statement of financial position as at 31 October, 2011, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of FirstCaribbean International Bank Limited for the year ended 31 October, 2011. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 9 December, 2011. Those consolidated financial statements, and the summarized consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

The summarized consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summarized consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of FirstCaribbean International Bank Limited.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements on the basis of their established criteria as described in Note 1.

Auditors' Responsibility

Our responsibility is to express an opinion on the summarized consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summarized consolidated financial statements derived from the audited consolidated financial statements of FirstCaribbean International Bank Limited for the year ended 31 October, 2011 are consistent, in all material respects, with those consolidated financial statements, on the basis of management's criteria as described in Note 1.

CHARTERED ACCOUNTANTS
Barbados
December 15, 2011

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited October 31, 2011	Audited October 31, 2010
Assets		
Cash, balances with Central Banks and due from banks	2,297,559	916,942
Financial assets at fair value through profit or loss	27,319	—
Loans and advances to customers	6,591,023	6,576,319
Investment securities	1,716,879	1,679,254
Property and equipment	131,256	126,520
Other assets	128,084	128,535
Intangible assets	335,624	338,587
Total assets	11,227,744	9,766,157
Liabilities		
Customer deposits and other borrowed funds	9,415,217	7,988,253
Financial liabilities at fair value through profit or loss	27,319	—
Other liabilities	135,721	173,556
Debt securities in issue	30,697	31,129
Total liabilities	9,608,954	8,192,938
Equity attributable to equity holders of the parent		
Issued capital and reserves	961,270	882,831
Retained earnings	626,845	660,680
	1,588,115	1,543,511
Non-controlling interests	30,675	29,708
Total equity	1,618,790	1,573,219
Total liabilities and equity	11,227,744	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

CONDENSED CONSOLIDATED STATEMENT OF INCOME

	Audited Year Ended October 31, 2011	Audited Year Ended October 31, 2010
Interest and similar income	495,566	538,183
Interest and similar expense	121,427	139,874
Net interest income	374,139	398,309
Operating income	133,319	164,733
	507,458	563,042
Operating expenses	338,387	317,316
Loan loss impairment	87,244	73,034
Amortisation of intangible assets	2,963	2,963
	428,594	393,313
Income before taxation	78,864	169,729
Income tax expense	5,198	12,297
Net income for the year	73,666	157,432
Attributable to:		
Equity holders of the parent	70,827	154,197
Non-controlling interests	2,839	3,235
	73,666	157,432
Earnings per share attributable to the equity holders of the parent for the year:		
- basic and diluted (expressed in cents per share)	4.6	10.1

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Audited Year Ended October 31, 2011	Audited Year Ended October 31, 2010
Net income for the year	73,666	157,432
Other comprehensive (losses) / income:		
Net losses on available-for-sale investment securities, net of tax	(3,991)	(14,539)
Net exchange (losses) / gains on translation of foreign operations, net of tax	(1,383)	3,197
Other comprehensive losses for the year, net of tax	(5,374)	(11,342)
Total comprehensive income for the year, net of tax	68,292	146,090
Attributable to:		
Equity holders of the parent	65,714	142,434
Non-controlling interests	2,578	3,656
	68,292	146,090

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

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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 (losses) / income for the year, net of tax	—	(11,763)	154,197	3,656	146,090
Transfer to reserves	—	24,013	(24,013)	—	—
Equity dividends	—	—	(89,857)	—	(89,857)
Dividends of subsidiaries	—	—	—	(1,783)	(1,783)
Balance at October 31, 2010	1,117,349	(234,518)	660,680	29,708	1,573,219
Balance at October 31, 2010	1,117,349	(234,518)	660,680	29,708	1,573,219
Total comprehensive (losses) / income for the year, net of tax	—	(5,113)	70,827	2,578	68,292
Issue of share capital	75,800	—	—	—	75,800
Transfer to reserves	—	7,752	(7,752)	—	—
Acquisition of subsidiaries	—	—	(7,053)	—	(7,053)
Equity dividends	—	—	(89,857)	—	(89,857)
Dividends of subsidiaries	—	—	—	(1,611)	(1,611)
Balance at October 31, 2011	1,193,149	(231,879)	626,845	30,675	1,618,790

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited Year Ended October 31, 2011	Audited Year Ended October 31, 2010
Net cash used in operating activities	(76,491)	(72,041)
Net cash from investing activities	1,019,483	162,348
Net cash used in financing activities	(125,386)	(184,564)
Net increase / (decrease) in cash and cash equivalents for the year	817,606	(94,257)
Effect of exchange rate changes on cash and cash equivalents	(1,383)	3,197
Cash and cash equivalents, beginning of the year	536,357	627,417
Cash and cash equivalents, end of the year	1,352,580	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

Note 1

Summary of significant accounting policies

Basis of presentation

The accompanying audited condensed consolidated financial statements of FirstCaribbean International Bank Limited (the Group) are derived from and should be read in conjunction with the IFRS consolidated financial statements and notes thereto for the year ended October 31, 2011, included in the Group Annual Report 2011 as posted on our website (www.cibcfib.com). For a description of the Group's significant accounting policies, see Section 4 - Consolidated Financial Statements 2011 and accompanying notes (Note 2).