

# FirstCaribbean International Bank Limited



FIRSTCARIBBEAN  
INTERNATIONAL BANK

## Consolidated Financial Statements

For the year ended October 31, 2010 (expressed in thousands of United States dollars)

### CHAIRMAN'S REVIEW

Net income for the year ended October 31, 2010 amounted to \$157 million, a decrease of \$18 million or 10% year on year. The current adverse economic conditions have impacted the Bank's results.

Total revenues were down by \$16 million or 3%, compared to the prior year, driven by the decline in net interest income stemming from lower average loan and securities volumes and yields; partially offset by higher gains on the sale/repurchase of securities/debt, lower mark to market losses and higher fee income.

Loan loss impairment expenses increased by \$18 million due to the prevailing economic situation. This was almost fully mitigated by the decline in taxation by \$15 million as a result of lower income earned in taxable jurisdictions, as well as, lower operating expenses by \$2 million due to strong cost management.

The Bank remains in a solid financial position with Tier I and Tier I & II capital ratios being 21% and 22% respectively, despite the decline in net income.

The Directors have approved the payment of a final dividend of three United States cents per share (US\$0.03 per share) which will be payable to shareholders of record on December 23, 2010 on January 28, 2011. An interim dividend of three United States cents per share (US\$0.03 per share) was paid during the year, bringing the total dividend for 2010 to six United States cents per share (US\$0.06 per share).

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

Michael K. Mansoor  
Chairman

December 15, 2010

### 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.firstcaribbeanbank.com.

### INDEPENDENT AUDITORS' REPORT

To the Shareholders of FirstCaribbean International Bank Limited

We have audited the consolidated financial statements of FirstCaribbean International Bank Limited and its subsidiaries ("the Group") for the year ended October 31, 2010 from which the summarised consolidated financial statements were derived, in accordance with International Standards on Auditing. In our report dated December 10, 2010, we expressed an unqualified opinion on the consolidated financial statements from which the summarised consolidated financial statements were derived.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the consolidated financial statements from which they were derived.

For a better understanding of the Group's consolidated financial position and the results of its operations for the period and of the scope of our audit, the summarised consolidated financial statements should be read in conjunction with the consolidated financial statements from which the summarised consolidated financial statements were derived and our audit report thereon.

ERNST & YOUNG  
CHARTERED ACCOUNTANTS  
Barbados  
December 10, 2010

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited October 31, 2010	Audited October 31, 2009
<b>Assets</b>		
Cash, balances with Central Banks and due from banks	916,942	1,276,216
Loans and advances to customers	6,576,319	6,905,476
Investment securities	1,679,254	1,743,690
Property and equipment	126,520	120,988
Other assets	128,535	114,657
Intangible assets	338,587	341,550
<b>Total assets</b>	<b>9,766,157</b>	<b>10,502,577</b>
<b>Liabilities</b>		
Customer deposits and other borrowed funds	7,988,253	8,696,842
Other liabilities	173,556	162,344
Debt securities in issue	31,129	124,622
<b>Total liabilities</b>	<b>8,192,938</b>	<b>8,983,808</b>
<b>Equity attributable to equity holders of the parent</b>		
Issued capital and reserves	882,831	870,581
Retained earnings	660,680	620,353
	<b>1,543,511</b>	<b>1,490,934</b>
<b>Non-controlling interests</b>	<b>29,708</b>	<b>27,835</b>
<b>Total equity</b>	<b>1,573,219</b>	<b>1,518,769</b>
<b>Total liabilities and equity</b>	<b>9,766,157</b>	<b>10,502,577</b>

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

John Orr  
Director

Michael Mansoor  
Director

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Parent					Non-Controlling Interests	Total Equity
	Issued Capital	Treasury Shares	Reserves	Retained Earnings			
<b>Balance at October 31, 2008</b>	1,117,349	(500)	(371,997)	565,889	25,054	1,335,795	
Total comprehensive income for the year	—	—	98,256	171,223	4,839	274,318	
Transfer to reserves	—	—	27,598	(27,598)	—	—	
Net disposal of treasury shares	—	500	—	—	—	500	
Share-based payment reserves	—	—	(625)	—	—	(625)	
Equity dividends	—	—	—	(89,161)	—	(89,161)	
Dividends of subsidiaries	—	—	—	—	(2,058)	(2,058)	
<b>Balance at October 31, 2009</b>	<b>1,117,349</b>	<b>—</b>	<b>(246,768)</b>	<b>620,353</b>	<b>27,835</b>	<b>1,518,769</b>	
<b>Balance at October 31, 2009</b>	<b>1,117,349</b>	<b>—</b>	<b>(246,768)</b>	<b>620,353</b>	<b>27,835</b>	<b>1,518,769</b>	
Total comprehensive (loss) / income for the year	—	—	(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)	
<b>Balance at October 31, 2010</b>	<b>1,117,349</b>	<b>—</b>	<b>(234,518)</b>	<b>660,680</b>	<b>29,708</b>	<b>1,573,219</b>	

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

### CONDENSED CONSOLIDATED STATEMENT OF INCOME

	Audited Year Ended October 31, 2010	Audited Year Ended October 31, 2009
Interest and similar income	526,915	614,812
Interest and similar expense	139,874	181,317
<b>Net interest income</b>	<b>387,041</b>	<b>433,495</b>
Operating income	164,733	134,737
	<b>551,774</b>	<b>568,232</b>
Operating expenses	317,316	319,718
Loan loss impairment	61,766	43,369
Amortisation of intangible assets	2,963	2,963
	<b>382,045</b>	<b>366,050</b>
Income before taxation	169,729	202,182
Income tax expense	12,297	26,981
<b>Net income for the year</b>	<b>157,432</b>	<b>175,201</b>
<b>Attributable to:</b>		
Equity holders of the parent	154,197	171,223
Non-controlling interests	3,235	3,978
	<b>157,432</b>	<b>175,201</b>

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

(expressed in cents per share)

— basic and diluted 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, 2010	Audited Year ended October 31, 2009
<b>Net income for the year</b>	<b>157,432</b>	<b>175,201</b>
<b>Other comprehensive income:</b>		
Net (losses) / gains on available-for-sale investment securities, net of tax	(14,539)	112,884
Exchange differences on translation of foreign operations, net of tax	3,197	(13,767)
<b>Other comprehensive (loss) / income for the year, net of tax</b>	<b>(11,342)</b>	<b>99,117</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>146,090</b>	<b>274,318</b>
<b>Attributable to:</b>		
Equity holders of the parent	142,434	269,479
Non-controlling interests	3,656	4,839
	<b>146,090</b>	<b>274,318</b>

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, 2010	Audited Year ended October 31, 2009
<b>Net cash used in operating activities</b>	<b>(72,041)</b>	<b>(354,556)</b>
<b>Net cash from investing activities</b>	<b>162,348</b>	<b>514,335</b>
<b>Net cash used in financing activities</b>	<b>(184,564)</b>	<b>(183,525)</b>
<b>Net decrease in cash and cash equivalents for the year</b>	<b>(94,257)</b>	<b>(23,746)</b>
Effect of exchange rate changes on cash and cash equivalents	3,197	(13,767)
<b>Cash and cash equivalents, beginning of the year</b>	<b>627,417</b>	<b>664,930</b>
<b>Cash and cash equivalents, end of the year</b>	<b>536,357</b>	<b>627,417</b>

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying audited 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, 2010, included in the Group Annual Report 2010 as posted on our website (www.firstcaribbeanbank.com). For a description of the Group's significant accounting policies, see Section 4 - Consolidated Financial Statements 2010 and accompanying notes (Note 2).

**FirstCaribbean International Bank Limited**

**Chairman's Review  
For the year ended October 31, 2010  
(expressed in United States dollars)**

Net income for the year ended October 31, 2010 amounted to \$157 million, a decrease of \$18 million or 10% year on year. The current adverse economic conditions have impacted the Bank's results.

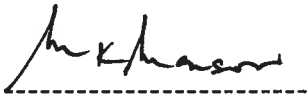
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The Bank remains in a solid financial position with Tier I and Tier I & II capital ratios being 21% and 22% respectively, despite the decline in net income.

The Directors have approved the payment of a final dividend of three United States cents per share (US\$0.03 per share) which will be payable to shareholders of record on December 23, 2010 on January 28, 2011. An interim dividend of three United States cents per share (US\$0.03 per share) was paid during the year, bringing the total dividend for 2010 to six United States cents per share (US\$0.06 per share).

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



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Michael K. Mansoor  
Chairman  
December 15, 2010

**FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (USD'000)**

<b>Assets</b>	<b>Audited October 31, 2010</b>	<b>Audited October 31, 2009</b>
Cash, balances with Central Banks and due from banks	916,942	1,276,216
Loans and advances to customers	6,576,319	6,905,476
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<b>Non-controlling interests</b>	<u>29,708</u>	<u>27,835</u>
<b>Total equity</b>	<u>1,573,219</u>	<u>1,518,769</u>
<b>Total liabilities and equity</b>	<u>9,766,157</u>	<u>10,502,577</u>

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

  
 \_\_\_\_\_  
 John D. Orr Director

  
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 Michael Mansoor Director

**FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (USD'000)**

	Attributable to equity holders of the Parent				Non-controlling Interests	Total Equity
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Transfer to reserves	-	-	24,013	(24,013)	-	-
Equity dividends	-	-	-	(89,857)	-	(89,857)
Dividends of subsidiaries	-	-	-	-	(1,783)	(1,783)
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**FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED****CONDENSED CONSOLIDATED STATEMENT OF INCOME (USD'000)**

	<b>Audited Year Ended October 31, 2010</b>	<b>Audited Year Ended October 31, 2009</b>
Interest and similar income	526,915	614,812
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Non-controlling interests	<u>3,235</u>	<u>3,978</u>
	<b><u>157,432</u></b>	<b><u>175,201</u></b>
<b>Earnings per share attributable to the equity holders of the parent for the year:</b> (expressed in cents per share)		
- basic and diluted	10.1	11.2

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**FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (USD'000)**

	<b>Audited Year Ended October 31, 2010</b>	<b>Audited Year ended October 31, 2009</b>
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**FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (USD'000)**

	<b>Audited Year Ended October 31, 2010</b>	<b>Audited Year ended October 31, 2009</b>
<b>Net cash used in operating activities</b>	(72,041)	(354,556)
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**October 31, 2010**

**Summary of significant accounting policies**

**Basis of presentation**

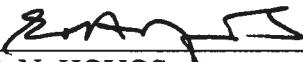
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**RESOLUTION OF THE BOARD OF DIRECTORS  
OF FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED  
HELD ON THURSDAY, DECEMBER 09, 2010**

**RESOLVED** that a final dividend of US 0.03 cents per share for the twelve months ended October 31, 2010, be declared on the common shares of the Company payable to shareholders of record as at Thursday, December 23, 2010 and paid on Friday, January 28, 2011.

CERTIFIED A TRUE COPY OF THE RESOLUTION PASSED AT THE BOARD OF DIRECTORS' MEETING OF FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED HELD ON THURSDAY, DECEMBER 09, 2010.

  
\_\_\_\_\_  
ELLA N. HOYOS  
HEAD OF GOVERNANCE  
AND CORPORATE SECRETARY  
FIRSTCARIBBEAN INTERNATIONAL  
BANK LIMITED

DECEMBER 14, 2010

**FirstCaribbean International Bank**  
**Top Ten Shareholders as at October 31st, 2010**

Shareholder	BCSD	TTCD	JCSD	Main Register	Total Shareholding	Rank	% of Total o/s shares
CIBC Investments (Cayman) Limited	727,627,818		-	666,179,631	1,393,807,449	1	91.3866%
National Insurance Board (Barbados)	7,500,000		-	5,319,355	12,819,355	2	0.8405%
Sagicor Equity Fund	4,740,390		-	6,191,818	10,932,208	3	0.7168%
Guardian Life of The Caribbean Limited		2,866,143	-	7,422,000	10,288,143	4	0.6746%
National Insurance Board (Trinidad & Tobago)		7,000,000	-		7,000,000	5	0.4590%
Trinidad & Tobago Unit Trust Corporation – FUS		83,022			6,943,139	6	0.4552%
ESPP Main Plan		2,901,525	125,460	724,617	3,751,602	7	0.2460%
FirstCaribbean Int'l Bank A/C# C1191 Fortress Mutual Fund Ltd		181,278			3,589,478	8	0.2353%
Sagicor Life (Life of Barbados)		1,984		3,103,887	3,105,871	9	0.2036%
TrinTrust Limited A/C 1088		3,025,000			3,025,000	10	0.1983%
<b>Top Ten Share Total</b>					<b>1,455,262,245</b>		
<b>Total Outstanding Common Shares as at October 31, 2010</b>					<b>1,525,176,762</b>		

**FirstCaribbean Int'l Bank Ltd.**  
**Senior Management Shareholding**  
**As at October 31, 2010**

	BCSD	TTCD	ICSD	Main Register	Total Shareholding
<b>Directors</b>					
Michael Mansoor		5,373		214,961	220,334
John D. Orr					-
Richard Nesbitt					-
Sonia Baxendale					-
David Ritch					-
Sir Fred Collop				1,416	1,416
Sir Allan Fields		1,000			1,000
Tom Woods					-
G. Diane Stewart					-
David Williamson					-
Paula Rajkumarsigh					-
Christina Kramer *					-
Brian O'Donnell *					-
* subject to regulatory approval					-
<b>Senior Management</b>					
Francesca Shaw					-
Richard Rice					-
Ian Chinapoo					-
Mark Young				25,677	25,677
Thomas Crawford				30,507	30,507
Hugh Boyle					-
Daniel W. Farmer					-
Minish Parikh					-
Clovis Metcalfe					-
Marie Rodland-Allen			3,683		3,683
Nigel Holness					-
Peter Steenveld					-
Willem M van der Burg				12,465	12,465
Mahes Wickramasinghe					-
Donna Graham					-
Rolf Phillips				30,376	30,376
Annette Phillips					-
Ella Hoyos					-
Kiyomi Daniel				20,205	20,205